

4.3.3 MINISTER FOR AGRICULTURE AND MINISTER FOR LAND AND WATER CONSERVATION

OVERVIEW

Agency	Forecast 1997-98	Estimate 1998-99	Variation	
	\$m	\$m		%
Department of Agriculture				
Total Expenses	212.5	218.8		2.9
Asset Acquisitions	11.0	9.3	(-)	15.7
Rural Assistance Authority				
Total Expenses	34.6	27.5	(-)	20.7
Asset Acquisitions	0.1	0.1		...
New South Wales Dairy Corporation				
Total Expenses	363.5	357.5	(-)	1.7
Asset Acquisitions	1.0	1.5		50.0
New South Wales Meat Industry Authority				
Total Expenses	2.9	3.1		7.3
Asset Acquisitions	0.4	0.4		10.8
Department of Land and Water Conservation				
Total Expenses	506.5	495.4	(-)	2.2
Asset Acquisitions	14.7	25.1		71.5
Land Titles Office				
Total Expenses	47.1	50.9		8.0
Asset Acquisitions	3.5	5.2		47.2
Luna Park Trust				
Total Expenses	0.7	0.7		10.2
Asset Acquisitions
State Valuation Office				
Total Expenses	12.5	12.9		3.2
Asset Acquisitions	0.3	...	(-)	100
Upper Parramatta River Catchment Trust				
Total Expenses	3.8	2.5	(-)	34.7
Asset Acquisitions	0.2	0.1	(-)	87.0
Valuer-General's Department				
Total Expenses	23.6	23.3	(-)	1.3
Asset Acquisitions	0.6	0.4	(-)	33.3
Total, Minister for Agriculture and Minister for Land and Water Conservation				
Total Expenses	1,207.8	1,192.4	(-)	1.3
Asset Acquisitions	31.8	42.1		32.4

Compared to the previous year, expenses in 1998-99 in this portfolio are expected to decrease by 1.3 per cent. This is mainly attributable to lower expenditure for the Department of Land and Water Conservation. Payments of \$9 million to the Wollongong Showground Trust and \$3 million for redundancies in 1997-98 are not to be replicated in 1998-99, and achievement of \$3 million in corporate efficiency savings in 1998-99 is anticipated. These will be partly offset by increased expenditure for water reform related activities.

The decline in the estimated expenditure of the Rural Assistance Authority for 1998-99 is mainly attributable to the Commonwealth's decision to cease the Rural Adjustment Scheme and anticipated improvements in drought conditions in 1998-99. This is partly offset by increased expenditure for the Water Use Efficiency, West 2000 and Drought Regional Initiatives Programs. The Department of Agriculture's expenditure for 1998-99 will increase by 2.9 per cent over the previous year. The contributing factors include additional expenditure for water reform related activities and the Acid Soil Action Program.

Asset acquisitions in this portfolio will increase by over 30 per cent. This is mainly attributable to water reform related works (\$3.8 million), building refurbishment (\$1.8 million) and dam related works (\$1.8 million), all through the Department of Land and Water Conservation.

DEPARTMENT OF AGRICULTURE

The Department's key objectives are -

- to assist the New South Wales food and fibre industries to be economically and environmentally viable through the development and adoption of production and marketing practices that are both internationally competitive and environmentally sustainable;
- to assure consumer confidence in the quality of New South Wales food and fibre products; and
- to encourage the development and use of farm business and risk management skills that assist New South Wales primary producers to be economically viable and self reliant.

Expenditure Trends and Recent Developments

The Department of Agriculture has undergone substantial restructuring over the last seven years to accommodate policy initiatives to enable it to meet community and industry needs more effectively and efficiently.

NSW Agriculture's extension and education activities are designed to ensure the community's large investment in agricultural research and development realises significant dividends and ensures research results are relevant and practicable.

In March 1996 the NSW Premier announced a new development and operational charter for the Department. This action plan was based on a coordinated network of "Centres of Excellence" and greater community consultation. Under this plan the Department's research, extension, regulatory and other services are being delivered by a system of specialised, integrated units that will provide more relevant and cost-effective services in close cooperation with universities, CSIRO, industry funding bodies and other providers.

NSW Agriculture will continue to be a bridge between consumers, food and fibre processors and primary producers. This will be achieved by providing integrated, market driven and scientifically based research, extension, education, regulatory and policy services.

