

Budget Estimates

2003-04



New South Wales

Budget Paper No. 3

Volume 3

TABLE OF CONTENTS

Narrative Financials

INTRODUCTION	i	
THE LEGISLATURE	1 - 1	
1. The Legislature	1 - 1	1 - 3
PREMIER, MINISTER FOR THE ARTS AND MINISTER FOR CITIZENSHIP	2 - 1	
2. Cabinet Office	2 - 2	2 - 33
3. Parliamentary Counsel's Office	2 - 4	2 - 38
4. Premier's Department	2 - 5	2 - 42
5. Independent Commission Against Corruption	2 - 7	2 - 58
6. Ombudsman's Office	2 - 8	2 - 63
7. State Electoral Office	2 - 10	2 - 74
8. Independent Pricing and Regulatory Tribunal	2 - 11	2 - 80
9. Sustainable Energy Development Authority	2 - 13	2 - 85
10. Ministry for the Arts	2 - 15	2 - 91
11. State Library of New South Wales	2 - 17	2 - 97
12. Australian Museum	2 - 19	2 - 104
13. Museum of Applied Arts and Sciences	2 - 20	2 - 109
14. Historic Houses Trust of New South Wales.....	2 - 22	2 - 114
15. Art Gallery of New South Wales	2 - 24	2 - 119
16. State Records Authority	2 - 26	2 - 125
17. New South Wales Film and Television Office	2 - 27	2 - 131
18. Community Relations Commission	2 - 29	2 - 136
Audit Office of New South Wales	2 - 31	2 - 143
MINISTER FOR AGRICULTURE AND FISHERIES	3 - 1	
19. Department of Agriculture	3 - 1	3 - 12
20. Rural Assistance Authority	3 - 5	3 - 25
21. New South Wales Fisheries	3 - 7	3 - 31
Safe Food Production NSW	3 - 9	3 - 37

Table of Contents - *continued*

Narrative Financials

ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT		4 – 1, 1
22. Attorney General's Department	4 - 2	4 - 32
23. Judicial Commission of New South Wales	4 - 8	4 - 58
24. Legal Aid Commission of New South Wales	4 - 10	4 - 63
25. Office of the Director of Public Prosecutions	4 - 12	4 - 74
26. Environment Protection Authority	4 - 14	4 - 79
Environment Protection Authority	1	6
27. Environmental Trust	4 - 16	4 - 80
28. National Parks and Wildlife Service	4 - 18	4 - 84
National Parks and Wildlife Service	3	23
29. Royal Botanic Gardens and Domain Trust	4 - 20	4 - 85
Public Trust Office – Administration	4 - 22	4 - 95
Registry of Births, Deaths and Marriages	4 - 24	4 - 98
Resource NSW	4 - 26	4 - 101
Stormwater Trust	4 - 27	4 - 104
Waste Fund	4 - 29	4 - 107
MINISTER FOR COMMUNITY SERVICES, MINISTER FOR AGEING, MINISTER FOR DISABILITY SERVICES AND MINISTER FOR YOUTH		5 - 1
30. Department of Community Services	5 - 2	5 - 16
31. Office of the Children's Guardian	5 - 6	5 - 29
32. Department of Ageing, Disability and Home Care	5 - 7	5 - 33
33. Home Care Service of New South Wales	5 - 12	5 - 43
34. Commission for Children and Young People	5 - 14	5 - 48
MINISTER FOR EDUCATION AND TRAINING AND MINISTER FOR ABORIGINAL AFFAIRS		6 - 1
35. Department of Education and Training	6 - 1	6 - 19
36. Office of the Board of Studies	6 - 13	6 - 36
37. Department of Aboriginal Affairs	6 - 16	6 - 41
MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR SCIENCE AND MEDICAL RESEARCH		7 – 1, 35
38. Ministry of Energy and Utilities	7 - 2	7 - 4
Ministry of Energy and Utilities	35	39
39. Payments for Water and Sewerage Assistance	7 - 3	7 - 5

Table of Contents - *continued*

Narrative Financials

MINISTER FOR FAIR TRADING		8 - 1
MINISTER FOR GAMING AND RACING		9 - 1
40. Department of Gaming and Racing	9 - 1	9 - 5
41. Casino Control Authority	9 - 3	9 - 16
MINISTER FOR HEALTH		10 - 1
42. Department of Health	10 - 1	10 - 13
43. Health Care Complaints Commission	10 - 12	10 - 37
MINISTER FOR INFRASTRUCTURE AND PLANNING AND MINISTER FOR NATURAL RESOURCES		11 - 1, 47
44. Heritage Office	11 - 2	11 - 12
45. Department of Infrastructure, Planning and Natural Resources	11 - 3	11 - 17
Department of Infrastructure, Planning and Natural Resources	47	52
46. Department of Lands.....	11 - 5	11 - 18
Department of Lands.....	50	68
Environmental Planning and Assessment Act	11 - 6	11 - 19
Honeysuckle Development Corporation	11 - 8	11 - 22
Land and Property Information New South Wales	11 - 10	11 - 25
MINISTER FOR JUSTICE.....		12 - 1
47. Department of Corrective Services	12 - 1	12 - 7
MINISTER FOR JUVENILE JUSTICE AND MINISTER FOR WESTERN SYDNEY		13 - 1
48. Department of Juvenile Justice	13 - 1	13 - 4
MINISTER FOR MINERAL RESOURCES		14 - 1
49. Department of Mineral Resources	14 - 1	14 - 7
50. Coal Compensation Board	14 - 5	14 - 19

Table of Contents - *continued*

Narrative Financials

MINISTER FOR POLICE		15 - 1
51. Ministry for Police	15 - 1	15 - 13
52. NSW Police	15 - 3	15 - 18
53. New South Wales Crime Commission	15 - 10	15 - 30
54. Police Integrity Commission	15 - 11	15 - 35
MINISTER FOR REGIONAL DEVELOPMENT, MINISTER FOR THE ILLAWARRA AND MINISTER FOR SMALL BUSINESS		16 - 1
MINISTER FOR ROADS AND MINISTER FOR HOUSING		17 - 1
55. Roads and Traffic Authority	17 - 1	17 - 14
56. Payments to Other Government Bodies Under the Control of the Minister	17 - 7	17 - 29
Aboriginal Housing Office	17 - 10	17 - 33
Home Purchase Assistance Fund	17 - 13	17 - 36
MINISTER FOR RURAL AFFAIRS, MINISTER FOR LOCAL GOVERNMENT AND MINISTER FOR EMERGENCY SERVICES		18 - 1
57. Department of Local Government	18 - 1	18 - 13
58. New South Wales Fire Brigades	18 - 3	18 - 20
59. Department of Rural Fire Service	18 - 6	18 - 29
60. State Emergency Service	18 - 10	18 - 38
SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE, MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE CENTRAL COAST		19 - 1, 77
61. Department of Commerce	19 - 2	19 - 17
Department of Commerce	77	83
62. Office of the Minister for Public Works and Services	19 - 5	19 - 18
Superannuation Administration Corporation	19 - 5	19 - 23
Motor Accidents Authority	19 - 7	19 - 26
Office of Government Business	19 - 9	19 - 30
Office of Government Business	81	99
Office of Government Procurement	19 - 9	19 - 31
Office of Government Procurement	81	104
Rental Bond Board	19 - 10	19 - 32
WorkCover Authority	19 - 11	19 - 35
Workers' Compensation (Dust Diseases) Board	19 - 13	19 - 39
Building and Construction Industry Long Service Payments Corporation	19 - 15	19 - 42

Table of Contents - *continued*

Narrative Financials

MINISTER FOR TOURISM AND SPORT AND RECREATION AND			
MINISTER FOR WOMEN		20 – 1, 109	
63.	Tourism New South Wales	20 - 2	20 - 13
64.	Sydney Olympic Park Authority	20 - 4	20 - 20
65.	Department of Sport and Recreation	20 - 6	20 - 26
	Department of Sport and Recreation	109	113
66.	Centennial Park and Moore Park Trust	20 - 7	20 - 27
67.	Department for Women	20 - 10	20 - 33
	Luna Park Reserve Trust	20 - 11	20 - 39
	State Sports Centre Trust	20 - 12	20 - 42
MINISTER FOR TRANSPORT SERVICES AND			
MINISTER FOR THE HUNTER		21 – 1, 121	
68.	Ministry of Transport	21 - 3	21 - 11
	Ministry of Transport	121	123
69.	Office of Co-ordinator General of Rail	21 - 7	21 - 12
70.	Waterways Authority	21 - 8	21 - 16
TREASURER AND MINISTER FOR STATE DEVELOPMENT		22 – 1, 133	
71.	Treasury	22 - 2	22 - 18
	Treasury	133	142
72.	Crown Finance Entity	22 - 4	22 - 19
73.	Crown Leaseholds Entity	22 - 6	22 - 28
74.	Department of State and Regional Development	22 - 7	22 - 32
	Department of State and Regional Development	139	155
	New South Wales Insurance Ministerial Corporation	22 - 9	22 - 33
	Liability Management Ministerial Corporation	22 - 11	22 - 36
	Electricity Tariff Equalisation Ministerial Corporation	22 - 13	22 - 39
	Crown Property Portfolio	22 - 15	22 - 42

INDEX - Full index included at end of each Volume

INTRODUCTION

Volume 3 of Budget Paper No. 3 provides more detail for those agencies that were restructured following the March 2003 State election. It should be read in conjunction with Volumes 1 and 2 and the other Budget Papers.

High level aggregates reported for restructured agencies in Volumes 1 and 2 may not agree to those in Volume 3 as at the time of compiling the previous Volumes detailed financial information was not available. However, these changes have had no material impact on the Budget result.

ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT

ENVIRONMENT PROTECTION AUTHORITY

The Healthy Rivers Commission and its staff have moved from the Environment Protection Authority (EPA) to the Department of Infrastructure, Planning and Natural Resources.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The EPA's objectives are to protect, maintain and restore the quality of the environment, having regard to the need to maintain ecologically sustainable development. It also seeks to reduce environmental risks to human health and to prevent degradation of the environment.

The EPA has been working on a number of significant environmental initiatives, including:

- ◆ the whole-of-government *Action for Air* initiative targeting smog and particle pollution;
- ◆ the Government's water reform package covering water quality management, river flows and a number of research studies;
- ◆ providing urban stormwater grants and working with councils to prepare Stormwater Management Plans;
- ◆ integrated regulation aimed at improving the environmental performance of industry;
- ◆ education programs to increase community awareness;
- ◆ working with the community to reduce waste;
- ◆ pesticides regulation and research;
- ◆ dangerous goods transport, hazardous substances, radiation control and contaminated land management;
- ◆ partnership with local councils for the Woodsmoke Reduction Program to reduce wood heater pollution;

- ◆ Smoky Vehicles Enforcement Program designed to control visible vehicle smoke emissions; and
- ◆ strategies for targeting excessive noise generated by industrial and neighbourhood areas, as well as road traffic.

STRATEGIC DIRECTIONS

The EPA's mission is to guide the community to achieve and maintain a healthy environment in a productive New South Wales.

The EPA has developed strategies involving innovative and targeted monitoring, regulation and enforcement as well as the use of economic mechanisms, education and the planning process.

Of particular importance have been recent legislative changes to the overall regulatory regime for environmental control in New South Wales. This has included the introduction of a system of load based licensing as a means of focusing on the total load of pollutants discharged into the environment rather than the concentration of pollutants in discharges. The system directly links the level of licence fee to the total load.

These strategies will assist the EPA in addressing:

- ◆ issues of waste generation, transport, disposal and management;
- ◆ increased pressures on the environment as a result of increased urban population and development;
- ◆ problems of maintaining and improving the health and sustainability of marine and freshwater environments; and
- ◆ the adverse impacts on the environment and public health of chemicals, hazardous substances and other contaminants.

2003-04 BUDGET

Total Expenses

The estimated accumulated cash balance of \$57.4 million in the Waste Fund has led to contributions from the EPA into the Waste Fund being suspended until the existing cash balance has been utilised. This has reduced the EPA's expenses in 2003-04 by more than \$40 million.

Major initiatives for 2003-04 include:

- ◆ \$0.6 million in expenditure on the maintenance of the air quality monitoring network; and
- ◆ a contribution of \$23.8 million to the Zoological Parks Board for various purposes, including the continuing comprehensive program of rebuilding and modernisation of facilities, research and public education.

Asset Acquisitions

Asset acquisitions in 2003-04 total \$3.2 million.

Capital expenditure of \$0.7 million will be incurred for the continuing upgrade of the air-quality monitoring network.

NATIONAL PARKS AND WILDLIFE SERVICE

The National Parks and Wildlife Service (NPWS), and the Department of Sport and Recreation are in the process of reviewing the administration and transfer of certain regional parks to the Department of Sport and Recreation.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Total expenditure for 2002-03 is projected at \$341.3 million, including \$50.2 million for seasonal firefighting costs recoverable from the Treasury Managed Fund and natural disaster grants. Excluding the firefighting costs, the underlying total expenditure of \$291.1 million is an increase of 97.6 percent over the 1995-96 total expenditure of \$147.3 million.

This increase reflects the Government's continuing commitment to the environment and the increased responsibilities of the NPWS in conservation management, protection of threatened species, promotion of biodiversity and the management of the expanding areas of reserves.

Since 1995-96 the Government has declared over 320 new national parks and reserves, including additions to existing reserves.

As at 30 June 2003, more than 1,096,000 hectares of State forest and crown land in the north-east and south of New South Wales had been transferred to the NPWS as a result of the Government's forestry reform process. During 2002-03, the NPWS assumed control of 144,700 hectares of land as part of the Northern and Southern Regional Forestry Assessments, resulting in the declaration of a further 52 new reserves and additions to existing parks.

A total of \$14.5 million was spent in 2002-03 in establishing and managing new national parks in the upper and lower north-east regions of the State, and more than \$9.4 million in the south east regions.

Other commitments in recent years include implementing strategies for recovery and threat abatement of threatened species, and developing and implementing a State Biodiversity Strategy.

STRATEGIC DIRECTIONS

The objectives of the National Parks and Wildlife Service are to conserve, protect and manage the State's natural and cultural heritage and to provide opportunities for members of the public to enjoy, appreciate and support national parks, and the conservation of the State's heritage.

The NPWS has adopted three key conservation themes that reflect a shift in focus towards greater community involvement:

- ◆ facilitating conservation outside of the formal reserve system;
- ◆ managing the reserve system within a regional landscape context; and
- ◆ introducing agreed conservation criteria to target further improvement to the reserve system.

Within this framework, specific initiatives focus on strategic additions to the reserve system in under-represented bioregions, especially in western New South Wales, as well as enhancing the conservation value of reserves and improving visitor facilities and education programs. The initiatives also provide improved protection of biodiversity and cultural heritage and foster working with Aboriginal communities in joint management arrangements for culturally significant lands.

The NPWS also works with the general community to promote conservation efforts on privately owned lands.

2003-04 BUDGET

Total Expenses

Total expenses in 2003-04 are estimated at \$305.3 million. This is a decrease of \$36 million from the 2002-03 level, due to the unprecedented \$50.2 million incurred in 2002-03 on firefighting expenses. Excluding the impact of firefighting costs, the total expenditure is estimated to increase in 2003-04 by \$11.6 million.

Major expenditure areas include fire management, pest species management and the maintenance of essential infrastructure to facilitate management, access and enjoyment of the reserve system by the community. Emphasis will continue on community education and consultation to further engage stakeholders in the delivery of conservation programs.

Major new areas of expenditure include:

- ◆ additional funds for pest, animal and weed control;
- ◆ dedicated funds to establish and facilitate joint management of national parks with Aboriginal people from 2004-05;
- ◆ management of high conservation “icon areas” in North East New South Wales that have been transferred from NSW State Forests; and
- ◆ improvements in parks in the Blue Mountains and Central Coast areas from 2004-05.

The significant decrease in retained revenues from \$133.4 million in 2002-03 to \$61.2 million in 2003-04 is due mainly to the much lower estimate for firefighting costs recovered from the Treasury Managed Fund and natural disasters grants. In addition, in 2002-03, the NPWS received, free of charge, lands valued at \$22 million, from other government agencies. No transfers are anticipated in 2003-04.

Asset Acquisitions

Total asset acquisitions for 2003-04 are estimated at \$48.1 million, which is a decrease of \$4.3 million from the 2002-03 capital program, due mainly to the near completion of a number of large projects and the high level of land purchases in 2002-03, which is not expected to recur in 2003-04.

For 2003-04 new major capital works projects will focus on:

- ◆ further land acquisitions, including \$2 million for purchases under specific government programs (for example the Dunphy Wilderness Fund), purchasing high conservation lands in Western New South Wales, and further reservations in North East New South Wales;
- ◆ additional funds for establishing parks on lands purchased in 2002-03; and
- ◆ upgrade of water, sewerage and road infrastructure at the Perisher resort within Kosciuszko National Park.

In addition, a number of projects are to commence in 2004-05 to work towards creating an unbroken chain of reserves stretching from the Victorian border, through the suburbs of Sydney, and on to the Hunter Valley.

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	60,749	64,579
Other operating expenses	33,279	26,867
Maintenance	1,551	1,150
Depreciation and amortisation	4,800	4,800
Grants and subsidies	69,648	26,026
Total Expenses	170,027	123,422
Less:		
Retained Revenue -		
Sales of goods and services	524	522
Investment income	400	411
Retained taxes, fees and fines	10	10
Grants and contributions	19,258	13,305
Other revenue	893	918
Total Retained Revenue	21,085	15,166
Gain/(loss) on disposal of non current assets	(110)	(110)
NET COST OF SERVICES	149,052	108,366

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

2002-03
Revised
\$000

**2003-04
Budget
\$000**

CASH FLOW STATEMENT

CASH FLOWS FROM OPERATING ACTIVITIES

Payments

Employee Related	56,489	59,839
Grants and subsidies	69,648	26,026
Other	39,856	31,153

Total Payments	165,993	117,018
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Receipts

Sale of goods and services	524	522
Interest	437	411
Other	23,002	17,311

Total Receipts	23,963	18,244
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NET CASH FLOWS FROM OPERATING ACTIVITIES	(142,030)	(98,774)
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of property, plant and equipment	25	25
Purchases of property, plant and equipment	(7,018)	(3,179)

NET CASH FLOWS FROM INVESTING ACTIVITIES	(6,993)	(3,154)
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CASH FLOWS FROM GOVERNMENT

Recurrent appropriation	138,471	95,621
Capital appropriation	8,729	3,179
Cash reimbursements from the Consolidated Fund Entity	2,500	2,652

NET CASH FLOWS FROM GOVERNMENT	149,700	101,452
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NET INCREASE/(DECREASE) IN CASH	677	(476)
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Opening Cash and Cash Equivalents	10,593	11,270
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CLOSING CASH AND CASH EQUIVALENTS	11,270	10,794
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(149,052)	(108,366)
Non cash items added back	9,109	9,046
Change in operating assets and liabilities	(2,087)	546
Net cash flow from operating activities	(142,030)	(98,774)

ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY

2002-03
Revised
\$000

**2003-04
Budget
\$000**

STATEMENT OF FINANCIAL POSITION

ASSETS -

Current Assets -

Cash assets	11,270	10,794
Receivables	1,891	1,813
Other	336	261

Total Current Assets	13,497	12,868
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Non Current Assets -

Property, plant and equipment -		
Land and building	15,808	15,308
Plant and equipment	14,950	13,694

Total Non Current Assets	30,758	29,002
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Total Assets	44,255	41,870
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LIABILITIES -

Current Liabilities -

Payables	2,296	2,085
Provisions	7,024	7,518

Total Current Liabilities	9,320	9,603
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Total Liabilities	9,320	9,603
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NET ASSETS

	34,935	32,267
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EQUITY

Reserves	1,950	1,950
Accumulated funds	32,985	30,317

TOTAL EQUITY	34,935	32,267
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ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY

1 Protection of the Environment

1.1 Air and Noise

Program Objective(s): To reduce air and noise emissions and minimise their impacts on the community.

Program Description: Reducing the impact of air and noise emissions through education, economic instruments, regulation, enforcement, influencing planning and reporting, and providing information to the community.

<u>Outcomes</u> :	Units	2000-01	2001-02	2002-03	2003-04
Occasions when air quality goals have been exceeded	no.	52	37	59	n.a.
<u>Outputs</u> :					
Penalty infringement notices issued - smoky vehicles	no.	2,334	2,056	1,874	2,000
noisy vehicles	no.	234	335	586	600
Warning letters issued - smoky vehicles	no.	2,779	2,939	2,887	2,900
noisy vehicles	no.	70	7	27	20
Time Air Quality Monitoring Network in the Greater Metropolitan Region provides valid data	%	92	93	91	90
<u>Average Staffing</u> :	EFT	117	115	113	113

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	10,089	10,737
Other operating expenses	4,678	3,337
Maintenance	264	196
Depreciation and amortisation	816	816
Grants and subsidies		
Research grants	9	19
Recurrent grants to non-profit organisations	250	210

Total Expenses	16,106	15,315
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.1 Air and Noise (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Recoupment of administration costs	72	74
Minor sales of goods and services	17	14
Investment income	68	70
Grants and contributions	2,341	2,250
Other revenue	152	156

Total Retained Revenue	2,650	2,564
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Gain/(loss) on disposal of non current assets	(18)	(18)
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NET COST OF SERVICES	13,474	12,769
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ASSET ACQUISITIONS	1,350	541
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ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY

1 Protection of the Environment

1.2 Waters and Catchment

Program Objective(s): To improve the health and sustainability of New South Wales waterways.

Program Description: Establish and audit environmental objectives for water quality and river flow and promoting catchment management activities, that reduce the impact of discharges to waterways.

<u>Outcomes</u> :	Units	2000-01	2001-02	2002-03	2003-04
Proportion of Beachwatch sites that comply >90% of the time with NHMRC guidelines for -					
faecal coliforms	%	94	94	97	94
enterococci	%	49	77	74	74
Proportion of Harbourwatch sites that comply with NHMRC guidelines for -					
faecal coliforms	%	85	71	85	85
enterococci	%	40	53	68	68
Tonnes of pollution prevented from entering Sydney waterways by gross pollutant traps funded from Stormwater grants.	no.	2,080	3,470	3,860	4,650

Outputs:

Harbourwatch and Beachwatch daily reports providing timely and accurate data.	%	97	96	97	97
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<u>Average Staffing</u> :	EFT	151	151	139*	139
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* Staff of the Healthy Rivers Commission moved from the EPA to the Department of Infrastructure, Planning and Natural Resources.

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		12,074	12,849
Other operating expenses		5,848	4,172
Maintenance		316	234
Depreciation and amortisation		979	979

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.2 Waters and Catchment (cont)

OPERATING STATEMENT (cont)

Grants and subsidies		
Research grants	10	22
Recurrent grants to non-profit organisations	288	50
Grant to Stormwater Trust	2,000	...
Local Government - capital grants	1,000	...
Local Government - current grants	...	3
Total Expenses	22,515	18,309
Less:		
Retained Revenue -		
Sales of goods and services		
Recoupment of administration costs	86	89
Minor sales of goods and services	20	17
Investment income	82	84
Retained taxes, fees and fines	10	10
Grants and contributions	2,800	1,800
Other revenue	183	187
Total Retained Revenue	3,181	2,187
Gain/(loss) on disposal of non current assets	(23)	(23)
NET COST OF SERVICES	19,357	16,145
ASSET ACQUISITIONS	1,376	648

ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY

1 Protection of the Environment

1.3 Hazardous Substances

Program Objective(s): To minimise the adverse impact of chemicals and hazardous substances on the environment and public health.

Program Description: Provide policies and controls to minimise the risk and reduce exposure to radiation and hazardous chemicals. Reduce the contamination of land through policies and guidelines on control and remediation, regulation, enforcement and education.

	Units	2000-01	2001-02	2002-03	2003-04
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Outputs:

Licences in effect -					
Pesticides	no.	450	488	505	525
Environmentally hazardous chemicals	no.	17	15	12	12
Licenses Issued to Dangerous Goods Drivers	no.	2,074	2,610	2,645	2,670
Penalty Infringement Notices issued for Dangerous Goods Drivers	no.	68	55	37	35
Hazardous pollution incidents reported to EPA	no.	368	383	344	350
<u>Average Staffing:</u>	EFT	78	76	83	83

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		6,107	6,499
Other operating expenses		3,894	3,235
Maintenance		158	117
Depreciation and amortisation		490	490
Grants and subsidies			
Research grants		5	11
Recurrent grants to non-profit organisations		137	124
Total Expenses		10,791	10,476

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.3 Hazardous Substances (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Recoupment of administration costs	43	45
Minor sales of goods and services	10	9
Investment income	41	42
Grants and contributions	2,979	2,000
Other revenue	91	94

Total Retained Revenue	3,164	2,190
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Gain/(loss) on disposal of non current assets	(12)	(12)
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NET COST OF SERVICES	7,639	8,298
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ASSET ACQUISITIONS	694	324
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ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY

1 Protection of the Environment

1.4 Waste

Program Objective(s): To minimise waste, maximise resource recovery and promote effective waste management in an environmentally sound manner.

