

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

OVERVIEW

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
Department of Urban Affairs and Planning			
Total Expenses	72.1	79.4	10.1
Asset Acquisitions	3.1	1.7	(-) 45.9
Heritage Office			
Total Expenses	7.8	7.0	(-) 9.6
Asset Acquisitions	...	2.4	...
Payments to Other Government Bodies under the Control of the Minister			
Total Expenses	442.0	481.1	8.9
Asset Acquisitions	...	...	...
Department of Aboriginal Affairs			
Total Expenses	20.0	42.7	113.5
Asset Acquisitions	...	...	...
Environmental Planning and Assessment Act			
Total Expenses	24.9	22.5	(-) 9.9
Asset Acquisitions	43.0	15.0	(-) 65.1
Aboriginal Housing Office			
Total Expenses	56.7	55.4	(-) 2.3
Asset Acquisitions	8.3	16.1	94.0
Home Purchase Assistance Authority			
Total Expenses	11.3	11.1	(-) 1.9
Asset Acquisitions	0.1	0.1	(-) 5.9
Home Purchase Assistance Fund			
Total Expenses	62.4	60.1	(-) 3.8
Asset Acquisitions	...	...	...
Honeysuckle Development Corporation			
Total Expenses	17.7	15.0	(-) 15.6
Asset Acquisitions	...	...	...

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
Ministerial Development Corporation			
Total Expenses	8.5	5.6	(-) 34.7
Asset Acquisitions	...	...	...
Sydney Harbour Foreshore Authority			
Total Expenses	45.7	48.8	6.6
Asset Acquisitions	25.5	21.0	(-) 17.6
Total, Minister for Urban Affairs and Planning, Minister for Aboriginal Affairs and Minister for Housing			
Total Expenses	769.1	828.7	7.7
Asset Acquisitions	80.0	56.3	(-) 29.6

DEPARTMENT OF URBAN AFFAIRS AND PLANNING

The Department sets integrated planning strategies for New South Wales to deliver a better environment, jobs and livable communities. This is achieved through:

- ◆ a strategic overview to guide sound planning decisions in New South Wales;
- ◆ a contemporary legal framework for development;
- ◆ strategic natural resource planning;
- ◆ strategies for sustainable development and assessment;
- ◆ environmental plans and strategies for the State, including regional New South Wales and the metropolitan areas; and
- ◆ urban development and renewal.

This is done in active collaboration with people and organisations affected by the Department's decisions such as other government agencies, communities, industries and other stakeholders.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

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

- ◆ the *Environmental Planning and Assessment Amendment Act 1997* that came into effect on 1 July 1998. This Act provides for the integration of planning and building controls, more effective monitoring of the performance of the planning system and a deregulation of planning and building certification; and
- ◆ the distribution of the Green Paper dealing with the proposed reform of the plan making process in New South Wales. A White Paper is currently being prepared to implement a comprehensive consultation process with the community.

Other recent developments include:

- ◆ the preparation, under the *Sydney Water Catchment Management Act 1988*, of a Regional Environment Plan (REP) for the entire hydrological catchment from which Sydney draws its water supply;
- ◆ the transfer of the building and control related provisions of the *Local Government Act 1993*, to the *Environmental Planning and Assessment Amendment Act 1997*; and
- ◆ completion of the Regional Forest Agreement (RFA) for the Northern, Eden and Southern Regions, and reversion to comprehensive regional assessments and post RFA projects.

STRATEGIC DIRECTIONS

Major features of the Department's strategic direction are:

- ◆ developing and monitoring a robust whole of government planning framework for metropolitan Sydney and guiding its implementation through local government;
- ◆ ensuring planning policies and strategies deliver a sustainable future for communities in regional New South Wales;
- ◆ continuing reform of the planning system;
- ◆ facilitating job creation and adding value to the environmental assessment of new employment generating projects;
- ◆ communicating more effectively to involve communities in planning issues and decisions;

- ◆ developing effective planning partnerships with the Commonwealth, State and local governments;
- ◆ ensuring that development is environmentally sustainable; and
- ◆ promoting ethical dealings with all people, groups and institutions served by the Department.

