

Corporate Governance

Governance structure

Lands was established by the Public Sector Employment and Management (General) Order 2003. Overall control of Lands is vested to the Minister for Lands, the Hon Tony Kelly MLC, and the Director General of the Department of Lands.

The Director General is assisted by Lands' Executive Team to oversee the activities of Lands. The team holds a meeting every two months, its role is to provide leadership, set strategic direction, facilitate policy development and to discuss and resolve other key governance matters. The team also provides a forum for senior management to share information and report on business outcomes.

Lands is comprised of three operational divisions:

- Land and Property Information Division
- Crown Lands Division
- Soil Conservation Service Division

Each division is headed by a General Manager, who are members of Lands' Executive Team. A divisional Executive Team or Board of Management has been established to oversee the roles and responsibilities of each division.

A Corporate Governance Unit has been established to assist the Director General in the oversight of internal controls, due diligence, accountability, compliance and risk management. In addition, the Lands Audit Committee, which reports directly to the Director General, provides

enhanced transparency, accountability and assists in identifying strategic improvements for Lands.

Audit Committee

The primary objective of the Audit Committee is to assist the Director General in fulfilling his corporate governance and overseeing responsibilities in relation to Lands' financial reporting, internal control structure, risk management systems, legal compliance, and the external and internal audit functions. Specifically, the Committee is responsible for:

- the oversight of Lands'
 - financial management and reporting practices

- business ethics, policies and practices
- accounting policies
- risk management systems and internal controls
- compliance with legal and regulatory obligations
- providing a structured reporting line for internal audit and facilitating the objectivity of the internal auditor
- providing a forum for communication between the Director General, senior management and both the internal and external auditors
- the oversight of reports on key results of audits of the internal

control system and outcomes from those audits

- review and recommendation to the Director General, of the internal audit plans, coverage of internal control, staffing and budgets related to the internal audit function
- communication and coordination with the external auditor
- improving the quality of internal and external reporting of financial and non-financial information and reports.

Members and attendance at meetings

The Committee comprises two independent members, one of whom presides as Chairman, and three internal

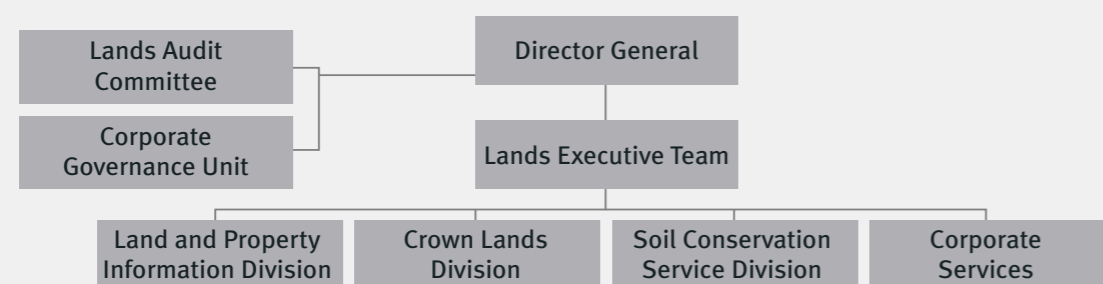
members. The term of appointment for the two independent members is on an annual basis. The five members provide expertise in financial management, business development, legal matters, audit and property information. The Committee held four formal meetings during the year.

Audit outcomes

During 2006/07 a total of 17 planned internal reviews were completed including project management, overtime management, asset recording, and boundary determinations.

A structured program of external audits undertaken by the Audit Office of New South Wales were also completed during 2006/07.

Lands' corporate governance structure



Audit Committee		
Members	Position	Attendance (4 meetings)
Joanne Rees	Chair, external member (resigned during October 2006)	0
Ron Cunningham	External member (Acting Chair)	4
Des Mooney	Deputy Director General	4
Philip Western	Valuer General	2
Eduardo Alegado	Director Corporate Governance	4

Corporate Governance

Risk management outcomes

During 2006/07 Lands has delivered on its commitment to the implementation and maintenance of a Risk Management Framework in managing its risks, to minimise adverse effects and enhance its potential in meeting its responsibilities and achieving its vision, objectives and goals aligned with the NSW State Plan. This follows on from earlier development of Lands' Risk Management Policy and Guidelines.

