

**MINISTER FOR PRIMARY INDUSTRIES,
MINISTER FOR ENERGY,
MINISTER FOR MINERAL RESOURCES, AND
MINISTER FOR STATE DEVELOPMENT**

OVERVIEW

<i>Agency</i>	<i>Budget 2006-07 \$m</i>	<i>Budget 2007-08 \$m</i>	<i>Variation %</i>
Department of Primary Industries			
Total Expenses	399.4	449.7	12.6
Capital Expenditure	21.3	23.1	8.6
New South Wales Rural Assistance Authority			
Total Expenses	40.7	202.5	398.1
Capital Expenditure	0.1	0.1	...
Department of Water and Energy			
Total Expenses	573.2	429.4	-25.1
Capital Expenditure	10.7	9.2	-14.4
New South Wales Coal Compensation Board			
Total Expenses	7.1	5.2	-27.3
Capital Expenditure	0.1	...	-100.0
Department of State and Regional Development			
Total Expenses	181.0	181.9	0.5
Capital Expenditure	1.7	0.4	-75.2
NSW Food Authority			
Total Expenses	21.9	21.2	-3.2
Capital Expenditure	2.5	1.2	-52.1
Total, Minister for Primary Industries, Minister for Energy, Minister for Mineral Resources, and Minister for State Development			
Total Expenses	1,223.3	1,289.9	5.4
Capital Expenditure	36.4	34.0	-6.6

DEPARTMENT OF PRIMARY INDUSTRIES

The Department of Primary Industries (DPI) supports the development of profitable primary industries that create a more prosperous New South Wales and contribute to a better environment through the sustainable use of natural resources. The Department maintains close links with industry and has industry competitiveness and front line service delivery as priorities.

RESULTS AND SERVICES

The Department contributes to profitable and sustainable primary industries by aiming for the following results:

- ◆ Primary industries perform strongly in the economy.
- ◆ Primary industries have appropriate access to natural resources and manage them wisely.
- ◆ Primary industries' products are healthy and safe because risks to the environment, human health and economy are excluded, eradicated or effectively managed; and mining industry safety is maintained and improved.

Key services provided by the Department include:

- ◆ providing science, research, and innovative technologies to improve the competitiveness of NSW primary industries in an environmentally sustainable way;
- ◆ providing a biosecurity framework to support and improve domestic and international market access for NSW primary industries products;
- ◆ developing and delivering education and extension services for primary industries with particular emphasis on the development and delivery of the PROfarm program;
- ◆ planning, managing, and regulating the sustainable commercial and recreational use of the State's fisheries resources;
- ◆ licensing and inspecting animal research and exhibited animal establishments, and administering animal welfare legislation;
- ◆ assessing the State's geology and mineral resources, and allocating them for exploration and mining; and
- ◆ regulating exploration and mining activities for safety and environmental performance.

RECENT DEVELOPMENTS

Forecast recurrent expenditure for 2006-07 is \$513 million. Significant initiatives and developments during 2006-07 include:

- ◆ commencing partnerships in a number of Cooperative Research Centres (CRCs) such as the Seafood CRC, the CRC for Sheep Industry Innovation and the CRC for Future Farm Industries;
- ◆ providing input into State and national policy setting for salinity management through the research results obtained from the Salinity Key Sites Project;
- ◆ supporting the wild harvest fisheries program by opening a new \$1 million state-of-the-art research facility at the Cronulla Fisheries Research Centre;
- ◆ launching two major new testing services, the Feed Quality Service to provide farmers with accurate data to make best use of the available feed; and the Australian Oil Laboratory Service to provide accurate testing of edible oil quality;
- ◆ commencing a pilot project to facilitate clean coal development and identify potential storage sites for the permanent storage of carbon dioxide;
- ◆ assessing the potential for coal mining in the Watermark area near Gunnedah;
- ◆ extending the Government's Exploration NSW initiative to support increased mineral and petroleum exploration under the New Frontiers program with additional funding of \$4 million for 2006-07;
- ◆ significantly increasing security deposits to over \$670 million to ensure satisfactory mine rehabilitation by implementing the new Rehabilitation Security Deposits Policy;
- ◆ implementing the recommendations of the Wran Mine Safety Review and introducing new mine safety legislation resulting in the lowest ever levels of fatality and injury;
- ◆ facilitating structural adjustment in the fisheries industry by rolling out share management for five commercial fisheries;
- ◆ delivering on-ground conservation outcomes across agriculture and fisheries industries by managing projects to the value of \$24.6 million such as the Healthy Soils, Healthy Landscapes project, and the Bringing Back the Fish project;
- ◆ completing the zoning plans for the Port Stephens-Great Lakes and Batemans marine parks and administering the associated \$20 million buyout program;

