

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

OVERVIEW

| <i>Agency</i> | <i>Budget 2001-02 \$m</i> | <i>Budget 2002-03 \$m</i> | <i>Variation %</i> |
|---|-----------------------------------|-----------------------------------|------------------------|
| Department of Planning | | | |
| Total Expenses | 93.2 | 95.4 | 2.4 |
| Asset Acquisitions | 4.8 | 4.1 | -16.0 |
| Heritage Office | | | |
| Total Expenses | 9.0 | 7.7 | -14.8 |
| Asset Acquisitions | 4.1 | 3.2 | -23.5 |
| Payments to Other Government Bodies under the Control of the Minister | | | |
| Total Expenses | 502.1 | 494.0 | -1.6 |
| Asset Acquisitions | ... | ... | ... |
| Department of Aboriginal Affairs | | | |
| Total Expenses | 39.1 | 40.9 | 4.6 |
| Asset Acquisitions | 0.1 | 1.1 | 795.8 |
| Environmental Planning and Assessment Act | | | |
| Total Expenses | 21.7 | 19.6 | -9.9 |
| Asset Acquisitions | 25.0 | 20.0 | -20.0 |
| Aboriginal Housing Office | | | |
| Total Expenses | 92.3 | 86.8 | -6.0 |
| Asset Acquisitions | 17.3 | 13.9 | -19.6 |
| Home Purchase Assistance Fund | | | |
| Total Expenses | 45.2 | 25.9 | -42.8 |
| Asset Acquisitions | ... | ... | ... |
| Honeysuckle Development Corporation | | | |
| Total Expenses | 15.0 | 10.5 | -30.0 |
| Asset Acquisitions | 0.2 | ... | n.a. |
| Total, Minister for Planning, Minister for Aboriginal Affairs and Minister for Housing | | | |
| Total Expenses ^(a) | 779.7 | 742.9 | -4.7 |
| Asset Acquisitions | 51.5 | 42.3 | -17.9 |

(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.

DEPARTMENT OF PLANNING

The Department of Planning plans for a sustainable future – for a better environment, jobs and livable communities in New South Wales.

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

- ◆ sustainable job growth in the right locations;
- ◆ a robust planning and assessment system;
- ◆ protection of natural and cultural values; and
- ◆ diverse, equitable and pleasant neighbourhoods which reflect community needs and aspirations.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

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

- ◆ the phased development of environmental planning policies of the State, regional strategies and local plans through the proposed *Plan First* reforms; and
- ◆ corporatisation of Landcom and its separation from the Department in January 2002.

Other recent developments include:

- ◆ implementation of the Coastal Protection initiative over a three year period to ensure the protection of the State's beaches, headlands and coastline;
- ◆ planning for a fifteen year future land release program to address low housing stock levels through new greenfield release areas and continuing urban renewal initiatives;
- ◆ undertaking the planning and assessment roles for resort areas in the Kosciuszko National Park;
- ◆ an increased focus on urban assessment and strategic initiatives including expansion of the Urban Improvement Programs in four urban and regional areas viz Narellan, Botany, Kensington and Parramatta Road, Homebush;

- ◆ continuation of the seven Living Centres Programs, three in Metropolitan Sydney and four in regional New South Wales. Small, locally based teams are working with the councils, communities and industries to create employment and business opportunities;
- ◆ undertaking the Premier's Design Quality Program to improve the standard of design of residential flats;
- ◆ development of electronic delivery of planning data in collaboration with local government and other agencies; and
- ◆ relocation to a new building incorporating best practice sustainable design and construction.

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 provide for a viable future for country regional centres and that natural resource priorities are incorporated into comprehensive regional plans;
- ◆ increasing timely and efficient assessment decision-making of major development and infrastructure projects;
- ◆ new approaches to achieving compact urban areas by improved management of urban change and partnerships with local government;
- ◆ enhanced focus on sustainability – focusing and strengthening sustainability efforts to help in the creation of compact, sustainable cities;
- ◆ efficient and effective approaches to development assessment processing to improve efficiency and ensure that assessment work delivers quality outcomes;
- ◆ improved regional presence and accessibility;
- ◆ improved communication and participation in planning – taking planning to the people; and

- ◆ improved resource allocation and structural frameworks to better reflect service delivery outcomes.