Program Description: Develop waste minimisation programs and sound environmental policies, guidelines, monitoring, regulation and enforcement, economic instruments and education programs.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Total licences in effect for Waste Transporters	no.	465	522	498	490
Penalty Infringement notices for litter	no.	1,128	1,665	1,504	1,500
<u>Average Staffing:</u>	EFT	77	80	75	75

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		7,006	7,455
Other operating expenses		4,116	2,852
Maintenance		148	109
Depreciation and amortisation		457	457
Grants and subsidies			
Research grants		5	10
Recurrent grants to non-profit organisations		1,345	1,181
Grant to Waste Fund		40,865	...
Total Expenses		53,942	12,064

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.4 Waste (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Recoupment of administration costs	40	42
Minor sales of goods and services	10	8
Investment income	38	39
Grants and contributions	4,268	2,091
Other revenue	85	88

Total Retained Revenue	4,441	2,268
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Gain/(loss) on disposal of non current assets	(10)	(10)
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NET COST OF SERVICES	49,511	9,806
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ASSET ACQUISITIONS	725	303
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.5 Supporting the Community

Program Objective(s): To empower the community to protect our environment.

Program Description: Motivate the community to improve environmental knowledge and behaviour, including access to information and educational services. Develop partnerships with State and local government, industry and community groups.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Calls to Pollution Line	no.	67,491	59,036	64,009	65,000
External visitors to the EPA Internet Site	no.	365,962	536,759	884,566	1,100,000
<u>Average Staffing:</u>	EFT	71	74	72	72

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	5,822	6,196
Other operating expenses	5,320	5,348
Maintenance	150	112
Depreciation and amortisation	465	465
Grants and subsidies		
Research grants	5	11
Recurrent grants to non-profit organisations	147	136
Total Expenses	11,909	12,268

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.5 Supporting the Community (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services	41	42
Recoupment of administration costs	10	8
Minor sales of goods and services	39	40
Investment income	2,314	714
Grants and contributions	86	89
Other revenue		
Total Retained Revenue	2,490	893
Gain/(loss) on disposal of non current assets	(10)	(10)
NET COST OF SERVICES	9,429	11,385

ASSET ACQUISITIONS	707	308
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ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY

1 Protection of the Environment

1.6 Environmental Compliance

Program Objective(s): To ensure a high level of compliance with statutory requirements to achieve environmental goals.

Program Description: Improving the environment by environment protection licences, notices, compliance audits, economic instruments, legal action and prosecutions and encouraging environmental reporting.

<u>Outcomes:</u>	Units	2000-01	2001-02	2002-03	2003-04
EPA prosecution success rate	%	100	94	95	90
<u>Outputs:</u>					
Prosecutions completed	no.	94	109	116	100
Pollution reduction programs initiated	no.	319	182	277	200
Compliance audits conducted	no.	52	67	71	75
Total protection of the Environment Licences	no.	3,011	3,073	3,100	3,150
Penalty Infringement Notices Issued	no.	4,014	4,440	4,549	4,500
<u>Average Staffing:</u>	EFT	240	238	239	238

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	19,651	20,843
Other operating expenses	9,423	7,923
Maintenance	515	382
Depreciation and amortisation	1,593	1,593
Grants and subsidies		
Research grants	16	37
Recurrent grants to non-profit organisations	471	454
Grants to agencies	4	...
Total Expenses	31,673	31,232

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.6 Environmental Compliance (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Recoupment of administration costs	142	145
Minor sales of goods and services	33	29
Investment income	132	136
Grants and contributions	4,556	4,450
Other revenue	296	304
Total Retained Revenue	5,159	5,064
Gain/(loss) on disposal of non current assets	(37)	(37)
NET COST OF SERVICES	26,551	26,205

ASSET ACQUISITIONS	2,166	1,055
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
ENVIRONMENT PROTECTION AUTHORITY**

1 Protection of the Environment

1.7 Government Contributions

Program Objective(s): To maintain essential assets at Taronga and Western Plains Zoos.

Program Description: Grants to the Zoological Parks Board for asset maintenance and as a contribution towards operating costs of the Zoos.

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Grants and subsidies

Government recurrent contribution to Zoological
Parks Board

12,791 **13,149**

Zoological Parks Board - capital grants

10,300 **10,609**

Total Expenses

23,091 23,758

NET COST OF SERVICES

23,091 23,758

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	163,754	143,288
Other operating expenses	122,125	106,187
Maintenance	18,740	20,038
Depreciation and amortisation	34,570	34,500
Grants and subsidies	2,151	1,292
Total Expenses	341,340	305,305
Less:		
Retained Revenue -		
Sales of goods and services	32,780	34,693
Investment income	1,831	1,256
Retained taxes, fees and fines	2,300	2,159
Grants and contributions	56,218	19,886
Other revenue	40,297	3,248
Total Retained Revenue	133,426	61,242
Gain/(loss) on disposal of non current assets	120	50
NET COST OF SERVICES	207,794	244,013

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	154,654	133,229
Grants and subsidies	2,151	1,292
Other	157,848	143,194
Total Payments	314,653	277,715
Receipts		
Sale of goods and services	32,780	34,694
Interest	1,831	318
Other	86,815	42,293
Total Receipts	121,426	77,305
NET CASH FLOWS FROM OPERATING ACTIVITIES	(193,227)	(200,410)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	620	550
Purchases of property, plant and equipment	(51,678)	(48,134)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(51,058)	(47,584)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and advances	8,523	16,500
NET CASH FLOWS FROM FINANCING ACTIVITIES	8,523	16,500
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	187,439	198,792
Capital appropriation	32,097	26,144
Cash reimbursements from the Consolidated Fund Entity	6,732	7,354
NET CASH FLOWS FROM GOVERNMENT	226,268	232,290
NET INCREASE/(DECREASE) IN CASH	(9,494)	796
Opening Cash and Cash Equivalents	25,126	15,632
CLOSING CASH AND CASH EQUIVALENTS	15,632	16,428

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(207,794)	(244,013)
Non cash items added back	26,170	44,387
Change in operating assets and liabilities	(11,603)	(784)
Net cash flow from operating activities	(193,227)	(200,410)

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	15,632	16,428
Receivables	28,539	29,476
Other financial assets	16	16
Inventories	1,060	1,060
Other	570	570
Total Current Assets	45,817	47,550
Non Current Assets -		
Property, plant and equipment -		
Land and building	1,424,848	1,453,345
Plant and equipment	30,988	24,488
Infrastructure systems	535,167	526,304
Other	103	103
Total Non Current Assets	1,991,106	2,004,240
Total Assets	2,036,923	2,051,790
LIABILITIES -		
Current Liabilities -		
Payables	4,589	4,058
Provisions	14,266	15,000
Total Current Liabilities	18,855	19,058
Non Current Liabilities -		
Interest bearing	10,979	27,479
Total Non Current Liabilities	10,979	27,479
Total Liabilities	29,834	46,537
NET ASSETS	2,007,089	2,005,253
EQUITY		
Reserves	314,795	314,795
Accumulated funds	1,692,294	1,690,458
TOTAL EQUITY	2,007,089	2,005,253

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.1 Conservation Assessment

Program Objective(s): To ensure conservation planning and management is based on rigorous and systematic policy, science and assessment.

Program Description: Assessing and monitoring natural and cultural heritage and community conservation attitudes and values.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs</u> :					
Responses to development applications and other Environmental Impact Statements (EISs) by external bodies	no.	3,250	3,250	3,250	3,250
EISs responded to within the legislative time frame	%	95	95	95	95
<u>Average Staffing</u> :	EFT	207	214	230	264

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		25,253	22,096
Other operating expenses		15,756	13,698
Maintenance		548	585
Depreciation and amortisation		632	631
Grants and subsidies			
Environment and conservation organisations		1	1
Grants to organisations		200	...
Total Expenses		42,390	37,011

**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.1 Conservation Assessment (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Rents and leases	58	62
Publication sales	11	11
Fees for services	42	47
Entry fees	51	56
Use of recreation facilities	2	4
Sale of manufactured goods	5	6
Minor sales of goods and services	12	6
Grants and contributions	16,081	5,689
Other revenue	2,583	209
Total Retained Revenue	18,845	6,090
Gain/(loss) on disposal of non current assets	8	3
NET COST OF SERVICES	23,537	30,918

ASSET ACQUISITIONS	1,034	962
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.2 Conservation Planning

Program Objective(s): To establish conservation priorities for New South Wales that integrate natural and cultural heritage values and community values, and are responsive to threats and to change.

Program Description: Developing appropriate frameworks for decision making on the conservation of natural and cultural heritage, and the means by which this can be achieved.

	Units	2000-01	2001-02	2002-03	2003-04
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Outputs:

Service areas covered by a Plan of Management or where a draft plan has been on exhibition -

National parks	no.	74	86	95	110
Historic sites	no.	9	10	10	13
Nature reserves	no.	72	82	92	110

Listed threatened species covered by recovery/threat abatement plans

no.	200	220	240	260
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Average Staffing:

EFT	207	214	211	232
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2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -

Employee related	22,058	19,302
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Other operating expenses	13,727	11,936
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Maintenance	484	516
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Depreciation and amortisation	556	555
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Grants and subsidies

Environment and conservation organisations	1	1
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Grants to organisations	200	...
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Total Expenses

37,026	32,310
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.2 Conservation Planning (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Rents and leases	51	56
Publication sales	10	9
Fees for services	37	41
Entry fees	45	50
Use of recreation facilities	2	3
Sale of manufactured goods	4	5
Minor sales of goods and services	11	5
Grants and contributions	13,734	4,859
Other revenue	2,059	165
Total Retained Revenue	15,953	5,193
Gain/(loss) on disposal of non current assets	5	2
NET COST OF SERVICES	21,068	27,115

ASSET ACQUISITIONS	1,034	962
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.3 Conservation Management

Program Objective(s): To protect natural, cultural and historic heritage. To improve the use of formal mechanisms, in addition to the reserve system, to achieve conservation outcomes. To manage parks and reserves in a culturally sensitive and ecologically sustainable way. To contribute to the environmental, social and economic well being of local and regional communities.

Program Description: Managing natural and cultural heritage values across the State, using methods such as conservation incentives, education and advice, regulation and enforcement, nurturing, rehabilitation and reserve establishment.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Weed programs commenced	no.	350	400	400	450
Feral animal programs commenced	no.	400	450	400	450
Pest control programs undertaken in collaboration with neighbours	no.	300	500	600	650
Licences issued for dealing in and keeping native animals	no.	12,100	13,290	15,100	15,500
Reserves covered by Reserve Fire Plan	%	50	60	101	150
<u>Average Staffing:</u>	EFT	605	642	634	656

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -

Employee related	50,075	43,817
Other operating expenses	45,612	39,661
Maintenance	4,885	5,223
Depreciation and amortisation	9,835	9,815
Grants and subsidies		
Environment and conservation organisations	14	14
Lord Howe Island Board	1,301	1,242
Grants to organisations	400	...

Total Expenses	112,122	99,772
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.3 Conservation Management (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Rents and leases	618	669
Publication sales	121	115
Fees for services	448	503
Entry fees	542	599
Use of recreation facilities	24	39
Sale of manufactured goods	52	58
Minor sales of goods and services	126	60
Investment income	1,800	1,235
Retained taxes, fees and fines	1,760	1,652
Grants and contributions	19,367	6,850
Other revenue	27,337	2,204
Total Retained Revenue	52,195	13,984
Gain/(loss) on disposal of non current assets	82	35
NET COST OF SERVICES	59,845	85,753

ASSET ACQUISITIONS	17,569	16,365
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.4 Conservation Facilitation

Program Objective(s): To work with the community to foster understanding, appreciation and enjoyment of natural and cultural heritage, and to increase and support community involvement in the management of this heritage.

Program Description: Encouraging and supporting community stewardship, appreciation and enjoyment of natural and cultural heritage.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Agreements in place with Aboriginal communities for management or use of protected areas	no.	15	17	24	30
"Discovery" programs conducted	no.	2,313	1,500	2,346	2,500
Participants in NPWS community conservation programs	no.	57,524	45,000	71,600	75,000
Area off park covered by conservation agreements	ha	7,080	8,500	9,569	9,750
<u>Average Staffing:</u>	EFT	708	715	845	818

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	66,368	58,073
Other operating expenses	47,030	40,892
Maintenance	12,823	13,714
Depreciation and amortisation	23,547	23,499
Grants and subsidies		
Environment and conservation organisations	34	34

Total Expenses	149,802	136,212
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**ATTORNEY GENERAL AND MINISTER FOR THE ENVIRONMENT
NATIONAL PARKS AND WILDLIFE SERVICE**

1 Conservation of Nature, Aboriginal Heritage and Historic Heritage

1.4 Conservation Facilitation (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Rents and leases	9,773	10,568
Publication sales	1,908	1,818
Fees for services	7,073	7,941
Entry fees	8,562	9,472
Use of recreation facilities	372	616
Sale of manufactured goods	819	931
Minor sales of goods and services	2,001	943
Investment income	31	21
Retained taxes, fees and fines	540	507
Grants and contributions	7,036	2,488
Other revenue	8,318	670

Total Retained Revenue	46,433	35,975
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Gain/(loss) on disposal of non current assets	25	10
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NET COST OF SERVICES	103,344	100,227
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ASSET ACQUISITIONS	32,041	29,845
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MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR SCIENCE AND MEDICAL RESEARCH

MINISTRY OF ENERGY AND UTILITIES

The Ministry of Energy and Utilities (the Ministry) was expanded on 2 April 2003 to include the State Water and Town Water and Recycling functions from the former Department of Land and Water Conservation.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Total expenditure for 2002-03 has been estimated at \$224.1 million. This includes the full year expenditure relating to the transferred State Water and Town Water and Recycling functions from the former Department of Land and Water Conservation on 2 April 2003.

The budget for grants and subsidies increased from \$80 million to \$144.4 million during 2002-03, due to the Country Towns Water Supply and Sewerage (CTWSS) Program being transferred to the Ministry as part of the Town Water and Recycling Branch.

In 2003-04, the budget for grants and subsidies increases to \$162.2 million. The increase of \$17.8 million is primarily due to:

- ◆ the Energy Accounts Payment Assistance Scheme (\$8.3 million) being transferred to the Ministry from the Department of Community Services;
- ◆ an increase in the Pensioner Energy Rebate Scheme of \$3.6 million, due to increasing pensioner numbers and normal escalation; and
- ◆ payments from the CTWSS Program increasing by \$4.1 million.

STRATEGIC DIRECTIONS

The Ministry of Energy and Utilities provides the Minister for Energy and Utilities with strategic policy, legislative and regulatory advice in relation to the State's energy sector, urban and rural water utilities, and related social programs. The Ministry is also responsible for bulk water delivery services in non-urban areas through State Water.

In collaboration with other government agencies, the energy industry, consumer interest groups, NSW water utilities and other stakeholders, the Ministry assists the Government in choosing and implementing the best strategies for promoting the efficient, safe, reliable and ecologically sustainable supply and use of energy and water services. The Ministry also collaborates to develop and implement appropriate frameworks to improve the performance of the energy and water industries.

The Ministry is focused on ongoing competition reform of the State's natural gas and electricity markets, the sustainable use of energy and water, integrated water cycle management, safety, and supply reliability.

In particular, the Ministry provides the following services:

- ◆ policy advice on the future directions of energy and water in New South Wales;
- ◆ administration of regulatory frameworks that facilitate the operation of safe, reliable, technically efficient and environmentally responsible energy and water utility networks;
- ◆ management of social and other funding programs, including energy rebates, the Energy Accounts Payment Assistance Scheme, and the CTWSS Program;
- ◆ a single, integrated bulk water delivery service (State Water) covering asset management, water delivery and commercial management; and
- ◆ monitoring water utility performance in non-urban New South Wales, including audit, benchmarking and statewide reporting.

In addition, the Ministry will:

- ◆ continue to monitor the ongoing effectiveness of full retail competition for gas and electricity;
- ◆ monitor the performance and compliance of the NSW water utility industry's progress towards meeting Council of Australian Governments and National Competition Policy commitments;
- ◆ enhance Government and private sector understanding of the State's energy reserves, future demand and supply scenarios, and development opportunities through the Statement of System Opportunities;

- ◆ in conjunction with Treasury advise the Minister on policy issues raised at the National Electricity Market Ministers Forum, and actively contribute to the Ministerial Council on Energy;
- ◆ monitor and refine the electricity retailer greenhouse benchmark penalties scheme;
- ◆ implement Integrated Water Cycle Management to assist non-urban water utilities implement sustainable planning activities; and
- ◆ further improve asset management planning to ensure State Water's infrastructure performs in accordance with agreed levels of service at minimum whole of life cost.

2003-04 BUDGET

Total Expenses

Total expenses in 2003-04 for the Ministry of Energy and Utilities are estimated at \$242.8 million.

Major expenditures include:

- ◆ \$68.1 million towards the delivery of water supply and sewerage projects in country towns;
- ◆ \$83.7 million for pensioner energy and electricity life support rebates;
- ◆ \$8.3 million for the Energy Accounts Payment Assistance program; and
- ◆ \$70.2 million for operating, maintenance, metering and other expenditures in delivering bulk water to rural and regional customers.

Asset Acquisitions

Total asset acquisitions in 2003-04 are estimated at \$24.8 million. Major acquisitions include:

- ◆ \$1.5 million for building works at various dams sites;
- ◆ \$6.1 million for flood security and upgrade works at Blowering, Burrendong, Chaffey, Copeton, Keepit and Wyangala dams;
- ◆ \$0.4 million for essential works on redundant dams;

- ◆ \$5 million to rehabilitate river structures;
- ◆ \$4 million to undertake periodic maintenance programs at major storages;
- ◆ \$3.6 million to upgrade Warren and Gunningbar weirs on the Macquarie River to ensure efficient supplies for stock, domestic and irrigation users and town water to Nyngan and Cobar; and
- ◆ \$3 million towards the development of a Total Asset Management Plan for water infrastructure.

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH
MINISTRY OF ENERGY AND UTILITIES**

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	18,875	19,259
Other operating expenses	29,467	29,210
Maintenance	13,758	14,109
Depreciation and amortisation	17,084	17,307
Grants and subsidies	144,427	162,236
Other expenses	490	718
Total Expenses	224,101	242,839
Less:		
Retained Revenue -		
Sales of goods and services	58,184	61,031
Investment income	360	199
Grants and contributions	4,219	4,300
Other revenue	90	91
Total Retained Revenue	62,853	65,621
NET COST OF SERVICES	161,248	177,218

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH
MINISTRY OF ENERGY AND UTILITIES**

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	14,821	17,489
Grants and subsidies	144,427	162,236
Other	86,509	54,868
Total Payments	245,757	234,593
Receipts		
Sale of goods and services	23,998	61,862
Interest	251	199
Other	51,269	14,391
Total Receipts	75,518	76,452
NET CASH FLOWS FROM OPERATING ACTIVITIES	(170,239)	(158,141)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(20,675)	(24,828)
Other	35,634	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	14,959	(24,828)
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	152,716	166,737
Capital appropriation	13,369	17,522
Cash transfers to Consolidated Fund	(2,745)	...
NET CASH FLOWS FROM GOVERNMENT	163,340	184,259
NET INCREASE/(DECREASE) IN CASH	8,060	1,290
Opening Cash and Cash Equivalents	2,876	10,936
CLOSING CASH AND CASH EQUIVALENTS	10,936	12,226

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH**

MINISTRY OF ENERGY AND UTILITIES

2002-03
Revised
\$000

**2003-04
Budget
\$000**

CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(161,248)	(177,218)
Non cash items added back	18,554	18,777
Change in operating assets and liabilities	(27,545)	300
Net cash flow from operating activities	(170,239)	(158,141)

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH
MINISTRY OF ENERGY AND UTILITIES**

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	10,936	12,226
Receivables	38,473	38,473
Other	616	316
Total Current Assets	50,025	51,015
Non Current Assets -		
Other financial assets	117	117
Property, plant and equipment -		
Land and building	1,533	3,033
Plant and equipment	2,088	2,336
Infrastructure systems	1,917,429	1,923,202
Total Non Current Assets	1,921,167	1,928,688
Total Assets	1,971,192	1,979,703
LIABILITIES -		
Current Liabilities -		
Payables	17,013	17,013
Provisions	2,519	2,519
Other	16,503	16,503
Total Current Liabilities	36,035	36,035
Non Current Liabilities -		
Provisions	1,228	1,228
Total Non Current Liabilities	1,228	1,228
Total Liabilities	37,263	37,263
NET ASSETS	1,933,929	1,942,440
EQUITY		
Reserves	612	612
Accumulated funds	1,933,317	1,941,828
TOTAL EQUITY	1,933,929	1,942,440

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH
MINISTRY OF ENERGY AND UTILITIES**

1 Energy and Water Policy

1.1 Energy and Water Policy

Program Objective(s): To promote the efficient, equitable, safe, reliable and ecologically sustainable supply and use of energy and water.

Program Description: Provision of strategic policy, legislative and regulatory advice to the Minister for Energy and Utilities regarding the development of the State's energy sector and water utilities. Financial and technical assistance for country town water supply and sewerage services. Administration and policy oversight of energy social programs.

	Units	2000-01	2001-02	2002-03	2003-04
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Outputs:

Water supply and sewerage projects					
- Completed	no.	18	20	15	35
- Under construction	no.	67	72	94	89
Number of pensioner rebates granted	no.	n.a.	680,000	690,000	704,000
Number of life support rebates granted	no.	n.a.	12,000	12,000	13,000

<u>Average Staffing:</u>	EFT	...	56	123	119
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2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		6,114	6,448
Other operating expenses		5,585	3,098
Maintenance		48	18
Depreciation and amortisation		127	140
Grants and subsidies			
Life Support Rebates Scheme		2,000	2,052
Pensioner Energy Rebate Scheme		76,259	81,668
Alternative funding (interest) subsidy		2,000	2,000
Energy accounts payment assistance		...	8,257
Energy research and development		116	150

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH
MINISTRY OF ENERGY AND UTILITIES**

1 Energy and Water Policy

1.1 Energy and Water Policy (cont)

OPERATING STATEMENT (cont)

Country Towns Water Supply and Sewerage Scheme		
- Local Government	64,052	68,109
Other expenses		
Other expenses	490	718
Total Expenses	156,791	172,658
Less:		
Retained Revenue -		
Sales of goods and services		
Pipeline fees	255	262
Electrolysis Committee - recoupment of expenses	85	100
Electrical appliance testing	35	35
Accreditation revenue	150	150
Investment income	360	199
Grants and contributions	4,219	4,300
Other revenue	90	91
Total Retained Revenue	5,194	5,137
NET COST OF SERVICES	151,597	167,521
ASSET ACQUISITIONS	75	388

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH
MINISTRY OF ENERGY AND UTILITIES**

2 Rural Bulk Water Delivery

2.1 Rural Bulk Water Delivery

Program Objective(s): Effective and efficient delivery of bulk water to customers, community and the environment.