- ◆ further developing the PROfarm initiative with 150 short courses available for delivery on demand and 440 PROfarm courses delivered to 5,125 clients in 2006;
- ◆ developing internationally recognised guidelines for care and housing of laboratory animals;
- ◆ coordinating the NSW Government response to drought. State expenditure on drought assistance through DPI and other agencies is predicted to be \$109 million in 2006-07, bringing the total to \$325 million since the current drought began in 2002-03;
- ◆ implementing the Cattle National Livestock Identification Scheme to achieve consistent national compliance levels;
- ◆ entering into the Wine Futures Agreement with industry with a total investment of \$30 million; and
- ◆ ensuring market access for NSW grape production areas through the successful implementation of biosecurity programs resulting in the areas being declared phylloxera free.

STRATEGIC DIRECTIONS

The Department delivers its services through four operational divisions: Agriculture and Fisheries; Mineral Resources; Biosecurity, Compliance and Mine Safety; and Science and Research. The Department has a strong rural and regional focus and works with other agencies to develop regional innovation strategies to strengthen the capability of primary industries.

In particular, the Department has the following strategic directions for each industry:

- ◆ agricultural industries rapidly implement new technologies to increase economic performance whilst reducing environmental impacts; in particular, on-farm water is used efficiently and risks posed by pests, diseases and chemicals are excluded, eradicated or effectively managed;
- ◆ the fishing industry harvests at levels which allow sustainable regeneration of fish stocks; the living aquatic environment is conserved and protected for current and future generations; and
- ◆ the mining industry operates to best practice health, safety and environmental standards, and New South Wales attracts new investment from the exploration and mining industry.

The strategic directions for each division are as follows:

Agriculture and Fisheries

- ◆ enhance the delivery of agricultural education, including post school and adult education initiatives to help primary producers to manage risks and use innovative technologies;
- ◆ prepare and deliver agricultural industry development strategies for key industries to increase investment in rural and regional New South Wales;
- ◆ implement advisory services to facilitate the adaptation to climate change by primary industries, such as adoption of technology to mitigate the production of greenhouse gases;
- ◆ improve the profitability and sustainability of commercial fisheries by building on the introduction of share management and exploring opportunities for streamlined and simplified regulatory approaches; and
- ◆ develop opportunities for increasing community involvement in recreational angling.

Mineral Resources

- ◆ implement a pilot project to facilitate clean coal development, expected to run to 2013;
- ◆ continue to provide world class geoscience information to support exploration, mining investment and geosequestration in New South Wales;
- ◆ facilitate mineral and petroleum exploration and new resource developments to maximise social and economic benefits and minimise adverse environmental impacts;
- ◆ regulate mine safety to ensure the health and safety of mine workers, and further improve the environmental performance of the NSW mining industry;
- ◆ identify additional coal development areas for future tender allocation to increase the competitiveness of the NSW mining industry; and
- ◆ implement targeted health and safety education programs that address priority areas identified by the 2005 NSW Safety Summit.

Biosecurity, Compliance and Mine Safety

- ◆ review biosecurity legislation with the aim of reducing cost to industry whilst improving biosecurity outcomes;
- ◆ implement a regulatory reform agenda for the mining industry that focuses on a systematic risk management approach and improved consultation arrangements between employee and employer groups;
- ◆ implement a comprehensive biosecurity strategy aimed at the protection of the economy, environment and public health from the negative impacts associated with pest, diseases and weeds; and
- ◆ develop information, communication and technology platforms to better manage exotic disease incursions, routine surveillance and market access.

Science and Research

- ◆ provide the underpinning research to enable primary industries to better adapt to and mitigate the impacts of climate change;
- ◆ contribute to the development of regional innovation strategies so that NSW primary industries maintain a sound rate of productivity growth;
- ◆ use research derived innovation to drive the productivity and sustainability of primary industries;
- ◆ continue to ensure that research is aligned with government priorities with an appropriate level of funding from potential beneficiaries; and
- ◆ develop a new feed analytical laboratory to provide additional capability and capacity to the Feed Quality Service.