2000-01 BUDGET

Total Expenses

The Department's total expenses by program area are:

- ◆ Promotion, implementation and co-ordination of Government policies in the program areas of Metropolitan Planning (\$45.9 million), Regional Planning (\$15.1 million), Sustainable Development (\$10.9 million) and Planning System (\$7.5 million);

The Department's \$79.4 million total expenses include:

- ◆ \$5.3 million in the Regional Planning program for the continuation of the comprehensive regional assessment process, under the direction of the Resource and Conservation Assessment Council;
- ◆ \$0.5 million for the operating and strategic planning expenses for the Office of the Harbour Manager;
- ◆ \$0.7 million towards the operating costs of the Festival Development Corporation. The Government is considering the Corporation's business plan, and determination of the forward capital program to meet the Government's commitment to the Corporation will be announced in 2000-01;
- ◆ \$1.5 million for the Georges River Foreshore Improvement Program;
- ◆ \$1.5 million for the operating and strategic expenses of the Urban Improvement Program;
- ◆ \$0.7 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. This is to ensure that a high level of protection is given to the community and the workers against incidents involving hazardous operations, and that future land-use planning properly addresses all aspects of the potential risks that can be generated by hazardous industries;

- ◆ over \$10 million for the Area Assistance Scheme; and
- ◆ \$1.4 million for the operating expenses of the building and planning functions recently transferred from the Department of Local Government.

The Department's total expenses include \$5 million to enable the revitalisation of town centres and to put the necessary planning frameworks in place to ensure private investment and achieve sustainable economic and employment outcomes. The Department will initiate seven new projects, four in regional NSW and three in Metropolitan Sydney, which will actively involve local government, the community and other stakeholders in ensuring the planning framework is in place to ensure jobs and investment in New South Wales.

Asset Acquisitions

The Department's capital program consists primarily of the acquisition of coastal land, designated by the Coastal Lands Protection Scheme, which is part of the overall framework for the planning and use of the State's unique coastal areas. This year, \$1.5 million will be available for various land acquisitions identified under the Scheme. Such acquisitions enable the Department to fulfil its role in encouraging proper management and conservation of coastal land within the State.

The minor works program of \$187,000 will enable the purchase of plant and equipment and information technology projects.

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 Government has established a \$30 million Heritage Fund for the long-term management of heritage items of state significance. The capital of this Fund is maintained, with interest earnings used to fund heritage assistance grants.

Amendments to the Heritage Act have established the State Heritage Register, defined the responsibilities of State government agencies in regard to their heritage assets, and increased penalties for neglect of heritage items.

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 the heritage approvals processes; and
- ◆ demonstrate the economic benefits of the conservation of the State's heritage resources.

2000-01 BUDGET

Total Expenses

Expenses of \$7 million include \$2.5 million for the payment of grants and loans under the \$30 million Heritage Fund program and the NSW Heritage Assistance program.

Asset Acquisitions

The Office will relocate to the former Kings School in 2001. The building will be restored to provide a sympathetic adaptive reuse for this significant heritage asset in Western Sydney and to provide cost effective public accessible accommodation for the Office and the Heritage Council. The restoration will be undertaken as an investment of the \$30 million Heritage Fund with expenditure of \$2.4 million in 2000-01.

An allocation of \$20,000 has been provided for information technology improvements and minor equipment purchases.

PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

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

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

STRATEGIC DIRECTIONS

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

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

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

These priorities are reflected in the 2000-01 budget allocations for the Housing Assistance Program.

2000-01 BUDGET

In 2000-01, \$481.1 million is being provided from the Consolidated Fund for the Housing Assistance Program. Of this sum, \$447.9 million is being provided under the CSHA - \$122.3 million by the State and \$325.6 million by the Commonwealth Government. In addition to CSHA funding, the Commonwealth is to provide a further \$3.9 million for housing purposes, while the State is providing an additional \$29.3 million for GST compensation, the Boarding House Tenants Relocation Program and various other housing initiatives.

Individual housing agencies will also be contributing \$85.9 million towards their asset acquisition programs in 2000-01, including \$56.5 million from the sale of inappropriate public, community and Aboriginal housing stock. This, together with funding provided for Aboriginal housing by the Aboriginal and Torres Strait Islander Commission (\$12 million) and surplus Rental Bond Board funds (\$7.5 million), will permit a total of \$586.5 million to be applied to this program in 2000-01.