NSW Agriculture also has a key role in ensuring that this State's food and fibre products are produced in a sustainable manner which is acceptable to the consumer, which does not threaten the environment and which is in keeping with the community's expectations.

Apart from a need for the continued development and adoption of improved technology, the food and fibre industries require the benefit of improved business and risk management planning methods and a more soundly based approach to marketing that recognises the importance of rapidly changing consumer preferences.

Strategic Directions

The Department's key strategies to assist the NSW food and fibre industries and rural communities to be economically viable and environmentally sustainable are as follows -

- Continued development of nine key "Centres of Excellence" based on closer links with universities, CSIRO and industry funding corporations and an integrated approach between research, extension, education and other services. These nine larger centres are focusing on particular industries and priorities and are being complemented by a variety of services strategically located in other parts of the State.
- A continuing commitment to the environment through the establishment of the NSW Centre for Agricultural Environment Research at Wollongbar; surveillance and remediation of chemical residues in plant and animal products and soils; further development of the Department's Organic Waste Recycling Unit at Richmond and the expansion of Trangie based programs to improve the management of the State's fragile western rangelands.
- Improvement of plant and animal disease surveillance and control, including the complete overhaul and modernisation of the Department's entire range of legislative responsibilities.

1998-99 Budget

Total Expenses

The components of the Department's \$219 million total expenses for 1998-99 are -

- \$81.9 million for the Food and Fibre Products programs to encourage food and fibre industries to be internationally competitive, self reliant and meet customer requirements from efficient and environmentally sustainable production systems.
- \$46.8 million for Quality Assurance programs to ensure that the producers and processors of food and fibre products meet the plant and animal product quality standards of local and overseas markets; reduce the threat of exotic pests, disease and weeds to New South Wales; and minimise the impact of existing and future pests, diseases, residues and weeds in New South Wales.

- \$51.5 million for Resource Management programs to encourage agricultural systems and practices that are environmentally sustainable; increase the ability of the agricultural sector to recover from natural disasters (including drought); encourage the implementation of environment and resource management plans and policies; and encourage sustainable management of pastures and rangelands for the production of food and fibre products.
- \$38.6 million for Agricultural Education, Animal Welfare and Rural Support to assist farming enterprises achieve a high level of physical and financial planning skills; to ensure compliance with community standards and expectations; and to promote the welfare of animals.

Major allocations in the 1998-99 Budget are -

- Funding of \$2.5 million (as part of a \$7 million program over three years) to address the serious problem of soil acidity across New South Wales. These funds will be used to further the work already started in 1997-98 on the Acid Soil Action program which involves joint action by NSW Government, industry and the community. The program focuses on two broad areas - the management of agricultural soils which are acid and the management of acid sulphate soils. Soil acidity in both agricultural and acid sulphate soils is a significant environmental hazard faced by New South Wales and this funding reflects the Government's recognition of this problem.
- The Government has continued its commitment to the control of Noxious Weeds by increasing grants to improve the delivery of noxious weed control in all areas of New South Wales. Specifically, \$6.4 million will be provided in 1998-99 to Local Control Authorities. Weeds have been estimated to cost New South Wales more than \$600 million annually in lost agricultural production and control costs, and also cause substantial environmental impacts and health effects such as allergic reactions in susceptible people, contributing to such problems as asthma.
- \$2.6 million in 1998-99 will be spent by NSW Agriculture under the Government's Water Reform Package. This is part of a total program over 5 years involving various Government departments including NSW Agriculture. The Package is critical to the long term health of the State's waterways.

These initiatives are evidence of the Government's continuing commitment to improving the environment.

Asset Acquisitions

NSW Agriculture has an assets acquisition program of \$9.3 million for 1998-99.

The major items in the program include the following -

- \$0.75 million to correct occupational health and safety related problems at various locations;
- \$0.6 million to commence construction of a National Food Processing Teaching Facility at Murrumbidgee College of Agriculture at Yanco;

- \$0.73 million to enhance and provide Information Technology infrastructure;
- \$1.60 million for the purchase of plant and equipment;
- \$2.97 million for annual provisions for building, roads and other property infrastructure;
- \$0.85 million to address soil pesticide remediation work on the North Coast of New South Wales; and
- \$1.0 million for construction of a new Laboratory Complex at Narrabri.