Program Description: Operate dams, weirs and river systems to supply water to customers, community and the environment. Maintain and manage bulk water delivery infrastructure. Monitor water usage, invoicing and receipting of bulk water revenue. Process temporary water transfers. Ensure compliance with regulatory requirements for safety, operation and management of water delivery infrastructure. Customer service and support.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Water delivered	gl	6,116	6,371	4,954	3,086
Dam maintenance audits completed	no.	36	36	36	36
Gated weir maintenance audits completed	no.	22	22	22	22
Hydro power generated	gwh	n.a.	n.a.	170	170
Temporary transfers processed	no.	n.a.	n.a.	1,224	1,200
Dam Safety Emergency Plans completed/maintained	no.	n.a.	n.a.	10	10
Customers billed	no.	n.a.	20,280	20,280	20,280
<u>Average Staffing:</u>	EFT	246	257	264	259

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -

Employee related

Other operating expenses

Maintenance

Depreciation and amortisation

12,761

12,811

23,882

26,112

13,710

14,091

16,957

17,167

Total Expenses

67,310

70,181

**MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR
SCIENCE AND MEDICAL RESEARCH**

MINISTRY OF ENERGY AND UTILITIES

2 Rural Bulk Water Delivery

2.1 Rural Bulk Water Delivery (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services

Miscellaneous services

2,749

5,743

Murray Darling Basin Commission

9,550

9,550

Income from water operations

46,200

46,031

Materials to produce goods and services

(840)

(840)

Total Retained Revenue

57,659

60,484

NET COST OF SERVICES

9,651

9,697

ASSET ACQUISITIONS

20,600

24,440

MINISTER FOR INFRASTRUCTURE AND PLANNING AND MINISTER FOR NATURAL RESOURCES

DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

The establishment of the Department of Infrastructure, Planning and Natural Resources was announced on 29 May 2003 to improve land use, infrastructure and transport planning, and natural resource management in New South Wales. The new Department combines many of the functions of the previous Departments of Planning and Land and Water Conservation, and incorporates the planning functions of the Department of Transport. Commercial and service elements of the previous departments were relocated to the Department of Lands and the Ministry of Energy and Utilities to ensure a focus on an integrated framework for natural resource management and land use planning. The new Department legally commenced from 1 July 2003.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The budget year 2003-04 will represent a time of consolidation and refocus to achieve the Government's aims to improve NSW's economic performance and drive environmental sustainability through better management of natural resources and streamlining of NSW planning systems. This will involve actions such as providing incentive funding to support local reforms to native vegetation, fast tracking the allocation of funds to catchment organisations, and overhauling service provision.

The outcome is to ultimately reduce the cost of administration and redirect more funds to communities and farmers. The expenditure trends reflect these objectives. Total expenditures will initially increase to \$552.8 million in 2003-04 from \$537.7 million in 2002-03 as major work is undertaken to reduce backlogs, create new management arrangements for natural resources, improve systems and data and to merge the functions of the two former Departments.

STRATEGIC DIRECTIONS

The objectives of the new Department are to:

- ◆ better link natural resource management and urban development, particularly in coastal areas;
- ◆ simplify decision making, policy and regulation;
- ◆ improve service levels to communities, local government and farmers by simplifying applications and approvals;
- ◆ reduce the costs of administration to enable resources to be redirected to service delivery; and
- ◆ better link vital infrastructure such as transport and other facilities and services to the needs of communities now and in the future.

Priorities for the new Department include:

- ◆ increasing the involvement of the community in land use and natural resource decision-making;
- ◆ strengthening catchment management processes;
- ◆ implementing native vegetation reform;
- ◆ a comprehensive plan for the Salinity Reforestation project;
- ◆ commence water sharing plans and the new water licensing system;
- ◆ a strategic approach to urban water efficiency and conservation;
- ◆ enhanced governance arrangements and the efficient allocation of funds to communities;
- ◆ simplify the planning system;
- ◆ linking strategic transport decisions to meet government priorities;
- ◆ better management of coastal development; and
- ◆ co-ordination and strategic planning for major infrastructure development.

The Department of Infrastructure, Planning and Natural Resources will work towards a better balance between the environmental, economic and social needs of our communities and natural resources, with the ultimate aim of achieving sustainability of our natural resources and environments.

2003-04 BUDGET

Total Expenses

Total expenses in 2003-04 are estimated at \$552.8 million. A major part of this expenditure and that of future years will be directed towards a better integration of natural resource management and balanced and sustainable development. The integration of the vital areas of infrastructure, planning and natural resources will deliver infrastructure and policy that aligns with the changes that are taking place in the community.

Key initiatives that are ongoing or commencing in 2003-04 will be expenditure, in some cases spread across several agencies, of \$64.7 million over four years to meet implementation costs of the *Water Management Act 2000*; \$52 million towards the implementation of the NSW Salinity Strategy program over four years; \$44.4 million as the State's share of operating costs and works programs for irrigation areas in 2003-04 with similar ongoing expenditure; \$2.5 million in 2003-04 as part of a \$5 million Aboriginal Water Trust to assist the Aboriginal community in the development of water-based farming and aquaculture enterprises; \$13.7 million for the Coastal Protection Package and Area Assistance Scheme grants; substantial support for local government in the areas of coastal bikeways, floodplain management, estuary and coastal management, with particular support for improvement to Lake Illawarra, Lake Macquarie, planning in Kosciuszko National Park and Georges River.

Expenditure on the Salinity Strategy is recognised as part of New South Wales' contribution of \$198 million to the \$396 million National Action Plan on Salinity and Water Quality ('NAP'), which is a joint State/Commonwealth program. In addition, a new Natural Heritage Trust program between the State and the Commonwealth will commence in 2003-04 to direct substantial funding through the catchments to address New South Wales' most pressing natural resource management problems. In consultation with the Commonwealth, a substantial proportion of both Natural Heritage Trust and the NAP funding will be allocated on a global basis to strengthen the catchments to enable them to prepare investment strategies in consultation with local communities. A prime example is the \$120 million program over 4 years for native vegetation management incentives which will create a new model of sustainability.

Funding has been provided to facilitate the refocussing of the new Department and to bring about changes. Process and procedures will be simplified to improve service delivery to communities, local government, farmers and other stakeholders. Additional work will be undertaken to bring standards covering planning, water management and native vegetation up to a level where they would support a future devolution of approval powers for routine projects to authorities and entities closer to the end-users. This additional expenditure in 2003-04 will result in a lower cost structure going forward.

Asset Acquisitions

Total asset acquisitions in 2003-04 are estimated at \$18.1 million, which includes expenditure on building infrastructure works at Dubbo, Wellington and Bridge St Sydney and coastal land acquisitions. Increased funding will be directed at advancing electronic information systems.

DEPARTMENT OF LANDS

The Department of Lands comprises Crown Estate Management, Soil Conservation Service, Native Title and Aboriginal Land Claims Units and Land and Property Information. Land and Property Information is reported separately in Budget Paper No.3 Volume 2.

The Department's role covers the sustainable management of public lands, the provision of spatial information and the provision of land and property related information, including the registration of ownership in land.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Department of Lands is focussing on unifying its various business units (Land and Property Information, Crown Lands and Soil Services) under the one umbrella agency. Two separate programs have been retained for the Crown Estate and the Soil Conservation Service. Within those programs achieving efficiency improvements and commercial opportunities will continue to be a priority.

STRATEGIC DIRECTIONS

There are opportunities to manage the Crown Estate in a more efficient, effective and sustainable way through a public trading enterprise framework. The Department of Lands will concentrate on identifying commercial opportunities that are contained within its stewardship while managing and scoping community service programs.

2003-04 BUDGET

Total Expenses

Total expenses for 2003-04 are \$56.3 million. This includes \$28.7 million for the maintenance and management of Crown Lands, \$14.3 million for soil conservation activity and \$13.2 million paid to Land and Property Information to continue community service programs such as maintenance of topographical data, survey marks, aerial photography and the Geographic Names Board.

An additional \$1 million has been provided in 2003-04 for bushfire hazard reduction and weed and pest management on Crown Land.

Asset Acquisitions

The capital program is \$1.3 million. This provides for the continued development of the Land Direct information system and minor works.

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	189,739	193,941
Other operating expenses	93,237	106,894
Maintenance	5,601	5,480
Depreciation and amortisation	5,950	4,976
Grants and subsidies	151,723	149,193
Other expenses	91,419	92,336
Total Expenses	537,669	552,820
Less:		
Retained Revenue -		
Sales of goods and services	27,558	22,494
Investment income	4,288	1,573
Retained taxes, fees and fines	2,929	...
Grants and contributions	15,384	24,540
Other revenue	1,746	4,499
Total Retained Revenue	51,905	53,106
Gain/(loss) on disposal of non current assets	(2,000)	(2,000)
NET COST OF SERVICES	487,764	501,714

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	145,374	174,189
Grants and subsidies	161,549	157,434
Other	214,899	195,225
Total Payments	521,822	526,848
Receipts		
Sale of goods and services	2,912	22,888
Interest	3,378	1,573
Other	54,730	29,039
Total Receipts	61,020	53,500
NET CASH FLOWS FROM OPERATING ACTIVITIES	(460,802)	(473,348)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	2,000	2,000
Proceeds from sale of investments	490	490
Advance repayments received	1,510	1,510
Purchases of property, plant and equipment	(29,774)	(18,096)
Advances made	(2,000)	(2,000)
Other	29,709	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	1,935	(16,096)
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	452,017	461,435
Capital appropriation	33,646	16,096
Cash reimbursements from the Consolidated Fund Entity	7,867	8,404
NET CASH FLOWS FROM GOVERNMENT	493,530	485,935
NET INCREASE/(DECREASE) IN CASH	34,663	(3,509)
Opening Cash and Cash Equivalents	...	34,663
CLOSING CASH AND CASH EQUIVALENTS	34,663	31,154

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**
**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(487,764)	(501,714)
Non cash items added back	24,341	24,568
Change in operating assets and liabilities	2,621	3,798
Net cash flow from operating activities	(460,802)	(473,348)

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	34,663	31,154
Receivables	31,688	37,688
Other	193	193
Total Current Assets	66,544	69,035
Non Current Assets -		
Other financial assets	2,109	2,109
Property, plant and equipment -		
Land and building	178,688	182,373
Plant and equipment	14,131	16,715
Infrastructure systems	59,564	62,415
Total Non Current Assets	254,492	263,612
Total Assets	321,036	332,647
LIABILITIES -		
Current Liabilities -		
Payables	34,979	42,777
Interest bearing	866	866
Provisions	21,489	21,489
Other	5	5
Total Current Liabilities	57,339	65,137
Non Current Liabilities -		
Interest bearing	16,714	16,714
Provisions	72	72
Total Non Current Liabilities	16,786	16,786
Total Liabilities	74,125	81,923
NET ASSETS	246,911	250,724
EQUITY		
Reserves	41,715	41,715
Accumulated funds	205,196	209,009
TOTAL EQUITY	246,911	250,724

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

1 Environmental Planning

1.1 Planning Systems and Policy Development

Program Objective(s): To set the strategic direction for land use management and infrastructure for communities across New South Wales. Provide advice on policy and strategy for key issues at a regional and statewide level. Co-ordinate the timely delivery of major whole-of-government infrastructure projects including planning for transport for changing communities.

Program Description: Reform, develop and monitor planning and building systems. Whole-of-government co-ordination on all aspects of planning and related environmental, economic and human service issues. Develop State Environmental Planning Policies, Regional Environmental Plans and other planning policies and strategies. Provide a strategic framework for government investment in all modes of passenger and freight transport. Evaluate transport infrastructure and service proposals and projects. Manage demand for transport infrastructure, in participation with public and private sector agencies.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs</u> :					
Level of stakeholder satisfaction with planning and building systems	%	60	62	64	65
Planning information and services available online	%	15	20	30	30
Circulars and advice to local councils	no.	40	30	30	45
Technical and advisory service to industry and the community	no.	2,500	2,300	2,000	2,800
Regional Environmental Plans and State Environmental Planning Policies prepared / amended	no.	12	10	10	106
Regulations prepared / amended	no.	n.a.	n.a.	n.a.	10
<u>Average Staffing</u> :	EFT			n.a.	301

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

1 Environmental Planning

1.1 Planning Systems and Policy Development (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	29,524	29,519
Other operating expenses	14,168	15,888
Maintenance	266	237
Depreciation and amortisation	758	634
Grants and subsidies		
Resource and Conservation Assessment Council grants	2,391	2,745
Grants to non-profit organisations	...	281
Total Expenses	47,107	49,304
Less:		
Retained Revenue -		
Sales of goods and services		
Publication sales	73	90
Fees for services	450	450
Recoupment of administration costs	172	250
Investment income	592	60
Grants and contributions	257	327
Other revenue	9	50
Total Retained Revenue	1,553	1,227
NET COST OF SERVICES	45,554	48,077

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

1 Environmental Planning

1.2 Planning Systems and Policy Delivery

Program Objective(s): To facilitate improved economic performance, environmental sustainability and quality of life for New South Wales through better planning policies, programs and improved land use management.

Program Description: Strategic and project level environmental impact assessment. Implement whole-of-government initiatives for major development and infrastructure projects. Consider selected Local Environmental Plans to ensure consistency with a statewide strategic framework. Implement place-based programs that create quality communities and deliver economic, social and environmental benefits. Develop active partnerships with local government, other State agencies, business and the wider community. Provide best practice specialist services to stakeholders and the community. Manage grants programs that provide financial incentives to create quality communities in urban and regional New South Wales.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Environmental Impact Assessment Statements dealt with at post-exhibition stage	no.	117	120	100	120
Requirements issued regarding Environmental Impact Assessment Statements	no.	213	200	180	195
Major development projects assessed	no.	50	60	50	135
Coastal zone cumulative land area acquired	'000ha	15	15	15	15
Strategies /studies / projects completed	no.	17	19	23	20
Grants under the Area Assistance Scheme	no.	328	320	300	250
Grants under the Urban Improvement Program	no.	7	15	13	20
Grants under the Georges River Foreshores Improvement Program	no.	11	8	4	4
<u>Average Staffing:</u>	EFT			n.a.	201

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

1 Environmental Planning

1.2 Planning Systems and Policy Delivery (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	19,715	19,720
Other operating expenses	17,895	18,814
Maintenance	274	243
Depreciation and amortisation	624	522
Grants and subsidies		
Expenditure on transport-related public domain projects and infrastructure	2,500	2,500
Area Assistance Scheme	10,361	9,895
Festival Development Corporation	8,349	4,048
Comprehensive Coastal Assessment Package	1,525	2,910
Georges River Foreshores Improvement Program	1,775	1,320
Grants for Coastal Cycleway	...	1,500
Grants and subsidies to local government and agencies	2,976	3,248
South Sydney Development Corporation	762	562
Penrith Lakes Regatta Centre	1,735	1,745
Other expenses		
Contribution to debt servicing costs of Sydney Region Development Fund	5,034	5,034
Total Expenses	73,525	72,061

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

1 Environmental Planning

1.2 Planning Systems and Policy Delivery (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Publication sales	74	61
Fees for services	12,450	10,380
Recoupment of administration costs	176	184
Minor sales of goods and services	126	115
Investment income	592	138
Grants and contributions	5,242	2,973
Other revenue	447	249
Total Retained Revenue	19,107	14,100
NET COST OF SERVICES	54,418	57,961

ASSET ACQUISITIONS	13,520	5,550
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**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.1 Rivers and Groundwater

Program Objective(s): Effective and sustainable use of the State's water resources.

Program Description: Monitoring of the State's water resources. Negotiations with the community on its range of values for water. Allocation of water between competing interests. Establishment of systems to ensure security of agreed environmental water and access rights.

<u>Outputs</u> :	Units	2000-01	2001-02	2002-03	2003-04
Area of state mapped for wetlands	%	35	35	35	35
Water licences managed (under Water Act 1912)	thous	91.5	91.5	150.0	150.0
Approvals managed (under Water Management Act 2000) * -					
Access licences	no.	n.a.	n.a.	n.a.	1,400
Works/use approvals	no.	n.a.	n.a.	n.a.	8,500
Unregulated water licences converted to volumetric	%	85	90	100	100
Water management plans in place (under Water Management Act 2000) for-					
Surface water	no.	n.a.	n.a.	26	28
Groundwater	no.	n.a.	n.a.	9	10
Land and Water Management Plans supported	no.	8	8	8	8
<u>Average Staffing</u> :	EFT			n.a.	582

* Licensing/approvals arrangements under the Water Management Act will commence on 1 January 2004.

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	50,755	52,251
Other operating expenses	18,931	22,566
Maintenance	5,061	5,000
Depreciation and amortisation	1,712	1,432

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.1 Rivers and Groundwater (cont)

OPERATING STATEMENT (cont)

Grants and subsidies		
Pensioner rate rebates – Australian Inland Energy		
Water Infrastructure	288	288
Recurrent grants to non-profit organisations	10,398	5,101
Subsidies to organisations - public trading enterprises	1,102	1,102
Other expenses		
NSW - Queensland Border Rivers Commission	700	800
Murray Darling Basin Commission	22,563	26,341
Irrigation Areas works - private sector	16,119	19,751
Rehabilitation of artesian bores	5,538	5,538
Flood warning systems	200	200
Irrigation Areas – Land and Water Management Plans	7,890	7,324
Murray Irrigation Land and Water Management Plans	9,000	9,584
Total Expenses	150,257	157,278
Less:		
Retained Revenue -		
Sales of goods and services		
Miscellaneous services	442	1,275
Rental of cottages	627	645
Consulting services	1,532	1,575
Solicitors' enquiry fees	298	306
Murray Darling Basin Commission	7,774	5,400
Recoupment of administration costs	172	225
River management agreements	419	431
Minor sales of goods and services	899	820
Materials to produce goods and services	(1,083)	(2,021)
Investment income	732	429
Grants and contributions	6,733	14,759
Other revenue	242	1,311
Total Retained Revenue	18,787	25,155
Gain/(loss) on disposal of non current assets	(2,000)	(2,000)
NET COST OF SERVICES	133,470	134,123
<hr/>		
ASSET ACQUISITIONS	6,989	6,316

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.2 Catchment, Land and Vegetation

Program Objective(s): Effective, sustainable and integrated management of the State's soil, land and vegetation resources.

Program Description: Monitoring of the State's soil, land and vegetation resources within catchments. Assistance to catchment management groups. Management of vegetation clearing processes. Prevention of land degradation. Consult with the community to develop integrated strategies for soil, land and vegetation ecosystems and forestry plantations. Stimulate the establishment of an efficient, high technology and sustainable native timber industry and to promote the sustainable management of private forests.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
National Action Plan/National Heritage Trust investment strategies approved and implemented	no.	n.a.	n.a.	n.a.	20
Soil landscape maps completed of the Eastern and Central Divisions - Maps	no.	4	2	3	3
Cumulative total mapped	%	45	45	47	49
Vegetation maps completed - Maps	no.	n.a.	n.a.	n.a.	53
Cumulative % of NSW mapped	%	n.a.	n.a.	n.a.	16
Bores capped and piped	no.	15	25	25	20
Rural landholders with voluntary native vegetation management contracts and property agreements	no.	700	780	827	900
Timber industry development projects funded	no.	10	15	30	46
Displaced timber workers assisted	no.	260	48	64	70
Forestry workers retrained	no.	960	1,127	2,278	350
<u>Average Staffing:</u>	EFT			n.a.	559

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.2 Catchment, Land and Vegetation (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	48,762	50,224
Other operating expenses	15,378	17,883
Depreciation and amortisation	1,482	1,239
Grants and subsidies		
Wild Dog Destruction Board	1,113	200
State Forests - capital grants	6,000	3,000
National Action Plan on Salinity and Water Quality *	18,700	43,000
State Parks Trusts	1,026	1,055
Government contribution to State Forests of NSW	14,738	13,153
Recurrent grants to non-profit organisations	1,000	1,007
Soil conservation grants – other	18,000	15,444
Soil conservation grants – budget dependent agencies	2,120	1,240
Capital grants paid to other organisations	315	315
Public Reserves - capital grants	1,300	900
Other expenses		
Forest Industry Restructure Package	19,975	17,199
West 2000 Program	1,900	565
Native Vegetation Management Fund	2,500	...
Total Expenses	154,309	166,424

* The program includes annual share of \$120 million allocated over four years for native vegetation management incentives.

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.2 Catchment, Land and Vegetation (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Miscellaneous services	442	994
Stock agistment on dam foreshores	837	700
Recoupment of administration costs	172	175
Minor sales of goods and services	700	639
Materials to produce goods and services	(864)	(1,612)
Investment income	1,591	335
Retained taxes, fees and fines	2,929	...
Grants and contributions	1,544	2,957
Other revenue	703	1,022

Total Retained Revenue	8,054	5,210
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NET COST OF SERVICES	146,255	161,214
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ASSET ACQUISITIONS	5,065	3,596
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**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.3 Coastal and Floodplain Communities

Program Objective(s): Effective and sustainable management of coastal and floodplain resources.

Program Description: Monitoring of coastal and floodplain resources. Assistance to councils in resource planning and management. Consult with the community to develop integrated strategies to manage land and water resources and to implement natural resource improvement programs. Raising of community awareness of natural resource problems and their resolution.

<u>Outputs</u> :	Units	2000-01	2001-02	2002-03	2003-04
Floodplain Management Plans adopted by councils (cumulative)	no.	71	77	79	82
Coastal and Estuary Management Plans completed (cumulative)	no.	42	42	46	51
Landcare groups supported	no.	1,572	1,643	1,700	1,750
Groups participating in community based learning programs	no.	n.a.	n.a.	2,760	2,850
<u>Average Staffing</u> :	EFT			n.a.	470

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	40,983	42,227
Other operating expenses	26,865	31,743
Depreciation and amortisation	1,374	1,149
Grants and subsidies		
Construction, repair and restoration of storm and flood damage - Local Councils	357	357
Recurrent grants to non-profit organisations	1,000	965
Grants to agencies	2,014	238
Local Government - grants	36,428	31,074
Capital grants - general government agencies	3,450	...

Total Expenses	112,471	107,753
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**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

**DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL
RESOURCES**

2 Natural Resource Management

2.3 Coastal and Floodplain Communities (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Miscellaneous services	442	1,816
Recoupment of administration costs	172	320
Contributions from Hunter Catchment Management Trust	1,300	950
Minor sales of goods and services	1,279	1,167
Materials to produce goods and services	(1,523)	(2,841)
Investment income	781	611
Grants and contributions	1,608	3,524
Other revenue	345	1,867
Total Retained Revenue	4,404	7,414
NET COST OF SERVICES	108,067	100,339

ASSET ACQUISITIONS	4,200	2,634
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**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	31,258	31,583
Other operating expenses	9,021	9,833
Maintenance	6	6
Depreciation and amortisation	30	30
Grants and subsidies	10,706	13,739
Other expenses	1,080	1,080
Total Expenses	52,101	56,271 *
Less:		
Retained Revenue -		
Sales of goods and services	11,915	11,925
Investment Income	10	...
Total Retained Revenue	11,925	11,925
NET COST OF SERVICES	40,176	44,346

* Total expenses differ from that published in Budget Paper No. 3 Volume 2 due to a classification error for materials expenditure which is netted off revenues.

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	26,585	29,337
Grants and subsidies	10,706	13,739
Other	14,282	12,823
Total Payments	51,573	55,899
Receipts		
Sale of goods and services	5,504	13,925
Other	8,421	14
Total Receipts	13,925	13,939
NET CASH FLOWS FROM OPERATING ACTIVITIES	(37,648)	(41,960)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	490	490
Advance repayments received	1,510	1,510
Purchases of property, plant and equipment	(847)	(1,250)
Advances made	(2,251)	(2,000)
Other	9,256	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,158	(1,250)
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	35,266*	39,584
Capital appropriation	597	1,000
NET CASH FLOWS FROM GOVERNMENT	35,863	40,584
NET INCREASE/(DECREASE) IN CASH	6,373	(2,626)
Opening Cash and Cash Equivalents	...	6,373
CLOSING CASH AND CASH EQUIVALENTS	6,373	3,747

* Recurrent appropriation for 2002-03 differs from that published in Budget Paper No. 3 Volume 2 due to minor corrections.

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

	2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(40,176)	(44,346)
Non cash items added back	2,512	2,394
Change in operating assets and liabilities	16	(8)
Net cash flow from operating activities	(37,648)	(41,960)

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	6,373	3,747
Receivables	8,435	8,421
Inventories	372	372
Other	742	764
Total Current Assets	15,922	13,304
Non Current Assets -		
Other financial assets	10,152	10,152
Property, plant and equipment -		
Land and building	2,047	2,047
Plant and equipment	6,638	7,858
Infrastructure systems	258	258
Other	2,437	2,437
Total Non Current Assets	21,532	22,752
Total Assets	37,454	36,056
LIABILITIES -		
Current Liabilities -		
Payables	3,722	3,722
Provisions	2,331	2,331
Other	37	37
Total Current Liabilities	6,090	6,090
Non Current Liabilities -		
Interest bearing	3,190	3,190
Provisions	2,602	2,602
Total Non Current Liabilities	5,792	5,792
Total Liabilities	11,882	11,882
NET ASSETS	25,572	24,174
EQUITY		
Reserves	119	119
Accumulated funds	25,453	24,055
TOTAL EQUITY	25,572	24,174

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

1 Crown Lands

1.1 Crown Lands

Program Objective(s): Effective and sustainable use of the Crown Estate of New South Wales

Program Description: Crown land asset management, assessment, environmental protection, development, marketing and sale. Provision of information on Crown lands and maintenance of the systems of Crown reserves (including recreational areas, walking tracks, showgrounds and caravan parks). Administration of Crown Land tenures and use, Crown roads, minor ports, Aboriginal Land Claims and Native Title applications.