2007-08 BUDGET

Total Expenses

The Department of Primary Industries' total expenses for 2007-08 are budgeted at \$449.7 million.

The major areas of expenditure include:

- ◆ \$111.6 million for the Agriculture and Fisheries Program;
- ◆ \$47.7 million for the Mineral Resources Program;
- ◆ \$99.5 for the Biosecurity, Compliance and Mine Safety Program;
- ◆ \$139.7 million for the Science and Research Program; and
- ◆ \$51.2 million for the provision of Personnel Services.

Major initiatives for 2007-08 include:

- ◆ \$4 million in total for exploration ensuring continuity of production of geoscientific data and assessment of the prospectivity of New South Wales for petroleum and minerals; and
- ◆ \$2.4 million to cover the NSW contribution towards eradication of Red Imported Fire Ants being undertaken by the Queensland Department of Primary Industries.

Capital Expenditure

The Department of Primary Industries' capital expenditure is \$23.1 million for 2007-08, of which \$6.9 million is reinvestment of proceeds from sale of assets. The Department's Towards 2020 Asset Sale and Reinvestment capital program is well advanced to consolidate and modernise research facilities. The program will continue to contribute to better research results and improve partnerships with industry.

Major projects within the Department's capital program include:

Replacing and maintaining departmental infrastructure

- ◆ \$6 million to purchase new and replacement plant and equipment, and marine craft; and
- ◆ \$7.3 million to rationalise and replace information, communications and technology infrastructure.

Maintaining and upgrading research facilities

- ◆ \$1.3 million to construct a new laboratory at Wagga Wagga for food evaluation, research and assessment;
- ◆ \$4 million for Stage 1 of rationalisation and relocation of facilities from Narara to Somersby;
- ◆ \$0.7 million to provide electronic surveillance on the Queensland border to monitor cattle movements into New South Wales associated with the control of cattle tick; and
- ◆ \$0.9 million for health, safety, environment and compliance upgrades of laboratories, buildings and infrastructure.

Improving facilities for Fisheries and Marine Parks officers

- ◆ \$0.9 million, for Stage 2 of construction of a new joint office for the Department's Fisheries officers, the Marine Parks Authority and Maritime Authority of New South Wales; and
- ◆ \$0.3 million for the Port Stephens-Great Lakes Marine Park offices.

NEW SOUTH WALES RURAL ASSISTANCE AUTHORITY

The New South Wales Rural Assistance Authority, under the *Rural Assistance Act 1989*, promotes the efficient delivery of programs of assistance to farmers and others engaged in rural industries.

RESULTS AND SERVICES

The Authority supports the strong economic performance of primary industries, mainly by providing interest subsidies, loans, grants and mediation services to help farmers to manage debt and business risks such as natural disasters and drought. The Authority also encourages the sustainable use of natural resources through the provision of low-interest loans for works to improve land management.

The Authority aims to administer, monitor and influence adjustment and assistance programs which encourage self reliance, facilitate appropriate change and mitigate extreme events while being aware of the welfare of the people in the targeted business. The Authority has developed the following planned results to achieve government objectives:

- ◆ The agricultural and small business sector is able to recover from the effects of natural disasters and exceptional circumstances.
- ◆ The agricultural sector is able to manage business risks such as drought and disease.
- ◆ The agricultural sector is able to co-exist with and support the natural environment.
- ◆ Farm debt disputes are resolved efficiently and equitably.

Key services provided by the Authority to contribute to these results include:

- ◆ loans to farmers and small businesses to allow them to continue their normal operations following a natural disaster;

- ◆ interest subsidies to help farmers affected by exceptional circumstances to obtain carry-on finance, restructure debt and implement productivity improvements;
- ◆ loans to farmers aimed at promoting improved land management practices; and
- ◆ administration of the *Farm Debt Mediation Act 1994*.

RECENT DEVELOPMENTS

Expenditure in 2006-07 has increased compared with 2005-06 mainly due to the extension of Exceptional Circumstances provisions throughout the State. Projected expenditure for 2006-07 is \$292.2 million, compared to budgeted expenditure of \$40.7 million. Exceptional Circumstances assistance is expected to total \$256.8 million due to the continuing effects of the drought, enhanced levels of assistance and further extension of the recovery period in most drought-affected areas.