Details of the forecast asset acquisition programs for each housing agency are contained in Budget Paper No. 4.

It is expected that the Housing Assistance Program will provide some form of housing support on an estimated 262,000 occasions during 2000-01, including:

- ◆ approximately 152,000 households accommodated in government subsidised housing managed by public, community or Aboriginal housing providers, with more than 13,300 of these being new households accommodated;
- ◆ over 3,000 places available in crisis accommodation to provide approximately 40,000 assistances; and
- ◆ more than 70,000 assistances for private renters and home buyers.

Continuing the strong emphasis on improving older stock, public, community (including crisis) and Aboriginal housing will be allocated \$183.6 million, \$10.2 million and \$20.3 million respectively for improvements to some 36,000 dwellings. This includes improvements ranging from painting to major upgrading. It also includes community renewal of public housing estates.

A supply program of \$268.4 million will fund works-in-progress, new capital works and existing and new leased dwellings. A total of 2,321 dwellings will be available across public, community (including crisis) and Aboriginal housing, with the commencement of the construction of an estimated 1,105 dwellings and the leasing of 1,216 dwellings from the private market for public and community housing tenants.

The public housing supply program of \$91.8 million will enable the commencement of 470 new dwellings as well as funding existing leased dwellings and permitting the lease of a further 800 dwellings from the private market.

Community housing growth will be continued with \$108.2 million for general community housing supply programs and a further \$8 million for the Boarding House Tenants Relocation Program. In total 463 new dwellings will be commenced, including up to 32 dwellings for the Boarding House Program. A further 400 properties will be leased from the private market.

The Aboriginal housing sector will continue to be strengthened with a total allocation of \$66.7 million. This includes \$38.3 million for supply programs to permit the commencement of 121 new dwellings, including dwellings for Aboriginal community organisations.

Homeless people and those in crisis will be supported with an allocation of \$22.1 million for an additional 67 dwellings acquired or leased under the Crisis Accommodation Program. Funding will also be provided for initiatives to improve the transition of clients from crisis into longer-term accommodation.

The continuing priority on assisting people with special needs is reflected in the 114 units of new public and community housing to be provided for on-going housing assistance linked to support services. Subsidies will continue to be provided to people with disabilities and people with HIV/AIDS renting privately, while the Boarding House Program will also continue to assist in the relocation of residents of boarding houses with high support needs to more appropriate accommodation.

DEPARTMENT OF ABORIGINAL AFFAIRS

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

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

On 29 May 1998, the Aboriginal Communities Development Program (ACDP) was announced by the State Government. The purpose of the ACDP is to raise the health and living standards of selected, priority Aboriginal communities that have major environmental health needs. Funding of \$200 million over a seven year period has been committed to target the identified needs of housing, water, sewerage, roads, services, sporting, recreational and cultural facilities.

STRATEGIC DIRECTIONS

The Department has ongoing commitments to key initiatives from 1999-2000 that extend into the 2000-01 year and beyond. These include the New South Wales response to the Stolen Generation, education, policing, the judicial system and reconciliation. The Department continues to work closely with the New South Wales Aboriginal Land Council (NSWALC), to review the *Aboriginal Land Rights Act 1983* and to monitor and advise on the administration of Aboriginal Land Councils. This includes the establishment of a Compliance Unit, which has been funded for a four-year period commencing 2000-01.

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*. These will include:

- ◆ implementing the Register of Aboriginal Owners for the purposes of Aboriginal ownership of National Parks (with an emphasis on the Mt Grenfell Historic site, the Biamanga National Park and the Mt Yarrowyck Nature Reserve);
- ◆ ensuring the efficient and effective lodgment of Aboriginal land claims lodged under the *Aboriginal Land Rights Act 1983*; and
- ◆ assisting Aboriginal Land Councils with certain matters of administration.