<u>Outputs</u> :	Units	2000-01	2001-02	2002-03	2003-04
Community involvement in Crown Land facilitated through:					
Community trusts serviced	no.	864	911	839	851
Local government trusts serviced	no.	4,959	4,991	5,060	5,045
Commons serviced	no.	213	209	206	208
State Recreation Area trusts serviced	no.	8	9	8	8
Incorporated community organisations serviced	no.	724	746	780	770
Administration of Crown Land:					
Crown Land dealings processed	thous	25	21	19	18
Crown Tenures administered	thous	94	90	93	93
Allotments of Crown Land developed and sold	no.	405	287	464	310
Aboriginal Land Claims finalised	no.	234	90	161	200
<u>Average Staffing</u> :	EFT	418	375	332	330

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		22,398	22,280
Other operating expenses		3,558	4,813
Maintenance		6	6
Depreciation and amortisation		30	30

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

1 Crown Lands

1.1 Crown Lands (cont)

OPERATING STATEMENT (cont)

Grants and subsidies		
Recurrent grants to non-profit organisations	225	225
Grants to agencies	9,916	13,214
Minor NSW statutory bodies	565	300
Other expenses		
Fishing port maintenance	1,080	1,080
Total Expenses	37,778	41,948
Less:		
Retained Revenue -		
Sales of goods and services		
Miscellaneous services	915	925
Investment Income	10	...
Total Retained Revenue	925	925
NET COST OF SERVICES	36,853	41,023
ASSET ACQUISITIONS	847	1,250

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES**

DEPARTMENT OF LANDS

2 Soil Conservation Service

2.1 Soil Conservation Service

Program Objective(s): Protection and conservation of the soil resources of New South Wales by provision of a cost-effective conservation earthmoving and consultancy service. Set the industry standard for conservation earthworks design and construction. Provide a specialist consulting service in environmental protection and rehabilitation, resource planning and assessment, environmental engineering and training in soil conservation thus contributing to effective and sustainable use of the State's soil resources.

Program Description: Commercial planning, design and construction services for soil conservation earthworks. Consultancy services in a broad range of areas for environmental protection and the prevention of land degradation. Soil operation works/maintenance of Hunter Valley Flood Mitigation Works, bushfire rehabilitation and recreational areas.

	Units	2002-03	2003-04
<u>Outputs:</u>			
Soil and water conservation earthworks	ha	27,702	20,000
Consultancy net sales target	\$m	6.9	6.0
Soilworks net sales target	\$m	9.8	9.0
<u>Average Staffing:</u>	EFT	171	171

	2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -		
Operating expenses -		
Employee related	8,860	9,303
Other operating expenses	5,463	5,020
Total Expenses	14,323	14,323

**MINISTER FOR INFRASTRUCTURE AND PLANNING AND
MINISTER FOR NATURAL RESOURCES
DEPARTMENT OF LANDS**

2 Soil Conservation Service

2.1 Soil Conservation Service

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services

Soil Business Operations

Materials to produce goods and services

13,000	13,000
(2,000)	(2,000)

Total Retained Revenue

11,000	11,000
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NET COST OF SERVICES

3,323	3,323
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**SPECIAL MINISTER OF STATE
MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND
MINISTER FOR THE CENTRAL COAST**

DEPARTMENT OF COMMERCE

The Department of Commerce has been created to support a climate that makes doing business in New South Wales simple, accessible and fair for employees, consumers and industry. A number of government services have been brought under one umbrella. The Department comprises the Office of Fair Trading, Office of Industrial Relations, Office of Best Practice Information Technology and Corporate Services, and Policy Development and Risk Management Services. The Office of Government Procurement and the Office of Government Business are also within the Department of Commerce but will operate on a commercial basis without direct budget funding.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Total expenses for 2003-04 are estimated to be \$266.5 million. The restructure of Government agencies transferred the former Office of the Minister for Public Works and Services (OMPWS) to the Minister for Commerce (Policy Development and Risk Management Services) from 1 July 2003. The impact of the transfer is that the Office's 2002-03 revised numbers are reflected in the statements of the Minister for Public Works and Services, while budgeted amounts for 2003-04 are reflected within the statements of the Minister for Commerce. The transfer between the Ministers largely accounts for the increase in the Department of Commerce's total expenses in 2003-04.

Office of Fair Trading

Total expenses for 2003-04 (including the Consumer, Trader and Tenancy Tribunal) are estimated to be \$158.3 million compared to a revised 2002-03 figure of \$156.3 million. The increase in expenses is mainly due to the formation of the Home Building Service as a result of the Campbell Inquiry into building quality. This increase has been offset by a reduction from \$20 million to \$17.4 million in the grant paid to the Fair Trading Administration Corporation. The grant is provided to meet the deficit associated with the previous Statutory Insurance Scheme for residential building works that closed on 30 April 1997. Future liabilities of the scheme are expected to decline.

The decrease in recurrent grants to non-profit organisations in 2003-04 is due to the provision of a one-off Travel Compensation Fund donation to the Commonwealth Rescue Pack worth \$1.7 million in 2002-03.

Office of Industrial Relations

Total expenses for 2003-04 are \$21.1 million. This includes \$1.6 million for the continuation of the Office's efforts to improve efficiency and compliance with New South Wales industrial legislation in the clothing outworker industry.

Office of Best Practice Information Technology and Corporate Services

Total expenses for 2003-04 are expected to be \$62.4 million. This includes allocations for whole-of-government projects of \$5.6 million and \$10.3 million respectively for the Human Services Better Service Delivery project and the Online Business Licensing project. The Government Radio Network will receive an allocation of \$12.7 million, which is in addition to agency contributions for its operation. The Office will continue management of the NSW Government contributions to the Community Technology Centres program and the National Information Technology Centre of Excellence, in the amount of \$2.2 million and \$3 million respectively. Opportunities for efficiency and improvements in corporate services, especially through shared information technology, will be a priority for the Office.

Policy Development and Risk Management Services

Policy Development and Risk Management Services was funded under the Minister for Public Works and Services in 2002-03.

Total expenses for 2003-04 will be \$24.8 million. This is lower than the 2002-03 total expenses of \$30.2 million (see Budget Paper No. 3 Volume 2 19-21). The reductions are due to:

- ◆ the transfers of the asset and procurement policy functions to Treasury;
- ◆ a one-off increase in Parliament House maintenance expenditure in 2002-03; and
- ◆ the termination of seed funding for Parramatta Government Property Strategy.

STRATEGIC DIRECTIONS

Office of Fair Trading

The Office of Fair Trading works towards fairness in the marketplace. The Office will develop and maintain a policy framework which provides appropriate safeguards for consumers while minimising restrictions on business and traders. The Office encourages compliance with regulatory requirements through information and education for consumers and traders, compliance monitoring and enforcement, complaint handling and dispute resolution, and licensing registration and certification.

Office of Industrial Relations

The Office of Industrial Relations works towards productive workplace relations under New South Wales industrial laws. The Office seeks to ensure that employers and employees are informed of their rights and obligations.

The Office provides education and information to assist employers, especially those in small business, achieve compliance with industrial legislation and awards. It targets inspectorial services at industries where compliance may be low. Where necessary, the Office takes action through the courts, to either protect the rights of participants or to ensure the smooth operation of the industrial relations system.

Office of Best Practice Information Technology and Corporate Services

The Office of Best Practice Information Technology and Corporate Services has a focus on electronic government service delivery. It will also incorporate the Corporate Services Reform Unit to reflect a shared services focus on implementation of government-wide agendas for process improvement. The Office will continue its role in the assessment of business cases for government ICT projects and will be involved in monitoring the progress and implementation of large projects. The ultimate aim of e-government is to deliver accessible and secure electronic services that are supported by efficient and customer focused government business practices.

Policy Development and Risk Management Services

This area covers the development of operational policy and risk management for government to ensure the effective utilisation of resources and reduce government's risk exposure across its total procurement activities. The services include advice to agencies on procurement, risk management, total asset management, management of government-wide contracts and the provision of maintenance services for key heritage buildings.

2003-04 BUDGET

Total Expenses

Total expenses for 2003-04 are \$266.5 million which will be applied to:

- ◆ Office of Industrial Relations – continuation of the Office’s efforts to improve efficiency and compliance with NSW industrial legislation in the clothing outworker industry and targeted inspectorate activities as areas of major focus, the operation of Government and Related Employees Appeals Tribunal (GREAT) and Transport Appeals Board.
- ◆ Office of Fair Trading:
 - the operation of the Consumer, Trader and Tenancy Tribunal;
 - licensing of real estate agents, valuers, conveyancers and private employment agents and the registration of business names, co-operatives, associations and co-operative housing societies; and
 - operation of the new Home Building Service which will provide strategic direction for NSW builders and consumers on residential building matters;
- ◆ Office of Best Practice Information Technology and Corporate Services - targeted use of information technology to improve service delivery including funding for the Online Licensing Project and Human Services Better Services Delivery Project; and
- ◆ Policy Development and Risk Management Services - maintenance of significant government buildings and the provision to agencies of policy advice and procurement risk management services. Funding is also provided for stone work and heritage maintenance projects.

Asset Acquisitions

The 2003-04 asset acquisitions program is \$22.2 million. Major projects within this program are \$12.5 million to improve coverage and the mobile data network for the Government Radio Network, and \$3.2 million to amalgamate the Office of Fair Trading Call Centres into a single integrated, multi-channel contact centre.

OFFICE OF GOVERNMENT BUSINESS AND OFFICE OF GOVERNMENT PROCUREMENT

The Office of Government Business and Office of Government Procurement have been restructured from the former Department of Public Works and Services. Both offices operate on a commercial basis.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

StateFleet

StateFleet, a business unit of the Office of Government Procurement, manages the NSW Government leased motor vehicle fleet on behalf of the Crown. A policy decision has been taken to begin to replace the private sector financed fleet of leased vehicles with government-owned vehicles.

The previous lease arrangements operated under three tranches. Effective 1 July 2003, no new leases will be entered into as leases expire for tranches one and two motor vehicles. StateFleet will arrange to purchase replacement vehicles instead.

The major objective of the Crown purchasing the vehicles is improved value-for-money in that:

- ◆ the private sector is now unable to provide a tax-based structure resulting in a below TCorp cost of funds;
- ◆ perceived difficulties in the private sector introducing major efficiencies or cost savings to New South Wales through improved lease/fleet management given the experience and sound operational track record of the existing centralised lease management by StateFleet; and
- ◆ the high cost of transferring residual risk to the private sector was not justifiable when New South Wales had demonstrated in the operation of the existing arrangements that residual risk could be managed over time across the large number of vehicles.

STRATEGIC DIRECTIONS

The revised structure realigns the commercial services provided by the Department of Commerce into two discrete entities that will improve accessibility for clients, customers and the community and provide real value to the Government.

The Office of Government Business brings together the primarily contestable commercial services provided on a fee-for-service basis, while the Office of Government Procurement brings together the procurement functions and services as well as other functions which are mandated across the NSW Public Service.

The Central Corporate Services Unit forms part of the Office of Government Business to better reflect its commercial focus and a state and regional service group has been formed to better deliver regionally based services.

2003-04 BUDGET

Total Expenses

Total expenses of the Office of Government Business and the Office of Government Procurement are budgeted at \$443.6 million in 2003-04. Key expenditure items and initiatives include:

- ◆ the ongoing roll out of smartbuy which is the Government's strategy to achieve better value for money in the procurement of goods and services;
- ◆ the rationalisation and review of operating and shared services costs; and
- ◆ a review of products and service delivery to improve value for clients and government.

Asset Acquisitions

The Offices will spend \$226.9 million in 2003-04, mostly on information technology projects and the purchase of motor vehicles to replace vehicles for which leases have expired. Major projects included are information technology infrastructure (\$8.3m), Central Corporate Services Unit's information systems (\$3.5 million) and smartbuy (\$2.3m) which is a computerised procurement system.

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	104,608	109,858
Other operating expenses	54,824	61,066
Maintenance	181	233
Depreciation and amortisation	17,215	22,248
Grants and subsidies	56,649	41,198
Other expenses	10,080	31,945
Total Expenses	243,557	266,548
Less:		
Retained Revenue -		
Sales of goods and services	44,589	45,476
Investment income	3,555	3,844
Retained taxes, fees and fines	31,185	35,525
Grants and contributions	11,751	7,101
Other revenue	456	703
Total Retained Revenue	91,536	92,649
Gain/(loss) on disposal of non current assets	52	(299)
NET COST OF SERVICES	151,969	174,198

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	89,357	104,027
Grants and subsidies	56,649	41,198
Other	80,962	91,293
Total Payments	226,968	236,518
Receipts		
Sale of goods and services	41,264	43,775
Interest	862	1,863
Other	56,151	41,789
Total Receipts	98,277	87,427
NET CASH FLOWS FROM OPERATING ACTIVITIES	(128,691)	(149,091)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	55	...
Proceeds from sale of investments	...	2,500
Advance repayments received	13	3
Purchases of property, plant and equipment	(30,264)	(22,177)
Purchases of investments	...	(3,738)
Other	33,903	858
NET CASH FLOWS FROM INVESTING ACTIVITIES	3,707	(22,554)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings and advances	(13)	(13)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(13)	(13)

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT (cont)		
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	136,074	148,705
Capital appropriation	19,802	16,377
Cash reimbursements from the Consolidated Fund Entity	2,686	2,316
NET CASH FLOWS FROM GOVERNMENT	158,562	167,398
NET INCREASE/(DECREASE) IN CASH	33,565	(4,260)
Opening Cash and Cash Equivalents	...	33,565
CLOSING CASH AND CASH EQUIVALENTS	33,565	29,305
CASH FLOW RECONCILIATION		
Net cost of services	(151,969)	(174,198)
Non cash items added back	19,837	25,746
Change in operating assets and liabilities	3,441	(639)
Net cash flow from operating activities	(128,691)	(149,091)

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	33,565	29,305
Receivables	12,392	14,133
Other financial assets	25,244	28,382
Inventories	...	272
Other	997	1,020
Total Current Assets	72,198	73,112
Non Current Assets -		
Receivables	...	160
Other financial assets	17	16
Inventories	...	6,619
Property, plant and equipment -		
Land and building	739	87
Plant and equipment	68,967	69,548
Total Non Current Assets	69,723	76,430
Total Assets	141,921	149,542
LIABILITIES -		
Current Liabilities -		
Payables	20,883	19,821
Interest bearing	6	6
Provisions	7,143	7,758
Other	3,390	3,390
Total Current Liabilities	31,422	30,975
Non Current Liabilities -		
Interest bearing	17	4
Provisions	1,162	1,181
Other	130	130
Total Non Current Liabilities	1,309	1,315
Total Liabilities	32,731	32,290
NET ASSETS	109,190	117,252

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

	2002-03 Revised \$000	2003-04 Budget \$000
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STATEMENT OF FINANCIAL POSITION (cont)

EQUITY

Reserves	863	863
Accumulated funds	108,327	116,389
TOTAL EQUITY	109,190	117,252

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.1 Office of Fair Trading

Program Objective(s): To ensure appropriate safeguards for consumers with minimal restrictions on business and traders. To ensure maximum compliance with regulatory requirements.

Program Description: Policy development and review. Provision of information to consumers and traders. Compliance monitoring and enforcement. Dispute resolution. Licensing, registration of business names and co-operatives. Incorporation of associations, administration of Register of Encumbered Vehicles and rental bonds custody.

<u>Outputs:</u>	Units	2000-01	2001-02	2002-03	2003-04
Enquiries	thous	1,627	1,629	1,563	1,577
Investigations	no.	1,633	1,985	2,406	1,970
Inspections	no.	2,055	4,748	5,196	5,704
Disciplinary actions	no.	62	70	77	190
Complaints	no.	27,679	27,803	26,109	31,000
Business name & Licensing transactions	thous	507	557	597	639
<u>Average Staffing:</u>	EFT	1,025	1,002	1,005	1,041

2002-03	2003-04
Revised	Budget
\$000	\$000

OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	65,952	72,839
Other operating expenses	25,404	26,849
Depreciation and amortisation	9,762	10,109
Grants and subsidies		
Financial counselling services	1,500	1,100
Recurrent grants to non-profit organisations	1,706	88
Miscellaneous education grants	750	500
Co-operative development	350	350
Building service grants	650	650
Tenancy advice and advocacy education program	3,363	3,400
Subsidies to organisations - public financial enterprises	17,443	15,230

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.1 Office of Fair Trading (cont)

OPERATING STATEMENT (cont)

Other expenses		
Settlement of claims for damages	1,300	1,300
Indemnity and guarantee payments under Govt Guaranteed Loan Scheme	150	150
Legal and other costs	550	550
Ex gratia payments	52	4

Total Expenses	128,932	133,119
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Less:

Retained Revenue -

Sales of goods and services		
Publication sales	99	76
Fees for services	2,315	2,494
Recoupment of administration costs - non general government agencies	4,814	3,939
Recoupment of administration costs - general government agencies	15,198	17,095
Electrical appliance testing	1,005	1,060
Register of Encumbered Vehicles fees	8,200	8,200
Minor sales of goods and services	140	150
Investment income	2,757	2,906
Retained taxes, fees and fines	31,185	35,525
Grants and contributions	7,414	5,757
Other revenue	246	413

Total Retained Revenue	73,373	77,615
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Gain/(loss) on disposal of non current assets	52	...
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NET COST OF SERVICES	55,507	55,504
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ASSET ACQUISITIONS	12,358	8,607
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**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.2 Consumer Trader and Tenancy Tribunal

Program Objective(s): To ensure impartial forums for the resolution of marketplace disputes.

Program Description: The resolution of disputes through the Consumer, Trader and Tenancy Tribunal.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outputs:</u>					
Applications processed:					
General Division	no.	6,801	6,584	6,843	7,253
Home Building Division	no.	4,837	4,641	5,685	4,077
Commercial Division	no.	355	322	336	395
Motor Vehicle Division	no.	1,539	1,422	1,447	1,500
Tenancy Division	thous	47.4	46.2	45.3	46.9
Residential Parks Division	no.	1,377	1,107	1,104	1,200
Retirement Villages Division	no.	54	74	58	62
Strata & Community Schemes Division	no.	833	927	918	930
Strata Schemes Mediations	no.	880	929	926	930
<u>Average Staffing:</u>	EFT	149	146	144	144

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	16,467	15,337
Other operating expenses	6,738	6,218
Depreciation and amortisation	1,388	1,441
Grants and subsidies		
Recurrent grants to non-profit organisations	217	12
Subsidies to organisations - public financial enterprises	2,557	2,170
Other expenses		
Ex gratia payments	28	1
Total Expenses	27,395	25,179

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CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.2 Consumer Trader and Tenancy Tribunal (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Publication sales	41	42
Fees for services	1,304	1,306
Recoupment of administration costs - non general government agencies	686	561
Recoupment of administration costs - general government agencies	2,993	3,004
Investment income	5	6
Grants and contributions	917	820
Other revenue	3	6

Total Retained Revenue	5,949	5,745
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NET COST OF SERVICES	21,446	19,434
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**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST
DEPARTMENT OF COMMERCE**

1 Commerce

1.3 Office of Industrial Relations

Program Objective(s): To ensure industrial laws in New South Wales are understood and complied with, and administration of the public sector appeals process.

Program Description: Provision of industrial relations information and policy advice. Inspection and regulation of NSW workplaces. Hearing and adjudication of appeals against promotion and disciplinary decisions in the public sector.

<u>Activities:</u>	Average Staffing (EFT)	
	2002-03	2003-04
Industrial compliance	89	88
Industrial information	69	70
Workplace services	38	32
Public sector appeals	12	11
	208	201
	2002-03 Revised \$000	2003-04 Budget \$000

OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	14,252	14,296
Other operating expenses	5,376	5,405
Maintenance	162	210
Depreciation and amortisation	850	1,150
Grants and subsidies		
Recurrent grants to non-profit organisations	3,400	...
Total Expenses	24,040	21,061

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.3 Office of Industrial Relations (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Publication sales	581	637
Fees for services	57	67
Recoupment of administration costs - non general government agencies	20	...
Recoupment of administration costs - general government agencies	1,162	746
Minor sales of goods and services	124	149
Investment income	56	62
Other revenue	7	78

Total Retained Revenue	2,007	1,739
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NET COST OF SERVICES	22,033	19,322
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ASSET ACQUISITIONS	1,032	1,120
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**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

**1.4 Office of Best Practice Information Technology and Corporate
Services**

Program Objective(s): To enhance the cost-effective use of information and communications technology within and between Government, industry and the community, and through shared services focus on the implementation of Government-wide agendas for process improvement.

Program Description: Provision of a co-ordinated and integrated approach for the effective use and integration of information and communications technology and shared services across Government, that improves service delivery to the community and businesses.

<u>Outputs</u> :	Units	2000-01	2001-02	2002-03	2003-04
Government Radio Network (GRN) -					
Agencies on the network	no.	36	37	44	46
Users on the network	no.	12,000	12,400	15,800	16,500
Telecommunication Services Agreement * -					
Agencies using voice and mobile services contracts	no.	450	515	2,387	2,500
Agencies using data communications (GRN)	no.	17	25	44	46
Connect.nsw -					
Websites operated by agencies	no.	300	312	334	320
Information Security - agencies penetration tested	no.	n.a.	7	27	27

* The list is based on NSW agencies using the Fixed to Mobile telecommunication services (DITM 2000-01 Agreements). It includes the core large NSW agencies such as Department of Housing and Department of Education and Training. Agencies were split in to their constituent units to better reflect OIT's outputs.

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

**1.4 Office of Best Practice Information Technology and Corporate
Services (cont)**

Online Business Licensing -					
Licence/registration renewals processed online using OLRS	no.	n.a.	n.a.	8,365	20,000
Licence/registration renewal services (by licence type)	no.	n.a.	n.a.	4	4
Agencies using services	no.	n.a.	n.a.	1	1
Third party online information verification interfaces	no.	n.a.	n.a.	4	4
Human Services Better Service					
Delivery Project -					
Non-Government Organisations approved to participate	no.	...	650	650	1,500
Non-Government Organisations supplied with computers	no.	...	9	50	1,500
Non-Government Organisations supplied with Internet access	no.	...	9	30	1,200
Better Services Delivery applications trialled and evaluated	no.	...	2	4	4
<u>Average Staffing:</u>	EFT	44	59	57	57

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	7,937	7,386
Other operating expenses	17,306	22,590
Maintenance	19	23
Depreciation and amortisation	5,215	9,548
Grants and subsidies		
Grants to agencies	497	497
Connect.nsw	12,000	2,000
Grants paid to other organisations	12,216	10,012
Other expenses		
Online business licensing	8,000	10,319
Total Expenses	63,190	62,375

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

**1.4 Office of Best Practice Information Technology and Corporate
Services (cont)**

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Government radio network charges	5,850	5,950
Investment income	737	695
Grants and contributions	3,420	524
Other revenue	200	206
Total Retained Revenue	10,207	7,375
NET COST OF SERVICES	52,983	55,000

ASSET ACQUISITIONS	16,874	12,450
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**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.5 Policy Development and Risk Management Services

Program Objective(s): Effective utilisation of resources and minimal risk exposure of Government procurement activities.

Program Description: Provide advice on risk management issues, total asset management, management of Government-wide contracts and provision of maintenance services for key Government buildings.

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -

Grants and subsidies

Grants to agencies

Government Cleaning Service - sick leave liability

Heritage buildings

Purchase of sandstone

Other expenses

Parliament House maintenance

Government House maintenance

Public building maintenance

Whole-of-Government procurement

Information services

Procurement risk management

Construction industry development

Specialist policy advice and investigations

Regulatory compliance

...	140
...	85
...	4,500
...	464
...	1,135
...	870
...	172
...	3,347
...	2,192
...	5,206
...	1,951
...	3,893
...	859

Total Expenses

...	24,814
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**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

DEPARTMENT OF COMMERCE

1 Commerce

1.5 Policy Development and Risk Management Services (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Investment income	...	175
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Total Retained Revenue	...	175
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Gain/(loss) on disposal of non current assets	...	(299)
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NET COST OF SERVICES	...	24,938
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Note: Policy Development and Risk Management Services was funded under the Office of the Minister for Public Works and Services in 2002-03. From 1 July 2003, funding for this program has been transferred to the Department of Commerce.