RURAL ASSISTANCE AUTHORITY

The Authority administers -

- the provision of assistance to primary producers under the Commonwealth/State Integrated Rural Policy Package;
- the State's Special Conservation Scheme, which provides concessional rate loans to assist farmers to implement improved land management practices;
- the State's Natural Disaster Relief Scheme, which provides assistance to both producers and small businesses suffering from the effects of natural disasters;
- the provision of financial support for water use efficiency schemes under the Water Reform Structural Adjustment Program;
- the provision of financial support for farmers' attendance at training programs;
- the State's Farm Debt Mediation Act, which requires financiers to offer farmers mediation prior to commencement of any legal recovery action in regard to secured debts; and
- other initiatives, such as the Drought Regional Initiatives Program, WEST 2000, and Sunraysia.

Expenditure Trends and Recent Developments

The Rural Adjustment Scheme (RAS 92), which was introduced on 1 January 1993, ceases as a scheme on 30 June 1998. It has been replaced by the Integrated Rural Policy Package, as announced by the Commonwealth in September 1997. Commitments associated with RAS 92 will exist for the next couple of years.

The 'exceptional circumstances' provisions of RAS 92 will continue. These provisions allow for special arrangements for assistance in 'exceptional circumstances' (such as severe drought) when interest subsidies of up to 100 per cent may be made available. The first 50 per cent of the interest subsidy is funded 90 per cent by the Commonwealth and 10 per cent by the State. The remaining 50 per cent is funded on a dollar for dollar basis by the Commonwealth and State.

The Authority will be administering the Water Use Efficiency Scheme as part of the Water Reform Structural Adjustment Program from 1998-99. A total of \$25 million will be spent on the program over a five year period. The scheme is designed to encourage irrigators to make optimal use of irrigation water by provision of financial assistance to irrigators with the capacity to undertake capital improvements to increase on-farm water use efficiency and to increase the adoption of water use monitoring technologies.

Strategic Directions

In providing financial assistance to farmers via the Integrated Rural Policy Package, the Authority will continue to place emphasis on measures which improve performance in the areas of productivity, profitability, sustainability and financial management skills of primary producers.

1998-99 Budget

Total Expenses

In 1998-99, funding of \$13.3 million is allocated under the Rural Adjustment Scheme. This is to meet commitments associated with RAS 92 and 'exceptional circumstances' provisions.

From 1996-97 to 1998-99, funding of \$7 million is being directed to the Drought Regional Initiatives Program. This includes additional funding of \$2 million from the State Government as part of the drought relief package announced in April 1998. Grants are being provided to encourage farmers to undertake on-farm drought preparedness works. The initial \$5 million for this program is being shared equally between the State and Commonwealth Governments. The Commonwealth are also being requested to provide an additional \$2 million to match the additional \$2 million being provided by the State Government.

Funding of approximately \$8.9 million over the period 1997-98 to 1999-2000 is being directed to the WEST 2000 Program. This program is designed to achieve profitable and self reliant rural industries that can adapt to changing market, economic and resource conditions.

Special Conservation and Natural Disaster Schemes

The Authority manages the State's Special Conservation Scheme, which provides concessional interest loans for works such as soil conservation, irrigation and water supply. Loans are provided on the basis that the proposed works will have a beneficial impact on the land, the community and the environment. In 1998-99, \$7 million is being made available under this scheme.

The Rural Assistance Authority also manages Natural Disaster Relief to primary producers and small businesses. Under this Scheme, concessional rate loans are made available to assist eligible primary producers and small businesses to recover from the effects of natural disasters, such as storms, floods or bushfires. In 1998-99, \$2 million has notionally been provided for this scheme. Additional funding will be provided if required and will depend on the extent and severity of natural disasters.

Asset Acquisitions

The Authority receives a minor allocation for the replacement and upgrade of computer facilities.

NEW SOUTH WALES DAIRY CORPORATION

The New South Wales Dairy Corporation is a milk marketing authority with principal responsibility for the regulation and control of milk from farm vat to the consumer. In addition, the Corporation monitors the production, quality and storage of dairy products to ensure that wholesomeness and purity is maintained in the interests of public health.

