

PREMIER, MINISTER FOR THE ARTS AND MINISTER FOR CITIZENSHIP

OVERVIEW

<i>Agency</i>	<i>Budget 2004-05 \$m</i>	<i>Budget 2005-06 \$m</i>	<i>Variation %</i>
Cabinet Office			
Total Expenses	19.6	25.8	31.1
Capital Expenditure .....	...	0.2	n.a.
Parliamentary Counsel's Office			
Total Expenses	6.5	6.9	6.4
Capital Expenditure	0.7	1.2	63.0
Premier's Department			
Total Expenses	106.0	141.4	33.3
Capital Expenditure	3.4	1.3	-60.9
Independent Commission Against Corruption			
Total Expenses	16.5	16.8	2.2
Capital Expenditure	0.2	0.2	...
Ombudsman's Office			
Total Expenses	18.7	19.5	4.4
Capital Expenditure	0.1	0.7	967.2
State Electoral Office			
Total Expenses	10.8	12.2	12.4
Capital Expenditure .....	...	1.5	n.a.
Independent Pricing and Regulatory Tribunal			
Total Expenses	14.9	16.1	8.0
Capital Expenditure	0.2	0.2	...
Natural Resources Commission			
Total Expenses	3.6	4.3	20.4
Capital Expenditure	0.5	...	-100.0
Ministry for the Arts			
Total Expenses	91.1	83.4	- 8.5
Capital Expenditure	10.8	17.7	64.1
State Library of New South Wales			
Total Expenses	73.0	79.2	8.5
Capital Expenditure	10.1	10.8	6.8
Australian Museum			
Total Expenses	36.0	35.3	-2.0
Capital Expenditure	4.4	6.5	47.4

<i>Agency</i>	<i>Budget 2004-05 \$m</i>	<i>Budget 2005-06 \$m</i>	<i>Variation %</i>
Museum of Applied Arts and Sciences			
Total Expenses	44.7	44.6	-0.2
Capital Expenditure	5.4	5.4	...
Historic Houses Trust of New South Wales			
Total Expenses	21.8	23.8	9.0
Capital Expenditure	2.3	0.5	-79.4
Art Gallery of New South Wales			
Total Expenses	30.2	32.7	8.2
Capital Expenditure	3.8	2.8	-27.8
State Records Authority			
Total Expenses	14.5	14.6	0.4
Capital Expenditure	12.8	2.8	-77.9
New South Wales Film and Television Office			
Total Expenses	10.5	10.1	-3.7
Capital Expenditure .....	...	...	...
Community Relations Commission			
Total Expenses	15.1	15.2	1.0
Capital Expenditure .....	...	...	...
Audit Office of New South Wales			
Total Expenses	28.3	28.7	1.5
Capital Expenditure	0.3	1.0	227.5
Total, Premier, Minister for the Arts and Minister for Citizenship			
Total Expenses	561.8	610.6	8.7
Capital Expenditure	55.0	52.8	-4.0

THE CABINET OFFICE

The Cabinet Office provides support to the Premier and Cabinet through the development, co-ordination and implementation of government policy. It co-ordinates New South Wales' involvement in Commonwealth-State issues and advises the Premier on legal matters which arise within his administration. The Cabinet Office provides all secretarial services for the Cabinet and its sub-committees including preparation of agendas, recording of decisions, circulation and presentation of Cabinet submissions, and follow-up action.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over the last five years, the core responsibilities of The Cabinet Office have remained unchanged. However, on occasions, the Office has been given responsibility for various strategic policy issues requiring the establishment of specialised units within the Office.

The Office of Drug Policy was established in 1999 to co-ordinate and develop policy in relation to illicit drugs, and since 2003 has had additional responsibility for alcohol policy.

In 2004 the New South Wales Greenhouse Office was created to lead, promote and facilitate strategic greenhouse action to combat climate change and secure long-term economic, social and environmental benefits for New South Wales.

2005-06 BUDGET

Total Expenses

The Cabinet Office has estimated total expenses of \$25.8 million, including:

- ◆ \$0.9 million for illicit drugs policy;
- ◆ \$0.6 million for alcohol policy;
- ◆ \$6 million for Greenhouse emission reduction initiatives; and
- ◆ \$1.2 million for Greenhouse policy.

Capital Expenditure

The capital allocation of \$0.2 million is for minor capital works.

PARLIAMENTARY COUNSEL'S OFFICE

The Parliamentary Counsel's Office:

- ◆ develops and drafts government legislation for presentation to Parliament or the Governor-in-Council;
- ◆ provides a legislative drafting service for non-government Members of Parliament;
- ◆ provides legal and administrative advice to the Government;
- ◆ undertakes research on legislative and related matters;
- ◆ provides a legislative publishing service to the Government, Parliament and the public, including the production of Bills, new Acts and Regulations, updated reprints of legislation and information guides; and
- ◆ compiles and provides internet access to the New South Wales legislation database via www.legislation.nsw.gov.au.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Expenditure trends have not varied markedly over the last five years, apart from movements in salaries and operating costs affecting the public sector. However, the need to maintain sufficient legislative drafting staff to meet service demand and provide adequate succession planning has impacted on employee related expenditure. Additional funding provided in 2004-05 enabled the Office to begin to increase its drafting strength.

Revenue from sale of printed legislation and associated services has decreased in recent years, due to falling demand for traditional paper-based publications as more clients access legislation electronically. The rate of decline has also varied from year-to-year, making it difficult for revenue to be accurately forecast. In 2004-05, a three-year agreement was negotiated with the main purchaser of legislation products, resulting in a more secure revenue stream for the Office.

STRATEGIC DIRECTIONS

The Office is continuing to develop new IT systems in order to enhance service delivery and reduce the cost of public access to legislation. The Office is also focusing on succession planning activities to ensure there is no interruption to legislative drafting services in future years. The successful delivery of the Office's services in future years will also be dependent on finding new office accommodation that meets the particular needs of a legislative drafting office.

2005-06 BUDGET

Total Expenses

Total expenses of the Parliamentary Counsel's Office are estimated to be \$6.9 million with approximately 80 percent being allocated to employee related payments.

