

MINISTER FOR ENERGY AND UTILITIES AND MINISTER FOR SCIENCE AND MEDICAL RESEARCH

OVERVIEW

| <i>Agency</i> | <i>Budget 2004-05 \$m</i> | <i>Budget 2005-06 \$m</i> | <i>Variation %</i> |
|-----------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|------------------------|
| Department of Energy, Utilities and Sustainability | | | |
| Total Expenses | 156.2 | 184.7 | 18.2 |
| Capital Expenditure | 0.4 | 0.4 | ... |
| Payments for Water and Sewerage Assistance | | | |
| Total Expenses | 91.6 | 96.9 | 5.8 |
| Capital Expenditure | ... | ... | ... |
| Ministry for Science and Medical Research | | | |
| Total Expenses | 9.2 | 13.5 | 46.4 |
| Capital Expenditure | 0.4 | ... | -100.0 |
| Redfern-Waterloo Authority | | | |
| Total Expenses | ... | 19.3 | n.a. |
| Capital Expenditure | ... | ... | ... |
| Total, Minister for Energy and Utilities and Minister for Science and Medical Research | | | |
| Total Expenses | 257.0 | 314.4 | 22.3 |
| Capital Expenditure | 0.8 | 0.4 | -50.0 |

DEPARTMENT OF ENERGY, UTILITIES AND SUSTAINABILITY

The Department of Energy, Utilities and Sustainability (DEUS) provides the Minister for Energy and Utilities with strategic policy, legislative and regulatory advice in relation to the State's energy sector, urban and rural water utilities, and related social programs.

In collaboration with the energy industry, urban water utilities, other government agencies, consumer groups, businesses and other stakeholders, DEUS assists the government in choosing and implementing the best strategies for promoting the sustainable, safe, reliable and affordable supply and use of energy and water services. DEUS also develops and implements appropriate frameworks to improve the performance of the energy and water industries.

DEUS is focused on ongoing competition reform of the State's natural gas and electricity markets, the sustainable use of energy and water, integrated water cycle management, safety, supply reliability, and the promotion of demand management.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

On 1 July 2004 the demand management, energy efficiency and renewable energy programs and staff of the former Sustainable Energy Development Authority (SEDA) were merged into DEUS. In addition, from 1 July 2004 the State Water business unit became a stand alone State Owned Corporation.

Following an independent review of the Country Towns Water Supply and Sewerage Program, new Program criteria for financial assistance were developed and released to Local Water Utilities in 2004.

As part of the reforms of the Program, eligible water and sewerage projects were ranked by an Interagency Prioritisation Committee on the basis of health, environmental and security of supply criteria to ensure funds in the Program are directed to communities with the greatest need.

STRATEGIC DIRECTIONS

In 2005-06, DEUS will focus on: reforms in the State's electricity, natural gas and urban water industries; the sustainable use of energy and water; integrated water cycle management; drought support to regional New South Wales; safety and energy supply reliability; and anticipating future energy and water needs in New South Wales.

DEUS will also be actively involved in the implementation of key policy and other functions arising from the Government's Energy Directions White Paper once released. DEUS played a significant role in the development of the December 2004 Energy Directions Green Paper, and the analysis of over 400 submissions received from a broad cross-section of the New South Wales community.

2005-06 BUDGET

Total Expenses

Total expenses for DEUS in 2005-06 will be \$184.7 million. Of this, \$168.6 million is grants and subsidies including:

- ◆ pensioner energy and electricity life support rebates of \$81.5 million;
- ◆ government contributions of \$32.2 million towards the Country Towns Water Supply and Sewerage Scheme;
- ◆ pass through contributions of \$20 million from Local Water Utilities in relation to the Country Towns Water and Sewerage Supply Scheme;
- ◆ government contributions to State Water of \$25 million, comprising a transitional operating subsidy and an IPART-determined capital contribution; and
- ◆ Energy Accounts Payment Assistance program totalling \$8.7 million.

Capital Expenditure

The capital program for 2005-06 is estimated at \$0.4 million to replace and upgrade plant and equipment, information technology and communication assets.

PAYMENTS FOR WATER AND SEWERAGE ASSISTANCE

Payments for Water and Sewerage Assistance provides social program funding, totalling \$96.9 million, to Sydney and Hunter Water Corporations largely for:

- ◆ concessions granted to pensioners on water and sewerage rates (\$82.9 million in 2005-06);
- ◆ concessions granted to properties exempt from water and sewerage rates (\$10.7 million in 2005-06); and
- ◆ the connection of selected un-sewered areas to the sewerage network, based on public health and environmental priorities (\$2.3 million in 2005-06).