The Corporation applies quality standards and equitably distributes milk obtained from dairy farmers through a milk quota system.

Expenditure Trends and Recent Developments

The Dairy Industry (Amendment) Act 1993 came into force on 17 December 1993. The amendments will enact market place deregulation in the NSW Dairy Industry. From 1 July 1998, a number of changes will occur within the industry. The Corporation will no longer be responsible for setting prices beyond the processor input price and vehicle vendors will no longer be issued with authorised trading areas (zones). The Corporation will continue its role in ensuring the wholesomeness and purity of milk and dairy products in New South Wales in the interest of public health.

Strategic Directions

The New South Wales Dairy Corporation's mission is to provide strategic advice, information and technical services which benefit consumers by contributing to the development and growth of the dairy industry.

In achieving this mission, the key goals of the Corporation are -

- to ensure the quality and safety of milk and dairy products for consumers;
- to provide an equitable and efficient supply management system to industry and consumers;
- to maintain and develop value added services for the dairy industry;
- to facilitate market place deregulation by 1 July 1998; and
- to improve the operating efficiency, cost effectiveness and accountability of the Corporation.

1998-99 Budget

Total Expenses

Total expenses for the Corporation during 1998-99 are budgeted to be \$357.5 million, with the majority of this expenditure (\$311.9 million) being on milk from dairy farmers.

Asset Acquisitions

Total asset acquisitions for the Corporation during 1998-99 are budgeted to be \$1.5 million. The main expenditure will be on the continuation of the upgrade of Corporation's supply management system.

NEW SOUTH WALES MEAT INDUSTRY AUTHORITY

The principal activity of the New South Wales Meat Industry Authority is the regulation of food safety of various meat industries from the farm through to the wholesale level. The Authority also has a role in operating the Market Reporting Service which provides market livestock prices.

Expenditure Trends and Recent Developments

In the past year, the authority has continued to expand its computer infrastructure base to allow for improved efficiency in the preparation of audit reports and licence enquires. The Authority's administration section has also continued to assist the Licensing and Livestock Service in its move towards cost recovery. The assistance has been critical in the evaluation of revenue potential.

The cost recovery phase of the National Livestock Reporting Services has further progressed with industry users now paying for the information they receive, whilst the National Vendor Declaration Service appears to have slowed in achieving the previously projected revenues. The Licensing Service's move to cost recovery has not been able to progress at this stage due to the need to amend the Meat Industry Act 1978, to allow auditing fees to be charged.

Strategic Directions

A review of the Meat Industry Authority was undertaken during 1996 and was submitted for the Government's consideration in April 1998. Flowing from the review, a new Meat Industry Act will be presented to Parliament with a targeted implementation date of 1 July 1998.

With the Australian Quarantine and Inspection Service (AQIS) withdrawing from domestic operations in New South Wales, the Department of Agriculture has engaged the Authority to audit the hygienic production of poultry in New South Wales.

The Agriculture and Resource Management Council of Australia and New Zealand (ARMCANZ) set an objective to introduce microbiological testing into quality assurance programs from 1 March 1998. In New South Wales, micro-testing was introduced on this date with mandatory full adoption from March 1999.

1998-99 Budget

Total Expenses and Asset Acquisitions

Total expenses in 1998-99 are expected to be \$3.1 million. This is principally to meet the salaries and operating costs of the Authority. Total asset acquisitions in 1998-99 are estimated at \$0.4 million. This is for the replacement of miscellaneous plant and equipment, including motor vehicles.

DEPARTMENT OF LAND AND WATER CONSERVATION

The Department of Land and Water Conservation was established in 1995 to integrate the management of the land, water and vegetation resources of New South Wales. The Department's vision is to have clean, healthy and productive catchments for the twenty first century. To achieve this vision, the Department works closely with the community to help define the optimal mix of environmental, economic and social outcomes.

Expenditure Trends and Recent Developments

During 1997-98, the Department completed a major organisational review. The review was aimed at developing a flexible organisational structure to deliver services in rural areas more effectively, and to deliver the Government's priority reforms in land, water and vegetation management.