The Office will also continue and expand other functions including:

- ◆ an education program for Aboriginal Land Councils in relation to the *Aboriginal Land Rights Act 1983*;
- ◆ assisting Aboriginal Land Councils with dispute resolution; and
- ◆ providing advice to the Minister, Aboriginal Land Councils and relevant third parties concerning the interpretation and operation of the *Aboriginal Land Rights Act 1983*.

2000-01 BUDGET

Total Expenses

Estimated total expenses for 2000-01 are \$42.7 million, an increase of 113.5 percent. This increase reflects additional funding for the ACDP in 2000-01. The ACDP began in 1998-99 and is expected to be complete by 2005-06. The Department continues to work closely with the Aboriginal Housing Office in determining the housing strategy within this program.

Asset Acquisitions

Capital expenditure is budgeted at \$39,000 for 2000-01, mainly for minor upgrading of office equipment.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT

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

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

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

STRATEGIC DIRECTIONS

This program facilitates the acquisition of regionally significant land for purposes such as open space, vacant land use for future freeway construction and regional projects such as the Rouse Hill Town Centre. The program also provides grants for improvements of open space land and other urban public spaces in conjunction with local councils.

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

2000-01 BUDGET

Total Expenses

Included in the total expenses of \$22.5 million for 2000-01 are \$8.2 million for loan servicing costs, \$3.4 million for administration, \$5.8 million for grants for improvements to open space land, and \$5.0 million for lands transferred to other Government bodies.

Asset Acquisitions

The asset acquisition program provides for acquisition and development of land required for planning purposes, such as regional open space and major road reservations. In 2000-01 asset acquisitions are estimated at \$15 million.

Expenditure can fluctuate from year to year depending on the value of land passed onto other organisations, for example land for open space that is transferred to councils. Overall expenditure in 2000-01 is expected to be significantly lower than in 1999-2000 as a result of long term asset disposal strategies.

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

ABORIGINAL HOUSING OFFICE

The Aboriginal Housing Office (AHO) was established through legislation on the 24 July 1998 as a statutory authority responsible for the development and management of the Aboriginal housing sector in New South Wales. The AHO (under the direction of the AHO Board) allocates resources, develops sector wide policy, undertakes strategic planning, and monitors housing outcomes and performance for the Aboriginal housing sector. The AHO manages and co-ordinates a substantial capital works program, and the development and implementation of a range of financial and resourcing strategies. The AHO also owns a substantial asset base of close to 4,000 properties.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Significant changes to the agency's operating environment that will impact on expenditure and activities in 2000-01 include:

- ◆ the second year of pooling Aboriginal Housing Program funds and Aboriginal and Torres Strait Islander Commission (ATSIC) funds from the regional component of the Community Housing and Infrastructure Program. The trilateral agreement is due to expire in 2001. Negotiations with ASTIC in relation to renewal of the agreement will commence this year;
- ◆ the full establishment of the AHO regional offices; and
- ◆ development of a viability strategy incorporating a focus on asset management, incentives for streamlining the Aboriginal community housing sector and piloting efficient housing management models.

STRATEGIC DIRECTIONS

The primary focus of the AHO is to establish coordinated policies and programs to substantially improve the provision and management of housing for Aboriginal people in New South Wales. The key strategies are targeted to:

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

Underlying these strategies is the key principle of Aboriginal self-determination.

2000-01 BUDGET

Total Expenses

Total expenses for the Aboriginal Housing Office are budgeted at \$55.4 million. Expenditure will include:

- ◆ grants to Aboriginal communities for the acquisition of housing stock under the AHO housing program and the Housing Aboriginal Communities Program;
- ◆ AHO and Aboriginal community housing repairs and maintenance backlog;

- ◆ training and skill development in the Aboriginal housing sector, Aboriginal community and organisational planning and development; and
- ◆ household support to Aboriginal housing organisations.

The Aboriginal Housing Office will receive grant funding of \$48.5 million under the Commonwealth State Housing Agreement (CSHA) and \$12 million from ATSIC for its Aboriginal Housing Program in 2000-01. Other revenue includes \$1.2 million from rental properties.

Asset Acquisitions

The AHO housing program provides public rental housing for Aboriginal people. In 2000-01 the total asset acquisition program for the Aboriginal Housing Office is estimated at \$16.1 million, comprising \$3.3 million to replace existing stock and \$12.8 million for additional housing units.