The Authority participated in partnership with the former Department of Natural Resources to facilitate the Extraordinary Assistance Program for irrigators in the Murray and Murrumbidgee valleys. This program involved the assessment and payment of ex-gratia funding to eligible applicants in the Murray and Murrumbidgee valleys. Expenditure for this program is expected to be \$20 million in 2006-07.

Support for the Special Conservation Scheme, which includes enhanced drought assistance measures, is continuing with loans totalling \$13.5 million expected in 2006-07.

STRATEGIC DIRECTIONS

The Authority recognises the importance of developing, implementing and maintaining measures which improve industry productivity, profitability, sustainability and farm financial management skills. Strategies employed by the Authority to ensure achievement of planned results are:

- ◆ promotion to increase awareness of assistance programs, and provision of advice about eligibility requirements to potential applicants;
- ◆ periodic reviews of specific programs and continued development and monitoring of result indicators and service measures;
- ◆ effective management of the Authority's loan portfolio to limit the risk of non-repayment; and

- ◆ ongoing review and refinement of internal policies and procedures, and identifying synergies within government and statutory authorities for streamlining the provision of assistance measures.

The Authority has also developed partnerships with other government agencies, such as the Department of Primary Industries, to deliver various assistance programs. The Authority has assisted other government agencies with the administration of the following programs in 2006-07:

- ◆ AgStart – assisting young farmers to enter agribusiness or farming related industries;
- ◆ Brigalow Assistance Scheme – assistance for forest related industries affected by the closure of the Brigalow State Forest;
- ◆ Forging Partnerships Program – payments of grant and sponsorship funding approved by the former Department of Natural Resources; and
- ◆ Native Vegetation Assistance Package – assistance to disadvantaged landholders as a consequence of refusal of consent to clear land under the *Native Vegetation Act 2003*.

In addition, the Authority has been involved in a pilot scheme with the Lachlan Catchment Management Authority focussed on the provision of coordinated government services to rural and regional New South Wales. It is proposed that this arrangement be extended to incorporate other New South Wales Catchment Management Authorities also interested in streamlining the provision of government services to their clients.

2007-08 BUDGET

Total Expenses

In 2007-08, total expenses of the Authority are budgeted at \$202.5 million. The Advancing Australian Agriculture program, which includes the Exceptional Circumstances scheme, is the largest component with an allocation of \$193.4 million.

The Authority also manages the Special Conservation Scheme, which provides loans at low interest rates 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. The scheme has been extended to include drought-related initiatives such as stock and domestic water supply and dam desilting. An amount of \$18 million has been provided for the scheme in 2007-08.

The Authority also manages the Natural Disaster Relief Scheme on behalf of the State. Under this Scheme, low interest rate loans are made available to assist eligible primary producers and small businesses recover from the effects of natural disasters, such as storms, floods or bushfires. In 2007-08, \$2 million has notionally been provided for this scheme. Actual expenditure will depend on the occurrence of natural disasters.

Capital Expenditure

The Authority receives a minor allocation of \$50,000 for the replacement and upgrade of office facilities.

DEPARTMENT OF WATER AND ENERGY

The Department of Water and Energy, which commenced operating in April 2007, delivers the Government's policy and reform agenda for the water and energy sectors in New South Wales. The Department provides policy, legislative, regulatory and management advice in relation to water and energy matters to the Minister for Energy, the Minister for Climate Change, Environment and Water (Section 6) and the Minister for Water Utilities (Section 9).

RESULTS AND SERVICES

The Department has lead agency responsibility for coordinating with partner agencies to ensure the delivery of the following State Plan priorities:

- ◆ E1: A secure and sustainable water supply for all users.
- ◆ E2: A reliable electricity supply with increased use of renewable energy.

The Department works with the water management, energy and urban water industries, government agencies, industry, business and consumer groups and other stakeholders towards achieving the following results:

- ◆ A sustainable allocation of water between the environment, communities, farmers and industry.
- ◆ Energy and urban water services are safe, reliable and secure, while supply of these services is efficient and affordable.