MINISTRY FOR SCIENCE AND MEDICAL RESEARCH

The Ministry for Science and Medical Research was established on 1 December 2003. The Ministry's objective is to drive growth and innovation in science and medical research to achieve better health, environmental and economic outcomes for the people of New South Wales.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Ministry's expenses will increase from \$9.2 million in 2004-05 to \$13.5 million in 2005-06. Increased funding is mainly due to the Ministry administering grants programs such as the Premier's Spinal Cord Injury Fund and other neurological conditions, including the Spinal Exchange program. The Ministry's expenses also include grants to be passed on to the Redfern-Waterloo Authority.

STRATEGIC DIRECTIONS

The Ministry provides advice, leadership and direction in shaping whole-of-government policy, programs and investment in the area of science, innovation and medical research. This work is complemented by the Ministry's role in the provision of information services, administration of grants and funding programs, the development of capacity building initiatives and the fostering of key collaborations across government, industry and public institutions.

In order to ensure effective delivery of its services in 2005-06, the Ministry will:

- ◆ implement a strategic approach to supporting science and medical research activities in New South Wales;
- ◆ co-ordinate science and medical research initiatives having a strategic and/or whole-of-government character;
- ◆ seek opportunities to encourage private sector investment and public/private partnerships in research;
- ◆ build relationships with key funding and research bodies within Australia;
- ◆ promote awareness of developments in science and medical research and resulting benefits through new and ongoing initiatives such as Science EXPOsed;
- ◆ review grants programs such as the BioFirst strategy and the infrastructure grants program to evaluate the effectiveness of those programs in targeting their key beneficiaries and achieving their objectives; and
- ◆ participate in reviewing Commonwealth legislation that provides the framework for the nationally consistent scheme regulating human embryo research and prohibiting human cloning.

2005-06 BUDGET

Total Expenses

The Ministry's total expenses are estimated at \$13.5 million in 2005-06. Total funding for grants and programs is \$10.3 million, including \$1.5 million for the BioFirst Awards and \$3.6 million for the Premier's Fund to promote research into Spinal Cord injury and other neurological conditions. An amount of \$3.2 million is also included for passing on to the Redfern-Waterloo Authority.

Capital Expenditure

In 2004-05, the Ministry spent \$0.9 million on its capital expenditure program, mainly for fitout of its new premises and purchase of office equipment.

The Ministry has not sought funding for 2005-06.

REDFERN-WATERLOO AUTHORITY

The role of the Authority is to encourage and promote the orderly development of the Redfern, Eveleigh, Darlington and Waterloo suburbs into an active, vibrant and sustainable community of greater social cohesion and community safety in which the Aboriginal community is supported and respected. Its operational area comprises approximately 350 hectares.

The Authority is a formally constituted statutory authority with a responsible and accountable Board reporting directly to the Minister.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The *Redfern–Waterloo Authority Act 2004* attained Parliamentary assent on 15 December 2004 and the Authority commenced operation on 17 January 2005. Since then the Chairman, Board members and Chief Executive Officer have been appointed and staff recruitment is under way. The Authority established its office at Redfern and is funded through a mix of borrowings and grants until the 2007-08 financial year.

The Australian Technology Park with assets (property, plant and equipment) worth \$92 million was transferred to the Authority on 17 January 2005.

As at 1 July 2005 the Redfern–Waterloo Partnership Project staff and activities will be transferred from the Premier’s Department to the Authority. It is planned that the activities of this program will be achieved by June 2008.

STRATEGIC DIRECTIONS

The Authority will advise and assist the Minister to develop the Redfern–Waterloo Plan which will set the strategic direction of the urban renewal activities to be undertaken by the Authority. The main activities of the Authority will:

- ◆ assist the Minister create an appropriate planning regime, consistent with the Redfern-Waterloo Plan, for orderly sustainable development within the operational area;
- ◆ undertake the assessment of State significant development proposals;
- ◆ promote and undertake through its financial means and partnerships economic development and use of land and property including the provision of infrastructure and the enhancement of public places;

- ◆ promote, arrange and conduct cultural educational, commercial, recreational, entertainment and transport activities and facilities;
- ◆ provide and promote housing choices in the operational area, employment opportunities for local residents, commercial opportunities for local businesses and encourage cultural development (including for Aboriginal residents); and
- ◆ seek community participation and liaise with government agencies to improve delivery planning of human services.

2005-06 BUDGET

Total Expenses

Total expenses for 2004-05 are estimated at \$2.4 million while expenses for 2005-06 are estimated at \$19.3 million. The majority of the expenditure is required for establishment of the office, information technology systems, employee related expenses, consultant and contractors, planning, urban renewal and Board expenses.