

MINISTER FOR URBAN AFFAIRS AND PLANNING, MINISTER FOR ABORIGINAL AFFAIRS AND MINISTER FOR HOUSING

OVERVIEW

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Department of Urban Affairs and Planning			
Total Expenses	79.4	93.2	17.3
Asset Acquisitions	1.7	4.8	186.1
Heritage Office			
Total Expenses	7.0	9.0	28.3
Asset Acquisitions	2.4	4.1	70.8
Payments to Other Government Bodies under the Control of the Minister			
Total Expenses	481.1	502.1	4.0
Asset Acquisitions .....	...	...	...
Department of Aboriginal Affairs			
Total Expenses	42.7	39.2	- 8.2
Asset Acquisitions .....	...	0.1	n.a.
Environmental Planning and Assessment Act			
Total Expenses	22.5	21.7	- 3.2
Asset Acquisitions	15.0	25.0	66.7
Aboriginal Housing Office			
Total Expenses	55.4	92.3	66.6
Asset Acquisitions	16.1	17.3	7.5
Home Purchase Assistance Authority			
Total Expenses	11.1	16.3	46.8
Asset Acquisitions	0.1	0.1	...
Home Purchase Assistance Fund			
Total Expenses	60.1	45.2	- 24.8
Asset Acquisitions .....	...	...	...
Honeysuckle Development Corporation			
Total Expenses	15.0	15.0	...
Asset Acquisitions .....	...	0.2	n.a.

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Ministerial Development Corporation			
Total Expenses	5.6	4.9	- 11.2
Asset Acquisitions .....	...	...	...
Total, Minister for Urban Affairs and Planning, Minister for Aboriginal Affairs and Minister for Housing			
Total Expenses (a) (b).....	779.9	801.0	2.7
Asset Acquisitions	35.3	51.6	46.2

(a) *The Ministerial totals have been reduced to exclude recurrent payments from Other Government Bodies Under the Control of the Minister to the Aboriginal Housing Office and payments from the Aboriginal Housing Office to the Department of Aboriginal Affairs.*

(b) *The Sydney Harbour Foreshore Authority became a Government Trading Entity in 2001-02 and is no longer included in the General Government Sector.*

DEPARTMENT OF URBAN AFFAIRS AND PLANNING

The Department of Urban Affairs and Planning plans for a sustainable future – for a better environment, jobs and livable communities.

In planning for the future, the Department's work is directed towards achieving:

- ◆ sustainable job growth in the right areas;
- ◆ improved investor and community confidence in the planning and assessment system;
- ◆ effective management of natural, environmental and cultural resources;
- ◆ diverse, equitable and pleasant neighbourhoods which reflect community needs and aspirations; and
- ◆ integrated delivery of regional infrastructure and Government activities.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Important developments in the ongoing reform of the planning system include the:

- ◆ launch of Regulation 2000 – to refine the development approval system introduced in the major reforms to the *Environmental Planning and Assessment Act* in 1998; and
- ◆ release for public exhibition of a White Paper – *Plan First* – to modernise and simplify the plan making system in New South Wales to meet the needs of business, investors and the community.

Other recent developments include:

- ◆ release of the Sydney Water Catchment Management Regional Environment Plan for the entire hydrological catchment from which Sydney and other regional towns and cities draw their water supply;
- ◆ establishment of the Major Hazards Unit to implement a whole-of-government co-ordinated regime for the control and management of major hazard facilities in New South Wales;
- ◆ establishment of seven Living Centres Programs, three in Metropolitan Sydney and four in Country New South Wales, with the objectives of revitalising town centres, job creation and implementing planning frameworks to ensure private investment and sustainable future economic outcomes;
- ◆ full integration of the building and control related provisions of the *Local Government Act 1993*, and the *Environmental Planning and Assessment Amendment Act 1997*; and
- ◆ completion of the Southern Regional Forest Agreement.