Capital Expenditure

Total capital expenditure for 2005-06 comprises:

- ◆ \$1.1 million to streamline and automate various production processes within the Office, leading to enhanced online delivery services, and the authorisation of electronic versions of legislation; and
- ◆ \$50,000 for minor works.

PREMIER'S DEPARTMENT

Premier's Department supports the Premier, as head of the Government, in making New South Wales a better place in which to live, work and do business.

The Department:

- ◆ provides strategic advice and services to the Premier;
- ◆ manages issues and projects of significance to the State;
- ◆ provides leadership to the New South Wales public sector;
- ◆ maintains the effective management of public sector staff and resources;
- ◆ ensures a whole-of-government approach to policy development and service provision within the public sector, especially in regional and rural areas; and
- ◆ provides leadership on whole-of-government policy formulation, programs and initiatives for women.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Expenditure remained static over 2002-03 and 2003-04 at approximately \$133 million and is expected to decline to an estimated \$123 million in 2004-05 due to the transfer of the communities related functions to the Department of Community Services. Expenditure during 2004-05 included:

- ◆ \$3 million for Special Commissions of Inquiry - Completing the South West Metropolitan Health and Medical Research Compensation Foundation inquiries; and conducting an inquiry into the terms and objectives of the Independent Commission Against Corruption Act;
- ◆ \$2 million for the New South Wales Government contribution to the international Tsunami Relief effort in South East Asia;
- ◆ \$1.2 million for the 2009 Sydney World Masters' Games towards the host city rights first tranche payment and administration and operational expenses;
- ◆ \$1 million for critical infrastructure and counter-terrorism measures;
- ◆ \$0.4 million for welcome home parades for the Athens' Olympic and Paralympics teams; and
- ◆ \$0.3 million for the NSW Government contribution for the 2004 Carols in the Domain.

The Department has streamlined operations to gain greater efficiencies.

The Service Delivery Improvement program ceased from 1 July 2004 with service delivery activities being incorporated into the Performance Development program; and e-government/ICT initiatives and Aboriginal service delivery strategy activities being incorporated into the Strategic Projects program.

Administrative activities of the Office of the Coordinator General, Management Services, and Counter-Terrorism and Disaster Recovery were transferred from the Strategic Projects program to the State Administration Services program from 1 July 2004.

The Office for Women was established from 1 July 2004 and its programs and projects, including *GirlSavvy*, 'Lucy' Mentoring and development of *SistaSpeak*, focussed on leadership and improving outcomes for young women in New South Wales.

Administration of the Aboriginal Trust Fund Repayment Scheme was transferred into the Strategic Projects program during 2004-05, continuing the NSW Government's commitment to identify and reimburse Aboriginal people who are owed money from New South Wales Trust Funds.

From 1 July 2005, responsibility for the Redfern-Waterloo Partnership project will be transferred to the Redfern-Waterloo Authority.

STRATEGIC DIRECTIONS

The Department will continue its commitment to better value for money in the delivery of public services. Key whole-of-government co-ordination roles include:

- ◆ initiatives to manage economic and social issues in regional and rural New South Wales;
- ◆ improving service delivery by the public sector;
- ◆ management of policy responses to acts of terrorism and natural disasters;
- ◆ State protocol, hospitality and events;
- ◆ improving the representation of targeted groups in the public sector workforce, focusing on Aboriginal people and people with disabilities; and
- ◆ improving the economic and social well-being of women in New South Wales through partnerships with New South Wales government agencies, the community and private sectors, and other levels of government.

2005-06 BUDGET

Total Expenses

Estimated total expenses for the Department in 2005-06 are \$141 million, which includes:

- ◆ \$4.3 million for the Aboriginal Trust Fund Repayment Scheme;
- ◆ \$4.1 million for the Community Drug Strategies program;
- ◆ \$3.3 million towards a National Equine and Livestock Centre in Tamworth to establish a nationally significant multi-purpose venue for events and activities with seating facilities to cater for national and international events;
- ◆ \$2.2 million for Executive Development Programs funded by consolidating training expenditure from across the public sector (including scholarships to the Australia New Zealand School of Government and the Sydney University School of Government);
- ◆ \$2.3 million for the Office for Women including the Premier's Council for Women;
- ◆ \$1 million for the ANZAC Memorial Trust; and
- ◆ \$0.5 million for the River Towns project enabling 16 remote communities to proactively address social and economic disadvantage.

The Department continues to lead and co-ordinate a whole-of-government approach to major projects and issues, including acting as co-ordinator of State policy responses to counter-terrorism and natural disasters.

The Department is responsible for the funding and support of the Premier's Office; the Leaders of the Opposition's Offices; offices of former office holders (such as former Premiers); and services for the Governor's Office. Host agency responsibility for 10 Ministers' Offices has been transferred from other agencies to the Department, in addition to the Ministerial Offices already being hosted by the Department.

Capital Expenditure

In 2005-06, the Department's capital program will be \$1.3 million. This includes:

- ◆ \$0.6 million for regular computer, telecommunication and office equipment upgrades; and
- ◆ \$0.3 million for the ANZAC Memorial in Hyde Park for the development of a Conservation Management Plan for the future conservation and preservation of the building.

INDEPENDENT COMMISSION AGAINST CORRUPTION

The Independent Commission Against Corruption is responsible for promoting and enhancing integrity in public administration in New South Wales by investigating and minimising corruption through the application of its special powers. The Commission applies the latest corruption prevention methods and undertakes research and education into corruption prevention.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over the past five years total expenses have increased from \$15.5 million in 2000-01 to an estimated \$18 million in 2004-05. A major restructure occurred in 2001-02 that created a more proactive, strategic and integrated investigative capacity for the Commission. There have not been any significant changes in the statutory responsibilities and functions of the Commission over the period.