As a result of changes in Ministerial portfolios in 1997-98, the Department is no longer responsible for administration of the Forestry Industry Structural Adjustment Package. The associated funding program is now reflected within the Ministry for Forests and Marine Administration. Funding for the Office of Surveyor-General and the Land Information Centre located at Bathurst is now reflected within the Surveyor-General's Department.

Recent major developments include -

- a total funding package of \$117 million over five years to implement the Government's key water reforms to achieve clean, healthy, productive and sustainable use of the State's water systems;
- commencement of the five-year, \$58.3 million Hawkesbury Nepean Floodplain Management Strategy to undertake flood emergency planning, construction of evacuation routes and flood warning infrastructure, and public awareness initiatives. The Roads and Traffic Authority will contribute to the construction of evacuation routes and other road improvements associated with this project;
- introduction of a three-year, \$11.4 million socioeconomic package, funded dollar for dollar with the Commonwealth, to support the World Heritage listing of the Willandra Lakes Area; and
- funding of \$15 million over three years for the establishment of the Native Vegetation Management Fund.

Strategic Directions

The Department of Land and Water Conservation is the State's major natural resource management agency. The Department adopts an integrated approach to managing land, vegetation, water and coastal resources to achieve the mix of social, economic and environmental outcomes most acceptable to the community. To deliver the required outcomes the Department's strategies focus on four key result areas -

- improving the health and productivity of the State's ecosystems;
- providing security of access to resources and clarifying access rights of resource users;
- community involvement in the sustainable management of natural resources; and
- collecting and maintaining natural resource information to facilitate decisions on resource management by the community, Government and other stakeholders.

The major priorities of the Department in 1998-99 are the delivery of the Government's reforms for the management and use of water, conservation of native vegetation and the management of the coastal environment.

Major strategies to achieve the management and use of surface and ground water which is socially, economically and environmentally sustainable include -

- setting water quality and river flow objectives;
- establishing river management plans and enhanced groundwater management;
- assessing the socioeconomic impact of river plans;
- adopting a stressed rivers approach to unregulated streams;
- restructuring the New South Wales bulk water business;
- establishing a program for water access and use rights; and
- a statewide review of weirs.

During 1997-98, the Native Vegetation Conservation Act came into force to allow for the conservation and sustainable management of native vegetation. The major strategies to be adopted are -

- establishing regional vegetation committees;
- developing regional vegetation management plans;
- determining best practice approaches and codes of practice;
- establishing a Native Vegetation Management Fund to provide incentives to landholders;
- creating user friendly processes to implement the provisions of the Act; and

- developing information systems for native vegetation management.

In November 1997 the Government released the NSW Coastal Policy to provide a coordinated framework for managing the unique physical, ecological, cultural and economic attributes of the coast in an environmentally sustainable way. The Department's key roles in this policy include -

- water quality monitoring and reporting for coastal rivers, estuaries and marine waters;
- managing contaminated stormwater discharge;
- developing initiatives to address the impacts of acid sulphate soils;
- developing coastal and estuarine management plans;
- assessing coastal Crown and reserve lands with high conservation values;
- controlling and eradicating the bitou bush;
- rehabilitating coastal dunes and wetlands; and
- coordinating natural resource data activities.

All of these reforms are being implemented in partnership with the community to achieve ecologically sustainable development of our natural resources.

1998-99 Budget

Total Expenses

Total expenses in 1998-99 are estimated at \$495.4 million. Major expenditures include -

- \$50 million to meet commitments in delivering projects in backlog water supply and sewerage schemes in country towns;
- \$3.2 million for the first stage of the implementation of the Hawkesbury Nepean Floodplain Management Strategy (\$5.1 million provided to the Roads and Traffic Authority);
- \$13 million towards implementing Water Reforms;
- continuation of the Native Vegetation Management strategy with \$5 million (part of a total program of \$15 million over three years) to protect, maintain and rehabilitate native vegetation across New South Wales;
- \$5 million ongoing funding for the Total Catchment Management program;
- \$3 million funding for the Salt Action program to investigate and ameliorate the impact of salinity across New South Wales;
- \$3.9 million for the Rivercare program to ensure the sustainable management of rivers and riparian lands;

- \$17.3 million as the New South Wales contribution to the operating costs and works program of the Murray Darling Basin Commission;
- \$2 million to complete the development of the Crown Land Information Data base;
- \$2 million for the continuing program for rehabilitation of artesian bores; and
- \$12.9 million contribution to the Irrigation Areas and Districts and \$18 million for works including the implementation of Land and Water Management Plans.