STRATEGIC DIRECTIONS

The Department's strategic directions are:

- ◆ implementation of *Plan First* reforms – using a whole-of-government approach in partnership with local government to introduce a new approach to State, regional and local planning;

- ◆ new approaches to regional planning to ensure a viable future for country regional centres and that natural resource priorities are incorporated into comprehensive regional plans;
- ◆ new approaches to better managing urban change and partnerships with local government;
- ◆ enhanced focus on sustainability – focusing and strengthening sustainability efforts to help in the creation of sustainable cities;
- ◆ efficient and effective assessment of proposed developments to help deliver quality projects;
- ◆ improved regional presence and accessibility;
- ◆ improved communication and participation in planning – taking planning to the people; and
- ◆ realignment of the corporate planning, resource allocation and structural frameworks to better reflect service delivery outcomes.

2001-02 BUDGET

Total Expenses

The Department's total expenses of \$93.2 million includes \$17.8 million for new initiatives:

- ◆ \$0.7 million to provide on-line access to planning information and services through the iPlan framework;
- ◆ \$0.7 million to prepare a Regional Environment Plan following transfer from National Parks and Wildlife Service to DUAP of the planning functions for the Alpine National Park;
- ◆ \$10.7 million to develop the Festival Development Corporation site at Mt Penang;
- ◆ \$5 million to meet the Honeysuckle Development Corporation's community service obligations; and
- ◆ \$0.7 million for the South Sydney Development Corporation's strategic and operating expenses.

In addition, the Department's total expenses Budget includes \$25.1 million to continue significant programs:

- ◆ \$5.8 million for the comprehensive regional assessment process, under the direction of the Resource and Conservation Assessment Council;
- ◆ \$4.8 million for the Living Centres Program;
- ◆ \$0.8 million for the Urban Design Quality Program;
- ◆ \$1 million for the Georges River Foreshore Improvement Program;
- ◆ \$2.2 million for the Urban Improvement Program;
- ◆ \$0.5 million to establish a comprehensive mechanism for regulating the activities of large scale hazardous industries in New South Wales in line with the National Standard; and
- ◆ over \$10 million for the Area Assistance Scheme.

Asset Acquisitions

The Department's \$4.8 million allocation includes the following:

- ◆ \$1.5 million to acquire coastal land as designated by the Coastal Lands Protection Scheme;
- ◆ \$2.2 million to implement the iPlan framework to improve internal infrastructure across the wide area network and on desktops, and to develop applications to provide online access to planning information and services;
- ◆ \$0.9 million for funding Desktop 2001 – enhancement of information management for CCSU Client Agencies; and
- ◆ \$0.2 million for minor plant and equipment.

HERITAGE OFFICE

The Heritage Office manages the administration of the Government's heritage policies. It has a major educational and promotional role to encourage conservation of the State's heritage assets.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Heritage Office's expenses include the conservation of heritage assets through policy advice and the administration of heritage grants. Expenditure levels do not vary significantly from year to year.

STRATEGIC DIRECTIONS

The Heritage Office's strategic directions are to:

- ◆ complete a comprehensive inventory of the State's significant heritage items;
- ◆ develop the community's understanding of heritage as an essential component of our culture;
- ◆ achieve best practice standards in the conservation and reuse of heritage items;
- ◆ assist local councils and State government agencies to perform their heritage responsibilities;
- ◆ streamline heritage approvals processes; and
- ◆ demonstrate the economic benefits of the conservation of the State's heritage resources.

2001-02 BUDGET

TOTAL EXPENSES

From 2001-02 onwards, funding for heritage grants will be provided directly from the Consolidated Fund, replacing previous funding provided by interest earnings from the Heritage Fund.

An amount of \$4 million has been allocated in 2001-02 for Heritage Assistance grants, an increase of \$1.5 million on 2000-01 expenditure.

ASSET ACQUISITIONS

In 2002 the office will relocate to the former Kings School, for which \$4 million has been allocated in 2001-02 for restoration works.

An allocation of \$102,000 has been provided for information technology improvements and minor equipment purchases.

PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

Expenditure under this heading relates to funding provided for the Housing Assistance Program, primarily delivered by the Public Housing and Office of Community Housing divisions of the Department of Housing and by the Aboriginal Housing Office.