Key services provided by the Department contributing to these results include:

- ◆ water resource management and planning;

- ◆ sharing of water between the environment and water users through statutory water plans;
- ◆ water licensing and compliance and supporting water trading;
- ◆ water resource quantity and quality, and associated ecological, monitoring and evaluation;
- ◆ leadership and guidance in best practice management, operation and maintenance for urban water utilities, along with financial support for water and sewerage infrastructure and emergency drought assistance in rural and regional New South Wales;
- ◆ urban water planning and policy in support of the Metropolitan Water Plan;
- ◆ promoting and maintaining appropriate and effective competition in energy supply markets, including the further development of national market frameworks in partnership with other States;
- ◆ electricity and gas network and high pressure pipeline regulation and performance monitoring;
- ◆ consumer protection frameworks and support programs for residential energy and urban water customers; and
- ◆ supply and demand forecasting.

RECENT DEVELOPMENTS

The Government has made significant progress in developing and implementing statutory water sharing plans, converting licences to water access licences under the *Water Management Act 2000* to facilitate water trading, providing more secure water rights and allocating water for the environment, to achieve the requirements of the National Water Initiative. The Commonwealth's National Plan for Water Security regarding management of the Murray Darling Basin could impact on these initiatives.

New rules will allow private competitors access to urban water supply and pipes, mains and sewers to treat and supply water, wastewater and recycled water services. This significant reform will increase industry recycling and stimulate private sector investment in water infrastructure. New South Wales is the first State to move to open its metropolitan water markets to competition. Changes have also been made to the law to make it easier for households to install grey water reuse systems.

Increase in funding for the Country Towns Water Supply and Sewerage Program was approved last year, with funding increasing by an additional \$160 million bringing the total to over \$1 billion.

Up to \$20 million has also been made available for the proposed Goulburn emergency water supply pipeline, and \$5 million for other emergency town water supply drought works.

The NSW Government has adopted a NSW Renewable Energy Target. The Target will require 10 per cent of NSW end use electricity consumption by 2010 and 15 per cent by 2020 to be sourced from renewable electricity generation anywhere in the National Electricity Market. An explanatory paper outlining the proposed design, implementation and administration of the Target was released in late 2006.

STRATEGIC DIRECTIONS

- ◆ Lead the New South Wales implementation of the National Water Initiative. Finalise and implement macro and other water sharing plans and convert licences under the *Water Management Act 2000*. Facilitate water trading and ensure allocation of water for the environment and appropriate water pricing to support efficient water usage. Ensure the State's interests are achieved under the proposed \$10 billion National Plan for Water Security.
- ◆ Drought management and water conservation will be critical priorities in pursuing reliability and security of supply. The Department will continue to address continuity of supply, growth in regional demand, recycling, and rainwater harvesting, consistent with the National Water Initiative.
- ◆ A key priority for the Department will be to lead the transformation of the regulatory structure of the National Energy Market to transform the disparate State-based electricity and gas markets into a harmonious national regime ensuring New South Wales's economic, social and environmental interests.
- ◆ Implement policies and regulations to improve electricity supply reliability, increase the use of renewable energy and reduce greenhouse gas emissions.

2007-08 BUDGET

Total Expenses

Estimated total expenses for the Department in 2007-08 will be \$429.4 million. Major items include:

- ◆ pensioner energy and electricity life support rebates of \$84.8 million;

- ◆ social program payments of \$106.2 million to Sydney and Hunter Water Corporations largely for pensioner, exempt property and un-sewered area concessions;
- ◆ government contributions of \$42.2 million towards expenditure of \$61.2 million on the Country Towns Water Supply and Sewerage Program;
- ◆ government contributions to State Water of \$23.8 million, comprising a transitional operating subsidy and an Independent Pricing and Regulatory Tribunal determined capital and recurrent contribution;
- ◆ Energy Accounts Payment Assistance Program totalling \$9.2 million;
- ◆ \$21.5 million as the State's share of operating costs and works programs for irrigation areas with similar ongoing expenditure;
- ◆ \$1 million in 2007-08 as part of a \$5 million Aboriginal Water Trust to assist Aboriginal communities in the development of water-based farming and aquaculture enterprises;
- ◆ \$5.5 million for conserving and restoring groundwater resources of the Great Artesian Basin under the Cap and Pipe the Bores Program; and
- ◆ up to \$20 million for the Goulburn emergency water supply pipeline.