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT BUSINESS

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Retained Revenue -		
Sales of goods and services	323,488	323,378
Investment income	1,700	1,148
Total Retained Revenue	325,188	324,526
Less:		
Expenses -		
Operating Expenses -		
Employee related	201,923	196,313
Other operating expenses	106,715	105,295
Maintenance	5,682	3,877
Depreciation and amortisation	6,966	6,894
Borrowing costs	711	1,020
Total Expenses	321,997	313,399
Gain/(loss) on disposal of non current assets	(3)	2
SURPLUS/(DEFICIT) BEFORE DISTRIBUTIONS	3,188	11,129
Distributions -		
Dividends and capital repatriations	1,275	9,285
Tax equivalents	956	857
SURPLUS/(DEFICIT) AFTER DISTRIBUTIONS	957	987

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT BUSINESS

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Sale of goods and services	192,183	314,821
Interest	1,700	1,148
Other	66,507	(1,875)
Total Receipts	260,390	314,094
Payments		
Employee Related	304,081	202,554
Finance costs	711	1,020
Equivalent Income Tax	1,757	889
Other	24,290	104,618
Total Payments	330,839	309,081
NET CASH FLOWS FROM OPERATING ACTIVITIES	(70,449)	5,013
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	791	9
Purchases of property, plant and equipment	121,732	(16,623)
Other	118,088	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	240,611	(16,614)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(68)	(9,452)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(68)	(9,452)
NET INCREASE/(DECREASE) IN CASH	170,094	(21,053)
Opening Cash and Cash Equivalents	...	170,094
CLOSING CASH AND CASH EQUIVALENTS	170,094	149,041

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT BUSINESS

2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Surplus/(deficit) for year before distributions	2,232	10,272
Non cash items added back	6,966	6,894
Change in operating assets and liabilities	(79,647)	(12,153)
Net cash flow from operating activities	(70,449)	5,013

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT BUSINESS

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	170,094	149,041
Receivables	193,674	203,882
Inventories	9,329	9,608
Other	117,966	117,966
Total Current Assets	491,063	480,497
Non Current Assets -		
Property, plant and equipment -		
Land and building	34,939	34,978
Plant and equipment	18,946	27,882
Other	46,376	47,768
Total Non Current Assets	100,261	110,628
Total Assets	591,324	591,125
LIABILITIES -		
Current Liabilities -		
Payables	224,719	222,474
Tax	302	270
Provisions	17,416	17,816
Other	112,956	111,962
Total Current Liabilities	355,393	352,522
Non Current Liabilities -		
Provisions	44,955	46,640
Total Non Current Liabilities	44,955	46,640
Total Liabilities	400,348	399,162
NET ASSETS	190,976	191,963

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT BUSINESS

	2002-03 Revised \$000	2003-04 Budget \$000
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STATEMENT OF FINANCIAL POSITION (cont)

EQUITY

Reserves	6,043	6,043
Accumulated funds	184,933	185,920
TOTAL EQUITY	190,976	191,963

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT PROCUREMENT

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Retained Revenue -		
Sales of goods and services	112,452	143,032
Investment income	300	203
Total Retained Revenue	112,752	143,235
Less:		
Expenses -		
Operating Expenses -		
Employee related	51,170	49,441
Other operating expenses	53,318	58,221
Maintenance	775	848
Depreciation and amortisation	3,622	15,796
Borrowing costs	125	5,880
Total Expenses	109,010	130,186
Gain/(loss) on disposal of non current assets	...	1
SURPLUS/(DEFICIT) BEFORE DISTRIBUTIONS	3,742	13,050
Distributions -		
Dividends and capital repatriations	1,497	10,899
Tax equivalents	1,123	1,006
SURPLUS/(DEFICIT) AFTER DISTRIBUTIONS	1,122	1,145

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT PROCUREMENT

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Sale of goods and services	52,040	141,807
Interest	300	203
Other	78,042	...
Total Receipts	130,382	142,010
Payments		
Employee Related	75,132	50,906
Finance costs	125	5,880
Equivalent Income Tax	1,573	1,028
Other	88,071	48,778
Total Payments	164,901	106,592
NET CASH FLOWS FROM OPERATING ACTIVITIES	(34,519)	35,418
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	140	23,102
Purchases of property, plant and equipment	(12,807)	(210,262)
Other	71,436	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	58,769	(187,160)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and advances	...	184,105
Repayment of borrowings and advances	...	(14,300)
Dividends paid	(575)	(11,020)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(575)	158,785
NET INCREASE/(DECREASE) IN CASH	23,675	7,043
Opening Cash and Cash Equivalents	...	23,675
CLOSING CASH AND CASH EQUIVALENTS	23,675	30,718

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT PROCUREMENT

2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Surplus/(deficit) for year before distributions	2,619	12,044
Non cash items added back	3,622	15,796
Change in operating assets and liabilities	(40,760)	7,578
Net cash flow from operating activities	(34,519)	35,418

**SPECIAL MINISTER OF STATE, MINISTER FOR COMMERCE,
MINISTER FOR INDUSTRIAL RELATIONS AND MINISTER FOR THE
CENTRAL COAST**

OFFICE OF GOVERNMENT PROCUREMENT

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	23,675	30,718
Receivables	60,402	61,622
Other	27,671	27,671
Total Current Assets	111,748	120,011
Non Current Assets -		
Property, plant and equipment -		
Land and building	31	14
Plant and equipment	38,344	209,726
Other	10,796	11,119
Total Non Current Assets	49,171	220,859
Total Assets	160,919	340,870
LIABILITIES -		
Current Liabilities -		
Payables	24,258	33,217
Tax	218	196
Provisions	4,873	4,884
Other	4,952	4,909
Total Current Liabilities	34,301	43,206
Non Current Liabilities -		
Interest bearing	...	169,805
Provisions	10,545	10,525
Total Non Current Liabilities	10,545	180,330
Total Liabilities	44,846	223,536
NET ASSETS	116,073	117,334
EQUITY		
Reserves	3,656	3,656
Accumulated funds	112,417	113,678
TOTAL EQUITY	116,073	117,334

MINISTER FOR TOURISM AND SPORT AND RECREATION AND MINISTER FOR WOMEN

DEPARTMENT OF SPORT AND RECREATION

The Department of Sport and Recreation has been restructured to take responsibility for a number of urban parks including Centennial Park and Moore Park Trust, Parramatta Park Trust and a number of Regional Parks previously part of the National Parks and Wildlife Service. The transfers are currently in progress.

Subsequent to the Budget, the Minister has announced that Tourism NSW and the Department of Sport and Recreation will be merged to create the Department of Tourism, Sport and Recreation. The objective of the amalgamation is to achieve efficiencies across the two organisations, targeting the sharing of corporate services.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The trend to reduce reliance on the Government subsidy for the Department's day-to-day operations will continue in 2003-04. With net operating costs similar to the previous year, a significant proportion of award and other CPI increases will be absorbed through a combination of cost savings and higher revenue from increased participation in programs and services provided by the Department.

Industry development was a major focus in 2002-03 as the sport and recreation industry was significantly affected by the public liability insurance situation.

Training sessions for the 'Its Your Business' program were conducted throughout New South Wales for sporting associations at the state and local levels. This resource provides directors with the necessary tools to interpret financial information, implement effective corporate governance systems, understand legal obligations, and analyse and manage risk.

The focus on water safety continued with several new projects undertaken. In collaboration with the Royal Life Saving Society, a drowning prevention campaign, aimed at new parents and care givers to be vigilant around water, was implemented through the network of community nurses and the Keep Watch Program. Research was also conducted with the Chinese community to determine attitudes and risk perceptions regarding water safety, its preferred communication mediums and its understanding of water safety signage.

The Department continued working collaboratively with other agencies and key community organisations to provide an integrated service to disadvantaged people and communities.

The decrease in total expenses in 2003-04 results from a reduction in funding provided to the Sport and Recreation Fund, the transfer of administered grants to the Sydney Olympic Park Authority and the payment of one-off grants to organisations in 2002-03.

One-off grants were paid to:

- ◆ Blacktown City Council for Blacktown Olympic Park;
- ◆ Wollongong Sportsground Trust; and
- ◆ Kogarah Council to upgrade Kogarah Oval.

STRATEGIC DIRECTIONS

The purpose of the Department of Sport and Recreation is to create opportunities and facilitate active involvement so that people benefit from participating in sport, recreation and physical activity.

Assuming responsibility for the urban parks will provide increased scope for the Department to achieve its new Corporate Plan for 2003-2007. The vision of the plan is for a community to use sport and recreation to improve its wellbeing: *more people, more active, more often.*

The key result areas and the focus for 2003-04 are:

- ◆ building community and industry capacity through working with a range of other agencies, local government and community organisations to strengthen communities through sport and recreation. Also, the Department will provide continued support for the development of sporting infrastructure in regional and rural New South Wales particularly through the Regional Sports Facility Program and the Capital Assistance Program;
- ◆ client driven services through developing and refining programs provided by the Department to cater for client needs and expectations;

- ◆ business viability through rolling out the new Customer Information Management System (CIMS) that will improve the Department's interaction with clients, provide consistency of information, and streamline administrative and accounting processes; and
- ◆ high performing management and workforce through introducing a staff performance management system that will ensure all staff are contributing to the outcomes of the corporate plan.

2003-04 BUDGET

Total Expenses

The key initiatives for 2003-04 are \$1.5 million to establish the NSW Soccer Foundation and \$1 million in additional support of Surf Life Saving NSW.

Major features of the Department's expenditure include:

- ◆ an allocation of \$31.8 million for sport and recreation programs co-ordinated by the Department's Regional Offices and programs provided at Centres and Academies of Sport and Recreation;
- ◆ \$15.3 million in payments from the Sport and Recreation Fund for the operation of sporting associations, sports development grants and sporting facility capital grants. This includes payments for the Capital Assistance Program (\$2.9 million), the Regional Sports Facility Program (\$2.4 million), Sports Development Program (\$2.7 million), Regional Academies of Sport (\$0.9 million), various Water Safety programs (\$2.7 million), Youth In Sport (\$0.3 million), Disabled Athlete Scholarships (\$0.1 million), the Country Athletes Scheme (\$0.2 million) and the Active Communities Grant Scheme (\$0.4 million);
- ◆ administered grant funding towards the operations of the NSW Institute of Sport (\$5.7 million) and the Parramatta Park Trust (\$1.1 million); and
- ◆ \$0.5 million for urban Regional Parks.

Asset Acquisitions

A total of \$11.2 million will be spent in 2003-04. The major components of the asset acquisition program are:

- ◆ \$4 million to upgrade facilities at the Sydney Academy of Sport and Recreation and the Berry, Lake Ainsworth and Jindabyne Sport and Recreation Centres;
- ◆ a further \$3.7 million for the continuation of the replacement of dining hall and kitchen facilities at the Point Wolstoncroft and Myuna Bay Sport and Recreation Centres;
- ◆ \$2.5 million for minor works projects at the Centres and Academies of Sport and Recreation; and
- ◆ \$0.8 million for projects at Regional Parks.

**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	27,380	28,959
Other operating expenses	23,024	20,928
Maintenance	4,899	5,008
Depreciation and amortisation	5,287	5,423
Grants and subsidies	33,831	22,593
Total Expenses	94,421	82,911
Less:		
Retained Revenue -		
Sales of goods and services	23,246	24,330
Investment income	326	351
Grants and contributions	2,050	1,439
Other revenue	190	206
Total Retained Revenue	25,812	26,326
NET COST OF SERVICES	68,609	56,585

**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	25,811	27,236
Grants and subsidies	33,831	22,593
Other	31,661	29,675
Total Payments	91,303	79,504
Receipts		
Sale of goods and services	23,545	24,204
Interest	326	351
Other	5,855	5,334
Total Receipts	29,726	29,889
NET CASH FLOWS FROM OPERATING ACTIVITIES	(61,577)	(49,615)
CASH FLOWS FROM INVESTING ACTIVITIES		
Advance repayments received	370	333
Purchases of property, plant and equipment	(26,971)	(11,246)
Advances made	(975)	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	(27,576)	(10,913)
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	62,121	48,942
Capital appropriation	26,971	11,246
Cash reimbursements from the Consolidated Fund Entity	1,260	1,377
Cash transfers to Consolidated Fund	(532)	(245)
NET CASH FLOWS FROM GOVERNMENT	89,820	61,320
NET INCREASE/(DECREASE) IN CASH	667	792
Opening Cash and Cash Equivalents	5,988	6,655
CLOSING CASH AND CASH EQUIVALENTS	6,655	7,447

MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN

DEPARTMENT OF SPORT AND RECREATION

	2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(68,609)	(56,585)
Non cash items added back	6,787	6,971
Change in operating assets and liabilities	245	(1)
Net cash flow from operating activities	(61,577)	(49,615)

**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	6,655	7,447
Receivables	2,124	2,764
Other financial assets	408	408
Other	672	672
Total Current Assets	9,859	11,291
Non Current Assets -		
Other financial assets	3,620	3,287
Property, plant and equipment -		
Land and building	255,706	256,932
Plant and equipment	5,353	9,950
Total Non Current Assets	264,679	270,169
Total Assets	274,538	281,460
LIABILITIES -		
Current Liabilities -		
Payables	1,833	2,297
Provisions	2,550	2,725
Other	2,804	2,804
Total Current Liabilities	7,187	7,826
Total Liabilities	7,187	7,826
NET ASSETS	267,351	273,634
EQUITY		
Reserves	44,819	44,819
Accumulated funds	222,532	228,815
TOTAL EQUITY	267,351	273,634

**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

1 Sport and Recreation in the Community

1.1 Sport and Recreation Development

Program Objective(s): To create opportunities and facilitate active involvement so that people benefit from participating in sport, recreation and physical activity.

Program Description: A diverse range of initiatives are undertaken that build community and industry capacity so that people in New South Wales can regularly engage in and benefit from safe and enjoyable sport, recreation and physical activity. Client driven services are developed in response to community, industry and government needs.

<u>Outcomes:</u>	Units	2000-01	2001-02	2002-03	2003-04
Customers satisfied with services	%	88	89	87	88
NSW population 15 years and over participating in organised sport and physical activities	%	39	39	40	41
NSW population aged 5-14 years participating in organised sport and physical activities	%	60	61	62	62
Total NSW population participating in sport and physical activity	%	78	79	80	81

Outputs:

Outdoor education program (participant days)	thous	238	250	270	300
Swimsafe program (participant days)	thous	296	257	200	180
Sport and Recreation Centres and Academies (participant days)	thous	426	425	440	470
Local level sports facilities (development) supported	no.	466	467	407	400
Regional sports facilities (development) supported	no.	20	17	43	10
High performance sports squads	no.	25	25	26	26
Scholarships to high performance athletes	no.	647	629	750	750
<u>Average Staffing:</u>	EFT	359	358	353	351

**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

1 Sport and Recreation in the Community

1.1 Sport and Recreation Development (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	27,380	28,959
Other operating expenses	22,794	20,649
Maintenance	4,899	5,008
Depreciation and amortisation	4,929	5,065
Grants and subsidies		
Parramatta Park Trust	1,350	1,100
Sporting associations	4,630	6,200
Sports development assistance	2,827	3,552
Assistance for special community groups	304	175
International Sporting Events Council	500	500
NSW Institute of Sport	4,837	5,746
Capital grants to non-profit organisations	6,640	2,423
State Sports Centre – maintenance *	797	...
Local Government sporting facilities – capital grants	5,000	2,897
Sydney Aquatic and Athletic Centres *	3,041	...
Subsidies to organisations	2,100	...
Sydney Aquatic and Athletic Centres – operating subsidy *	1,805	...
Total Expenses	93,833	82,274

* From 1 July 2003, operating subsidies for the State Sports Centre and the Sydney Aquatic and Athletic Centre were transferred to the Sydney Olympic Park Authority.

**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

1 Sport and Recreation in the Community

1.1 Sport and Recreation Development (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Sport and recreation centres	20,582	21,527
Board and lodging	296	318
Minor sales of goods and services	1,878	1,983
Investment income	287	312
Grants and contributions	2,050	1,439
Other revenue	190	206

Total Retained Revenue	25,283	25,785
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NET COST OF SERVICES	68,550	56,489
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ASSET ACQUISITIONS	7,511	11,246
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**MINISTER FOR TOURISM AND SPORT AND RECREATION AND
MINISTER FOR WOMEN**

DEPARTMENT OF SPORT AND RECREATION

1 Sport and Recreation in the Community

1.2 Eastern Creek Precinct

Program Objective(s): To provide the people of New South Wales with world class facilities for motor sport events.

Program Description: Leasing of the Eastern Creek Racetrack, Karting Track and Drag Strip to commercial operators to stage events.

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Other operating expenses	230	279
Depreciation and amortisation	358	358
Total Expenses	588	637
Less:		
Retained Revenue -		
Sales of goods and services		
Rents and leases	490	502
Investment income	39	39
Total Retained Revenue	529	541
NET COST OF SERVICES	59	96
<hr/>		
ASSET ACQUISITIONS	19,460	...

MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE HUNTER

MINISTRY OF TRANSPORT

The role of the Ministry of Transport is to provide independent, considered policy advice and strategic, financial and budgetary coordination for the transport portfolio and general support for the Minister for Transport Services.

The Ministry will continue to play a lead role in strategic advice on bus and ferry operations, including management and reform of the school student and community transport services.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

During 2002-03 total expenses increased by \$210 million, from a budget estimate of \$2,279 million to \$2,489 million. This was mainly due to increases totalling \$150 million for CityRail and CountryLink services to improve the safety, security, reliability and cleanliness of the rail network. Additional funding was also provided for the State Transit Authority's bus and ferry services and for the Parramatta Rail Link project.

STRATEGIC DIRECTIONS

The Ministry of Transport has been created as part of reform of the Transport Portfolio. Details of the stages of reform are included on pages 21-1 to 21-3 of Budget Paper No. 3 - Volume 2.

Increased accountability and transparency at all levels of the transport system is an essential element in further improving the public transport system. From a structural perspective, the recent reforms are designed to separate policy from operations. The Ministry's success will be measured in the efficient, reliable, safe, clean and cost effective public transport solutions that meet the community's needs.

2003-04 BUDGET

Total Expenses

Total budgeted expenses in 2003-04 are \$2,488 million.

Details of key initiatives for the Ministry in 2003-04 are discussed in Budget Paper No. 3 - Volume 2. The following funding will be provided by the Ministry in 2003-04:

Rail Services

- ◆ the Ministry will provide \$959.2 million in 2003-04 in recurrent grants to fund CityRail and CountryLink rail services;
- ◆ capital grants to StateRail from the Ministry will be \$402.6 million in 2003-04, an increase of \$14 million on 2002-03 Budget. This includes \$119.4 million towards the Parramatta Rail Link project;
- ◆ \$285.5 million will be provided to support maintenance work on rail lines throughout rural New South Wales.

Bus, Ferry and Community Transport Services

- ◆ the Ministry will provide \$242 million to the State Transit Authority in 2003-04. This includes funding for the School Student Transport Scheme and other concessions;
- ◆ payments to private transport operators and community groups in 2003-04 are estimated at \$443.9 million. This covers School Student Transport Scheme payments for private operators (more details relating to the School Student Transport Scheme are included on pages 21-6 and 21-7 of Budget Paper No. 3 - Volume 2), concessions for pensioners, transport services provided under the Community Transport Program and Home and Community Care Program, as well as subsidies for half-fare taxi transport for people unable to use public transport because of a severe and permanent disability.

Transport Infrastructure Improvement

- ◆ \$25 million will be spent in 2003-04 on continuing construction of infrastructure, interchanges and commuter facilities such as car parks. These costs are being funded from proceeds of the Parking Space Levy (PSL).
- ◆ The PSL will also be providing \$20.6 million in 2003-04 to meet the cost of bus stations on transitways.

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**

MINISTRY OF TRANSPORT

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	28,993	32,235
Other operating expenses	11,000	13,984
Maintenance	197	60
Depreciation and amortisation	1,500	1,700
Grants and subsidies	2,424,922	2,418,290
Other expenses	22,542	21,642
Total Expenses	2,489,154	2,487,911
Less:		
Retained Revenue -		
Sales of goods and services	5,385	4,669
Investment income	1,634	1,680
Retained taxes, fees and fines	1,689	1,736
Grants and contributions*	119,876	27,803
Other revenue	4,513	4,513
Total Retained Revenue	133,097	40,401
NET COST OF SERVICES	2,356,057	2,447,510

* The 2002-03 projection includes provision for transfer of land estimated at \$80 million from State Rail Authority in connection with the Parramatta Rail Link.

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER
MINISTRY OF TRANSPORT**

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	23,075	29,962
Grants and subsidies	2,382,123	2,378,054
Other	61,145	99,475
Total Payments	2,466,343	2,507,491
Receipts		
Sale of goods and services	5,385	4,669
Interest	1,030	1,680
Other	77,572	80,349
Total Receipts	83,987	86,698
NET CASH FLOWS FROM OPERATING ACTIVITIES	(2,382,356)	(2,420,793)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(57,427)	(40,786)
Other	24,306	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	(33,121)	(40,786)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings and advances	4,000	...
NET CASH FLOWS FROM FINANCING ACTIVITIES	4,000	...
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	2,401,693	2,403,716
Capital appropriation	39,253	40,786
Cash reimbursements from the Consolidated Fund Entity	829	854
Cash transfers to Consolidated Fund	2,398	(2,398)
NET CASH FLOWS FROM GOVERNMENT	2,444,173	2,442,958
NET INCREASE/(DECREASE) IN CASH	32,696	(18,621)
Opening Cash and Cash Equivalents	...	32,696
CLOSING CASH AND CASH EQUIVALENTS	32,696	14,075

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**
MINISTRY OF TRANSPORT

	2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(2,356,057)	(2,447,510)
Non cash items added back	(38,168)	39,646
Change in operating assets and liabilities	11,869	(12,929)
Net cash flow from operating activities	(2,382,356)	(2,420,793)

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**

MINISTRY OF TRANSPORT

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	32,696	14,075
Receivables	21,534	13,724
Other	24,573	24,573
Total Current Assets	78,803	52,372
Non Current Assets -		
Receivables	108	108
Property, plant and equipment -		
Land and building	148,141	147,981
Plant and equipment	6,434	5,844
Infrastructure systems	62,611	66,724
Total Non Current Assets	217,294	220,657
Total Assets	296,097	273,029
LIABILITIES -		
Current Liabilities -		
Payables	46,403	26,134
Provisions	3,141	3,191
Other	2,432	34
Total Current Liabilities	51,976	29,359
Non Current Liabilities -		
Interest bearing	4,000	4,000
Other	28,804	28,804
Total Non Current Liabilities	32,804	32,804
Total Liabilities	84,780	62,163
NET ASSETS	211,317	210,866
EQUITY		
Accumulated funds	211,317	210,866
TOTAL EQUITY	211,317	210,866

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**

MINISTRY OF TRANSPORT

1 Transport Policy and Strategy

1.1 Transport Policy and Strategy

Program Objective(s): To provide independent, considered policy advice and financial and strategic co-ordination for the Transport Portfolio to improve transport service outcomes for the people of New South Wales.

Program Description: Deliver to the Minister and Government sound, impartial and independent advice on policy and related issues. Undertake strategic co-ordination of the Transport Budget allocation. Manage portfolio legislation and support the Minister in his statutory, Parliamentary, Cabinet and other roles. Co-ordinate the activities of portfolio agencies. Maintain strong working relationships with external and other Government agencies.

<u>Activities:</u>	Average Staffing (EFT)	
	2002-03	2003-04
Policy and strategy staff *	n.a.	143

* Staffing figures for 2002-03 are not available due to the transfer of functions as part of the restructure.

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	13,627	15,151
Other operating expenses	6,277	4,065
Maintenance	93	28
Depreciation and amortisation	705	799
Other expenses		
Legal and other costs	970	1,387
Total Expenses	21,672	21,430

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**

MINISTRY OF TRANSPORT

1 Transport Policy and Strategy

1.1 Transport Policy and Strategy (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Port safety operating licence	159	163
Minor sales of goods and services	4,797	4,412
Investment income	1,634	1,680
Retained taxes, fees and fines	1,689	1,736
Grants and contributions	102,876	11,720
Other revenue	4,513	4,513
Total Retained Revenue	115,668	24,224
NET COST OF SERVICES	(93,996)	(2,794)

ASSET ACQUISITIONS	6,393	5,463
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MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE HUNTER

MINISTRY OF TRANSPORT

2 Contracting and Regulating Transport Services

2.1 Contracting and Regulating Transport Services

Program Objective(s): To contract and regulate transport providers to provide high quality passenger and freight transport services to the community.