The Housing Assistance Program is primarily funded by both the Commonwealth and the State under the Commonwealth/State Housing Agreement (CSHA). These funds are used to provide housing and related services to low income families and individuals who are unable to access or maintain housing that is secure, affordable and appropriate to their needs.

STRATEGIC DIRECTIONS

This is the third year of the four-year, multilateral CSHA which commenced in July 1999. A subsidiary bilateral agreement between New South Wales and the Commonwealth was agreed in December 1999.

The current CSHA provides certainty of funding until July 2003, although at reduced levels. The bilateral agreement sets out the following key priorities for housing assistance for the duration of the agreement:

- ◆ to continue to assist those with priority needs, including those who are in danger of becoming homeless, are at risk and/or have additional support needs;
- ◆ to build successful tenancies and communities, in particular to continue the emphasis on renewing the most disadvantaged communities. A key focus continues to be improving the social amenity as well as the physical environment of estates and improving older social housing stock which has received low levels of investment in the past; and
- ◆ to increase the diversity and improve the viability of housing assistance services provided by the public, community and Aboriginal housing sectors.

These priorities are reflected in the 2001-02 Budget allocations for the Housing Assistance Program.

2001- 02 BUDGET

In 2001-02, \$502.1 million is being provided from the Consolidated Fund for the Housing Assistance Program. Along with \$102.3 million generated by the housing agencies and \$11.6 million in reduced loan servicing costs, a total of \$616 million will be applied to this program in 2001-02.

In total, \$188.6 million is being provided by the State, including:

- ◆ \$26.6 million for maintenance and fire safety on public housing properties as well as Aboriginal Housing Office (AHO) property upgrades (\$15 million as an enhancement and \$11.6 million in reduced loan servicing costs arising from a transfer to the Crown of \$200 million of the Department of Housing's Commonwealth loans);
- ◆ \$19.4 million for GST compensation; and
- ◆ \$19.0 million for the AHO (to be passed on to the Department of Aboriginal Affairs) for the housing component of the Aboriginal Communities Development Program.

The Commonwealth Government is providing \$325.1 million, which includes \$17.8 million for the Aboriginal Rental Housing Program and \$23 million for GST compensation.

Other contributions in 2001-02 toward the asset acquisition programs of the individual housing agencies include \$59.1 million from the sale of inappropriate public, community and Aboriginal housing stock, \$12.2 million provided for Aboriginal housing by the Aboriginal and Torres Strait Islander Commission, \$7.5 million surplus funds from the Rental Bond Board and other funds of \$23.5 million. Details of the forecast asset acquisition programs for each housing agency are contained in Budget Paper No. 4.

It is expected that the Housing Assistance Program will provide housing support to an estimated 479,000 people during 2001-02, including:

- ◆ approximately 326,000 people accommodated in Government-subsidised housing managed by public, community or Aboriginal housing providers;
- ◆ around 3,200 places available in crisis accommodation to provide assistances to approximately 69,000 people; and
- ◆ around 84,000 private renters and home buyers.

Continuing the strong emphasis on improving older stock, allocations of \$192.6 million, \$8.9 million and \$18.6 million will be provided for public, community (including crisis) and Aboriginal housing, respectively, for improvements to more than 60,000 dwellings. This includes improvements ranging from painting to major upgrading works to bring properties up to contemporary standards. It also includes community renewal of public housing estates.

A supply program of \$242.9 million will fund works-in-progress, new capital works and existing and new leased dwellings. A total of 2,042 new dwellings will be available across public, community (including crisis) and Aboriginal housing, with the commencement of the construction of an estimated 1,022 dwellings and the leasing of 1,020 dwellings from the private market for public and community housing tenants.

The public housing supply program of \$97.4 million will enable the commencement of 479 new dwellings as well as funding existing leased dwellings and permitting the lease of a further 550 dwellings from the private market.

Community housing growth will be continued with \$96.3 million for general community housing supply programs. In total, 381 new dwellings will be commenced and a further 450 properties will be leased from the private market.