Capital Expenditure

The Department's capital expenditure program for 2007-08 is estimated at \$9.2 million. This includes \$6.1 million for Water Management Information Systems projects and \$2.4 million for general plant and equipment including computers.

NEW SOUTH WALES COAL COMPENSATION BOARD

The Coal Compensation Board is responsible for the acquisition of, and compensation for, private coal in New South Wales. Under its legislation it manages four schemes: the compensation scheme for private coal acquired in 1981; the reacquisition scheme for private coal reacquired after 1997; the voluntary acquisition scheme for coal purchased from private owners; and the coal restitution scheme for former owners preferring the return of their coal rights to compensation.

RESULTS AND SERVICES

The Board aims to provide fair and equitable compensation by working towards the following results:

- ◆ Compensation, reacquisition and restitution arrangements are fair, consistent and carried out in accordance with the relevant legislation.
- ◆ The public accepts these arrangements.

The key services provided by the Board which contribute to these results include:

- ◆ assessing and determining claims and paying compensation to former owners of private coal acquired by the State;
- ◆ restoring selected coal titles to former owners; and
- ◆ purchasing, through voluntary acquisition, private coal titles offered to the State.

RECENT DEVELOPMENTS

Through a program of accelerated payment of compensation initiated in 2005-06, the Board had determined the majority of its outstanding claims for coal compensation by the end of March 2007. The balance of claims included Native Title and those still under appeal before the Coal Compensation Review Tribunal.

STRATEGIC DIRECTIONS

The Board is a sunset organisation whose work will cease once all claims are settled.

As the Board's work nears its completion, staffing numbers have been progressively reduced from a total of 57 in December 2006 to less than 15 by the end of June 2007. Apart from Native Title claims, most of the remaining work involves resolution of claims in appeal.

It is expected that the Board will cease operations by December 2007.

2007-08 BUDGET

Total Expenses

At March 2007, total compensation paid by the Board was \$732.2 million.

The Board will pay all remaining compensation in 2007-08. This compensation is currently estimated at \$7.4 million however it may vary as a result of ongoing litigation. The Board's total expenses are budgeted to be \$5.2 million in 2007-08.

Capital Expenditure

As the Board is due to wind up its operations during the year, no capital has been allocated in its 2007-08 budget.

DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

The Department of State and Regional Development supports the Minister for State Development, the Minister for Regional Development (Section 15), the Minister for Small Business and Regulatory Reform (Section 21), the Minister for Tourism (Section 13) and the Minister for Science and Medical Research (Section 23).

The Department provides advice and services to advance the economic development of metropolitan and regional New South Wales.

RESULTS AND SERVICES

The Department has lead agency responsibility for coordinating with partner agencies to ensure the delivery of the following State Plan priorities:

- ◆ P1: Increased business investment.
- ◆ P6: Increased business investment in rural and regional New South Wales.

The Department aims to increase investment in and productivity of the State's economy to contribute to the stock of rewarding and high skill jobs, by working towards the following results:

- ◆ Greater investment in regional and metropolitan areas by new and established companies.
- ◆ Increased internationalisation of the NSW business sector.
- ◆ Increased growth and innovation by NSW companies.
- ◆ Improved business climate.

Key services include:

- ◆ programs to secure major new investment for New South Wales;
- ◆ small business development, innovation, export growth and regional development programs;
- ◆ domestic and international marketing, communications and online tourism programs;
- ◆ executive and policy support for the Major Events Board; and
- ◆ advice to the Government on economic, industry development, science, innovation and tourism issues.

RECENT DEVELOPMENTS

During 2006-07, the Department worked to secure major investments in New South Wales with an estimated value of over \$2.06 billion and an employment impact of over 6,543 jobs.

Significant projects included: OneSteel's upgrade of its Rooty Hill plant; Accenture's business process outsourcing centre for Wollongong; the Commonwealth Bank's consolidation and relocation to Homebush; the establishment by SCT Logistics of an intermodal freight terminal at Parkes; the expansion by Bega Co-operative Society Limited to continuous 24-hour operations of their cheese manufacturing facilities; the attraction of the Australia-US Studies Centre and the Baz Luhrmann film "Australia."