2002-03 BUDGET

Total Expenses

The Department's total expenses of \$95.4 million includes \$9.8 million for new initiatives:

- ◆ \$0.9 million to manage Sydney's urban growth land release program;
- ◆ \$0.4 million for development assessments in Kosciuszko National Park;
- ◆ \$0.3 million for the Coastal Protection Package;
- ◆ \$4.0 million for the phased implementation of *Plan First*;
- ◆ \$2.5 million for new urban initiatives; and
- ◆ \$1.7 million to meet the operating costs of the Penrith Lakes Regatta Centre.

In addition, the Department's total expenses budget continues to fund significant programs including:

- ◆ \$6.2 million for the comprehensive regional assessment process, under the direction of the Resource and Conservation Assessment Council;
- ◆ \$4.3 million for the Living Centres Program;
- ◆ \$8.3 million to develop the Festival Development Corporation site at Mt Penang;
- ◆ \$0.8 million to meet the Honeysuckle Development Corporation's community service obligations;
- ◆ \$0.6 million to provide on-line access to planning information and services through the iPlan framework;
- ◆ \$0.8 million for the South Sydney Development Corporation's strategic and operating expenses;

- ◆ \$0.5 million for the preparation of a Regional Environment Plan following the transfer of the planning functions for the Kosciuszko National Park from the National Parks and Wildlife Service;
- ◆ \$1.8 million for the Georges River Foreshore Improvement Program;
- ◆ \$0.3 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
- ◆ \$10.2 million for the Area Assistance Scheme grants.

Asset Acquisitions

The Department's \$4.1 million allocation includes the following:

- ◆ \$1.5 million to acquire coastal land as designated by the Coastal Lands Protection Scheme;
- ◆ \$2.1 million to further implement the iPlan framework to provide online access to planning information and services;
- ◆ \$0.3 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 are relatively consistent from year to year. In 2001-02, total expenses are projected to be \$9.3 million compared to total expenses of \$7.9 million in 2000-01.

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.

2002-03 BUDGET

Total Expenses

Total expenses of \$7.7 million in 2002-03 include \$2.5 million for Heritage Assistance Grants. Estimated total expenses for 2002-03 are \$1.3 million lower than 2001-02. This is mainly due to a one-off additional allocation of \$1.7 million in 2001-02 to meet outstanding commitments in the Office's grants program.

Asset Acquisitions

The Office will relocate to the former Kings School at Parramatta, for which \$3.1 million has been allocated in 2002-03 to complete restoration works. An allocation of \$22,000 has been provided for 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 the Office of Community Housing divisions of the Department of Housing and by the Aboriginal Housing Office (AHO).

In 2002-03, a total of \$631.7 million of Commonwealth, State and other funds will be applied to assist some 500,000 people on low incomes in housing need. The \$494 million to be provided from the Consolidated Fund is a reduction on the \$502.1 million budgeted for 2001-02. This reflects a shift to leasing and completion of upgrades on housing stock transferred to the Aboriginal Housing Office, offset by extra State support for new housing products and services.

The Government will continue its emphasis on improving older social housing and achieving community renewal on public housing estates. A total of \$244 million will be allocated to public, community and Aboriginal housing for this purpose. Over \$36 million of this amount is enhancement funding and debt relief, provided to accelerate the program of upgrading public and Aboriginal housing.

To reform and strengthen the social housing system, the Government is introducing a wide range of new housing assistance products and services. This includes new housing assistance programs to help low-income people rent in the private sector, promote home ownership to public housing tenants and help people who are homeless or in housing crisis.

The conditions of tenure in public housing will be modernised, with the introduction of renewable tenancies and rental bonds.

The Government is providing \$11.1 million to deliver these new services, in addition to its existing commitment to housing assistance.

The growth of community housing will continue, with an additional 902 dwellings to be managed by this sector.

STRATEGIC DIRECTIONS

This is the final year of the four-year, multilateral Commonwealth-State Housing Agreement (CSHA). This CSHA has provided falling levels of Commonwealth funding through to June 2003. States and Territories have begun negotiating with the Commonwealth on funding arrangements beyond June 2003.