The Aboriginal housing sector will continue to be strengthened with a total allocation from Commonwealth and State sources of \$84.8 million, including \$12.2 million provided by ATSIC under its Community Housing and Infrastructure Program and \$19.0 million for the Aboriginal Communities Development Program, which is to be transferred to and administered by the Department of Aboriginal Affairs (see the Department of Aboriginal Affairs chapter). These pooled funds will result in:

- ◆ commencement of 57 units of AHO stock (\$15.7 million) and 60 units under the Housing for Aboriginal Communities Program (\$12.8 million);
- ◆ completion of 38 units of AHO stock commenced in 2000-01 (\$1.1 million) and 71 units of Housing for Aboriginal Communities Program stock (\$4.1 million);
- ◆ upgrades of stock owned by the AHO (\$18.6 million); and
- ◆ repairs and maintenance on community-owned properties (\$5.6 million).

Homeless people and those in crisis will be supported with an allocation of \$17.9 million in 2001-02. There will be an additional 65 dwellings acquired or leased under the Crisis Accommodation Program, and funding will also be provided to improve the transition of clients from crisis into longer-term accommodation.

There will be a continuing priority on assisting people with special needs, including subsidies of \$12.0 million to be provided to people with disabilities and people with HIV/AIDS renting privately.

DEPARTMENT OF ABORIGINAL AFFAIRS

The Department, through its partnership with the Aboriginal people of New South Wales, is a leading agency for positive change and achievement in Aboriginal affairs and for facilitating co-ordination of Aboriginal programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

On 29 May 1998, the Government announced the Aboriginal Communities Development Program (ACDP). The ACDP began in 1998-99 and is expected to finish by 2006-07. The purpose of the ACDP is to raise the health and living standards of selected, priority Aboriginal communities that have major environmental health needs. Funding of \$200 million has been committed to target the identified needs of housing, water, sewerage, roads, services, sporting, recreational and cultural facilities. The Department works closely with the Aboriginal Housing Office in determining the housing strategy within this program.

STRATEGIC DIRECTIONS

The Department has ongoing commitments to key initiatives that extend into the 2001-02 year and beyond. These include the New South Wales response to the Stolen Generation, education, policing, the justice system and reconciliation. The Department continues to work closely with the NSW Aboriginal Land Council (NSWALC), to monitor and advise on the administration of Aboriginal Land Councils. This includes a Compliance Unit that has operated since 2000-01.

The ACDP provides the Department with effective and sustainable programs which lay a solid foundation for the development of Aboriginal affairs into the future. There are currently 22 priority communities approved under the ACDP, seven of which are proceeding with early lead-in works consisting of housing repairs, maintenance and spot purchases. In some cases these works include new construction and the start of employment and training of local Aboriginal community members.

The Department works closely with the Regional Co-ordination Management Group (RCMG), established by the Premier's Department. Representatives from the Department attend RCMG meetings.

The Office of the Registrar of the Aboriginal Land Rights Act is co-located with the Department of Aboriginal Affairs. In the coming year the office will continue to carry out its statutory functions in relation to the *Aboriginal Land Rights Act 1983*, and other functions assisting Aboriginal Land Councils, including an education program and dispute resolution.

2001-02 BUDGET

Total Expenses

Estimated total expenses for 2001-02 are \$39.1 million, which includes \$32.6 million for the ACDP. Funds amounting to \$19 million will be sourced through the Aboriginal Housing Office to procure housing for the ACDP in 2001-02 in accord with the *Aboriginal Housing Act 1998*.

Asset Acquisitions

Capital expenditure is budgeted at \$120,000 for 2001-02, mainly for upgrading of computer software and office equipment.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT

Activities relate to the acquisition of land for planning purposes through the Sydney Region Development Fund and the Land Development Contribution Fund, established under the *Environmental Planning and Assessment Act 1979* .

The Sydney Region Development Fund was established by legislation during the 1970s with the specific objective of acquiring land for planning purposes within the Sydney region.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Expenditure is mainly incurred on loan servicing costs, administration and grants for improvements to open space land. Expenditure levels do not vary significantly from year to year.