Support activities for regional and metropolitan small and medium companies included:

- ◆ export development trade missions to Asia Pacific and Middle Eastern markets and trade exhibitions in Dubai, Dusseldorf, Boston, San Francisco and Tokyo;
- ◆ a focus on generating new sales for regionally based food businesses, by linking suppliers and buyers through the Regional Food tour to the Hunter and Orana Regions and recruiting regional NSW firms to exhibit on the NSW Government stand at the Fine Food Show in Melbourne;
- ◆ red tape regulation reviews for the motor vehicle retailing and services, metal manufacturing and accommodation and hospitality industries;

- ◆ funding for the Industry Capability Network, which helped NSW companies win over \$180 million in project supply contracts, about 70 per cent in regional New South Wales; and
- ◆ market entry support for NSW sports infrastructure companies in relation to the major sports events in Delhi (2010 Commonwealth Games), Beijing (Summer Olympics 2008) and Doha (Asian Games 2006).

Tourism NSW's program included:

- ◆ investment in regional New South Wales and Sydney tourism advertising and promotions in support of Brand NSW, and publication of a suite of seven new Holiday Planners. Tourism NSW worked in a new media partnership to extend the value and length of campaign activities; and
- ◆ a series of Destination Development Workshops in partnership with Regional Tourism Organisations, to increase local government, industry and operators' understanding of consumer needs, tourism planning and partnership opportunities.

Golf Australia has committed to hold the Men's Australian Open Golf Championships in Sydney for four years from 2006.

Science and medical research activities during 2006-07 included allocation of more than \$58 million on a competitive basis to 11 medical research organisations under the NSW Medical Research Support Program for the 2006 to 2009 triennium. A further \$2 million in transitional funding was provided to support the research activities of health and medical research organisations in New South Wales. A new round of funding was announced under the Life Sciences Awards to attract senior researchers to the State, bringing to 16 the total number of researchers supported under the program.

STRATEGIC DIRECTIONS

The NSW Government Statement on Innovation provides the basis for refinement of the Government's approach to growing investment. It states that investment attraction and business programs should focus on key sectors and that the Department should pursue policies to reduce red tape, increase Commonwealth policy support for New South Wales, improve access for business to science and technology and develop skills for business.

The Department's goals are to create an environment that demonstrates that New South Wales is an attractive place to both start and expand in business, and that regional New South Wales is a viable business destination, to foster a sustainable tourism economy and to advance science and medical research in the State.

2007-08 BUDGET

Total Expenses

The Department's total budgeted expenses for delivery of services across five portfolio areas in 2007-08 are \$181.9 million. Expenses for each of the five portfolios, including funding for staffing and corporate services, and key activities, are expected to be:

State Development – budgeted expenses for the delivery of this portfolio program are \$37.2 million. Activities include:

- ◆ attracting investment, particularly from the growth markets of India and China;
- ◆ building on the State's competitive industries by working with private sector companies and investment projects that face complexities and impediments;
- ◆ supporting innovation in business by attracting, developing and diffusing advanced skills and technologies; and
- ◆ attracting and retaining skilled professionals to maintain a pool of talent in New South Wales in key industries and regional areas.

Regional Development - budgeted expenses for the delivery of this portfolio program are \$38.5 million. Activities include:

- ◆ delivery and monitoring of the \$95 million Payroll Tax Incentive Scheme for new or expanding businesses in areas with persistently high unemployment rates; and
- ◆ ensuring business growth and investment opportunities are converted to stronger regional economies through better coordination between government agencies.

Small Business – budgeted expenses for the delivery of this portfolio program are \$19.7 million. Activities include:

- ◆ conducting three industry-specific red tape reviews of existing regulation in the retail, road transport and real estate sectors;
- ◆ supporting entry to exporting by small and medium businesses by building skills and providing access to specialist export advisory services; and
- ◆ providing accessible business advisory services for start-up and small firms and mentoring group support for businesses in growing industries.

Tourism – budgeted expenses for the delivery of this portfolio program is \$55.9 million. Activities include:

- ◆ growing and developing tourism in New South Wales through targeted local and international campaigns promoting Sydney and regional destinations;
- ◆ winning major events for New South Wales;
- ◆ further extending the reach of the New South Wales brands through innovative partnerships and cooperative marketing; and
- ◆ further leveraging government alliances to facilitate investment, export and global promotion.