The New South Wales Government's priorities in the 2002-03 Housing Assistance Program budget reflect its continuing commitment to housing assistance in New South Wales and to the priorities of the 1999-2000 to 2002-03 bilateral agreement which New South Wales agreed with the Commonwealth to complement the multilateral CSHA. These priorities are:

- ◆ 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 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 public, community and Aboriginal housing sectors.

2002-03 BUDGET

In 2002-03, a total of \$631.7 million will be applied to the Housing Assistance Program, with \$494 million being provided from the Consolidated Fund. Other funds of \$137.7 million will be generated by government housing agencies or from internal sources.

The State effort in housing continues to outstrip the State's required contributions to the CSHA. Of the total \$631.7 million available in 2002-03, \$209.4 million is being provided by the State for:

- ◆ a major enhancement equivalent to \$36.6 million for maintenance and fire safety on public housing properties as well as Aboriginal Housing Office (AHO) property upgrades. This enhancement includes \$25 million of an extra \$105 million provided in 2001-02 to allow better planning and management of asset improvement over the next three years to 2004-05. Also included is \$11.6 million in reduced loan servicing costs arising from a transfer to the Crown in June 2001 of \$200 million of the Department of Housing's Commonwealth loans;
- ◆ an \$11.1 million enhancement to deliver a wide-ranging set of reforms and new products to social housing, to be progressively introduced over the next three years, to offer people more choices and improve the services provided to vulnerable families;

- ◆ funding to government housing agencies of \$23.2 million for GST compensation and assistance with stamp duty and land tax and \$0.4 million for the State's share of increased costs for community organisations under the Social and Community Services Award;
- ◆ \$19 million for the AHO (to be passed on to the Department of Aboriginal Affairs), continuing the Government's commitment to provide healthy housing for Aboriginal people through the Aboriginal Communities Development Program; and
- ◆ \$119.1 million to meet the State's commitment to the CSHA.

The Commonwealth Government is providing \$321.2 million of the \$494 million provided through the Consolidated Fund, including \$17.8 million for the Aboriginal Rental Housing Program and \$13.4 million for the Crisis Accommodation Program.

Other contributions of \$101.1 million comprise \$53 million from the sale of inappropriate public, community and Aboriginal housing stock, \$12.6 million provided by the Aboriginal and Torres Strait Islander Commission under its Community Housing and Infrastructure Program, \$7.6 million in surplus funds from the Rental Bond Board and other internal funds of \$27.9 million. These funds will be used for a range of activities within the Housing Assistance Program, including asset acquisition in individual housing agencies. Information on the planned asset acquisition program of each housing agency is contained in Budget Paper No. 4.

It is expected that the Housing Assistance Program will provide housing support to an estimated 500,000 people during 2002-03, including:

- ◆ approximately 348,500 people accommodated in government-subsidised housing managed by public, community or Aboriginal housing providers;
- ◆ around 3,850 places available in crisis accommodation to provide assistance to approximately 75,000 people; and
- ◆ around 76,000 private renters and home buyers.

The Aboriginal housing sector will continue to be strengthened with a total allocation from Commonwealth and State resources of \$79.4 million allocated to new supply, improving properties and developing a viable Aboriginal housing sector (see Aboriginal Housing Office section).

Continuing the Government's emphasis on improving older stock, allocations of \$219.6 million, \$8.5 million and \$15.9 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.

The portfolio's supply program of \$231.5 million will fund works-in-progress, new capital works and existing and new leased dwellings across providers in the portfolio as follows:

- ◆ public housing (\$85.9 million);
- ◆ community housing (\$101.9 million);
- ◆ Aboriginal housing (\$30.1 million); and
- ◆ crisis accommodation (\$13.6 million).

A total of 1,945 new dwellings will be available with purchase or commencement of construction of an estimated 910 dwellings across all providers and the leasing of an extra 1,035 dwellings from the private market for public and community housing tenants.

The supply program of \$85.9 million for public housing will enable the commencement of 479 new dwellings, the lease of a further 450 dwellings and funding subsidies for 2,200 existing leased dwellings from the private market.

Community housing growth will be continued with \$101.9 million for general community housing supply programs. In total, 277 new dwellings will be commenced, a further 560 properties will be leased from the private market and subsidies for almost 5,000 existing leases will be funded.