During 2004-05 the Commission continued to develop its complaint handling systems and corruption investigation techniques in responding to a 40 percent growth in complaints received since 2002. The number of hearings into corruption investigations increased substantially in 2004-05 with a projected 150 hearing days, compared to 68 hearing days in the previous year. The Commission continued to improve its corruption analysis capabilities and enhanced its facilities and systems for managing intelligence based product acquired through technical surveillance and investigation operations. During 2004-05, the Commission concluded the lease of its former premises at Redfern including the settlement of make good building lease costs of \$1 million.

STRATEGIC DIRECTIONS

In 2005-06 the Commission will continue its focus on enhancing its capacity to strategically identify systemic and individual corruption risks, on the effective management of an increasing number of corruption complaints and on the continual improvement and development of the Commission's investigative capacity.

Work will proceed on improving the Commission's business processes, particularly in the area of case management and performance tracking. The Commission will continue to develop and deliver strategic research, education and corruption prevention initiatives targeted at key sectors, including local government, government agencies in regional areas, the general public sector and communities from non English speaking backgrounds.

2005-06 BUDGET

Total Expenses

Total expenses are estimated at \$16.8 million in 2005-06. The Commission will maintain and improve its current level of investigation, corruption prevention and education activities.

Capital Expenditure

In 2005-06 the Commission will incur \$0.2 million on capital expenditure mainly for intelligence based data analysis and technical equipment to improve the effectiveness of investigations and surveillance operations.

OMBUDSMAN'S OFFICE

The Ombudsman's Office is an independent and impartial review body. The Office seeks to ensure that public and private sector bodies and employees within its jurisdiction fulfil their functions properly. The Office also helps organisations and individuals within its jurisdiction to be aware of their responsibilities to the public, to act reasonably and to comply with the law and best practice in administration.

The Ombudsman is independent of the Government and accountable to the public through the New South Wales Parliament.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over time there has been an increase in the total expenses of the Office, to an estimated \$19.5 million in 2005-06. Increases are a direct result of:

- ◆ the amalgamation of the former Community Services Commission in 2002. This resulted in the Ombudsman being responsible for the Commission's functions as well as the new function of reviewing the deaths of certain children and young people and people with a disability. The full budget of the Commission was transferred to the Ombudsman with additional resources provided for the new functions;
- ◆ the transfer of certain responsibilities of the former Inspector General of Prisons in 2003. A Corrections Unit was established with funding being transferred from the allocation of the former Inspector General; and
- ◆ reviewing the implementation of new legislation determined by New South Wales Parliament.

STRATEGIC DIRECTIONS

The Ombudsman's Office Corporate Plan, which consists of a Statement of Corporate Purpose and the strategic plans for each of the Office's business units, sets the direction for the Office and outlines the goals and strategies that will support the Ombudsman's vision of fair, accountable and responsive administrative practice and service delivery in organisations that the Office oversees. Each business unit has developed its own business plan to align its activities with the strategic direction of the Office.

Considerable work was performed on the Office's strategic direction following the review of the Corporate Plan in June 2004. A comprehensive review of business unit planning was undertaken with better focused and, where possible, consistent strategies being adopted by each business unit. The review also incorporated a whole office approach to the work of the Ombudsman's Office, as well as improving the technical and administrative systems that support this work.

The Office is facing a number of challenges in 2005-06 and the following years.

Complaint numbers continue to rise, although the Office has implemented proactive strategies to reduce the number of matters referred.

In December 2004 the Office tabled its first annual report on Reviewable Deaths. This new function was allocated to the Ombudsman's Office at the time of the amalgamation of the former Community Services Commission. The establishment of this function has provided many challenges for the Office, such as setting up administrative systems within the office and with other agencies. The Ombudsman's Office has the capacity and responsibility to review deaths not only at a systemic level but also to review, and as necessary inquire, into the circumstances of individual deaths. Such a review was the subject of a Special Report to Parliament in December 2002. The number of deaths that are captured by the legislation and the amount of work required for each review has exceeded the indicative assessments that were made when the Office was allocated this function.

2005-06 BUDGET

Total Expenses

Total expenses of the Office are projected to be \$19.5 million in 2005-06 of which 78 percent will be employee related. Included in the Ombudsman's Office expenses are the expenses of Official Community Visitors, who travel throughout New South Wales visiting residential services for children and young people in care and accommodation services for people with a disability.

Capital Expenditure

In 2005-06, the Office will be undertaking capital expenditure totalling \$0.7 million. The Ombudsman's Office will purchase \$0.6 million of computer equipment during the year. The Office has also been allocated \$0.1 million for minor capital purchases.

STATE ELECTORAL OFFICE

The State Electoral Office is responsible for:

- ◆ the management and administration of parliamentary elections, by-elections and referendums;
- ◆ administrative support to the Election Funding Authority which is responsible for the public funding of election campaigns and the management and administration of the Political Education Fund (established in 1993); and
- ◆ in accordance with the appropriate legislation, elections for local government, trade unions, statutory boards, registered clubs and ballots for enterprise agreements on a full cost recovery basis.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Trends in expenditure are directly related to the occurrence of general elections, redistributions and, to a lesser extent, by-elections.

Expenditure and revenue figures in 2004-05 reflect the conduct of deferred local government elections held in that financial year, which are conducted on a full cost recovery basis. The 2004-05 expenditure also includes the conduct of the Dubbo By-Election and costs associated with the conclusion of the redistribution of electoral boundaries which concluded in December 2004.

During the 2004-05 financial year a review of the Office was undertaken by the Council on the Cost and Quality of Government. The increased operating expenses in 2005-06 reflect additional funds allocated as a result of the review. This funding will enable the Office to provide strategic electoral information and enhanced services to all New South Wales electors.

STRATEGIC DIRECTIONS

In preparation for the 2007 State and 2008 Local Government elections the Office will continue to examine the procedures and processes used at the 2003 State and 2004 Local Government elections. There will be greater emphasis on risk minimisation at election time, and more appropriate training of key election officials. Efficiency and effectiveness for future elections will be enhanced with the establishment of a centralised election management system. The Office will continue to deliver services particularly in the areas of electoral education, election funding and research.