STRATEGIC DIRECTIONS

This program facilitates the acquisition of regionally significant land for the following outcomes:

- ◆ securing Sydney's future transport corridors at an early stage;
- ◆ providing special use and open space corridors for essential infrastructure services such as gas and electricity, and future open space;
- ◆ securing both regional open space, often as additions to National Park reserves, to meet conservation and recreation needs; and
- ◆ securing sites for future regional centres, employment areas, education centres and special uses.

The program also provides grants for improvements to open space land and other urban public spaces in conjunction with local councils.

The on-going acquisition program is self-financing, principally through the sale of surplus assets. Contributions towards loan servicing costs are provided through the Government and by councils.

2001-02 BUDGET

Total Expenses

Included in the total expenses of \$21.7 million for 2001-02 are \$8.2 million for loan servicing costs, \$3.8 million for administration, \$4.7 million for grants for improvements to open space land, and \$5 million for lands transferred to other Government bodies.

Asset Acquisitions

The asset acquisition program provides for acquisition and development of land required for planning purposes as outlined above. In 2001-02 asset acquisitions are estimated at \$25 million.

Asset acquisition levels vary from year to year depending on the timing of property settlements. Significant land acquisitions are being finalised in respect of the Western Sydney open space corridors.

ABORIGINAL HOUSING OFFICE

The Aboriginal Housing Office (AHO) was established in 1998 pursuant to the *Aboriginal Housing Act 1998*. The AHO plans, administers and expands the policies, programs and asset base for Aboriginal housing in New South Wales. This includes resource allocation, sector-wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal housing sector. It is a statutory authority governed by an Aboriginal board.

The AHO manages a substantial annual capital works program, and thereby has an important role in facilitating and improving training and employment opportunities for Aboriginal people. The AHO also develops and implements a range of financial and resourcing strategies.

In carrying out its functions, the AHO is guided by the principles of self-determination and self-management by Aboriginal people. The AHO therefore strives to maximise the involvement of Aboriginal housing providers and the Aboriginal community (including tenants and housing applicants) in the development of policy and standards and the delivery of housing programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Significant changes to the AHO's operating environment that will impact on expenditure and activities in 2001-02 include:

- ◆ renewal of the agreement between the Commonwealth Government, the Aboriginal and Torres Strait Islander Commission (ATSIC) and the New South Wales Government on the provision and management of housing-related infrastructure for Aboriginal and Torres Strait Islanders. This agreement has provided for the pooling of ATSIC funds from the Community Housing and Infrastructure Program with Aboriginal Housing Program funds resulting a single point of planning and program delivery.
- ◆ channelling of the Aboriginal Communities Development Program housing-related funds through the Aboriginal Housing Fund and then to the Department of Aboriginal Affairs, which continues to administer the program. The purpose of this change in arrangements is to enable the Crown to retain an interest in assets acquired through the program under agreements formed under Part 4 of the *Aboriginal Housing Act 1998*.

- ◆ continuation of the strategy of achieving viability for community-owned housing stock through piloting new management arrangements. This initiative is underpinned by the ability to provide funds for improvement in services and improvement to community-owned assets.

STRATEGIC DIRECTIONS

The *NSW Aboriginal Housing Office Strategic Plan 1998-99 to 2000-01* outlines the strategic directions for Aboriginal housing and housing-related assistance administered by the AHO in its first three years. The key strategic directions of the current strategic plan are:

- ◆ developing a viable Aboriginal housing sector;
- ◆ increasing the access of Aboriginal people to safe, affordable and culturally appropriate housing;
- ◆ addressing the backlog of repairs and maintenance to existing Aboriginal housing stock; and
- ◆ promoting employment opportunities for Aboriginal people in the management, construction and maintenance of Aboriginal housing.

The AHO is currently consulting with relevant Government and non-Government stakeholders on the development of the strategic plan for 2001-02 to 2003-04.