Science and Medical Research - budgeted expenses for the delivery of this portfolio program are \$30.6 million. Activities include:

- ◆ managing NSW medical research programs and creating clinical research networks in line with the burden of disease, to build capacity and maximise further investment and health outcomes; and
- ◆ establishing the Clinical Trials Business Development Centre, at a cost of \$1 million, to encourage clinical trials in New South Wales by providing a one stop shop for organisations wishing to conduct them.

Capital Expenditure

The Department's capital expenditure program for 2007-08 is \$413,000 and will be applied to essential fit out works, replacement of plant and equipment and support for tourism signposting initiatives in New South Wales.

NSW FOOD AUTHORITY

The NSW Food Authority is responsible for ensuring food safety and compliance with food standards from production on-farm, or by harvest or catch, through processing and manufacture to retail and service of food. The role of the Authority is to improve food safety, reduce food-borne illness and improve the general health of the community. The Authority also supports and assists the food regulatory activities of local councils, all of which are prescribed “enforcement agencies” under the *Food Act 2003*.

RESULTS AND SERVICES

The Authority contributes to building healthier communities and a stronger New South Wales economy by working towards the following results:

- ◆ Food is correctly labelled and identified.
- ◆ Consumers are educated and handle food safely and properly.
- ◆ The food regulatory framework in New South Wales is sound and the food industry is aware of and complies with food regulatory requirements.
- ◆ Costs to industry are minimised and market access increased by coordinated State, Local and Commonwealth food regulation.

Key services provided by the Authority which contribute to these results include:

- ◆ development and review of the food regulatory framework;
- ◆ consulting with industry and providing training and advice;
- ◆ monitoring NSW food industry compliance with regulatory requirements by licensing food businesses and auditing and inspecting their operations;
- ◆ investigating consumer and food industry complaints and taking enforcement action for breaches of food laws;
- ◆ communication and coordination with other government agencies; and
- ◆ informing and educating the public on safe and proper food handling and providing a single point of contact for food safety issues for consumers and industry.

RECENT DEVELOPMENTS

Projected recurrent expenditure for 2006-07 is \$21.9 million and is similar to that of recent years. Key initiatives and developments during the year include:

- ◆ commencement of implementation of the Food Regulation Partnership Model previously agreed with the local government sector, including the conduct of local government forums, communication and training programs to which Government has contributed \$1.6 million;
- ◆ continued development of the Byte system (previously Paddock to Plate) for managing interactions with NSW food businesses including management of food-borne illness issues to enable timely intervention to prevent their spread;
- ◆ continued work on implementation of an egg food safety scheme and continuing development of proposed schemes in the areas of aged care, hospitals, nursing homes, childcare, delivered meals and high-risk catering, a number of which are scheduled for regulation in 2007-08;
- ◆ review of funding arrangements for the NSW Shellfish program and resultant allocation of \$0.7 million toward the program in 2006-07; and
- ◆ continued contribution to the development of national standards, including the Food Standards Code.

STRATEGIC DIRECTIONS

The Authority's mission is to ensure that food in New South Wales is safe and correctly labelled, and that consumers are able to make informed choice about the food they eat.

The Authority's key strategies for achieving this are:

- ◆ ensuring that food is safe and correctly labelled as required;
- ◆ providing the regulatory framework for industry to produce safe and correctly labelled food and ensuring industry compliance through advice and trialling and consistent interpretation and enforcement of requirements;
- ◆ informing and educating consumers about food safety and how to make appropriate choices about food consumption; and
- ◆ being the State's recognised authority and reference point on food safety.

2007-08 BUDGET

Total Expenses

The Authority is funded on a shared basis by the Government and industry with the Government contributing \$11.5 million in 2007-08 toward the agency's total planned expenditure of \$21.2 million. Expenditure relates mainly to the provision of food safety audit, compliance, enforcement, scheme development, implementation and licensing services along with communication, consumer information and education, policy and scientific services.

Total expenditure is similar to the revised budget for 2006-07, and includes government funded expenditure of \$10.5 million for existing food regulatory activities and additional government expenditure of \$1 million toward the continued implementation of the food regulation partnership model with local government. This has involved establishment of a framework for the administration, support and coordination of local government's role in food regulation and includes a communications program and training for local government officers.

Capital Expenditure

The Authority's capital expenditure program is estimated at \$1.2 million in 2007-08. This includes \$0.6 million for the purchase of replacement motor vehicles and \$0.6 million on information technology and other equipment.