The Corporate Governance Unit is responsible for facilitating Risk Management in Lands. It has conducted the following facilitation and support activities during 2006/07, to assist Lands' divisions and business groups in implementing the Risk Management Framework in line with Lands' Risk Management Policy and Guidelines:

- a comprehensive review of the Risk Management Guidelines to ensure compliance with the Australian Standard on Risk Management AS/NZS 4360:2004
- development and endorsement of a project plan to implement the Risk Management Framework. This included tailoring the plan to fit in with different divisional needs and

differing current divisional levels of risk management 'maturity'

- providing managers with Risk Management awareness training and training in the use of Lands' Risk Management Guidelines
- development and introduction of an online Risk Management Awareness training course. This online course enables easier access to Risk Management training for Lands' regional staff across NSW
- commencement of a program of risk assessment and risk management planning workshops across Lands' divisions and business groups
- introduced regular reporting on progress of implementation of the Risk Management Framework to the Lands' Audit Committee and the Lands' Executive Team.

Implementation of the Risk Management Framework is planned to continue into 2007/08.

Corporate governance outcomes

During 2006/07 the Corporate Governance Unit achieved the following outcomes:

- managed and implemented a comprehensive internal audit program
- managed matters referred by external regulatory bodies
- supported the functions of Lands' Audit Committee
- continued to facilitate the implementation of Lands' Risk Management Policy
- continued to facilitate the development of Lands' Fraud Prevention Strategy
- provided strategic advice to management
- successfully managed investigations into complaints and allegations
- enhanced Lands' insurance processes
- established Lands' complaints handling policy and guidelines
- developed an Online Risk Management learning module.

Future corporate governance challenges

The following outcomes are planned for 2007/08:

- further enhance Lands' governance related policies
- continue to manage and implement a comprehensive internal audit program
- continue to support and manage Lands' response to issues arising from external regulatory bodies
- manage investigations into corrupt conduct and other related matters
- support the functions of Lands' Audit Committee
- continue to provide strategic advice on key projects and management issues
- review and enhance Committee Charters within Lands
- continue to facilitate the implementation of Lands' Risk Management Policy
- continue to facilitate the development of Lands' Fraud Prevention Strategy.

Management, strategy and Performance review Land and Property Information Division

Valuation Services restructure

The Valuation Services restructure project commenced in 2006 is close to finalisation. The implementation of the Valuation Audit, Compensation and Special Valuations and Objections and Appeals programs was completed in early 2007, with the structure for the Contracts and Business Administration group and the Land Data Management group currently under review. It is expected that the Valuation Services restructure will be fully implemented in 2007, providing a more effective structure that will allow Lands to achieve its goals of valuation accuracy and transparency with greater accountability and independence.

Major development programs

In August 2006 responsibility for strategic development programs was separated from operational management. The aim of this separation was to enable LPI to more effectively realise key development opportunities and ensure the input of operational expertise into the proposed changes while still maintaining

day to day operations. Senior Program Development Managers were appointed and governance arrangements established for five major capital programs:

- Data Conversion and Cleansing Program (DCCP)
- EPlan
- NECS Readiness
- Spatial Data Infrastructure Program
- Government Services Development Program (GSDP).

The existing Program Office, which previously provided project support services, was replaced by a Development Programs Support Unit (DPSU) providing expanded services in support of the major development programs. Recruitment action to resource the Unit was undertaken in early 2007 and is now almost complete. Specific accountabilities within the Unit include:

- advising on action to initiate, correct, expand or vary capital investment projects
- scrutinising and reporting to ensure the capital investment program is managed responsibly and accountably

Corporate Governance

- advising on the preparation, evaluation and recommendation of tender documents
- providing project support for Senior Project Development Managers and advice on project management methods and project resourcing.

Vision 2013

LPI's workforce planning program Vision 2013 continued in 2006/07 with detailed action planning taking place in key operational and corporate service branches. Results of this activity have been presented to Treasury and led to their agreement to LPI's investment in up to 32 trainee placements for 2007/08. Meanwhile, 14 of the trainees recruited in 2005 and 2006 have been successful in winning permanent positions in LPI's Titling and Registry Services. A further 24 trainees continue as temporary employees as they complete their tertiary studies and training.