The Aboriginal housing supply program of \$30.1 million comprises \$13.5 million for stock owned by the Aboriginal Housing Office (commencement of 67 units and completion of works-in-progress) and \$16.6 million for community-owned properties under the Housing and Aboriginal Communities Program (commencement of 47 units and completion of works in progress).

Homeless people and those in crisis will be supported with an allocation of \$17 million under the Crisis Accommodation Program (CAP) in 2002-03. With this, an additional 65 dwellings will be acquired or leased and \$2.5 million spent on upgrading existing crisis properties. 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 \$10.9 million to be provided to eligible people with disabilities and people with HIV/AIDS renting privately.

DEPARTMENT OF ABORIGINAL AFFAIRS

The Department, through the partnership between the Government and the Aboriginal people of New South Wales, is the leading agency for positive change and achievements in Aboriginal affairs and for facilitating co-ordination of Aboriginal programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Aboriginal Communities Development Program (ACDP) will raise the health and living standards of 22 selected priority Aboriginal communities that have major environmental health needs. The ACDP began in 1998-99 and completion is expected by 2006-07. The Department works closely with the Aboriginal Housing Office in determining the housing strategy within this program.

Funding of \$200 million has been committed to target identified needs of housing, water, sewerage, roads, services, sporting, recreational and cultural facilities. There are currently seven communities proceeding with 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.

During 2001-02, expenditure on the ACDP was revised downwards from \$32.6 million to \$17.3 million. This was due to the community consultation phase of the program taking longer than anticipated. ACDP expenditure is expected to accelerate in 2002-03.

STRATEGIC DIRECTIONS

The Department has ongoing commitments to key initiatives that extend into the 2002-03 year and beyond. These include the development of the new policy for Aboriginal affairs in New South Wales, *Partnerships: A New Way of Doing Business with Aboriginal People*. The Department continues to work closely with the New South Wales Aboriginal Land Council (NSWALC), to monitor and advise on the administration of Aboriginal Land Councils.

The *Improving Outcomes in Aboriginal Communities* project will be implemented through two strategies. The *Aboriginal Community Partnerships* strategy will commence in 2002-03 and aims to give communities greater control over the planning, design and delivery of government services. This will be done through facilitating Aboriginal participation in service planning and realigning resources to better meet community needs. An *Aboriginal Child, Youth and Family Strategy* will also be established and funded within the Department of Community Services, with evaluation, planning and co-ordination provided by the Cabinet Office. In 2002-03, additional funds of \$1.7 million and \$200,000, respectively, will be provided to these agencies.

A New South Wales Aboriginal Languages Resource and Research Unit will be established in 2002-03. This community-based unit will provide ongoing technical advice, training and research assistance to Aboriginal communities, to preserve, revive and teach their traditional languages. Another important initiative includes the continuing development of a whole-of-government policy for Aboriginal languages in New South Wales.

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(ALRA)*, including implementation of the amendments to the ALRA.

2002-03 BUDGET

Total Expenses

Estimated total expenses for 2002-03 are \$40.9 million. The major expense is \$33.8 million for the Aboriginal Communities Development Program of which \$19 million will be channelled through the Aboriginal Housing Office to procure housing in accord with the *Aboriginal Housing Act (1998)*.

In 2002-03 additional funds will be provided, including:

- ◆ \$1 million for Aboriginal Community Partnerships;
- ◆ \$273,000 for the New South Wales Aboriginal Languages Resource and Research Unit;
- ◆ \$136,000 to index Aboriginal Welfare Board files; and
- ◆ \$281,000 for implementing amendments to the *Aboriginal Land Rights Act 1983*.

Asset Acquisitions

Capital expenditure is budgeted at \$1.1 million for 2002-03, comprising \$1 million for the relocation of the Department of Aboriginal Affairs within the Sydney Central Business District (CBD) and \$75,000 for the upgrading of computer software and office equipment. The Department is relocating because the present accommodation has limited space for anticipated staff increases and rental savings are expected in the Sydney Southern CBD.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT

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

The Fund was established during the 1970s with the specific objective of acquiring land for planning purposes within the Sydney region. The program facilitates the acquisition of regionally significant land for open space, and of vacant land for future freeway and transport corridor construction purposes, and regional projects such as Rouse Hill Regional Centre.