HOME PURCHASE ASSISTANCE AUTHORITY

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

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

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

Proceeds from property sales, and associated sales expenses, considerably exceeded budget during 1999-2000 enabling the Authority to repay a greater level of borrowings than initially anticipated. Sales are expected to return to more normal levels during 2000-01.

To date, the overall costs of the restructured HomeFund Scheme have been broadly in line with original projections.

Recent developments include:

- ◆ an interest rate cap, introduced for HomeFund borrowers in 1998, that will be maintained at 9.5 percent from 1 July 2000; and
- ◆ the overwhelming acceptance of two-year lease extension offers by HomeFund tenants who have not met the access conditions for public housing. Rental subsidies will continue at current levels.

Funding of the Authority's operations and Mortgage Assistance Scheme advances in 2000-01 will continue to be sourced from cash reserves and collections from debtors.

STRATEGIC DIRECTIONS

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

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

2000-01 BUDGET

Total Expenses

Total expenses for the Authority are budgeted at \$11.1 million for 2000-01 as compared to \$11.3 million budgeted for the current year. The major items are property expenses associated with the rental portfolio (\$3.5 million) and interest on borrowings (\$2.3 million).

Asset Acquisitions

Capital expenditure is budgeted at \$80,000 in 2000-01, mainly for the purchase of computer hardware and software.

HOME PURCHASE ASSISTANCE FUND

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

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Fewer loan losses contributed to a reduction in HomeFund Scheme costs in 1999-2000. The costs of the restructured Scheme have been maintained broadly in line with original projections.

STRATEGIC DIRECTIONS

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

2000-01 BUDGET

Total expenses are budgeted at \$60.1 million with the most important items being interest on borrowings (\$28.2 million) and FANMAC Trusts shortfalls (\$23.1 million).

HONEYSUCKLE DEVELOPMENT CORPORATION

The Corporation was established in 1992 to assist in the revitalisation of inner Newcastle. The land is situated adjacent to the Newcastle CBD and comprises 4 kilometres of waterfront real estate located on the shores of Newcastle Harbour.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

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

In the last six years, the Corporation has made community contributions of \$50.3 million in the form of grants to other organisations, housing, public domain and open space landscaping.

Recent developments include the release of a further nine sites to the market (14 in 1998-99), negotiation, agreement on terms and conditional contracts on a number of other sites, and completed commercial and residential sales in Hunter and Hannel Streets, respectively.

As Honeysuckle's activities are project based with the aim of either transferring the property assets to other entities or holding them as trading stock, capital expenditure on the development of these property assets has been classified as inventories.

STRATEGIC DIRECTIONS

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

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

2000-01 BUDGET

Total Expenses

Total expenses for the Corporation for 2000-01 are budgeted at \$15 million. The primary components of these expenses are the cost of land and property sold of \$6.2 million, community contributions of \$5.4 million and financing costs of \$1.3 million.

The reduction in the total expenses Budgets between 1999-2000 and 2000-01 largely relates to reductions in the cost of land and property sold (down \$4.1 million), offset in part by increased community contributions of \$0.9 million. Conversely the \$7.5 million increase in total expenses between the revised projection for 1999-2000 and 2000-01 is explained by a \$2.9 million increase in the cost of land and property sold and a \$4.9 million increase in community contributions, offset by a reduction (\$0.3 million) in employee related expenses.

Asset Acquisitions

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

MINISTERIAL DEVELOPMENT CORPORATION

The Ministerial Development Corporation (MDC) was constituted on 1 May 1992 under the *Growth Centres (Development Corporations) Act 1974*, following the closure of the Macarthur and Bathurst-Orange Development Corporations.

The Corporation is responsible for the planning, development and marketing of the remaining property assets of those former Corporations in an environmentally and socially acceptable manner.

The Corporation does not have any staff. Officers of Landcom undertake all administrative activities on a management fee basis.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Recent buoyant demand for land has depleted the Corporation's stock of developed land, with consequent reductions in total expenses between 1999-2000 and 2000-01, particularly relating to the cost of land sold.

Continuous developmental expenditure is forecast over the next couple of years to provide additional land stock to meet expected future sales.