Crown Lands Division

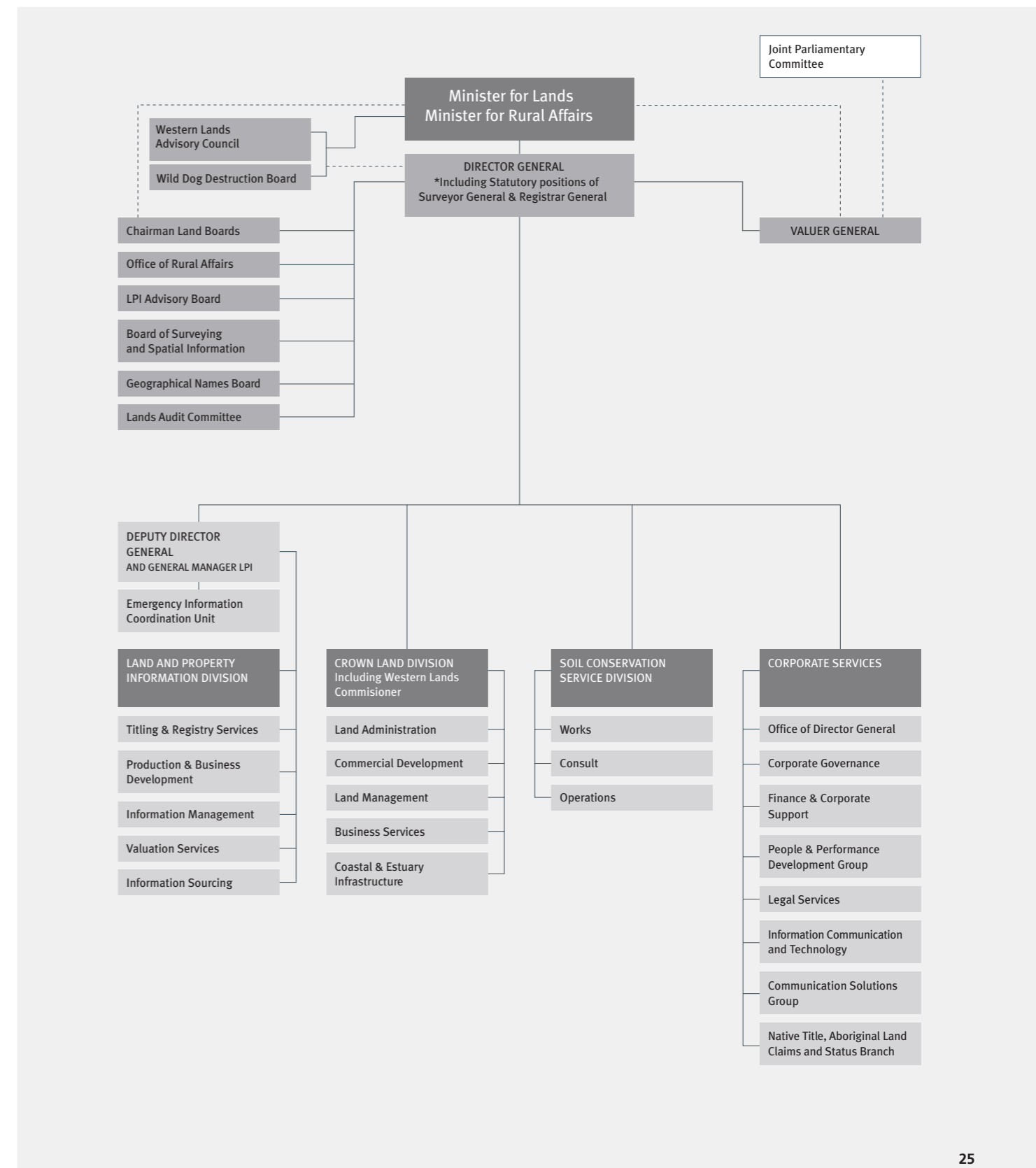
Crown Lands Division has developed a draft Strategic Plan for 2007-2011. The Strategic Plan forms part of Lands' corporate governance framework and outlines current priorities for Crown Lands Division through a number of strategic objectives and targets.

The Plan's content is influenced by Lands' reform agenda, Corporate Plan and Results and Services Plan, and more importantly the NSW Government's State Plan. From time to time Crown Lands Division is called upon to take on new projects or adjust priorities; therefore the objectives and targets will be reviewed annually.

Soil Conservation Service Division

- A revised business plan was submitted to Treasury addressing a number of issues raised and reviewing business strategies based on minimal ongoing budget support. Overall SCS's financial targets in 2006/07 were achieved or bettered as provided for in SCS's submitted business plan.
- SCS worked with Land's Communication Solution Group and a marketing consultant developing a division marketing strategy to focus effort on business development.
- An external audit of the SCS quality management system (ISO 9001:2000) was undertaken during the year with two further offices, Newcastle and Tamworth receiving accreditation.
- The SCS quality management system was loaded on to the upgraded departmental intranet site, improving staff access to current operating procedures. Twenty-nine improvement requests were received from staff, 19 related to procedure improvement, three customer complaints and seven non conformance issues. This formal system ensures continuous improvement to procedures and improved customer satisfaction,
- Lands' OH&S 'Take 5 Before You Start' program workshops were provided to SCS staff to enhance work place safety. SCS commenced review of staff work protocols and risk assessments prior to placement on the intranet in 2007/08.