Program Description: Develop and improve regulated standards and monitoring/auditing of transport service providers. Provide efficient and effective regulation services for transport service providers. Contract and fund services from providers (e.g. State Rail Authority, State Transit Authority, private transport operators, Rail Infrastructure Corporation and freight providers) which would not otherwise be available at the current fare and/or service levels. Fund improvements to public transport. Provide direct funding to identified community groups and certain individuals to meet their particular transport service needs.

Units 2000-01 2001-02 2002-03 **2003-04**

Outputs:

CityRail services -

Total concession trips	mill	81.4	81.1	80.7	81.1
Average concession subsidy per trip	\$	2.03	2.06	2.12	2.21
Total passengers, including concession recipients	mill	285.6	276.4	273.4	273.4
Average subsidy per trip, including concessions	\$	1.63	2.02	2.49	2.45
Average subsidy per trip, excluding concessions	\$	1.05	1.41	1.86	1.80

CountryLink services -

Total concession trips	mill	1.1	1.2	1.1	1.1
Average concession subsidy per trip	\$	39.24	39.30	38.92	40.36
Total passengers, including concession recipients	mill	2.1	2.2	2.1	2.1
Average subsidy per trip, including concessions	\$	37.04	35.46	41.75	43.93
Average subsidy per trip, excluding concessions	\$	15.89	13.54	21.13	22.29

State Transit bus and ferry services -

Total concession trips	mill	118.0	115.6	115.5	116.4
Average concession subsidy per trip	\$	1.16	1.24	1.25	1.34
Total passengers, including concession recipients	mill	222.5	218.1	212.4	214.0
Average subsidy per trip, including concessions	\$	0.87	0.97	1.13	1.13
Average subsidy per trip, excluding concessions	\$	0.25	0.31	0.45	0.40

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**

MINISTRY OF TRANSPORT

2 Contracting and Regulating Transport Services

2.1 Contracting and Regulating Transport Services (cont)

School Student Transport Scheme (SSTS) -					
Total beneficiaries	thous	671.8	674.8	675.2	678.8
Cost per beneficiary	\$	574.1	601.8	632.7	658.2
<u>Average Staffing:</u>	EFT*	160

* Staffing figures for past years are not available due to the transfer of functions as part of the restructure.

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	15,366	17,084
Other operating expenses	4,723	9,919
Maintenance	104	32
Depreciation and amortisation	795	901
Grants and subsidies		
Private transport operators - SSTS and concessions	396,213	406,483
Community groups and certain individuals	40,883	37,393
SRA CityRail and CountryLink services	554,612	537,582
SRA - capital grants	280,011	283,213
SRA - SSTS and concessions	214,860	224,708
SRA - maintenance grant	166,200	149,800
SRA - transitional payment	36,992	35,100
SRA - redundancies	12,000	12,000
Rail Infrastructure Corporation (RIC) - line services	286,087	285,545
RIC - redundancies	18,000	20,000
State Transit Authority (STA) - SSTS and concessions	144,631	155,453
STA - bus and ferry services	95,191	86,216
STA - capital grant - ferries	3,114	330
Rail freight services	7,655	3,870
CSO payment to Port Kembla Port Corporation for coal loader**	10,535	...
Newcastle Port Corporation - lease administration fee	143	150
Parramatta Rail Link - capital grant	99,400	119,404
Capital grants - interchanges, car parks and rail projects	42,799	40,236
Contribution to transitways	15,500	20,600
Local Government - capital grants	96	207

** The Government is currently reviewing the Community Service Obligation (CSO) payment following expiry of the three year agreement.

**MINISTER FOR TRANSPORT SERVICES AND MINISTER FOR THE
HUNTER**

MINISTRY OF TRANSPORT

2 Contracting and Regulating Transport Services

2.1 Contracting and Regulating Transport Services (cont)

OPERATING STATEMENT (cont)

Other expenses		
Integrated Transport Information Service	8,646	11,464
Refunds and remissions of Crown revenue	100	100
Contracted passenger services	4,039	4,549
Taxi Advisory Council	1,702	1,699
Legal and other costs	30	43
Integrated Ticketing Project *	4,700	...
Homebush Bay Major Events - payments to bus operators	2,355	2,400
Total Expenses	2,467,482	2,466,481
Less:		
Retained Revenue -		
Sales of goods and services		
Minor sales of goods and services	429	94
Grants and contributions	17,000	16,083
Total Retained Revenue	17,429	16,177
NET COST OF SERVICES	2,450,053	2,450,304

* Costs relating to this project are to be capitalised.

TREASURER AND MINISTER FOR STATE DEVELOPMENT

TREASURY

Treasury consists of the **Office of Financial Management** (OFM) and the **Office of State Revenue** (OSR). OFM serves the Treasurer and the Government by providing economic advice and advising on, and accounting for, the overall management of the State's finances. OSR administers and collects taxes, implements legislation relating to State revenue, makes the payment of various grants, subsidies, and rebates, and collects outstanding State debts.

In April, Treasury was restructured as part of organisational changes approved by Government. The asset and procurement policy functions of the former Department of Public Works and Services were transferred to Treasury.

The new functions taken over by Treasury were integrated into the Office of Financial Management.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Treasury applies various strategies to ensure State financial and economic management outcomes. The strategies implemented within Treasury continue to contribute to key outcomes including maintenance of the State's AAA rating, strong growth in the State's Net Worth and maintenance of a strong revenue base.

Office of Financial Management

OFM seeks to promote the allocation of resources that increases the economic welfare of the community. It works across a range of key areas to ensure financial and economic management strategies are in place to achieve this outcome. Achievements in key strategic areas over the previous year are outlined below:

Enhanced Economic Development

- ◆ development of an economics based framework for addressing natural resource management issues and a balance between development and sustainability;

- ◆ ongoing progress in implementing Competition Policy has secured National Competition Policy tranche payments and contributed to a more competitive business environment; and
- ◆ sale of Power Coal, Pacific Power International and Tallawarra as part of the ongoing reform of the energy industry.

Effective Resource Allocation

- ◆ ongoing implementation of the Financial Management Framework including further development of Service and Resource Allocation Agreements (SRAAs) as the key vehicle for determining budget allocations;
- ◆ assistance with a number of Privately Financed Projects for infrastructure procurement. Projects included: New Schools Project; Cross City Tunnel; Western Sydney Orbital; and Alternative Waste Technologies; and
- ◆ advice on and implementation of arrangements for the restructure of Natural Resource agencies following acceptance of the structural reform proposals.

Transparent Financial Management

- ◆ development and implementation, for the March 2003 State election, of protocols for the costing of election commitments to clearly report the net impact on the State's finances;
- ◆ commencement of review and update of the Treasurer's Directions and associated guidelines for agencies; and
- ◆ negotiation of Statements of Corporate Intent with Government Businesses and SRAAs with selected agencies to provide greater specification of the outcomes to be achieved.

Strengthened State Finances

- ◆ implementation of the State Fiscal Strategy provided the framework for the implementation of the State's 2002-03 Budget and the development of the 2003-04 Budget, reaffirming NSW's AAA Credit Rating;
- ◆ preparation of the NSW case to the Commonwealth Grants Commission 5 year review of the methodology for funding; and
- ◆ provision of advice on mitigating the impact of events such as the HIH collapse on insurance availability including tort law reform and industry liaison.

Office of State Revenue

Ensuring Due Revenue

- ◆ OSR has continued to invest in electronic service delivery to clients with a focus on Web Forms development, Electronic Document Returns and improvements in pay-roll tax processing. Specific funding was provided for compliance programs in 2002-03 for the purpose of increasing voluntary compliance and ensuring that our taxes are equitable. Further compliance initiatives are being introduced in 2003-04 to build on the programs already being applied.

Ensuring Eligible Payments

- ◆ OSR administers the First Home Owners Grant Scheme (FHOGS) and the Grain Freight Rebate Scheme (GFRS). During 2002-03 the number of FHOGS applications reduced by 32 percent compared to 2001-02. This reflected a tapering off of first homebuyer activity in the market. It is projected that there will be a further decrease in numbers in 2003-04. The GFRS was established for a 2 year period effective from 1 July 2001 and officially came to an end on 30 June 2003. There has also been an increase in activity in the management of Unclaimed Moneys due to the information being made available on the Web and an increase in compliance activity.

Effective Fine Enforcement

- ◆ The State Debt Recovery Office (SDRO) is now established within OSR. A concentrated effort is being made to ensure an efficient and effective relocation to Lithgow by March 2004. With the announced transfer of the Infringement Processing Bureau from NSW Police to OSR, effective from 1 October 2003, the opportunity exists to broaden SDRO's involvement in fine enforcement processing and achieve performance improvements.

During 2002-03 OSR focused attention on the identification and implementation of productivity initiatives to improve efficiency and meet the cost of wage increases. OSR will continue its efforts to improve efficiency through the implementation of its Shared Services Plan and commitment to business process improvement across all its programs.

STRATEGIC DIRECTIONS

Office of Financial Management

OFM's strategic management framework remains unchanged. The 2003-04 strategic initiatives will help promote the allocation of resources that increases the economic welfare of the community. These initiatives are:

Enhanced Economic Development

- ◆ participation on the national working group reviewing and advising Heads of Treasuries and Treasurers on debits tax abolition and the possibility of abolishing particular State business stamp duties, as specified in the Inter-governmental Agreement (IGA);
- ◆ continue implementation of energy reform including the review of options for management of electricity trading risks; and
- ◆ review of the Fire Service Levy within the context of ensuring a competitive tax and business environment.

Effective Resource Allocation

- ◆ continuing implementation of the Financial Management Framework for the General Government Sector with emphasis on Service and Resource Allocation Agreements to facilitate value for money programs and services;
- ◆ implementation of strategic capital reforms to improve capital investment and management to achieve improved resource utilisation;
- ◆ enhancement of capital project assessment and monitoring functions; and
- ◆ assistance with approved Privately Financed Projects including the Long Bay forensic and prison hospital project.

Transparent Financial Management

- ◆ review of the policy for monitoring the operation of Government Businesses; and
- ◆ review and amendment of State accounting policies to comply with the convergence of Australian and International accounting standards.

Strengthened State Finances

- ◆ pursuance of a fairer share of Commonwealth funding for New South Wales through a phased review of the Commonwealth Grants Commission's assessment methods, to influence the methods adopted for the 2004 Review for allocating Commonwealth funding between the States for the five years beginning 2004-05; and
- ◆ improvement in public sector risk management through reviews of Financial Assets Management and Electricity Trading Risk Management.

Office of State Revenue

OSR's strategic plan confirms the mission, vision and guiding principles of the Office while simultaneously outlining a set of goals, objectives and strategies that establish priorities and provide direction. OSR 2005 provides the framework for OSR's strategic direction. It is based on four business focus areas:

- ◆ **Stronger Revenue Base** – provision of better management of government revenue through simplified legislation, effective compliance and client service strategies. Seeking to ensure equitable revenue administration by minimising the cost of collection and compliance and increasing service delivery to the clients. Key action programs planned include the development of a Client Service Strategy and further implementation of the Compliance Strategy.
- ◆ **Skilled and Committed People** - maximise organisational capability by developing the skills and talent of our people, developing strategies that strengthen OSR's position as the leading revenue agency by attracting and retaining skilled people. The key action program under this focus area is continuation of the implementation of the People Plan.
- ◆ **Powerful Systems and Processes** – use of technology to streamline business processes and be more responsive to client needs, promoting use of technology to develop efficient and convenient client service alternatives. The key action programs focus on the Information Management Strategy, Business Process Improvement and ISO accreditation and the relocation of the SDRO to Lithgow.
- ◆ **Expanded Revenue Services** – provision of an increased whole-of-government approach to revenue administration for the benefit of the people of New South Wales. The successful transition of the Infringement Processing Bureau from NSW Police to OSR will be the primary objective under this focus area.

2003-04 BUDGET

Total Expenses

The estimated expenses for Treasury in 2003-04 are \$361.2 million. This includes First Home Owner Grant payments estimated to be \$231.4 million. Excluding First Home Owner grants, Treasury expenses are \$129.8 million and will be used for the following:

- ◆ \$37.8 million to increase the community's economic welfare through undertaking microeconomic reform, applying a Financial Management Framework that assists General Government agencies deliver value for money programs and services while promoting transparency in the use of State Budget resources and strengthening the Commercial Policy Framework;
- ◆ \$71.3 million to ensure effective and equitable collection of revenue from taxes, duties and other sources due to the State of New South Wales;
- ◆ \$5.3 million to ensure eligible applicants receive payments due under Commonwealth and State Government schemes; and
- ◆ \$15.4 million to ensure the effective and timely administration of the full range of fine enforcement activities for the benefit of people of New South Wales.

Asset Acquisitions

Office of Financial Management

OFM's allocation of \$0.4 million for 2003-04 will be used for general enhancements to existing computer systems and equipment upgrades.

Office of State Revenue

OSR's allocation for 2003-04 is \$8.1 million. The key programs planned include:

- ◆ fitting out the new State Debt Recovery Office (SDRO) in Lithgow. This will involve IT equipment, furniture and other equipment to ensure the Office has a smooth transition and continues to operate effectively;
- ◆ replace the existing computer fine enforcement system at SDRO to increase functionality and to improve efficiency in processing and collecting outstanding debt; and
- ◆ ongoing development in OSR's RECOUPS and associated systems which are the key revenue collection systems for the State. This maintenance will extend the useful life of the system and aid OSR to keep pace with changing business needs and processes.

DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

The Department of State and Regional Development provides expert advice and quality services to advance the economic development of both metropolitan and regional New South Wales.

During 2002-03, the Office of Western Sydney (formerly part of the Department of Information Technology and Management) was integrated as a branch of the Department.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

During 2002-03, the Department assisted major investment projects across New South Wales with an estimated investment value of \$1,217 million and employment impact of over 5,518 jobs. An extensive range of innovative programs were undertaken including:

- ◆ the Australian Technology Showcase (ATS) continued to expand its promotion of innovative Australian technology businesses, announcing the new ATS Technology Demonstration program. This initiative provides an opportunity for businesses to demonstrate or trial innovative technology in partnership with a Government agency or the private sector. A further 49 innovative member technologies were admitted to the ATS during the year. 358 companies involved in the ATS have contributed to over \$330 million in export and domestic sales and secured over \$190 million from equity investors;
- ◆ the Department's post-Olympics business development program facilitated access to business opportunities related to the Beijing 2008 Olympic Games. Activities included a major workshop in Sydney for the Beijing Organising Committee for the Olympics and introducing Beijing construction companies to NSW architects, engineers and building product service providers. Support for NSW companies has resulted in early success in Olympic tenders and good prospects exist for further successes;
- ◆ the Rugby World Cup Business Program will provide opportunities to leverage business from the expected presence of significant numbers of international visitors in Sydney during the Cup period. During 2002-03, six country themed business networking events, including one in London, were held to help identify business investors/executives from participating countries who will be visiting Sydney during the Rugby World Cup;

- ◆ the Regional Business and Investment Tour linked providers of finance with regional firms seeking funds for business growth. 16 delegates from investment companies visited Goulburn, Wagga Wagga and Nowra in November 2002. In addition, the Regional Film Investment Tour, conducted in June 2003, showcased the North Coast as a location to shoot films and television commercials to ten production companies;
- ◆ 99 companies participated in 43 trade missions and market visits (including independent company visits) organised or supported by the Department to 21 overseas markets. These missions and market visits resulted in 123 new market entries and are projected to earn \$44 million in new export sales for the participating companies in the initial 12 months;
- ◆ investment projects attracted to regional New South Wales included the relocation of truck body manufacturer Herd Bars and Bodies from Sydney to Wollongong, National Ceramic Industries' ceramic tile manufacturing plant at Maitland, Salmat's 300 seat call centre at Wagga Wagga, the Sea Link logistics warehousing and cold storage facility development at Blayney, a distribution centre for Woolworth's at Wyong and the expansion and upgrade of Hydro Aluminium's smelter in Kurri Kurri;
- ◆ investment projects attracted to Sydney included a research and development centre for Taiwan Telecom, Unisys' regional shared services centre, UBS Warburg's Global technical support centre, and ABC Tissues' new manufacturing plant; and
- ◆ Office of Western Sydney initiatives included the Western Sydney Business Awards, the Western Sydney Information Technology Cluster and the Knowledge Economy Conference.

STRATEGIC DIRECTIONS

The Department's activities are encompassed in four strategies. These are:

- ◆ promoting investment;
- ◆ boosting exports;
- ◆ encouraging innovation; and
- ◆ improving the State's business climate.

2003-04 BUDGET

Total Expenses

The Department's estimated total expenses for 2003-04 are \$106 million. During 2003-04 the Department's initiatives will include:

- ◆ implementation of programs to assist the commercialisation of biotechnology and actively market and promote NSW biotechnology companies internationally at events such as Bio2004 and Medica in Dusseldorf;
- ◆ the Australian Technology Showcase which includes over 350 innovative NSW technologies and provides an extensive range of promotional activities;
- ◆ coordination of a comprehensive business program in conjunction with the staging of the Rugby World Cup 2003 in Australia. The program will focus on Sydney and the regional venues of Gosford and Wollongong;
- ◆ regional development assistance delivering programs and services specifically aimed at helping the establishment and growth of regional businesses. Funding has been provided to continue the New Market Expansion and Towns and Villages Futures Programs;
- ◆ small business development programs which support and assist people who are intending to start a business as well as those who are already in business. The Small Business Expansion and High Growth Business programs offer fast growing businesses the opportunity to access external support to assist innovation and growth;
- ◆ customised business assistance for Aboriginal people engaged in business or intending to start a business. Support will also be provided for indigenous community based enterprises to engage in organisational building, management skilling and business development; and
- ◆ implementation of the New Export Opportunities Program which aims to assist small and medium companies into export and/or new overseas markets through trade missions and market visits, export advisory services and access to information and networking support.

Asset Acquisitions

The Department's asset acquisition program for 2003-04 includes \$0.1 million for essential building works and the replacement of plant and equipment.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	68,126	72,380
Other operating expenses	34,398	32,341
Maintenance	535	649
Depreciation and amortisation	12,854	12,324
Grants and subsidies	320,850	243,506
Total Expenses	436,763*	361,200
Less:		
Retained Revenue -		
Sales of goods and services	4,209	3,983
Investment income	544	531
Retained taxes, fees and fines	99	60
Grants and contributions	434	115
Other revenue	3,842	3,896
Total Retained Revenue	9,128	8,585
Gain/(loss) on disposal of non current assets	(56)	...
NET COST OF SERVICES	427,691	352,615

* The estimate in Budget Paper No. 3 Volume 2 was \$440,669,000. The variation is mainly due to a decline in payments under the First Home Owners Grant Scheme.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	57,958	67,142
Grants and subsidies	320,850	243,506
Other	41,365	36,547
Total Payments	420,173	347,195
Receipts		
Sale of goods and services	4,234	4,099
Interest	547	531
Other	9,052	7,385
Total Receipts	13,833	12,015
NET CASH FLOWS FROM OPERATING ACTIVITIES	(406,340)	(335,180)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	12	...
Purchases of property, plant and equipment	(10,116)	(8,404)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(10,104)	(8,404)
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	404,953*	335,721
Capital appropriation	10,134	8,427
Cash reimbursements from the Consolidated Fund Entity	1,996	2,361
Cash transfers to Consolidated Fund	(20)	...
NET CASH FLOWS FROM GOVERNMENT	417,063	346,509
NET INCREASE/(DECREASE) IN CASH	619	2,925
Opening Cash and Cash Equivalents	8,968	9,587
CLOSING CASH AND CASH EQUIVALENTS	9,587	12,512
CASH FLOW RECONCILIATION		
Net cost of services	(427,691)	(352,615)
Non cash items added back	19,492	17,231
Change in operating assets and liabilities	1,859	204
Net cash flow from operating activities	(406,340)	(335,180)

* The estimate in Budget Paper No. 3 Volume 2 was \$409,847,000. The variation is mainly due to a decline in payments under the First Home Owners Grant Scheme.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

	2002-03 Revised \$000	2003-04 Budget \$000
STATEMENT OF FINANCIAL POSITION		
ASSETS -		
Current Assets -		
Cash assets	9,587	12,512
Receivables	5,067	4,954
Other	520	586
Total Current Assets	15,174	18,052
Non Current Assets -		
Property, plant and equipment - Plant and equipment	37,412	33,515
Total Non Current Assets	37,412	33,515
Total Assets	52,586	51,567
LIABILITIES -		
Current Liabilities -		
Payables	5,411	5,708
Provisions	6,720	6,719
Other	41	41
Total Current Liabilities	12,172	12,468
Non Current Liabilities -		
Provisions	1,513	1,513
Other	27	27
Total Non Current Liabilities	1,540	1,540
Total Liabilities	13,712	14,008
NET ASSETS	38,874	37,559
EQUITY		
Accumulated funds	38,874	37,559
TOTAL EQUITY	38,874	37,559

TREASURER AND MINISTER FOR STATE DEVELOPMENT

TREASURY

1 State Financial and Economic Management Strategy and Services

1.1 Increasing the Community's Economic Welfare

Outcome Objective(s): Promote the allocation of resources that increases the economic welfare of the community. The key strategic areas are:

- ◆ enhanced economic development;
- ◆ effective resource allocation;
- ◆ transparent financial management; and
- ◆ strengthened State finances.

Strategies: Contribute to the productivity and efficiency of the NSW economy by undertaking **microeconomic reform**, including:

- ◆ implementation of electricity trading risk management policy;
- ◆ oversight of electricity network pricing determinations for 2004;
- ◆ implementation of policies to address community insurance issues;
- ◆ review of the Fire Service Levy; and
- ◆ establishment of enhanced capital assessment and monitoring functions.

Applying a **Financial Management Framework and Commercial Policy Framework** that assists agencies deliver value for money programs and services through:

- ◆ Service and Resource Allocation Agreement (SRAA) negotiation and integration into the Budget process;
- ◆ implementation of a strategic capital allocation reform program;
- ◆ convergence with international accounting standards; and
- ◆ review of Public Trading Enterprise monitoring policy.

Optimising **State balance sheet** structure, including efficient management of debt, unfunded superannuation and other liabilities through review of the management of financial assets.

Advocating and applying the **State Fiscal Strategy**:

- ◆ analysis of the long term sustainability of the State's fiscal strategy;
- ◆ review of State taxes as specified in the Inter-Government Agreement; and
- ◆ co-ordination for the NSW case for the 2004 Commonwealth Grants Commission (CGC) review.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

1 State Financial and Economic Management Strategy and Services

1.1 Increasing the Community's Economic Welfare (cont)

	Units	2000-01 Actual	2001-02 Actual	2002-03 Actual	2003-04 Benchmark
<u>Outcome Performance Estimates:</u>					
Continuing receipt of National Competition Policy tranche payments/avoidance of penalties					
		Yes	Yes	Yes	Yes
Maintenance of NSW credit rating		AAA	AAA	AAA	AAA
At least maintenance of General Government real net worth		Av. real 5% pa since June 1997		Av. real 1% pa to June 2007	
Reduction in State net financial liabilities as % of GSP	%	15.9	15.8	16.4	16.2
At least maintenance of NSW GST revenue share relative to equal per capita share following CGC 5 year methodological reviews	%	n.a.	n.a.	n.a.	>86 (from 2004-05)
<u>Output Performance Estimates:</u>					
Deviation of actual GFS expenses from the Budget projection	%	+6.1	+5.4	+4.5	<+2.0
Relevant agencies with OFM endorsed asset maintenance plans	%	87	88	94	100
Pilot SRAAs integrated into the Budget process	%	55	73	91	100
<u>Timeliness:</u>					
Government businesses with signed Statements of Corporate Intent	%	94	94	76	100
<u>Resources (EFT):</u>		191	199	229	235

Note: Program Statements have been replaced by Outcome Objectives in line with the Service and Resource Allocation Agreement implemented in 2001-02. Data not available for earlier years.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

1 State Financial and Economic Management Strategy and Services

1.1 Increasing the Community's Economic Welfare (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	22,573	23,195
Other operating expenses	13,062	13,651
Maintenance	100	99
Depreciation and amortisation	913	650
Grants and subsidies		
Grants to agencies	1,794	169
Total Expenses	38,442	37,764
Less:		
Retained Revenue -		
Sales of goods and services		
Minor sales of goods and services	14	15
Investment income	193	190
Grants and contributions	73	...
Other revenue	3,811	3,733
Total Retained Revenue	4,091	3,938
NET COST OF SERVICES	34,351	33,826
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ASSET ACQUISITIONS	474	350

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

2 Revenue Collection

2.1 Ensuring Due Revenue

Outcome Objective(s): Ensure effective and equitable collection of revenue from taxes, duties and other sources due to the State of New South Wales.