2005-06 BUDGET

Total Expenses

The State Electoral Office has estimated total expenses of \$12.2 million in 2005-06. This principally comprises:

- ◆ \$5.4 million for operating expenses;
- ◆ \$2 million (on behalf of the Election Funding Authority) for payments to candidates, groups and parties; and
- ◆ \$3.1 million for payments to the Commonwealth for the Joint Electoral Roll Agreement.

Capital Expenditure

Total capital expenditure for 2005-06 comprises \$1.5 million for the upgrade of the Office's core election ICT system.

INDEPENDENT PRICING AND REGULATORY TRIBUNAL

The Independent Pricing and Regulatory Tribunal (IPART) determines maximum prices for monopoly services provided by major New South Wales Government utilities. In addition, it regulates natural gas tariffs and third party access to gas networks. It also carries out reviews of industry pricing and competition. IPART administers licensing of water, electricity and gas industries, including the monitoring of compliance with full retail competition conditions. Within its area of expertise, IPART provides assistance to other NSW and interstate government agencies.

From 1 January 2002, IPART became metrology co-ordinator, responsible for metering procedures under the National Electricity Code. From 1 January 2003, IPART also became administrator of the Greenhouse Gas Abatement Scheme.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

In recent years the work of IPART has expanded beyond setting maximum prices for government utilities and transport services. Additional activities now undertaken include advice on competitive neutrality, setting gas tariffs, regulating gas networks and conducting arbitration proceedings between market participants.

The introduction of national codes for the regulation of prices in the electricity and gas industries has made regulation of these areas more complex.

In November 2000, IPART's legislation was amended to give the Tribunal responsibility for administering the licensing of water, electricity and gas and for auditing compliance with licence conditions for water and electricity. This includes an active compliance and enforcement role for full retail competition.

The changes to the Act also require IPART to investigate complaints about competitive neutrality referred by the Government.

From 1 January 2003, IPART assumed the role of Administrator for the Greenhouse Gas Abatement Scheme following government legislation introducing mandatory targets for greenhouse gas emissions from electricity generation. IPART is responsible for issuing licences, administering a registry of abatement certificates, providing forecasts, carrying out annual compliance assessments and reports and enforcing breaches.

The approach to price regulation is constantly evolving and thus requires a research capacity. The Tribunal maintains an interest in overseas developments as well as continuing membership of the Australian Regulators' Forum.

STRATEGIC DIRECTIONS

The major challenges facing IPART include the need to encourage the businesses it regulates to make efficiency gains, despite the fact that these will be harder to achieve in the future than previously. Moreover, as recent events in some overseas and Australian jurisdictions have demonstrated, the community greatly values ongoing safe and reliable supplies of essential services such as electricity, gas and water. In addition, regulators must ensure that regulated businesses are provided with sufficient funds to provide the higher environmental and customer service that are required by an increasingly assertive community.

Providing adequate incentives for investment in infrastructure industries is vital. The continuing availability of low cost private capital to invest in infrastructure industries is an important element of the regulatory regime.

It is IPART's task to balance the interests of customers and suppliers so that price rises are no greater than necessary and equity consequences are carefully considered. Increasing emphasis is being placed on the application of ideas about risk management to regulation.

IPART's implementation of its business plan responds to these challenges by monitoring the impact of decisions, improving analytical techniques, making better use of legal and consultancy services and encouraging stakeholder communication.

The implementation of the Greenhouse Gas Abatement Scheme, one of the world's first carbon dioxide-denominated emissions trading schemes, is now well established. In the last year IPART accredited an additional 30 abatement projects, bringing the total number of accredited projects to 143. Over 4 million additional abatement certificates have been registered, a total of 11,734,275 certificates since the Scheme's commencement – equivalent to the abatement of an equal number of tonnes of carbon dioxide.

Abatement Scheme user charges are projected to reach \$0.8 million in 2004-05, a substantial proportion of the operating budget. The Scheme is on target to be fully self funding over its projected life.

2005-06 BUDGET

Total Expenses

Total expenses in 2005-06 are estimated at \$16.1 million, compared with \$14.9 million in 2004-05.

Capital Expenditure

The capital program for IPART in 2005-06 includes \$0.2 million for the replacement and upgrading of plant and equipment.

NATURAL RESOURCES COMMISSION

The Commission will provide the Government with independent advice on natural resource management issues and:

- ◆ recommend State-wide Standards and Targets;
- ◆ recommend the approval of Catchment Action Plans;
- ◆ undertake audits of the implementation and effectiveness of those plans;
- ◆ gather and disseminate natural resources information;
- ◆ advise the Minister on priorities for research; and
- ◆ undertake assessments/enquiries requested by the Minister.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Natural Resources Commission (NRC) was established by the *Natural Resources Commission Act 2003*. Under that Act, the Commission has the broad function of providing the Government with independent advice on natural resource management issues. It also has a number of specific functions which it is required to undertake in accordance with the Act or at the request of the Minister.

The Commission will be fully established by the end of 2004-05 with anticipated expenditure of \$3.6 million.

Outcomes in accordance with the NRC legislative responsibilities in 2004-05 included:

- ◆ releasing a framework document for the development of State-wide Standards and Targets for natural resource management across New South Wales;
- ◆ establishing a pilot process with five Catchment Management Authorities to develop and test recommendations on State-wide Standards and Targets;
- ◆ releasing a Consultation Paper containing Draft Standards and Targets for natural resource management across New South Wales;
- ◆ seeking Government input on key policy areas in formulating the final recommendations to Government on State-wide Standards, Targets and associated progress indicators; and
- ◆ developing an audit framework for reviewing Catchment Action Plans.

To address these complex issues the NRC used a highly consultative process involving a wide stakeholder group.

STRATEGIC DIRECTIONS

Since its inception, the NRC has been focused on developing State-wide Standards and Targets, and will provide draft recommendations to Government before the end of 2004-05. This is a key step in establishing a framework for continuous improvement in natural resource management in New South Wales.

Through extensive consultation the NRC is assisting the coordinated and efficient approach to natural resource management in New South Wales. The NRC is seeking to turn the advice and expertise provided by the Department of Infrastructure, Planning and Natural Resources, the Department of Environment and Conservation and the Department of Primary Industries into State-wide Standards and Targets that will guide effective and accountable investment to achieve the Government's goals for natural resource management.