It is anticipated that income for 1999-2000 will be more than double the original budget forecast, with lots released in March 2000 (Ingleburn) sold immediately and settled in the current financial year.

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

STRATEGIC DIRECTIONS

The objectives of the Corporation reflect Government policy to provide large industrial and commercial sites for organisations that are establishing new

businesses or are relocating, with the aim of promoting economic growth and employment in the areas where the Corporation owns land for development.

2000-01 BUDGET

Total Expenses

The majority of the Corporation's proposed 2000-01 expenditure is to fund the development and sale of industrial or commercial land in the Macarthur region.

All other income and expenditure relates to the property related activities of the Corporation and the return of surplus funds to the Government. Operational expenses are estimated at \$5.6 million, payments to Treasury \$10 million and developmental expenditure of \$12.5 million.

Asset Acquisitions

No asset acquisitions are planned for 2000-01.

SYDNEY HARBOUR FORESHORE AUTHORITY

The Sydney Harbour Foreshore Authority was established on 1 February 1999, following the proclamation of the *Sydney Harbour Foreshore Authority Act, 1998*.

The Authority is responsible for protecting and enhancing the natural and cultural heritage of the foreshore area and promoting, co-ordinating, managing and securing orderly and economic development and use of the foreshore area. The Authority is also responsible for promoting, co-ordinating and managing cultural, educational, commercial, tourist and recreational activities and facilities.

The Authority has taken over the responsibilities of the former City West Development Corporation and the Sydney Cove Redevelopment Authority, with the Darling Harbour Authority and its lands also to be merged from 1 January 2001.

In addition to the area under ownership of these two former bodies, such as The Rocks, Pyrmont and Ultimo, the Authority has also assumed new responsibilities around the foreshore from Garden Island to White Bay Port, including the transfer of Circular Quay. It also owns First Fleet Park and manages wharf retail tenancies at Circular Quay on behalf of the Marine Ministerial Holding Corporation.

The Authority has also acquired Rozelle marshalling yards and is finalising the acquisition of the former White Bay Power Station.

Expenditure Trends and Recent Developments

Since the Authority has assumed significant new responsibilities around the foreshore its capital and recurrent expenditure has grown from the levels established before its formation.

STRATEGIC DIRECTIONS

The primary areas of focus for the agency are to:

- ◆ maintain and improve the Authority's cultural and heritage environment;
- ◆ take a lead position in planning of foreshores;
- ◆ complete restructuring of the Australian Technology Park that will result in the Authority taking over the commercial operations of the Park and acquire all property assets and associated liabilities of Australian Technology Park Sydney Limited (ATPSL). ATPSL will continue to operate with an increased focus on its core business which includes research, innovation, employment generation, new business and technology;
- ◆ enhance levels of customer service within its precincts;
- ◆ ensure long term financial viability by investing in projects that maximise shareholder value and identifying revenue sources to fund the Authority's commitments in the new areas; and
- ◆ maximise income to the Authority through the Olympic related use of its assets.

2000-01 BUDGET

Total Expenses

Total expenses for 2000-01 are estimated to be \$48.8 million. The increase in expenditure of \$3.1 million in 2000-01 is mainly due to higher expenditure on maintenance and enhancement of heritage buildings at The Rocks and on public domain areas, on employee related expenses and on promotions, marketing and provision of infrastructure support during the Olympics.

Although expenditure on maintenance has increased, part of this is attributed to a change in accounting practice. Higher expenditure is also being incurred to improve public security and safety in public domain areas and to increase rental revenue in future years from heritage buildings at The Rocks.

Asset Acquisitions

The total capital program for 2000-01 is \$21.1 million, mainly comprising:

- ◆ Relocation of Water Police from Pyrmont Point to Balmain (\$3.9 million);
- ◆ Redevelopment Works in Rozelle (\$3.9 million);
- ◆ Ultimo/UTS Rail Corridor Land Acquisition & Works (\$5.9 million);
- ◆ Development expenditure on commercial sites (\$1.9 million);
- ◆ Dawes Point Park - Conservation of Archaeology (\$1.3 million); and
- ◆ Upgrade of Heritage buildings at The Rocks (\$1.5 million).