Asset Acquisitions

Total asset acquisitions in 1998-99 are estimated at \$25.1 million. Major acquisitions include -

- \$3.1 million for flood security and upgrade works at Burrinjuck, Chaffey, Glenbawn, Pindari, Burrendong, Copeton and Keepit dams;
- \$3 million in land acquisitions in the Willandra Lakes World Heritage Area precinct;
- \$1 million for works at Wellington, Bethungra and Wyangala Dams; and
- \$4.8 million for projects associated with delivery of water reform initiatives.

LAND TITLES OFFICE

The Land Titles Office is a Government Trading Enterprise within the Department of Land and Water Conservation which is responsible for the certainty of title to land in New South Wales. The Office's business is to meet both community and government needs for a flexible and secure title system for property ownership. It achieves this through developing and reforming legislation to facilitate property development, providing guaranteed land title registration and related land information services. These services are essential to the community to facilitate conveyancing, surveying, mapping, land development, rating, financial security and historical and private research.

Expenditure Trends and Recent Developments

Increased expenditure is mainly due to salary award increases, information technology requirements and provisions for Assurance Fund payments.

The Capital Works Program involves expanding and enhancing computerised land information systems, satisfying accommodation requirements, maintaining a heritage listed building and renewal of plant and equipment. All funding for the 1998-99 capital program will be serviced from the Office's capital reserves.

Strategic Directions

The efficiency of the Land Titles Office's services is continually being enhanced by adopting improved work methods and appropriate new technology such as remote access to titling records, storage and retrieval of land information by optical disk and the implementation of electronic lodgement systems.

1998-99 Budget

Total Expenses

Major recurrent expenditure in 1998-99 is required to fund the Office's land title registration, title creation and land information services.

Asset Acquisitions

Total capital expenditure for 1998-99 is estimated at \$5.2 million. The major items of capital expenditure include: the Integrated Titling System, restoration and upgrade of the heritage building that accommodates the Land Titles Office, computer hardware and software and office plant and equipment.

LUNA PARK TRUST

The role of the Luna Park Reserve Trust is to manage the land and other assets of Luna Park reserve. An administrator was appointed to manage the affairs of the Trust in May 1995 and, subsequently, Luna Park closed to the public in February 1996.

Expenditure Trends and Recent Developments

Since the closure of Luna Park, the only expenditure incurred by the Trust has been the general maintenance of the site and a contribution towards the studies undertaken to determine an acceptable future use for the reserve. Accordingly, expenditure fell from \$3.2 million in 1995-96 to \$0.7 million in 1997-98.

Strategic Directions

In response to public support, the Government has demonstrated a commitment to re-opening Luna Park as a commercially viable amusement park by amending the Luna Park Site Act to permit a wider range of uses on the Luna Park Reserve.

Accordingly, the Luna Park Reserve Trust is presently seeking development proposals from the private sector. A 40 year lease will be offered to the successful proponent.

It is anticipated that the Minister for Land and Water Conservation will be in a position to announce the successful operator by the end of this year.

The Luna Park Reserve Trust is also presently investigating the possibility of re-opening the site to cater for corporate and private functions. If successful, the Luna Park Reserve Trust may be in a position to meet its operational commitments without the need to seek assistance from Government.

1998-99 Budget

Total Expenses and Asset Acquisitions

Total expenses in 1998-99 are estimated to be \$0.7 million. This will be principally used to meet the maintenance costs of the site and the Trust. The Trust will make no asset acquisitions in 1998-99.

STATE VALUATION OFFICE

The State Valuation Office (SVO) was established as a commercial unit of the Department of Land and Water Conservation and commenced operation on 1 May 1997.

The need to separate the regulatory and operational responsibilities within Government agencies was the catalyst for the formation of the SVO. The operational component, which previously rested with the then Valuer-General's Office is now being undertaken by SVO, under contract to the newly created Valuer-General's Department which is the regulating body.

Expenditure Trends and Recent Developments

There is very little historic data available, against which to report trends, as the business has not yet traded for a full financial year.

The first 12 months has seen the setting up of the business, development and implementation of a statewide computer network and several software programs to facilitate the effective and efficient delivery of services to its clients.