The NRC has also established processes for providing advice to government under *State Environmental Planning Policy No 71* on proposed coastal developments and on Snowy Hydro's cloud seeding trial. The NRC continues to build its capacity to fulfil these functions and at the request of Government will provide independent advice on a broader range of issues.

2005-06 BUDGET

Total Expenses

Total expenses for the Commission in 2005-06 are projected to be \$4.3 million.

MINISTRY FOR THE ARTS

The Ministry:

- ◆ develops policy for arts and cultural development in New South Wales;
- ◆ works with the State's eight cultural institutions;
- ◆ administers a cultural grants program which supports a range of arts and cultural organisations and activities across the State;
- ◆ provides awards, fellowships and scholarships to individuals; and
- ◆ manages government arts projects, properties and capital expenditure.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over the past six years total expenses have increased from \$54.9 million in 1999-2000 to an estimated \$91.2 million in 2004-05. The increase is primarily attributable to increased support provided to the Sydney Opera House for a range of purposes including security, and to arts organisations through the cultural grants program.

In recent years, the Government's cultural policy has focused on developing cultural activities and infrastructure in regional areas, supporting the development of the arts in Western Sydney and promoting co-operation and resource sharing within the portfolio. The Ministry has been implementing a range of governance reforms across the cultural institutions, and has initiated a new strategy for arts education.

STRATEGIC DIRECTIONS

The Ministry's key strategic directions include:

- ◆ strengthening the arts and cultural environment and developing cultural infrastructure;
- ◆ providing opportunities for enhanced arts education, access to high quality arts experience for young people, and life-long education activity;
- ◆ encouraging and promoting innovation in artistic development; and
- ◆ promoting leadership in the arts and cultural sector through a broad range of initiatives.

2005-06 BUDGET

Total Expenses

Total expenses are estimated at \$83.3 million. This includes \$41 million in transfer payments to the Sydney Opera House.

The Government's contribution to the Sydney Festival will increase by \$0.4 million per annum from 2006. Funding for the Ministry's Arts Access program will also increase during 2005-06 in line with the 2003-04 Budget approval for this program. Arts Access will give school students, particularly in disadvantaged areas, greater access to our best performing arts and visual arts activities.

Capital Expenditure

Expenditure of \$34.8 million (\$15.3 million in 2005-06) has been approved for the conservation of the former State Rail property and development of a contemporary performing arts centre to be known as the Carriage Works at Eveleigh. The facility will involve the adaptive reuse of the former rail facility at the Eveleigh North site.

Funding of \$1.2 million has been provided in 2005-06 for asset maintenance works at the Ministry's properties. Provision of \$1 million has also been made for regular maintenance of Wharf 4/5. Minor works funding of \$0.2 million has been provided for the replacement of plant and equipment, mainly computer systems.

STATE LIBRARY OF NEW SOUTH WALES

The State Library of New South Wales is the major public reference and research library and information service for the people of New South Wales.

The Library:

- ◆ fulfils a State-wide role by providing services to people who visit the Library or who seek information by contacting the Library by electronic or other means; and
- ◆ maintains, preserves and ensures the security of the unique heritage Mitchell and Dixon collections of historical and Australian resources, the documented cultural heritage of New South Wales.

The Library supports the network of public libraries throughout New South Wales by:

- ◆ administering the public libraries' grants and subsidies program; and
- ◆ providing advice and consultancy services, access to specialist collections and expertise and managing *NSW.net* to enable affordable access to the internet for New South Wales Councils, public libraries and communities.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over the past six years, total expenses have increased from \$73.4 million in 2000-01 to a projected \$79.2 million in 2005-06.

Total collection assets are valued at \$1.5 billion in accordance with Australian Accounting Standards. The collection is being revalued in 2005. The provision of \$1.8 million for offsite storage will help preserve and maintain the collections to appropriate standards.

Additional funding for public libraries over four years was announced by the Government in early 2003 and is enabling public libraries to improve the availability of community access to library collections and services. Funding of \$24.8 million will be provided in 2005-06.

STRATEGIC DIRECTIONS

The Library's mission is to promote, provide and maintain library and information services for the people of New South Wales. The major strategic direction continues to focus on creating a service model that provides online electronic service delivery options, through access to collections and services and shifting resources to services and systems in areas of changing demand.

Community demand for and use of information is growing and becoming more complex. The growth of online and digitised information resources increases demand for access to services and collection resources both at the State Library and in public libraries around the State. These trends have influenced service delivery priorities to improve public access to the collections through reference and research services, exhibitions and public programs, at the State Library, through public libraries, and online via the internet. The State Library of New South Wales and public libraries are also major points of access to online government information.

2005-06 BUDGET

Total Expenses

Total expenses are estimated at \$79.2 million. The Library will distribute \$24.8 million under the State's public library subsidies and grants program, including costs associated with *NSW.net* during 2005-06.

Capital Expenditure

Total capital expenditure in 2005-06 is estimated at \$10.8 million.

An allocation of \$6.4 million has been provided for the acquisition of collection materials including books, journals, pictures, maps, manuscripts and electronic resources.

The Library is allocating \$2.2 million towards asset management in 2005-06, including the rationalisation of collection storage, improvements to occupational health and safety and facilities maintenance.

The Library will also be spending \$2.2 million on minor works and computer upgrades during 2005-06.

AUSTRALIAN MUSEUM

The Australian Museum is Australia's leading natural history museum. Its mission is to inspire the exploration of nature and cultures. Australian Museum activities take place at its main site at College Street Sydney and throughout New South Wales through its Museum on the Road, Museum in a Box, outreach and rural and regional support programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over the past five years total expenses have followed a slightly upward trend from \$34.7 million in 2000-01 to an expected \$36.2 million in 2004-05. This is due to increases in costs associated with the staging of public programs and exhibitions, scientific research and wage and salary increases.