2001-02 BUDGET

Total Expenses

Total projected expenses are \$92.3 million, and major ongoing programs include:

- ◆ AHO and Aboriginal community housing repairs and maintenance backlog;
- ◆ Grants to Aboriginal communities for the acquisition of housing; and
- ◆ Resourcing community organisations and sector support and training.

Included in both total expenses and receipts is \$19 million for the housing component of the Aboriginal Communities Development Program (ACDP). As described above, this is a transfer of funds through the Aboriginal Housing Fund to the Department of Aboriginal Affairs which administers the ACDP.

The AHO's funding includes \$52.8 million under the Commonwealth-State Housing Agreement (CSHA) and \$12.2 million from the Aboriginal and Torres Strait Islander Commission under its Community Housing and Infrastructure Program. Other revenues are a small asset sales program and net rental income.

Asset Acquisitions

The AHO housing program provides public rental housing for Aboriginal people. In 2001-02 the total asset acquisition program is estimated at \$17.3 million, comprising \$12.9 million for additional housing units, \$3.9 million to replace housing stock and minor plant and equipment.

HOME PURCHASE ASSISTANCE AUTHORITY

The Home Purchase Assistance Authority manages a number of loan portfolios arising from earlier Government home lending schemes, including the HomeFund Scheme. The Authority also manages the Mortgage Assistance Scheme, an information and advice service on home purchase issues and a portfolio of rental properties leased to former borrowers under the HomeFund Scheme.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Subsidy support and other costs associated with the HomeFund mortgage and rental portfolios are the major elements of expense for the Authority. Mortgage portfolio expenses are funded through the Home Purchase Assistance Fund, while rental portfolio costs are met by the Housing Reserve Fund.

Proceeds from property sales, and associated sales expenses, considerably exceeded budget during 2000-01 reflecting stronger property market conditions during the year.

To date, the overall costs of the restructured HomeFund Scheme have been broadly in line with original projections and on current estimates the funds are adequate to meet future scheme costs.

Recent developments include:

- ◆ settlement of the HomeFund class actions on terms acceptable to Government; and

- ◆ a commitment to a phased reduction over time in the margin between the HomeFund interest rate cap and commercial interest rates as part of the negotiated settlement for the class actions.

Funding of the Authority's operations and Mortgage Assistance Scheme advances in 2001-02 will continue to be sourced from internal scheme resources and collections from debtors.

STRATEGIC DIRECTIONS

The Authority's strategy is concentrated on managing the HomeFund Scheme within the existing resources of the support funds. Specific emphasis is placed on risk management and policies including:

- ◆ adoption of best practice standards for programs under the Authority's administration and for internal audit and control; and
- ◆ prudent investment of scheme assets within an integrated asset-liability management plan.

2001-02 BUDGET

Total Expenses

Total expenses for the Authority are budgeted at \$16.3 million for 2001-02 compared with \$18.1 million projected for the current year. Planned expenditure in 2001-02 reflects:

- ◆ increases in repair and maintenance expenditure and additional rental subsidies as a result of extensions to the term of many of the fixed term leases (previously due to expire over the next two years); offset by
- ◆ a significant lessening in other operating expenses, which includes the cost of properties sold.

It is projected that 70 properties will be sold in 2001-02 compared with 85 in 2000-01.

Asset Acquisitions

Capital expenditure is budgeted at \$78,000 in 2001-02, mainly for the purchase of computer hardware and software.

HOME PURCHASE ASSISTANCE FUND

The Home Purchase Assistance Fund was established by Trust Deed in 1989 to support and administer Government home purchase assistance programs. Income earned by the Fund's investments is used to meet shortfalls in the HomeFund Scheme. The Home Purchase Assistance Authority manages the Fund.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Fewer loan losses and lower shortfalls paid to FANMAC Trusts contributed to a reduction in HomeFund Scheme costs in 2000-01. Stronger property markets contributed to the improved positions. The costs of the restructured Scheme have been maintained broadly in line with original projections.