Strategies: Improve revenue administration and service delivery by:

- ◆ implementing the **Stronger Revenue Base** strategy aimed at enhancing revenue collection and adopting strategies to reduce the level of undetected revenue;
- ◆ developing and implementing **Powerful Systems and Processes** strategy by enhancing the quality of our core computer systems and business processes;
- ◆ enhancing our Client Services Strategy;
- ◆ developing our people through the **Skilled and Committed People** strategy; and
- ◆ implementing the **Expanded Revenue Services** strategy that will enhance OSR's competitiveness and efficiency in undertaking new functions.

	Units	2000-01	2001-02	2002-03	2003-04
<u>Outcome Performance Estimates:</u>					
Duties collected	\$m	4,715	4,613	5,158	4,916
Pay-roll tax collected	\$m	4,496	4,555	4,726	4,389
Land tax collected	\$m	865	1,010	1,154	1,251
Federal tax equivalent collected	\$m	446	294	372	481
Gaming	\$m	736	267	762	791
Racing	\$m	138	142	144	151
Other revenue collected	\$m	590	425	252	255

Output Performance Estimates:

Number of assessments	m	1.3	1.3	1.3	1.3
Number of clients	'000	317	571	590	602
Overdue debt as a proportion of total revenue	%	1.20	1.05	1.01	0.90
\$ Revenue administered per \$ expense	\$	194.0	163.9	175.7	171.6
Revenue per EFT (staff)	\$m	23.1	21.0	22.8	22.2
Proportion of revenue received by electronic payment	%	60	60	63	65
Client satisfaction with audits carried out	%	99	99	95	95

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

2 Revenue Collection

2.1 Ensuring Due Revenue (cont)

Resources:

Duties	EFT	199	198	195	203
Pay-roll tax	EFT	103	102	120	136
Land tax	EFT	190	216	211	209
Federal tax equivalent	EFT	2	2	2	4
Gaming	EFT	...	3	4	3
Racing	EFT	4	5	7	1
Other revenue	EFT	21	13	13	21

Note: Program Statements have been replaced by Outcome Objectives in line with the Service and Resource Allocation Agreement implemented in 2001-02.

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses -		
Employee related	37,281	38,046
Other operating expenses	12,062	10,976
Maintenance	335	430
Depreciation and amortisation	10,239	9,920
Grants and subsidies		
Valuer General's Office	11,601	11,937
Total Expenses	71,518	71,309

**TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY**

2 Revenue Collection

2.1 Ensuring Due Revenue (cont)

OPERATING STATEMENT (cont)

Less:

Retained Revenue -

Sales of goods and services		
Fees for services	453	456
Search fees	3,730	3,512
Minor sales of goods and services	11	...
Investment income	320	315
Grants and contributions	265	106
Other revenue	28	152
Total Retained Revenue	4,807	4,541
Gain/(loss) on disposal of non current assets	(49)	...
NET COST OF SERVICES	66,760	66,768

ASSET ACQUISITIONS	9,240	2,144
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TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

3 Administrative Services

3.2 Ensuring Eligible Payments

Outcome Objective(s): Ensure eligible applicants receive payments due under Commonwealth/State Government schemes.

Strategies: Maximise efficiency and effectiveness of administration of payments consistent with the Commonwealth/State Governments' policy by:

- ◆ ensuring eligible home owners receive payments due under Commonwealth/State Government schemes;
- ◆ enhancing our **Powerful Systems and Processes** to ensure eligible claimants and parties for Unclaimed Money and Petroleum Subsidies receive their entitlements;
- ◆ ensuring education and awareness within the broader community of the eligibility criteria for grants and payments; and
- ◆ applying the **Stronger Revenue Base** strategy to implement an effective audit program to minimise the risks of ineligible persons receiving payments.

Units 2000-01 2001-02 2002-03 **2003-04**

Outcome Performance Estimates:

First Home Owners Grant (FHOG)	\$m	314	505	307	231
FH Plus exemptions/concessions granted	\$m	124	134	67	62
Unclaimed money	\$m	6.5	9	8	10
Petroleum subsidy	\$m	50	39	38	37

Output Performance Estimates:

FHOG applications paid	no.	43,000	61,865	41,981	33,000
Claims paid for unclaimed money	no.	2,600	4,000	3,485	5,500
Petroleum subsidy claims paid	no.	500	780	540	528
Administration cost per grant/claim/ subsidy/rebate	\$	27	28	26	29

Resources:

First Home Owners Grant	EFT	27	39	38	28
Unclaimed money	EFT	8	11	15	15
Other	EFT	2	2	2	3

Note: Program Statements have been replaced by Outcome Objectives in line with the Service and Resource Allocation Agreement implemented in 2001-02.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

3 Administrative Services

3.2 Ensuring Eligible Payments (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	3,552	3,343
Other operating expenses	1,276	906
Maintenance	33	36
Depreciation and amortisation	1,006	1,053
Grants and subsidies		
First Home Owners Grant Scheme	306,632	231,400
GST offset payments for bookmakers	386	...
Grain Freight Rebate	437	...
Total Expenses	313,322	236,738
Less:		
Retained Revenue -		
Sales of goods and services		
Minor sales of goods and services	1	...
Investment income	31	26
Grants and contributions	26	9
Other revenue	3	11
Total Retained Revenue	61	46
Gain/(loss) on disposal of non current assets	(5)	...
NET COST OF SERVICES	313,266	236,692
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ASSET ACQUISITIONS	46	196

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

4 Fine Enforcement

4.1 Effective Fine Enforcement

Outcome Objective(s): Ensure effective and timely fine enforcement services which contribute to a higher level of compliance with the law.

Strategies: Ensuring the effective and timely administration of the full range of fine enforcement activities for the benefit of the people of New South Wales by:

- ◆ enhancing Client and Stakeholder Relationships as part of the client service strategy;
- ◆ ensure effective and timely fine enforcement services which contribute to a higher level of compliance with the law; and
- ◆ providing fine enforcement services to State and Local Government Agencies.

Units 2000-01 2001-02 2002-03 **2003-04**

Outcome Performance Estimates:

Gross recoveries of fines and enforcement costs *	\$m	90	92	87	87
Number of new fines enforced	'000	729	696	494	500

Output Performance Estimates:

Cost to collect \$100 fine enforcement revenue	\$	n.a.	13.75	15.26	<15.00
Time taken to close new fines enforced	Days	204	194	195	190
Fines closed to fines enforced	%	38	40	44	48

<u>Resources:</u>	EFT	147	132	161	169
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* Gross Recoveries are directly related to the number of fines referred for enforcement. Gross recoveries for 2002-03 and 2003-04 have been significantly impacted by the decrease in referrals from the Police Infringement Processing Bureau.

Note: Program Statements have been replaced by Outcome Objectives in line with the Service and Resource Allocation Agreement implemented in 2001-02.

TREASURER AND MINISTER FOR STATE DEVELOPMENT
TREASURY

4 Fine Enforcement

4.1 Effective Fine Enforcement (cont)

	2002-03 Revised \$000	2003-04 Budget \$000
<i>OPERATING STATEMENT</i>		
Expenses -		
Operating expenses -		
Employee related	4,720	7,796
Other operating expenses	7,998	6,808
Maintenance	67	84
Depreciation and amortisation	696	701
Total Expenses	13,481	15,389
Less:		
Retained Revenue -		
Retained taxes, fees and fines	99	60
Grants and contributions	70	...
Total Retained Revenue	169	60
Gain/(loss) on disposal of non current assets	(2)	...
NET COST OF SERVICES	13,314	15,329
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ASSET ACQUISITIONS	420	5,737

TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

	2002-03 Revised \$000	2003-04 Budget \$000
OPERATING STATEMENT		
Expenses -		
Operating expenses -		
Employee related	25,321	27,630
Other operating expenses	18,467	15,263
Maintenance	213	215
Depreciation and amortisation	1,037	1,120
Grants and subsidies	15,122	18,193
Other expenses	36,403	43,570
Total Expenses	96,563	105,991
Less:		
Retained Revenue -		
Sales of goods and services	712	527
Investment income	650	565
Grants and contributions	774	...
Other revenue	120	210
Total Retained Revenue	2,256	1,302
Gain/(loss) on disposal of non current assets	21	...
NET COST OF SERVICES	94,286	104,689

TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

	2002-03 Revised \$000	2003-04 Budget \$000
CASH FLOW STATEMENT		
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments		
Employee Related	23,948	26,170
Grants and subsidies	15,122	18,193
Other	62,128	64,693
Total Payments	101,198	109,056
Receipts		
Sale of goods and services	393	708
Interest	626	565
Other	7,445	5,910
Total Receipts	8,464	7,183
NET CASH FLOWS FROM OPERATING ACTIVITIES	(92,734)	(101,873)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	21	...
Advance repayments received	630	130
Purchases of property, plant and equipment	(894)	(110)
Other	37	...
NET CASH FLOWS FROM INVESTING ACTIVITIES	(206)	20
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings and advances	(119)	(130)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(119)	(130)
CASH FLOWS FROM GOVERNMENT		
Recurrent appropriation	89,016	100,623
Capital appropriation	893	110
Cash reimbursements from the Consolidated Fund Entity	877	925
Cash transfers to Consolidated Fund	(2,820)	...
NET CASH FLOWS FROM GOVERNMENT	87,966	101,658
NET INCREASE/(DECREASE) IN CASH	(5,093)	(325)
Opening Cash and Cash Equivalents	27,374	22,281
CLOSING CASH AND CASH EQUIVALENTS	22,281	21,956

TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

	2002-03 Revised \$000	2003-04 Budget \$000
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CASH FLOW STATEMENT (cont)

CASH FLOW RECONCILIATION

Net cost of services	(94,286)	(104,689)
Non cash items added back	2,437	2,597
Change in operating assets and liabilities	(885)	219
Net cash flow from operating activities	(92,734)	(101,873)

TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

2002-03
Revised
\$000

**2003-04
Budget
\$000**

STATEMENT OF FINANCIAL POSITION

ASSETS -

Current Assets -

Cash assets	22,281	21,956
Receivables	1,799	1,568
Other financial assets	130	130
Other	1,458	1,458

Total Current Assets	25,668	25,112
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Non Current Assets -

Receivables	500	500
Other financial assets	726	596
Property, plant and equipment -		
Land and building	3,794	3,693
Plant and equipment	3,002	2,093

Total Non Current Assets	8,022	6,882
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Total Assets	33,690	31,994
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LIABILITIES -

Current Liabilities -

Payables	7,817	7,795
Interest bearing	131	131
Provisions	1,868	1,873

Total Current Liabilities	9,816	9,799
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Non Current Liabilities -

Interest bearing	260	130
Provisions	105	110

Total Non Current Liabilities	365	240
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Total Liabilities	10,181	10,039
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NET ASSETS	23,509	21,955
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EQUITY

Accumulated funds	23,509	21,955
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TOTAL EQUITY	23,509	21,955
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TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

1 Development of the New South Wales Economy

1.1 Development of the New South Wales Economy

Program Objective(s): To advance the economic development of New South Wales by securing sustainable economic and business growth in metropolitan and regional areas.

Program Description: The provision of business information on Government policies applying to industries. Marketing regional and metropolitan New South Wales as an investment location. Project facilitation and the provision of limited financial assistance. Provision of business counselling and consultancy assistance to small and medium enterprises. Assisting the development of enterprises. Promoting exports and co-ordinating public sector exports. Encouraging and promoting innovation. Acting as an advocate for business within Government.

<u>Outcomes:</u>	Units	2000-01	2001-02	2002-03	2003-04
Metropolitan projects facilitated or financially assisted -					
Investment committed	\$m	439	221	262	400
Employment impact	no.	3,982	2,258	1,116	2,000
Regional projects facilitated or financially assisted -					
Investment committed	\$m	423	787	955	600
Employment impact	no.	4,761	3,958	4,402	4,000
Small and medium business clients -					
Employment growth in firms assisted	no.	3,071	2,375	2,920	3,130
	%	10	7	8	8
Export growth in firms assisted	\$m	157	466	530	620
	%	23	19	18	18
Micro and Start Up business clients -					
New employment reported by Business Advisory Service Centres	no.	4,030	5,881	5,444	5,400
Industry Capability Network (NSW) Ltd - import replacement	\$m	82	100	102	110

Outputs:

Metropolitan projects facilitated or financially assisted -					
Investment projects assisted	no.	44	17	22	25
Funding to assist investment projects	\$m	8	8	2	10
Regional projects facilitated or financially assisted -					
Investment projects assisted	no.	131	131	135	135
Funding to assist investment projects	\$m	17	13	14	15

TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

1 Development of the New South Wales Economy

1.1 Development of the New South Wales Economy (cont)

Visits to NSW Trade and Investment Centre and the Country Embassy	no.	30,000	24,200	30,630	31,500
Internet access to DSRD's web pages (sessions)	no.	288,538	305,112	672,931	800,000
Small and medium business clients - Clients assisted	no.	1,059	1,875	2,517	2,500
Value of assistance paid	\$m	2.4	3.5	4.1	4.5
Micro and Start Up business clients - Enquiries reported	no.	99,106	127,300	136,068	136,000
Businesses assisted	no.	25,551	37,024	41,679	41,000
<u>Average Staffing:</u>	EFT	254	260	297	300

2002-03 Revised \$000	2003-04 Budget \$000
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OPERATING STATEMENT

Expenses -

Operating expenses - Employee related	25,321	27,630
Other operating expenses	18,467	15,263
Maintenance	213	215
Depreciation and amortisation	1,037	1,120
Grants and subsidies		
Recurrent grants to non-profit organisations	2,877	4,055
Regional headquarters tax concessions	423	1,179
Mount Panorama precinct upgrade	...	5,000
Katoomba/Echo Point Development	5,822	1,671
Hunter Advantage Fund	2,000	788
Illawarra Advantage Fund	1,500	3,000
Newcastle Centre for Excellence in Energy Research	2,500	2,500

TREASURER AND MINISTER FOR STATE DEVELOPMENT
DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

1 Development of the New South Wales Economy

1.1 Development of the New South Wales Economy (cont)

OPERATING STATEMENT (cont)

Other expenses		
Payroll tax rebates and other assistance associated with the decentralisation of secondary industry in country areas	150	150
Assistance to industry	8,408	13,460
Biotechnology strategies	4,375	4,600
Small Business Development	6,539	6,669
Regional development assistance	15,731	17,311
NSW High Growth Business	1,200	1,380
Total Expenses	96,563	105,991
Less:		
Retained Revenue -		
Sales of goods and services		
Minor sales of goods and services	712	527
Investment income	650	565
Grants and contributions	774	...
Other revenue	120	210
Total Retained Revenue	2,256	1,302
Gain/(loss) on disposal of non current assets	21	...
NET COST OF SERVICES	94,286	104,689
ASSET ACQUISITIONS	894	110

I N D E X

A

Aboriginal Affairs, Department of - <i>Vol 1</i>	6-16, 6-19
Aboriginal and Torrest Strait Island Women's Unit - <i>Vol 2</i>	20-10, 20-37
Aboriginal Communities Development Program - <i>Vol 1 & Vol 2</i>	6-17, 17-12
Aboriginal health services - <i>Vol 2</i>	10-20
Aboriginal Housing Office - <i>Vol 2</i>	17-9, 17-10, 17-33
Aboriginal Justice Advisory Council - <i>Vol 1</i>	4-36
Aboriginal Land Claims Unit - <i>Vol 2 & Vol 3</i>	11-5, 50
Aboriginal students - <i>Vol 1</i>	6-28
Aboriginal Water Trust - <i>Vol 3</i>	49
Activities - <i>Vol 1</i>	iii
Adoption Act 2000 - <i>Vol 1</i>	5-2
Adult Training and Learning System (ATLAS) - <i>Vol 1</i>	5-8
Advancing Australian Agriculture - <i>Vol 1</i>	3-30
Ageing, Disability and Home Care, Department of - <i>Vol 1</i>	5-7, 5-33
Agency Risk Management - <i>Vol 1</i>	v
Agriculture, Department of - <i>Vol 1</i>	3-1, 3-12
Air & Noise emissions - <i>Vol 3</i>	10
Ambulance response times - <i>Vol 2</i>	10-23
Animal Welfare organisations - <i>Vol 1</i>	3-23
Anti-Discrimination Board - <i>Vol 1</i>	4-44
Area Assistance Scheme - <i>Vol 3</i>	49, 58
Art Gallery of New South Wales - <i>Vol 1</i>	2-24, 2-119
ATLAS - <i>Vol 1</i>	5-8
Attorney General and Minister for the Environment - <i>Vol 1 & Vol 3</i>	4-1, 1
Attorney General's Department - <i>Vol 1</i>	4-2, 4-32
Audit Office of New South Wales - <i>Vol 1</i>	2-31, 2-143
Australia Day Council - <i>Vol 1</i>	2-57
Australia Inland Energy Water Infrastructure - <i>Vol 2</i>	22-4
Australian Children's Television Foundation - <i>Vol 1</i>	2-135

Australian Institute of Judicial Administration - <i>Vol 1</i>	4-37
Australian Museum - <i>Vol 1</i>	2-19, 2-104
Australian Technology Showcase - <i>Vol 2 & Vol 3</i>	22-8, 139
Average staffing, total - <i>Vol 1</i>	iii, v

B

Back to School Allowance - <i>Vol 1</i>	6-26, 6-29
Back to School Allowance (Non-Government Schools) - <i>Vol 1</i>	6-31
Beat Graffiti Scheme - <i>Vol 1</i>	4-4
Beekeepers compensation - <i>Vol 1</i>	3-17
Better Futures program - <i>Vol 1</i>	2-3
Bicentennial Parklands - <i>Vol 2</i>	20-6
Biotechnology Unit - <i>Vol 1</i>	2-3
Blackspots Program, roads - <i>Vol 2</i>	17-5, 17-14, 17-24
Blood Transfusion Service - <i>Vol 2</i>	10-25
Blue Mountains Septic Pumpout Service - <i>Vol 1</i>	7-7
Board of Studies, Office of the - <i>Vol 1</i>	6-13, 6-36
Boat drivers licences - <i>Vol 2</i>	21-21
Botanic Gardens - <i>Vol 1</i>	4-20, 4-85
Budget Outcome Statements - <i>Vol 1</i>	iv
Building and Construction Industry Long Service Payments Corporation - <i>Vol 2</i>	19-15, 19-42
Bushfire Brigades - <i>Vol 2</i>	18-7, 18-32

C

Cabinet Office - <i>Vol 1</i>	2-2, 2-33
Campbell Inquiry - <i>Vol 3</i>	77
Cash Flow Statement - <i>Vol 1</i>	i
Casino Community Benefit Fund - <i>Vol 2</i>	9-3, 9-8
Casino Control Authority - <i>Vol 2</i>	9-3, 9-16
Centenary of Federation - <i>Vol 1</i>	2-56
Centennial Parklands - <i>Vol 2</i>	20-7, 20-31

I N D E X

Centennial Park and Moore Park Trust - <i>Vol 2 & Vol 3</i>	20-6, 20-7, 20-27, 109	Concessions on trains, buses and ferries - <i>Vol 2 & Vol 3</i>	21-5, 21-6, 122, 129
Child and family support services - <i>Vol 1</i>	5-2, 5-20	Consumer Trader and Tenancy Tribunal - <i>Vol 2 & Vol 3</i>	8-1, 19-4, 19-10, 80, 90
Child care centres - <i>Vol 1</i>	5-20	Co-ordinator General of Rail, Office of - <i>Vol 2</i>	21-7, 21-12
Child protection - <i>Vol 1</i>	5-25	Corrective Services, Department of - <i>Vol 2</i>	12-1, 12-7
Child protection, related complaints - <i>Vol 1</i>	2-70	Corrective Services Industries – <i>Vol 2</i>	12-13
Children and Young People, Commission for - <i>Vol 1</i>	5-14, 5-48	Counter Terrorism - <i>Vol 1 & Vol 2</i>	2-54, 15-4, 18-5
Children and Young People, Office of - <i>Vol 1</i>	2-3	Corrupt conduct, investigation - <i>Vol 1</i>	2-61
Children and Young Persons (Care and Protection) Act 1998 - <i>Vol 1</i>	5-3	Country Towns Water Supply and Sewerage Scheme - <i>Vol 3</i>	35, 44
Children's Court - <i>Vol 1</i>	4-50	CountryLink services - <i>Vol 2 & Vol 3</i>	21-4, 121, 122, 129
Children's Guardian, Office of - <i>Vol 1</i>	5-6, 5-29	CourtLink NSW - <i>Vol 1</i>	4-4
Children's services - <i>Vol 1</i>	5-20	Courts and Courts Administration - <i>Vol 1</i>	4-4
CityRail Services - <i>Vol 2 & Vol 3</i>	21-2, 21-4, 21- 7, 21-15, 121, 122, 129, 130	Crime Commission, NSW - <i>Vol 2</i>	15-10, 15-30
Coal Compensation Board - <i>Vol 2</i>	14-5, 14-14	Criminal listing services - <i>Vol 1</i>	4-48
Coastal Protection Package - <i>Vol 3</i>	49	Criminal matters, costs - <i>Vol 1</i>	4-41
Commerce, Department of - <i>Vol 2 &</i> <i>Vol 3</i>	19-2, 19-17, 77, 83	Criminology Research - <i>Vol 1</i>	4-37
Commercial Disputes Centre - <i>Vol 1</i>	4-40	Crisis Accommodation Housing - <i>Vol 2</i>	17-7, 17-31
Commercial Infringement Bureau - <i>Vol 2</i>	15-27	Crown Estate Management - <i>Vol 2 &</i> <i>Vol 3</i>	11-5, 50, 72
Commonwealth road funds - <i>Vol 2</i>	17-14	Crown Finance Entity (the Crown) - <i>Vol 2</i>	22-4, 22-19
Community Housing - <i>Vol 2</i>	17-31	Crown Leaseholds Entity - <i>Vol 2</i>	22-6, 22-28
Community Legal Centres - <i>Vol 1</i>	4-72	Crown Property Portfolio - <i>Vol 2</i>	22-15, 22-44
Community Partners - <i>Vol 1</i>	5-20	Crown Prosecutions - <i>Vol 1</i>	4-77
Community Relations Commission - <i>Vol 1</i>	2-29, 2-136	Crown Representation in Criminal Prosecutions - <i>Vol 1</i>	4-77
Community Services, Department of - <i>Vol 1</i>	5-2, 5-16	Crown Revenue, Refunds and Remissions - <i>Vol 2</i>	22-4, 22-17, 22-24
Community Solutions Fund - <i>Vol 1</i>	2-5, 2-55	Crown Solicitor's Office - Fees - <i>Vol 1</i>	4-41
Community Transport Program - <i>Vol 3</i>	122	Custodial services - <i>Vol 2</i>	13-7
Companion Animals Fund - <i>Vol 2</i>	18-2, 18-3, 18-19		
Compensation Court - <i>Vol 1 & Vol 2</i>	4-56, 19-12		
Compensation for legal costs - <i>Vol 1</i>	4-41		
Compensation for repurchase of property rights - <i>Vol 2</i>	14-22		
Complaints Commission, Health Care - <i>Vol 2</i>	10-12, 10-37		
		D	
		Day care children's services - <i>Vol 1</i>	5-20
		Debt Recovery Office - <i>Vol 2 & Vol 3</i>	22-4, 22-15, 135
		Debt servicing costs (NSW) - <i>Vol 2</i>	22-23
		Disability Council - <i>Vol 1</i>	5-9

I N D E X

Disability Services - <i>Vol 1</i>	5-37, 5-39, 5-41	Environment Protection Authority - <i>Vol 1 & Vol 3</i>	4-14, 4-79, 1, 6
Disabled – Health Services - <i>Vol 2</i>	10-31	Environmental Impact Statements - <i>Vol 3</i>	27
Disabled – Support Services - <i>Vol 1</i>	5-7	Environmental Planning and Assessment Act - <i>Vol 2</i>	11-6, 11-27
Disabled Persons - <i>Vol 1</i>	5-37, 5-39, 5-41	Environmental Trust - <i>Vol 1</i>	4-16, 4-80
Disadvantaged Groups and Communities, Services for - <i>Vol 1</i>	5-37	Equal opportunity in public employment - <i>Vol 1</i>	2-49
District Court - <i>Vol 1</i>	4-48	Equivalent Full-Time (EFT) - <i>Vol 1</i>	iii
Domestic Violence Advocacy Service - <i>Vol 1</i>	4-72	Estate management - <i>Vol 2 & Vol 3</i>	11-5, 50, 72
Drought - <i>Vol 1</i>	3-1, 3-5		
Drug Policy, Office of - <i>Vol 1</i>	2-3		
Dust Diseases Tribunal - <i>Vol 2</i>	19-14		