STRATEGIC DIRECTIONS

The Museum's focus in 2005-06 will continue to be on scientific research, exhibitions and education. The Museum will continue to actively develop research partnerships with scientific, government and commercial organisations. Reaching its audience through outreach, rural and regional programs and the internet will remain a significant pursuit. The presentation of Pacific rim cultures in innovative programs remains a commitment of the Museum.

2005-06 BUDGET

Total Expenses

Total expenses for the Museum are budgeted at \$35.3 million. The Museum will direct its resources to activities that include staging exhibitions, development of educational programs, scientific research, and conservation and recording work on its collections. Scientific research will continue to be focused in the areas of biological sciences, geosciences and anthropology.

Exhibitions planned for 2005-06 will include "Who Dunit?", a forensic science exhibition, and the continuation of the exhibition of selected items from the Museum's collections. The Museum will also stage a program of visitor services and smaller exhibitions that will include "British Gas World Wildlife Photographer of the Year" as well as extensive outreach and web-based programs.

Capital Expenditure

Total capital expenditure in 2005-06 is estimated at \$6.5 million. Expenditure totalling \$40.9 million (\$2.8 million in 2005-06) has been approved for a program of gallery refurbishment and accommodation improvements over five years. This will also address a range of health, safety and security issues.

Other significant projects include finalising work on stage 2 of the Museum's Fire Safety Upgrade project (\$1 million).

MUSEUM OF APPLIED ARTS AND SCIENCES

The Museum of Applied Arts and Sciences consists of the Powerhouse Museum and the Sydney Observatory. The Museum's focus is on promoting awareness and understanding of the past, present and future of Australian society through research, scholarship and the acquisition, conservation and integrated presentation of material in the fields of science, technology, industry, design, decorative arts and social history.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Museum's expenditure over the past five years has increased by 10 percent from \$41.4 million in 2000-01 to \$45.8 million in 2004-05 due in the main to increases in employee related expenditure.

STRATEGIC DIRECTIONS

The Strategic Plan 2005 to 2008 commits the Museum to refreshing four operational dimensions. This commitment to refreshing recognises that it is now 17 years since the Powerhouse opened on its current site, and that a co-ordinated and strategic review and invigoration of spaces, programs and services is due. The four operational dimensions to be reviewed:

- ◆ “Refreshing Our Products and Services” focuses on the development of an integrated exhibitions and public program linked to audience research and the identification of key audience targets. The introduction of a commissioning process will enable the development and delivery of exhibitions and programs that focus on creativity and innovation.
- ◆ “Refreshing Our Brand” takes a whole-of-museum approach to program development and delivery. It recognises that the Museum's position in the community is derived from the quality and distinctiveness of the programs it provides.
- ◆ “Refreshing Our People and Systems” acknowledges the benefit of workplace strategies that encourage flexibility, creativity and innovation in staff. It also reflects a commitment to become a sustainable organisation using appropriate environmental, technological and social tools to guide all aspects of our operation.
- ◆ “Refreshing Our Presence” will embrace the Museum's three sites (the Powerhouse Museum, Sydney Observatory and Castle Hill). The Castle Hill storage facility, which includes areas accessible to the public, offers exciting opportunities to engage with audiences in north-western Sydney. The completion of a multi-purpose facility at Sydney Observatory enables the development of a wider range of public programs at this site, while at the Powerhouse, the focus will be on refreshing permanent exhibition spaces, signage, lighting and the overall visitor experience.

2005-06 BUDGET

Total Expenses

Total expenses for 2005-06 are budgeted at \$44.6 million, a decrease of \$0.1 million on the 2004-05 Budget. Increases in employee related expenses, maintenance and depreciation are offset by reductions in other operating expenses. The reduction in other operating expenses as well as retained earnings is due to there being no special charging temporary exhibitions planned for 2005-06.

Capital Expenditure

Capital expenditure for the year is \$5.4 million including:

- ◆ \$1.5 million for permanent gallery replacement;
- ◆ \$2 million for maintenance and upgrading of a number of the Museum's property assets;
- ◆ \$1 million for minor works; and
- ◆ \$0.4 million for computer replacements.

Projects in the permanent gallery program include a new Design and Decorative Arts Gallery and an upgrade of the Space Exhibition. The major project in asset management for the year is the construction of a multi-purpose facility at the Sydney Observatory to replace a temporary structure.

HISTORIC HOUSES TRUST OF NEW SOUTH WALES

The Historic Houses Trust of New South Wales is entrusted with the care of key heritage properties in the State. Its objectives are to:

- ◆ conserve and manage these properties, grounds and collections; and
- ◆ provide a range of public and school programs to increase awareness of the cultural heritage of the State.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

In accordance with its increased role and responsibility, the Trust's operating expenditure increased from \$12.7 million in 1996-97 to \$23.2 million in 2004-05.

Operating expenditure in 2004-05 included additional funds for the recent salary award, new positions for the growth areas of the Library and Research Collections and Venues Management and \$2.6 million for maintenance work to properties in accordance with the Government's policy on heritage asset management.

STRATEGIC DIRECTIONS

In 2002 the Trust, in collaboration with the Premier's Department and the Ministry for the Arts, conducted a major staffing review, which recommended the restructure of the organisation to provide more strategic and efficient planning and programming. Implementation of the review has been progressive and the final parts of the review will be undertaken in 2005-06.

The Trust's head office and its service units, including Collections Management, Education, Exhibitions, Publications, Library, Resource Centre and Public Programs have been consolidated at the new accommodation at the Mint, Macquarie Street, Sydney. Priority has been given to providing improved public access to the expanded facilities being made available for the Trust's Caroline Simpson Library and Resource Collection.

The family of the late Caroline Simpson has gifted to the Trust the Caroline Simpson Collection and provided a \$1.5 million endowment for the Trust's library and research collection, all at a total value of approximately \$12.3 million. The gift is being made in two tranches.

The proceeds from the Trust's former headquarters at Glebe will be directed to the purchase and conservation of endangered houses through the Trust's Endangered Houses Fund.