The program also provides for improvements of open space land, in partnership with local councils through the Greenspace program and in Western Sydney through partnerships with Greening Australia, and other urban public spaces through the Urban Improvement Program.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Expenditure is mainly incurred on administration, loan servicing costs, and grants for improvements to open space land, particularly Greenspace and Greening Australia.

A major project that reflects the current focus on development of land purchased for planning purposes is the Rouse Hill Regional Centre. This major Centre, which will include retail, commercial, community, education, recreational, transport and residential uses, will be developed in association with Landcom as a joint venture with the private sector. The development cost of the project is estimated at \$600 million.

As a result of recent changes to the Heritage Act, the Fund commenced a heritage asset management program over two years. This program provides a systematic basis for assessing the significance of historic places owned by the Department and directing the course of their future conservation and management.

Other recent developments include the arrangement of a lease to the Waste Recycling and Processing Corporation at Eastern Creek for use as a waste disposal facility, and the use of land owned by the Fund for the development of a drag strip and associated business park, also at Eastern Creek – the development process is to be managed by the Department of Public Works and Services.

STRATEGIC DIRECTIONS

The Sydney Region Development Fund has a range of key strategies for the future including:

- ◆ prudent financial management to meet the objectives and commitments of the Fund including achieving an optimal return on surplus assets;
- ◆ ongoing reviews of surplus land and acquisition commitments to ensure the objectives of the Fund are achieved and the Fund is financially sustainable;
- ◆ enhanced focus on the implementation of planning outcomes, including open space strategies and land purchased for planning purposes; and
- ◆ a major review of the past performance and future direction and priorities of the Fund.

2002-03 BUDGET

Total Expenses

Included in the total expenses of \$19.6 million for 2002-03 are \$6.9 million for loan servicing costs, \$3.8 million for administration, \$3.9 million for grants for improvements to open space land, and \$5 million for lands transferred to other government bodies.

Compared to the 2001-02 Budget, total expenses have reduced by roundly \$2.1 million. This reduction is due to a decrease in loan servicing costs through lower interest rates, and a reduction in grants for improvements to open space land.

Asset Acquisitions

The asset acquisition program provides for acquisition and development of land required for planning purposes such as regional open space and major road reservations. In 2002-03, asset acquisitions are estimated at \$20 million. Major acquisitions are likely to include 30ha of land at Hoxton Park for inclusion into the Eastern Creek open space corridor.

Expenditure is mainly incurred on land acquisitions and planning studies for redevelopment sites and surplus land. Expenditure levels do not vary significantly from year to year unless some major acquisitions are completed within that year.

The Fund is involved in negotiations for the future development of residential and open space land as part of the Penrith Lakes Scheme, though the Fund is not expected to be involved in the management of the Scheme's future.

Asset acquisition levels can vary from year to year and are difficult to accurately predict as they depend on the timing of approaches from owners to acquire their land, completion of negotiations including vendor's agreement to sell, and property settlements.

ABORIGINAL HOUSING OFFICE

The Aboriginal Housing Office (AHO) is a statutory authority governed by an Aboriginal board, established in 1998 pursuant to the *Aboriginal Housing Act 1998*. The AHO plans and administers 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.

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

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 housing policy and standards and the delivery of housing programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Significant policy developments that will impact on AHO's expenditure and activities in 2002-03 include:

- ◆ renewal of the bilateral agreement between the New South Wales Government, Commonwealth Government and Aboriginal and Torres Strait Islander Commission (ATSIC) on the provision and management of housing and housing-related infrastructure for Aboriginal and Torres Strait Islander people in New South Wales. This agreement achieves a single point of planning and program delivery by pooling ATSIC funds from the Community Housing and Infrastructure Program with Aboriginal Housing Program funds; and
- ◆ continuation of the strategy to achieve viability of community housing providers and the stock they manage. Funds and support are provided to the relevant Registered Aboriginal Housing Organisations to improve their management skills, trial new management arrangements such as engaging a single administrator for several providers, and repair and maintain community-owned assets.

STRATEGIC DIRECTIONS

The *NSW Aboriginal Housing Office Strategic Plan 2001-02 to 2003-04* outlines the strategic directions for Aboriginal housing and housing-related assistance administered by the AHO. The four key strategic areas are:

- ◆ developing a sustainable Aboriginal housing sector;
- ◆ increased focus on asset management;
- ◆ increased access to safe, affordable, culturally appropriate housing; and
- ◆ promoting employment opportunities for Aboriginal people.