NSW Department of Lands Organisation Chart



Principal Officers



Director General, Surveyor General and Registrar General

Warwick Watkins AMP:ISMP (Harv), MNatRes, DipScAgr, HDA (Hons), FAPI, FISA (NSW), JP

Warwick Watkins was appointed Director General of the Department of Lands on 2 April 2003. He has held the position of Surveyor General since 2000 and the position of Registrar General since 2003. He has previously held a number of executive public sector management positions in NSW including Director General of the Department of Information Technology and Management (DITM), Commissioner of Soil Conservation Service, Director General of the Department of Conservation and Land Management, Director General of State and Regional Development and Chief Executive of the Waterways Authority.

Mr Watkins is President of the Board of Surveying and Spatial Information, Chair of the Geographical Names Board and Chair of the Australian and New Zealand Land Information Council (ANZLIC), Deputy Chair of the CSIRO Research Flagship, Water for a Healthy Country, a member of the ARC Centre of Excellence for Ultra-high Bandwidth Devices for Optical Systems (CUDOS), a member of the National Spatial Information for National Security Committee and Deputy Chair of the Cooperative Research Centre for Spatial Information. He is also Deputy Chancellor of the University of Technology, Sydney and a past foundation director of Landcare Australia Limited and former Deputy Chair of Land and Water Australia Board.



Deputy Director General and General Manager, Land and Property Information Division

Des Mooney MBA (Syd), BSurv (Hons), MIS Aust, FAICD Dip FAIM, JP

Des Mooney was appointed as the General Manager, Land and Property Information (LPI) in February 2001 and appointed as Deputy Director General on 3 April 2003. He has extensive senior management experience in both the public and private sectors including experience in surveying, mapping and valuation activities. In his role as Executive Director of Management Services with the NSW Police Service, Mr Mooney's responsibilities included the management of IT, finance, legal, infrastructure, corporate service and commercial service areas.

He is a Director of PSMA (Public Sector Mapping Agencies) Australia and a member of the National Steering Committee for Electronic Conveyancing. He is also an alternate Director of the Governing Board of the Cooperative Research Centre for Spatial Information (CRC-SI). Mr Mooney is also a registered surveyor and registered valuer.



Valuer General

Philip Western BAgCom (VFM) FAPI, AIMM, ANZPI

Philip Western is the principal advisor to the NSW government on valuation issues. His responsibilities include the regulatory functions relating to statutory land valuations, ensuring the professional conduct and integrity of the valuation system, and the determination of compensation under the *Land Acquisition (Just Terms) Compensation Act 1991*.

Philip has been responsible for overseeing some significant enhancements to the NSW valuation system, in a drive to improve the accuracy and consistency of land values, and to enhance transparency and improve communication with the public.

Previously General Manager, Quotable Value Australia, Philip had responsibility for driving business growth for rating and valuation consultancy in NSW. This was undertaken in tandem with his role as General Manager, Rating and Taxation for Quotable Value New Zealand.

Philip is a Fellow of the NSW division of the Australian Institute of Valuers and a Divisional Councillor for NSW.

In his spare time, Philip is President of the Board of NSW Gymnastics and a member of the NSW Rhythmic Gymnastics Sports Management Committee.



General Manager Crown Lands Division

Graham Harding

Graham Harding was appointed General Manager Crown Lands Division in 2004.

With 39 years experience in public land management, Graham has been driving the most significant reforms for Crown land management in recent history.

The current major thrust of these reforms is working with local government agencies across NSW in the planning and appropriate development of the state's Crown reserve system. These initiatives support the NSW Government's commitment to the State Plan ensuring both built and natural infrastructure are sustained now and into the future and more people are encouraged to use Crown reserves for recreation.

Complementing these reforms, the structure of the Division has been streamlined to a program management model that will have greater capacity to respond to government priorities, delivering improved public value outcomes to communities across NSW.

Graham chairs the Interdepartmental Committee on Dredging and the Interstate Committee for the Tweed River Estuary Sand By-Pass.



General Manager Soil Conservation Service Division

Paul Jones BEng (Civil), Certified Professional Erosion and Sediment Control (CPESC)

Paul Jones joined the Department of Lands as acting General Manager, transferring from the former Department of Land and Water Conservation when the Soil Conservation Service Division was transferred to the new department in April 2003. Paul was appointed to the General Manager position in February 2004.

With the transfer of the division Paul has led the drive to improve the financial position of the group with a range of new marketing strategies, Works fleet rationalisation and upgrading and environmental consultancy expansion.

With a 30 year civil engineering background, Paul has extensive experience in soil conservation works and managing a commercial earthmoving and environmental consultancy group. During his career he has also worked with various government departments in a range of engineering positions involving river, flood mitigation, coast and ports works and government facilities.