2005-06 BUDGET

Total Expenses

Total expenses in 2005-06 are estimated at \$23.8 million and include the following:

- ◆ maintenance work on properties in accordance with the Trust's Total Asset Management Plan at a cost of \$2.4 million; and

- ◆ a number of major exhibitions, including:
 - Cape Town - Halfway to Sydney- an exhibition displaying material from the Oppenheimer family's Brenthurst Library collection, looking at similarities, differences, connections and influences between the British Colonies at Cape Town and New South Wales in the nineteenth century;
 - Cook's Sites - a series of vivid images evoking the qualities of places central to Cook's life and voyages, complemented by historic specimens;
 - Bondi - Australia's most famous beach and a magnet to international tourists and crowded with Sydney visitors on hot summer weekends. Also a living suburb with an unique cast of local characters and history;
 - Joseph Lycett - one of the most significant convict artists, whose work presents a unique document of early New South Wales and is of particular interest for its presentation of Aboriginal people and the impact of European settlement on them and their environment. This exhibition will be run in collaboration with the National Library of Australia and the State Library of New South Wales;
 - Convicts - Australian Sites of Punishment - A major display about themes of law and order, and economic and political strategies in Australia's convict system; and
 - City of Shadows - Everyday mayhem in inner Sydney 1920 to 1960 - the exhibition will explore the cultural geography of what taxi drivers used to call 'Horseshoe' - the densely populated crescent of dockside-warehouse-terrace house suburbs.

The Trust will also conduct five touring exhibitions to a number of venues in regional New South Wales and in South Australia, and is working with agencies in Hill End, Inverell and Byron Shire.

The Trust is planning a series of publications, including two major publications to accompany the exhibitions of Joseph Lycett and the City of Shadows, as well as activities including a concert series, lectures, seminars, theme events and courses.

Capital Expenditure

Total capital expenditure in 2005-06 is estimated at \$0.5 million for the replacement and upgrade of computers, plant and equipment and acquisition of collections.

ART GALLERY OF NEW SOUTH WALES

The Art Gallery of New South Wales:

- ◆ acquires, through gifts and purchases, works of art to enhance its permanent fine arts collection;
- ◆ develops art exhibitions from its own collection, from renowned national and international museums and from private art collections around Australia and overseas; and
- ◆ presents both educational and entertaining public activities such as children and family programs, film screenings, lectures in art history, Aboriginal cultural performances, and daily free guided tours for the general public.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Over the past five years total expenses have increased from \$27 million in 2000-01 to \$31.1 million for 2004-05. During this period the Gallery has expanded its diverse public program activities to reach a broader audience, including the introduction of permanent late night openings every Wednesday with the extremely popular “Art After Hours” program. The collection continues to grow with significant contributions from private benefactors, including in 2004-05 the acquisition of Cy Twombly’s Three studies from the Temeraire. Major international and Australian art exhibitions continue to be developed, with increasing emphasis on Gallery curated shows, which consistently attract large audiences and favourable media attention.

STRATEGIC DIRECTIONS

The Art Gallery's major strategic objectives are:

- ◆ to develop and conserve a fine art collection valued currently at \$604 million;
- ◆ to increase knowledge, appreciation and access to the collection; and
- ◆ to develop and maintain the heritage building which houses the collection.

Recent initiatives include the new Asian Art Gallery building extension completed in 2003.

2005-06 BUDGET

Total Expenses

Operating expenses for the forthcoming year are budgeted at \$32.7 million, reflecting an additional \$1 million recurrent allocation which primarily supports core business operations and the exhibition program.

Major exhibitions are planned for 2005-06 including the Margaret Preston Retrospective from July to October 2005. Margaret Preston is one of Australia's most celebrated modernists. Preston was the country's first serious advocate of Aboriginal art; her early appropriation and promotion of Aboriginal imagery to the cause of modernism has contributed to her ongoing significance.

In 2005-06, the Gallery will also be touring the Archibald Prize exhibition to regional New South Wales, including Newcastle, Moree, Cowra and Albury.

The Art Gallery is currently developing its exhibition program through to 2008 and is sourcing art works for these shows from its own collection and major international collections. Several individual exhibitions will be valued at greater than \$500 million. These major shows provide an opportunity for Gallery visitors to view important works of art not otherwise available to the people of New South Wales.

Capital Expenditure

The Gallery will continue its ongoing heritage building refurbishment and maintenance program of \$2.8 million in 2005-06, which includes \$1.4 million for the building upgrade program.

It is also anticipated that the collection will be further enhanced with major contributions from the Art Gallery Society, the Art Gallery Foundation of New South Wales and other private benefactors.

STATE RECORDS AUTHORITY

The State Records Authority is the State's archives institution and records management authority and administers the *State Records Act 1998*. The Budget dependent part of the organisation sets and monitors standards for, and provides guidance on, official recordkeeping; and identifies, documents, preserves and provides access to the State's official archives. State Records' off-budget arm, the Government Records Repository (GRR), provides records storage and associated services to the New South Wales public sector.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Total expenses for the Budget dependent part of State Records have increased from \$5.7 million in 2000-01 to an expected \$7.6 million in 2004-05. This is due to the 2002 pay equity decision, increased running costs of expanded storage facilities and new outreach activities.

The *State Records Act 1998* gave State Records significant new responsibilities, notably to regulate, monitor and continuously seek to improve records management in the sector, and doubled State Records' jurisdiction. The Act also provided improved protection for the State's archives, resulting in the need to appraise more records and process a growing quantity transferred to State Records' custody as State archives.

Public use of the archives and related services has continued to grow along with public expectations, requiring new and innovative methods of service delivery, especially for people in rural and regional New South Wales.

The continued move of the sector into an electronic environment, spurred by e-Government initiatives, has required State Records to promote proper standards of electronic record-keeping by agencies and to seek support for solutions for preserving State archives now being created in digital form.

STRATEGIC DIRECTIONS

State Records' priorities will be to:

- ◆ seek further improvements in the quality of official record-keeping and in systems and practices for records management across the sector;
- ◆ improve the protection of State archives held by public offices; and
- ◆ meet continued growth in demand from the public and from public offices for the full range of archival services.

State Records' e-Services strategy will continue to improve online services and preserve and make available born-digital State archives.