The Strategic Plan was developed in consultation with Aboriginal people and Aboriginal Housing Organisations as well as other key stakeholders. The Strategic Plan has been endorsed by the Board of the Aboriginal Housing Office, New South Wales Minister for Housing, the Chair of ATSIC and the Commonwealth Minister of Family and Community Services.

The strategic directions in the Strategic Plan are linked to:

- ◆ the *Aboriginal Housing Act 1998*;

- ◆ the Housing Ministers' *Building a Better Future: Indigenous Housing to 2010*; and
- ◆ the aforementioned bilateral agreement.

2002-03 BUDGET

Total Expenses

In addition to AHO operating costs and rental property expenses for AHO properties, total expenses of \$86.8 million in 2002-03 include:

- ◆ grants of \$16.6 million to Aboriginal communities for the acquisition of community-owned dwellings, with an expected commencement of 47 units;
- ◆ repairs, maintenance and upgrade expenditure on stock owned by AHO (\$10.2 million) and community-owned properties (\$8.9 million);
- ◆ resourcing community organisations, sector support and training; and
- ◆ the housing component of the Aboriginal Communities Development Program.

The AHO will receive grant funding of \$44.3 million under the Commonwealth-State Housing Agreement (CSHA), State funding of \$22.5 million for housing under the Aboriginal Communities Development Program and for asset improvement and \$12.6 million from the Aboriginal and Torres Strait Islander Commission under its Community Housing and Infrastructure Program. The remainder of the AHO's source of funds is a small asset sales program, interest income and net rental income after rental expenses.

Asset Acquisitions

The AHO housing program provides public rental housing for Aboriginal people. In 2002-03 total asset acquisition is \$13.9 million with \$13.5 million for an expected commencement of 67 units of accommodation and \$0.4 million for acquisition of office equipment.

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 and other programs supporting home purchase. The Department of Housing oversees the management of the Fund.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

There was a further reduction in HomeFund Scheme costs in 2001-02. This was due to improved performance in the FANMAC Trusts and the lower than expected costs. The fall in market interest rates had offsetting effects on borrowing costs and investment returns during the year. Overall, the costs of the restructured HomeFund Scheme have been maintained broadly in line with original projections.

STRATEGIC DIRECTIONS

Management is focused on risk containment, prudent asset investment, cost minimisation 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.

2002-03 BUDGET

Total expenses are budgeted at \$25.9 million in 2002-03 with major components being interest on borrowings (\$14.6 million) and funding of FANMAC Trust shortfalls (\$6.9 million). The planned expansion of the Government Guaranteed Loan Scheme is supported by an allowance for payments under the indemnity and guarantee provisions of the Scheme.

HONEYSUCKLE DEVELOPMENT CORPORATION

The Corporation assists in the revitalisation of inner Newcastle. The area being revitalised is situated adjacent to the Newcastle Central Business District (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 been funded through land sales and borrowings.

In the last eight years, the Corporation has made community contributions of \$54.7 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 from the Government over a four year period.

Some 33 sites have been released to the market with 29 settled, two under conditional contract, and two where terms have been agreed. The total end value of works associated with the sites is estimated to be over \$403 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:

- ◆ develop the city into an effective capital of the Hunter region;
- ◆ develop a mix of affordable and other housing choices;
- ◆ 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;
- ◆ manage the acquisition and disposal of surplus government land holdings; and
- ◆ facilitate the provision of adequate infrastructure to promote and encourage development and investment in the area.

2002-03 BUDGET

Total Expenses

Total expenses for the Corporation for 2002-03 are budgeted at \$10.5 million. The primary components are the cost of selling land and property of \$3.1 million, community contributions of \$3.6 million and financing costs of \$1.3 million.

The level of expenses between the 2001-02 and 2002-03 Budgets are expected to decrease mainly due to lower costs of sale. The projected decrease in 2001-02 expenses (\$2 million under Budget) is mainly due to lower expenditure on community contribution works. These works will be carried out in line with site sales.

The Budget deficit in 2002-03 is due to decreased land sales in that year and is a "one-off". Further significant land sales are in the process of being negotiated which should lead to improved results in 2003-04.

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.