Strategic Directions

SVO delivers mass land rating and taxing valuations to Government and provides a property consultancy service to other Government agencies (local and State). SVO competes with the private sector for this business, which includes market valuations, rental and compensation assessments.

SVO's future will depend on its ability to supply its services in a competitive environment.

1998-99 Budget

Total Expenses

Total expenses for 1998-99 are estimated to be approximately \$12.9 million which is marginally higher than the forecast for 1997-98.

SVO employs 150 staff of whom 125 are qualified real estate valuers. The remainder manage and/or support the delivery of client services. Corporate support functions are outsourced to enable concentration on core business.

Asset Acquisitions

SVO leases all its accommodation, motor vehicles and computers. Consequently it has no asset acquisition plan for 1998-99.

UPPER PARRAMATTA RIVER CATCHMENT TRUST

The Upper Parramatta Catchment Trust is a statutory authority established in 1989 to accelerate the provision of flood mitigation works and measures, and improve water quality in the upper Parramatta River catchment area. The Trust meets regularly to set policy, review progress and provide broad directions for the Trust's overall activities.

Expenditure Trends and Recent Developments

The largest significant capital work undertaken by the Trust in the past 5 years has been the Darling Mills Creek project at a cost of \$8.6 million. However, with the exclusion of the Darling Mills Creek capital works, the majority of the expenditure relates to "Flood Mitigation and Drainage".

The Darling Mills Creek works comprise a major flood retarding basin and ancillary environmental measures. The works are aimed at remedying existing degradation of the Excelsior Reserve bushland, to mitigate any adverse impacts resulting from the retarding basin, and to implement flood protection measures in the catchment area.

Strategic Directions

The Trust has identified five key objectives as part of its Catchment Management Strategy. These objectives are to -

- solve existing flooding problems;
- contain future flood potential;
- improve water quality;
- coordinate ecosystem management; and
- involve the community.

1998-99 Budget

Total Expenses and Asset Acquisitions

Total expenses are estimated to be \$2.5 million in 1998-99. Total asset acquisition is estimated to be \$30,000 in 1998-99.

VALUER-GENERAL'S DEPARTMENT

The former Valuer-General's Office was divided into two separate organisations with effect from 18 April 1997 under the Public Sector Management Act.

The operational functions were transferred to the newly created State Valuation Office (SVO), a business unit within the Department of Land and Water Conservation. SVO now competes with the private sector in certain metropolitan areas for mass valuation work through a tendering process managed by the Valuer-General.

The Valuer-General's Department became responsible for the regulatory functions and the maintenance and custody of the statewide property records.

Expenditure Trends and Recent Developments

Total expenses in 1998-99 are expected to be marginally lower than 1997-98.

Since the introduction of land tax on owner-occupied residential properties with land values over \$1 million, there has been a significant increase in the number of objections. Staff redeployment programs have been put in place and activated as necessary to process these with minimum delay.

Strategic Directions

Following the separation of the functions, 1997-98 has been viewed as a successful year in terms of redefining and fine-tuning the new role and responsibilities of the new Valuer-General's Department.

With the introduction of competition there has been client and community expectation for an overall reduction in costs to the consumer and improved service delivery to clients.

In addressing these issues, the organisation has committed itself to further internal restructuring in order to more efficiently and effectively utilise its resources and upgrade its skill and knowledge base in the areas of tendering and contract management.

With significant changes to the role of the Department, a major review of its IT requirements is planned to follow the finalisation of clients' future IT needs. A task force including several other government organisations has already been setup to consider a whole of government approach to spatial information partnering. Action is in progress to address the year 2000-millennium bug issue.

These measures are expected to significantly improve service delivery of data to its clients, in particular, the Office of State Revenue (Land Tax Office) and Local Councils and ultimately check rising costs to the consumers.

1998-99 Budget

Total Expenses

With the introduction of phased competition from the private sector for mass valuation work and the restructuring of the Department, total expenses are expected to be contained marginally below 1997-98 level. Increase in salaries through salary awards will be offset by anticipated decrease in the operational costs relating to the Valuation Roll Maintenance System.

Asset Acquisitions

Enhancements to the Valuation Roll Maintenance System are planned at a cost of \$430,000.