E

Eastern Creek Precinct - <i>Vol 3</i>	120
Education and Training, Department of - <i>Vol 1</i>	6-1, 6-19
Education and training services - grants - <i>Vol 1</i>	6-34
Education in Government Schools, Pre- School Services - <i>Vol 1</i>	6-23
Education in Government Schools, Primary - <i>Vol 1</i>	6-25
Education in Government Schools, Secondary - <i>Vol 1</i>	6-28
Education of Children with disabilities In Government Schools - <i>Vol 1</i>	6-25, 6-28
Elections, funding & management of - <i>Vol 1</i>	2-10, 2-77
Electricity Tariff Equalisation Ministerial Corporation - <i>Vol 2</i>	22-13, 22-39
Emergency health services - <i>Vol 2</i>	10-23
Emergency Rescue Workers Insurance - <i>Vol 2</i>	18-42
Emergency services - <i>Vol 2</i>	18-41
Emergency Services, Office for - <i>Vol 2</i>	18-6
Energy Accounts Payment Assistance Scheme - <i>Vol 1 & Vol 3</i>	5-20, 5-21, 35, 37, 43
Enrolments in Technical and Further Education courses - <i>Vol 1</i>	6-32
Enrolments, Government Schools - <i>Vol 1</i>	6-2, 6-25, 6-28
Enrolments, Non-Government Schools - <i>Vol 1</i>	6-31

F

Fair Trading Administration Corporation - <i>Vol 3</i>	77
Fair Trading Centres - <i>Vol 2</i>	19-4
Fair Trading, Office of - <i>Vol 2 & Vol 3</i>	19-3, 77, 88
Families First - <i>Vol 1</i>	2-36
FarmBis - <i>Vol 1</i>	3-5, 3-29
Federation Fund - <i>Vol 2</i>	17-14
Festival Development Corporation - <i>Vol 3</i>	59
Film and Television Office, NSW - <i>Vol 1</i>	2-27, 2-131
Fire Brigades - attendance at incidents - <i>Vol 2</i>	18-23
Fire Brigades, NSW - <i>Vol 2</i>	18-3, 18-20
First Home Owner Grant Scheme - <i>Vol 2 & Vol 3</i>	22-4, 135, 151
Fisheries, NSW - <i>Vol 1</i>	3-7, 3-31
Floodplain management - <i>Vol 3</i>	66
Food and poisons regulation - <i>Vol 2</i>	10-33
Forest Industry Restructure Package - <i>Vol 3</i>	64
Freight services - <i>Vol 3</i>	130
Fundraising - charities - <i>Vol 2</i>	9-12

G

Gaming and Racing, Department of - <i>Vol 2</i>	9-1, 9-5
Gaming devices inspected - <i>Vol 2</i>	9-10

I N D E X

Geographic Names Board - <i>Vol 3</i>	51	Heritage week - <i>Vol 2</i>	11-15
Georges River Foreshores Improvement Program - <i>Vol 3</i>	58	HIH - <i>Vol 2</i>	19-7, 19-27, 19-29, 22-4, 22-6, 22-10
Government Actuary - <i>Vol 1</i>	2-56	Historic Houses Trust - <i>Vol 1</i>	2-22, 2-114
Government and Related Employees Appeals Tribunal - <i>Vol 2 & Vol 3</i>	19-4, 80	Home and Community Care program - <i>Vol 1</i>	5-12, 5-46
Government Business, Office of - <i>Vol 2 & Vol 3</i>	19-9, 19-30, 77, 81, 99	Home Building Service - <i>Vol 2 & Vol 3</i>	19-4, 77, 80
Government House - <i>Vol 1</i>	2-46	Home Care Service of New South Wales - <i>Vol 1</i>	5-12, 5-43
Government Procurement, Office of - <i>Vol 2 & Vol 3</i>	19-9, 19-31, 77, 81, 104	Home Owner Grants - <i>Vol 2 & Vol 3</i>	22-4, 135, 151
Government Radio Network - <i>Vol 2 & Vol 3</i>	19-4, 78, 94	Home Purchase Assistance Fund - <i>Vol 2</i>	17-13, 17-36
Governor, Her Excellency the - <i>Vol 1</i>	2-46	Honeysuckle Development Corporation - <i>Vol 2</i>	11-8, 11-22
Grain freight rebate - <i>Vol 3</i>	152	Hospital admittances - <i>Vol 2</i>	10-25, 10-27
Greenhouse Gas Abatement Scheme - <i>Vol 1</i>	2-11, 2-83	Hospital admittances, psychiatric - <i>Vol 2</i>	10-29
Guardianship Tribunal - <i>Vol 1</i>	5-9	Housing Policy and Housing Assistance - <i>Vol 2</i>	17-31
H			
Harbour cleaning - <i>Vol 2</i>	21-21	Human Rights Services - <i>Vol 1</i>	4-44
Hazardous Substances Program - <i>Vol 3</i>	14	Hunter Advantage Fund - <i>Vol 3</i>	160
Health Care Complaints Commission - <i>Vol 2</i>	10-12, 10-37	Hunter Water Corporation - <i>Vol 2</i>	22-4, 22-15
Health transport - <i>Vol 2</i>	10-23	I	
Health, assistance at home - <i>Vol 2</i>	10-18	Illawarra Advantage Fund - <i>Vol 3</i>	160
Health, community based services - <i>Vol 2</i>	10-18	Independent Commission Against Corruption - <i>Vol 1</i>	2-7, 2-58
Health, Department of - <i>Vol 2</i>	10-1, 10-13	Independent Pricing and Regulatory Tribunal - <i>Vol 1</i>	2-11, 2-80
Health, emergency services - <i>Vol 2</i>	10-23	Industrial Relations Commission - <i>Vol 1</i>	4-54
Health, mental health services - <i>Vol 2</i>	10-29	Industrial Relations, Office of - <i>Vol 2 & Vol 3</i>	19-2, 77, 92
Health, nurses - <i>Vol 2</i>	10-5, 10-7	Industry, assistance to - <i>Vol 3</i>	159
Health, outpatients services - <i>Vol 2</i>	10-21	Industry training services - <i>Vol 1</i>	6-34
Health, same day acute in-patient services - <i>Vol 2</i>	10-27	Information Technology, Office of Best Practice - <i>Vol 2 & Vol 3</i>	19-3, 77, 94
Health, teaching and research - <i>Vol 2</i>	10-35	Infrastructure Co-ordination Unit - <i>Vol 1</i>	2-54
Health, visiting medical officers - <i>Vol 2</i>	10-8	Infrastructure, Planning and Natural Resources, Department of - <i>Vol 2 & Vol 3</i>	11-3, 11-18, 1, 47, 52
Healthy Rivers Commission - <i>Vol 3</i>	1		
Heavy vehicles overload fines - <i>Vol 2</i>	17-14		
Heritage building program - <i>Vol 2</i>	19-21		
Heritage Office - <i>Vol 2</i>	11-2, 11-12		

I N D E X

Minister for Fair Trading - <i>Vol 2</i>	8-1	Museum of Applied Arts and Sciences - <i>Vol 1</i>	2-20, 2-109
Minister for Gaming and Racing - <i>Vol 2</i>	9-1	Music Examinations Advisory Board - <i>Vol 1</i>	6-39
Minister for Health - <i>Vol 2</i>	10-1		
Minister for Infrastructure and Planning and Minister for Natural Resources - <i>Vol 2 & Vol 3</i>	11-1, 47		
Minister for Justice - <i>Vol 2</i>	12-1		
Minister for Juvenile Justice and Minister for Western Sydney - <i>Vol 2</i>	13-1		
Minister for Mineral Resources - <i>Vol 2</i>	14-1		
Minister for Police - <i>Vol 2</i>	15-1		
Minister for Regional Development, Minister for the Illawarra and Minister for Small Business - <i>Vol 2</i>	16-1		
Minister for Roads and Minister for Housing - <i>Vol 2</i>	17-1		
Minister for Rural Affairs, Minister for Local Government and Minister for Emergency Services - <i>Vol 2</i>	18-1		
Minister for Tourism and Sport and Recreation and Minister for Women - <i>Vol 2 & Vol 3</i>	20-1, 109		
Minister for Transport Services and Minister for the Hunter - <i>Vol 2 & Vol 3</i>	21-1, 121		
Ministerial and Parliamentary Services - <i>Vol 1</i>	2-51		
Ministry for Police - <i>Vol 2</i>	15-1, 15-13		
Ministry for the Arts - <i>Vol 1</i>	2-15, 2-91		
Ministry of Energy and Utilities - <i>Vol 1 & Vol 3</i>	7-1, 35, 39		
Ministry of Transport - <i>Vol 2 & Vol 3</i>	21-3, 21-11, 121, 123		
Mooring fees - <i>Vol 2</i>	21-22		
Motor Accidents Authority - <i>Vol 2</i>	19-7, 19-26		
Motor Registries - <i>Vol 2</i>	17-24		
Motor vehicle taxation - <i>Vol 2</i>	17-14		
Mount Annan Botanic Gardens - <i>Vol 1</i>	4-20, 4-90		
Mount Tomah Botanic Gardens - <i>Vol 1</i>	4-20, 4-90		
Murray Darling Basin Commission - <i>Vol 3</i>	46, 62		
Murrumbidgee Rural Partnership Program - <i>Vol 1</i>	3-5, 3-29		
Museum, Australian - <i>Vol 1</i>	2-19, 2-104		
		N	
		National Action Plan on Salinity and Water Quality - <i>Vol 2 & Vol 3</i>	11-5, 49, 64
		National Heritage Trust program - <i>Vol 3</i>	49, 63
		National Parks and Wildlife Service - <i>Vol 1 & Vol 3</i>	4-18, 4-84, 3, 23, 109
		Native Title Unit - <i>Vol 2 & Vol 3</i>	11-5, 50
		Native Vegetation Management Fund - <i>Vol 3</i>	64
		Natural disasters relief - <i>Vol 2</i>	22-5, 22-27
		Natural Disasters Scheme - <i>Vol 1 & Vol 2</i>	3-5, 22-27
		Needles and syringes distributed - <i>Vol 2</i>	10-33
		New South Wales Film and Television Office - <i>Vol 1</i>	2-27, 2-131
		New South Wales Fisheries - <i>Vol 1</i>	3-7, 3-31
		New South Wales Institute of Sport - <i>Vol 2 & Vol 3</i>	20-7, 111, 118
		Non-Government Schools Assistance - <i>Vol 1</i>	6-31
		Noxious weeds control - <i>Vol 1</i>	3-3, 3-19
		NSW Crime Commission - <i>Vol 2</i>	15-10, 15-30
		NSW Police - <i>Vol 2</i>	15-3, 15-18
		NSW Reconciliation Council - <i>Vol 1</i>	6-18
		NSW Sentencing Council - <i>Vol 1</i>	4-5
		Nurses wage rise - <i>Vol 2</i>	10-5
		O	
		Office for Emergency Services - <i>Vol 2</i>	18-6
		Office of Best Practice Information Technology and Corporate Services - <i>Vol 2 & Vol 3</i>	19-3, 77, 94
		Office of Children and Young People - <i>Vol 1</i>	2-3
		Office of Drug Policy - <i>Vol 1</i>	2-3

I N D E X

Office of Fair Trading - <i>Vol 2 & Vol 3</i>	19-3, 77, 88	Parliamentary Remuneration Tribunal - <i>Vol 1</i>	2-51
Office of Financial Management - <i>Vol 2 & Vol 3</i>	22-12, 22-3, 133	Parramatta Park Trust - <i>Vol 2 & Vol 3</i>	20-6, 109, 118
Office of Government Business - <i>Vol 2 & Vol 3</i>	19-9, 19-30, 77, 81, 99	Parramatta Rail Link - <i>Vol 2 & Vol 3</i>	21-5, 122, 123, 130
Office of Government Procurement - <i>Vol 2 & Vol 3</i>	19-9, 19-31, 77, 81, 104	Patients discharged, rehabilitation and extended care - <i>Vol 2</i>	10-31
Office of Industrial Relations - <i>Vol 2 & Vol 3</i>	19-2, 77, 92	Payments for Water and Sewerage Assistance - <i>Vol 1</i>	7-3, 7-5
Office of State Revenue - <i>Vol 2 & Vol 3</i>	22-2, 22-3, 133	Payments to other Government Bodies under the Control of the Minister - <i>Vol 2</i>	17-7, 17-29
Office of the Board of Studies - <i>Vol 1</i>	6-13, 6-36	Payroll tax collection - <i>Vol 3</i>	148
Office of the Children's Guardian - <i>Vol 1</i>	5-6, 5-29	Penrith Lakes Regatta Centre - <i>Vol 3</i>	59
Office of the Co-ordinator General of Rail - <i>Vol 2</i>	21-7, 21-12	Pensioner Council Rates Rebate Scheme - <i>Vol 2</i>	18-3
Office of the Director of Public Prosecutions - <i>Vol 1</i>	4-12, 4-74	Pensioner Energy Rebate Scheme - <i>Vol 1 & Vol 3</i>	7-2, 35, 37, 43
Office of the Minister for Public Works and Services - <i>Vol 2 & Vol 3</i>	19-5, 19-18, 77, 97	Per capita pupil allowances to primary and secondary non-government schools - <i>Vol 2</i>	6-31
Office of the Protective Commissioner - <i>Vol 1</i>	4-44	Pillar Administration - <i>Vol 2</i>	19-5
Office of the Public Guardian - <i>Vol 1</i>	4-45	Planning, Department of - <i>Vol 2 & Vol 3</i>	11-3, 47
Office of Western Sydney - <i>Vol 2 & Vol 3</i>	22-7, 139, 140	Planning Systems and Policy Delivery - <i>Vol 3</i>	58
Olympic Park Authority, Sydney - <i>Vol 2</i>	20-4, 20-20	Planning Systems and Policy Development - <i>Vol 3</i>	56
Ombudsman's Office - <i>Vol 1</i>	2-8, 2-63	Poisons regulation - <i>Vol 2</i>	10-33
On-site Sewage Management Program - <i>Vol 2</i>	18-16	Police Integrity Commission - <i>Vol 2</i>	15-11, 15-35
Operating Statement - <i>Vol 1</i>	i	Police, resolution of complaints against - <i>Vol 1</i>	2-66
Operation Vikings - <i>Vol 2</i>	15-3, 15-7	Police, NSW - <i>Vol 2</i>	15-3, 15-18
Operation Westroads - <i>Vol 2</i>	17-5	Political Education Fund - <i>Vol 1</i>	2-10, 2-79
Outcomes - <i>Vol 1</i>	iii, iv	Pollution Line - <i>Vol 3</i>	18
Out-of-home care - <i>Vol 1</i>	5-2, 5-27	Population health services - <i>Vol 2</i>	10-33
Outpatient clinics - <i>Vol 2</i>	10-21	Powerhouse Museum - <i>Vol 1</i>	2-20, 2-109, 2-112
Outputs - <i>Vol 1</i>	iii, iv	Premier, Minister for the Arts and Minister for Citizenship - <i>Vol 1</i>	2-2
P			
Parking Space Levy - <i>Vol 2 & Vol 3</i>	21-7, 122	Premier's Department - <i>Vol 1</i>	2-5, 2-42
Parliamentary Counsel's Office - <i>Vol 1</i>	2-4, 2-38	Pre-school and day care centres - <i>Vol 1</i>	6-23
Parliamentary elections, management and administration of - <i>Vol 1</i>	2-77, 2-79	Pre-school education in government schools - <i>Vol 1</i>	6-23
		Pricing regulation - <i>Vol 1</i>	2-11, 2-83
		Primary Education Services - <i>Vol 1</i>	6-25

I N D E X

Rural Fire Fighting Fund - <i>Vol 2</i>	18-7	State debt, interest on - <i>Vol 2</i>	22-5
Rural Lands Protection Boards - <i>Vol 1</i>	3-19	State Debt Recovery Office - <i>Vol 2 & Vol 3</i>	22-4, 135
S			
Safe Food Production NSW - <i>Vol 1</i>	3-9, 3-37	State Electoral Office - <i>Vol 1</i>	2-10, 2-74
Safer Communities Development Fund - <i>Vol 1</i>	4-36	State Emergency Service - <i>Vol 2</i>	18-10, 18-38
Salinity Strategy program - <i>Vol 2 & Vol 3</i>	11-4, 49	State Governor's office - <i>Vol 1</i>	2-46
School student transport scheme - <i>Vol 2 & Vol 3</i>	21-5, 21-6, 21-7, 122, 130	State Library of New South Wales - <i>Vol 1</i>	2-17, 2-97
Secondary Education Services - <i>Vol 1</i>	6-28	Statement of financial position - <i>Vol 1</i>	ii
Sentencing Council, NSW - <i>Vol 1</i>	4-5	StateRail – subsidies - <i>Vol 2 & Vol 3</i>	21-4, 129
Service & Resource Allocation (SRAAs) Agreements - <i>Vol 1 & Vol 3</i>	Iv, 134	State Records Authority - <i>Vol 1</i>	2-26, 2-125
Small business development programs - <i>Vol 2</i>	16-1	State Recreation Area Trusts - <i>Vol 3</i>	72
Smartbuy - <i>Vol 3</i>	82	State Sport Centre - <i>Vol 2</i>	20-5
Smoking - percentage of population - <i>Vol 2</i>	8-32	State Sports Centre Trust - <i>Vol 2</i>	20-12, 20-42
Smoky Vehicles Enforcement program - <i>Vol 3</i>	2, 10	State Transit Authority - subsidies - <i>Vol 2 & Vol 3</i>	21-5, 122, 129
Snowy Hydro Limited - <i>Vol 2</i>	22-6	State Water - <i>Vol 1 & Vol 3</i>	7-2, 35
Socio-Economically Disadvantaged students, programs for - <i>Vol 1</i>	6-25, 6-28	Strata Schemes Board - <i>Vol 2 & Vol 3</i>	8-1, 90
Soil conservation activity - <i>Vol 2 & Vol 3</i>	11-6, 64	Stormwater Trust - <i>Vol 1 & Vol 3</i>	4-27, 4-104, 13
Soil Conservation Service - <i>Vol 2 & Vol 3</i>	11-5, 50, 74	Students attending Aboriginal education programs - <i>Vol 1</i>	6-25, 6-28
South Sydney Development Corporation – <i>Vol 3</i>	59	Students attending disadvantaged schools - <i>Vol 1</i>	6-25, 6-28
Special Conservation Scheme - <i>Vol 1</i>	3-29	Students attending non-Government schools - <i>Vol 1</i>	6-31
Special Minister of State, Minister for Commerce, Minister for Industrial Relations and Minister for the Central Coast - <i>Vol 2 & Vol 3</i>	19-1, 77	Students attending selective schools - <i>Vol 1</i>	6-28
Spectacles program - <i>Vol 1</i>	5-20	Students in support classes and special schools - <i>Vol 1</i>	6-25, 6-28
Spinal Injuries program - <i>Vol 1</i>	2-4, 5-10	Students in Primary Education - Government Schools - <i>Vol 1</i>	6-25
Sport and Recreation, Department of - <i>Vol 2 & Vol 3</i>	20-6, 20-26, 23, 109, 113	Students in Secondary Education - Government schools - <i>Vol 1</i>	6-28
Sports development assistance – <i>Vol 3</i>	117	Students of non-English speaking background at Government schools - <i>Vol 1</i>	6-25, 6-28
State Administration Services - <i>Vol 1</i>	2-56	Students receiving support through English as a Second Language Program - <i>Vol 1</i>	6-25, 6-28
State and Regional Development, Department of - <i>Vol 2 & Vol 3</i>	22-7, 22-32, 139, 155	Substitute care of children - <i>Vol 1</i>	5-23
		Superannuation, State costs - <i>Vol 2</i>	22-4, 22-6
		Superannuation Administration Corporation - <i>Vol 2</i>	19-5, 19-23
		Supreme Court - <i>Vol 1</i>	4-46

I N D E X

Sustainable Energy Development Authority - <i>Vol 1</i>	2-13, 2-85	Treasury Managed Fund - <i>Vol 2</i>	22-9
Sydney Aquatic and Athletic Centre - <i>Vol 2 & Vol 3</i>	20-5, 118	Tribunals, marketplace disputes - <i>Vol 3</i>	90
Sydney Festival Limited - <i>Vol 1</i>	2-96		
Sydney Observatory - <i>Vol 1</i>	2-20, 2-112		
Sydney Olympic Park Authority - <i>Vol 2</i>	20-4, 20-20		
Sydney Region Development Fund - <i>Vol 2 & Vol 3</i>	11-7, 59		
 T			
TAFE Education Services - <i>Vol 1</i>	6-11, 6-32		
Tax Equivalents Collection - <i>Vol 3</i>	148		
Teacher Housing Authority - contribution to - <i>Vol 1</i>	6-26		
Tenancy Advise and Advocacy Program - <i>Vol 2 & Vol 3</i>	19-11, 88		
Textbook allowances to non-Government schools - <i>Vol 1</i>	6-31		
Tourism New South Wales - <i>Vol 2</i>	20-2, 20-13		
Tourism, Sport and Recreation Department of - <i>Vol 3</i>	109		
Total average staffing - <i>Vol 1</i>	iii, v		
Town Water Treatment and Recycling Branch - <i>Vol 1 & Vol 3</i>	7-2, 35		
Traffic services - <i>Vol 2</i>	17-26		
Traffic policing - <i>Vol 2</i>	15-26		
Transport Accidents Compensation Fund, Contribution - <i>Vol 2</i>	22-5, 22-9		
Transport Appeals Board - <i>Vol 2 & Vol 3</i>	19-4, 80		
Transport, Department of - <i>Vol 2 & Vol 3</i>	11-3, 21-2, 47		
Transport, Ministry of - <i>Vol 2 & Vol 3</i>	21-3, 21-11, 121, 123		
Transport Safety and Reliability Regulator - <i>Vol 2</i>	21-1		
Travel Compensation Fund - <i>Vol 3</i>	78		
Treasurer and Minister for State Development - <i>Vol 2 & Vol 3</i>	22-1, 133		
Treasurer's Advance - <i>Vol 2</i>	22-17		
Treasury - <i>Vol 2 & Vol 3</i>	22-2, 22-18, 133, 142		
 U			
		Unclaimed money - <i>Vol 2 & Vol 3</i>	22-24, 135, 151
		Urban Improvement Program - <i>Vol 3</i>	58
 V			
		Vacation care of children - <i>Vol 1</i>	5-20
		Valuer General's Office - <i>Vol 3</i>	149
		Victims Compensation Tribunal - <i>Vol 1</i>	4-45
		Voluntary health organisations, grants to - <i>Vol 2</i>	10-18, 10-19, 10-29
		Volunteers engaged in emergency services - <i>Vol 2</i>	18-41
 W			
		Waste licences issued for transporters - <i>Vol 3</i>	16
		Waste Fund - <i>Vol 1 & Vol 3</i>	4-29, 4-107, 2
		Waste- <i>Vol 3</i>	16
		Water and Catchment Purity - <i>Vol 3</i>	12
		Water and sewerage assistance - <i>Vol 1</i>	7-3
		Water Management Act - <i>Vol 3</i>	49, 61
		Water management plans - <i>Vol 3</i>	61
		Water Use Efficiency Scheme - <i>Vol 1</i>	3-5
		Waterways Authority - <i>Vol 2</i>	21-8, 21-16
		West 2000 Plus Program - <i>Vol 1 & Vol 3</i>	3-29, 64
		Western Sydney, Office of - <i>Vol 2 & Vol 3</i>	22-7, 139
		Whiteley Studio - <i>Vol 1</i>	2-123
		Wild Dog Destruction Board - <i>Vol 1</i>	3-19
		Women, Department for - <i>Vol 2</i>	20-10, 20-33
		Women's Services Grants Program - <i>Vol 2</i>	20-38
		Women's Information and Referral Service - <i>Vol 2</i>	20-37

I N D E X

Women's Gateway - <i>Vol 2</i>	20-37
WorkCover Authority - <i>Vol 2</i>	19-11, 19-35
Workers Compensation Commission - <i>Vol 1 & Vol 2</i>	4-5, 4-57, 19-12
Workers Compensation (Dust Diseases) Board - <i>Vol 2</i>	19-13, 19-39

Y

Young Filmmakers Fund - <i>Vol 1</i>	2-134
Youth Justice Conferencing - <i>Vol 2</i>	13-2

Z

Zoological Parks Board - <i>Vol 1 & Vol 3</i>	4-15, 3, 22
---	-------------