



NEW SOUTH WALES

ATTN: TONY BURGA  
(3 PAGES)

MINISTER FOR THE ENVIRONMENT

In reply please quote: DOC/0605042 / MOF21884

Mr Joost Heymeijer  
Resort Project Manager  
Emirates Hotels and Resorts Australia  
Level 10, 1 York St  
SYDNEY NSW 2000

- 9 OCT 2006

Dear Mr Heymeijer

Thank you for your letter of 15 August 2006 and for recently making contact with Ted Plummer of my office regarding the development of the Emirates Luxury Resort in the Wolgan Valley near Lithgow.

I note than an exchange of land between the Minister for the Environment and Emirates Hotels and Resorts Australia (Emirates) is proposed in connection with the resort development. I apologise for the delay in providing a formal response, but understand that you have been kept informed of progress during the course of our inquiries and as a result had confirmed Emirates' interest in pursuing a strategy for the land exchange to occur.

As I understand it, Emirates intend to exercise priority purchase rights over lands in the Wolgan Valley, which adjoin both Wollemi National Park and Gardens of Stone National Park. I believe that these rights are intended to be exercised by Emirates, after development approval for the proposed luxury resort is received. Once Emirates has title to this land, an exchange is proposed, which would involve:

1. Government agreeing to revoke small alienated and boundary areas of both Garden of Stone National Park and Wollemi National Park (c.39.5ha) and the transfer of title in these lands to Emirates for incorporation into your resort area;
2. In return, Emirates would transfer title of 114.5ha of naturally vegetated bushland to the Government for incorporation into the adjoining Gardens of Stone National Park and Wollemi National Park. The attached map reflects the discussions held to date with the exception that Area A, as indicated on the map, is no longer intended for transfer to Emirates.

I agree in principle to the proposed land exchange and will advise my colleague the Hon Sandra Nori MP, Minister for Tourism who is coordinating this issue on behalf of Government.

My concurrence is conditional upon Emirates Hotels and Resorts Australia agreeing to:

- exchange those parcels of land as broadly defined in your letter and indicated in the attached map (with the exception of Area A), with the exact boundaries to be as agreed with the National Parks and Wildlife Service (NPWS);
- enter into a formal agreement under the *National Parks and Wildlife Act 1974 (NP&W Act)* for the purposes of identifying, establishing and conserving the important conservation values on the neighbouring Emirates' property;
- develop and implement a jointly agreed conservation management plan for the Emirates land within 12 months of the transfer, which seeks to protect and conserve the significant heritage values on the Emirates property, consistent with the commitments given in your letter, and specifically to:
  - manage wildlife and any threatened species on your property in accordance with a 'whole of valley' wildlife, fire and pest management approach in close collaboration with the National Parks and Wildlife Service; and
  - establish rights-of-way for sensible public access routes to those parts of the adjoining national parks and public reserves that may be fenced or which would otherwise be difficult to access as a result of your development plans; and
  - use best endeavours to secure, establish and conserve wildlife corridors in the Wolgan Valley by connecting the bushland on Emirates' property with surrounding national park, private property and Crown land bushland; and
  - compensate National Parks and Wildlife Service in accordance with your letter, for any external costs associated with the above conditions.

In implementing the above, I appreciate the need to coordinate these requirements with any conditions that may be imposed by other agencies such as the Commonwealth Department of Environment and Heritage. I assure you that every endeavour will be made to ensure that this occurs.

I understand that issues involving native title have arisen in the course of discussions on this matter, and that this may take some time to resolve. I appreciate that this may impact on your proposed development timetable.

In order to allow a proper process of negotiating these native title issues, I have agreed in principle to examine the possibility of leasing some of the disturbed national park lands to Emirates for the purposes of providing accommodation and associated tourism uses to park visitors in accordance with section 151(1)(a)(i) of the *NP&W Act*.

In doing so, I anticipate that following the successful resolution of any native title issues, the lands would then be revoked as national park providing that Emirates still wishes to pursue this course of action. This, however, would be subject to the approval of the Government and Parliament of the day.

I direct you to the open standing provisions of the *NP&W Act*, and to the possibilities of third party challenges to leasing the land for this purpose. There have been successful challenges in the past with regard to the power to lease lands within national parks for certain purposes and you should rely on your own legal advice in relation to this matter.

I understand that your proposal as outlined in the current Master Plan Option 4D (Drawing ID-SK.Site.4D) envisages certain improvements to the highly disturbed part of Lot B (area 10.8 ha) within Wollemi National Park and other minor works (eg a small amount of fencing within Gardens of Stone NP). These improvements will comprise works associated with the provision of facilities and services to park visitors and wildlife management and will include:

- Upgrade and construction of access roads;
- Restoration of the current dam;
- Construction of six (6) one bedroom villas with guest pools;
- Construction of part of the main reception building; with the remainder being constructed on the adjoining freehold land;
- Installation of in-ground services comprising the infrastructure for electrical, mechanical and hydraulic services which will be contained in concrete trenching located alongside the access roads;
- Installation of rainwater tanks;
- Support infrastructure such as five bungalows for staff accommodation and associated access pathways; and
- Landscaping and fencing.

My in principle agreement to leasing land to Emirates under Section 151(1)(a)(i) of the *NP&W Act* for the above purposes and to consenting to other minor works, would be subject to the following additional conditions:

- Use of those lands to be compliant with the *NP&W Act*, relevant plans of management and the Greater Blue Mountains World Heritage Area Strategic Plan;
- A maximum lease term of 21 years with options to be negotiated, with a market based annual rental to be determined by the Department. I anticipate that the Department would be prepared to quarantine these funds for the implementation of the conservation management plan referred to above, or for other jointly agreed conservation works on adjoining national park lands;
- Emirates accepting as a condition within any lease, a clause which indemnifies, the Director-General, the Minister and the State Government against the costs associated with and/or arising from any third party challenge to the lease, and/or to any compensation which may become payable arising from claims under the Native Title Act. The exact wording and extent of the indemnity clause will be subject to negotiation.

The above agreement in principle is offered on a without prejudice basis, as any agreement to proceed is still subject to approval by the Government and in some circumstances by Parliament. I look forward to your response.

Yours sincerely



**Bob Debus**