STRATEGIC DIRECTIONS

Management is focused on cost minimisation, risk containment, prudent asset investment and the careful administration of borrowings. Within this structure, the Fund's key objective is to maintain sufficient levels of capital to meet its HomeFund support obligations. This objective is relative to the overall scheme as well as the component entities.

2001-02 BUDGET

Total expenses are budgeted at \$45.2 million in 2001-02 with major components being interest on borrowings (\$24.3 million) and FANMAC Trust shortfalls (\$14.8 million).

The Fund has borrowings from FANMAC Trusts 21 and 22 of around \$166 million, and this will increase until December 2001 when the bonds in both trusts mature and the bond holders are paid out. Repayment of these FANMAC trust borrowings will be financed by maturing investments comprising FANMAC and Treasury Corporation bonds and other shorter term securities.

HONEYSUCKLE DEVELOPMENT CORPORATION

The Corporation assists in the revitalisation of inner Newcastle. The land is situated adjacent to the Newcastle CBD and comprises 4 kilometres of waterfront real estate located on the shores of Newcastle Harbour.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Until 1996-97, the Corporation was funded through Budget contributions from the Building Better Cities program. Since that time, the Corporation has become self-funding through land sales and borrowings.

In the last seven years, the Corporation has made community contributions of \$50.8 million in the form of grants to other organisations, housing, public domain and open space landscaping. In recognition of the significant level of community contributions, \$15.5 million is being provided to the Corporation over a four year period.

Some 31 sites have been released to the market with 16 settled and nine under conditional contract and three where terms have been agreed. The total end value of works associated with other sites is estimated to be over \$240 million.

STRATEGIC DIRECTIONS

The Corporation undertakes programs to fulfil its role in assisting the revitalisation of inner Newcastle. The major features of the Corporation's strategic directions are:

- ◆ to revitalise Newcastle's CBD and develop the city into an effective capital of the Hunter region;
- ◆ to develop a mix of affordable and other housing choices;
- ◆ to improve the quality of life within the CBD and inner suburbs and to open community access to the harbour foreshore areas and enhance the attractiveness of the city;
- ◆ to manage the acquisition and disposal of surplus government land holdings; and
- ◆ to facilitate the provision of adequate infrastructure to promote and encourage development and investment in the area.

2001-02 BUDGET

Total Expenses

Total expenses for the Corporation for 2001-02 are budgeted at \$15 million. The primary components of these expenses are the cost of land and property sold of \$6.1 million, community contributions of \$5.1 million and financing costs of \$1.3 million.

The level of expenses between the 2000-01 and 2001-02 Budgets is expected to remain consistent. However, the projected 2000-01 increase in expenses of \$4 million over Budget is mainly due to the bringing forward of community contribution works for public open space.

Asset Acquisitions

In accordance with accounting standards, Honeysuckle's property development activities are capitalised as inventory not property assets, hence no asset acquisitions are noted.

MINISTERIAL DEVELOPMENT CORPORATION

The Corporation is responsible for the planning, development and marketing of the remaining property assets of the former Macarthur and Bathurst-Orange Corporations in an environmentally and socially acceptable manner. The Corporation does not have any staff. Officers of Landcom undertake all administrative activities on a management fee basis.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Following high demand and strong sales in 1999-00, industrial land stocks are at an all time low. Production of stock has further been delayed by increased requirements of regulatory agencies.

The emphasis over the next couple of years will be on development expenditure to provide sufficient land stock to meet expected current and future land sales.

All development and sales are dependent on the prevailing economic conditions.

STRATEGIC DIRECTIONS

The objectives of the Corporation are to provide large industrial and commercial sites for organisations that are establishing new businesses or are relocating, with the aim of promoting economic growth and employment in the areas where the Corporation owns land for development.

2001-02 BUDGET

Total Expenses

The majority of the Corporation's proposed 2001-02 expenditure is to fund the development and sale of industrial or commercial land in the Macarthur region.

All other income and expenditure relates to the property related activities of the Corporation and the return of surplus funds to the Government. Operational expenses are estimated at \$4.9 million and developmental expenditure at \$8.8 million.