2005-06 BUDGET

Total Expenses

Total expenses are budgeted at \$14.6 million in 2005-06. This includes:

- ◆ \$7.3 million for core regulatory and archival collection and service delivery functions (partly funded by \$0.9 million in earned revenue, mainly contributed by the GRR); and
- ◆ \$7.3 million to meet operating expenses of the GRR off-budget arm.

Capital Expenditure

Total capital expenditure 2005-06 is estimated at \$2.8 million. This includes \$2.5 million for completing an additional repository building at Kingswood (estimated total cost of \$21 million).

NEW SOUTH WALES FILM AND TELEVISION OFFICE

The New South Wales Film and Television Office fosters and facilitates creative excellence and commercial growth in the film and television industry in New South Wales through three principal program areas:

Development

- ◆ sustained support and encouragement of talented people and quality projects in the film and television industries; and
- ◆ increasing public interest in film as a medium of communication and as an art form, and the development of an informed and critical film audience.

Finance and Investment

- ◆ participation in projects that are likely to be: commercially successful, receive critical acclaim, substantially contribute to the economic wellbeing of New South Wales and be culturally relevant.

Product Attraction and Support

- ◆ facilitate filming in New South Wales by the local and international production industry;
- ◆ position New South Wales as a preferred choice for local and international filming; and

- ◆ position the Office as an active facilitator of the film and television industry in New South Wales.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

There has been continuing strong demand for Production Investment Funds for film and television programs in New South Wales. The Office has provided Production Investment Funding of \$3.6 million in 2003-04 and \$4 million in 2004-05. Increased funding has also allowed the Office to broaden its funding guidelines to support the post-production sector in New South Wales.

Following the successful introduction of the Aurora script development workshops, the Enterprise Australia and Enterprise Tasman Schemes, the Office has been planning new initiatives such as a business skills scheme for documentary producers and development workshops for television scripts.

STRATEGIC DIRECTIONS

Key priorities of the Office are:

- ◆ the promotion of employment, investment and export growth in the New South Wales film and television industry;
- ◆ the commitment to quality, innovation and local identity; and
- ◆ the encouragement of initiatives to maintain the business skills and expertise of established talent.

The Film and Television Office has been a leader in initiatives that equip established talent with business skills and expertise to achieve sustainability and to assist them to be more globally visible and competitive with their productions.

Over the past few years, often in association with other funding agencies, the Office has established the Enterprise Australia and Enterprise Tasman business skills workshops and has been instrumental in gaining access to international structured markets such as Cinemarket in Rotterdam and No Borders in New York.

The Film and Television Office is currently establishing Hothouse - a business skills scheme for documentary producers in association with Film Australia, and is also setting up SwitchBox, development workshops for television scripts, similar to the successful Aurora scheme for feature films.

2005-06 BUDGET

Total Expenses

Total expenses for the Office are budgeted at \$10.1 million.

This level of expenses will enable the Office to maintain its integral role in the New South Wales film and television industries through the provision of the three principal program areas of development, finance and investment, and production attraction and support.

Capital Expenditure

Total capital expenditure in 2005-06 is estimated at \$44,000 for minor works to improve and replace office equipment.

COMMUNITY RELATIONS COMMISSION

The Community Relations Commission for a multicultural New South Wales aims to promote the value of cultural diversity and the rights of individuals and organisations in New South Wales. The Commission is responsible for promoting unity and harmony in the community and ensuring the full participation of all persons in the social, economic, public and cultural life within the State.

The *Community Relations Commission and Principles of Multiculturalism Act 2000* recognises and values the different linguistic, religious, racial and ethnic backgrounds of the residents of New South Wales and facilitates the equitable access of government services by all.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Commission's expenses have increased over the last five years from \$12.7 million in 1999-2000 to a projected \$15.5 million for 2004-05. This increase is due to the introduction of additional community programs as well as the increase in the level of interpreting and translation language services.

STRATEGIC DIRECTIONS

The Commission's main strategic corporate objectives as outlined in its Corporate Plan are to:

- ◆ be an innovative leader in community relations;
- ◆ implement information, records and knowledge management programs to support and enhance services;
- ◆ advise on policy and programs according to the needs of a culturally diverse society;
- ◆ promote the effective use of interpreter and translation services;
- ◆ consult, research and respond to community relations issues with the Government and the community; and
- ◆ support and promote community initiatives.

Some Commission activities and initiatives which incorporate these objectives are the interactive community website, symposium, multicultural marketing awards and the Community Development Grants Program.

2005-06 BUDGET

Total Expenses

Total expenses for the Commission are budgeted at \$15.2 million. This expenditure includes \$6.7 million for language and interpreting services, \$1.6 million for the Community Grants Development Program and \$0.2 million for Community Partnership Projects.

AUDIT OFFICE OF NEW SOUTH WALES

The New South Wales Auditor-General is responsible for audits and related services under the *Public Finance and Audit Act 1983* and other New South Wales Acts. The Auditor-General forms part of the mechanisms whereby Parliament holds the Government accountable for fulfilling its responsibilities. The Audit Office assists the Auditor-General in fulfilling this role.

The Audit Office's core businesses are:

- ◆ supporting the Auditor-General;

- ◆ financial audits that provide an independent opinion (report) on the financial statements of government agencies;
- ◆ reviews, involving the examination of compliance with laws and regulations and policy directives of central agencies;
- ◆ performance audits that provide an independent assessment on selected government programs or activities in terms of their economy, efficiency, effectiveness and compliance with appropriate legislation; and
- ◆ advising Parliament and the Government on substantial matters identified during the audit process.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Office's revenue mainly comes from fees paid by New South Wales Government agencies for audits of their financial reports.

Costs incurred consist mainly of employee related expenses and related technology support. The total expenses projection for 2004-05 is \$27.6 million.

STRATEGIC DIRECTIONS

The Office's reporting on its audits of New South Wales Government agencies will continue to assist Parliament improve the State's accountability and performance.

The Office is committed to being recognised as a centre of excellence in auditing by:

- ◆ being seen by other auditors as a benchmark for best practice in auditing;
- ◆ being valued by Parliament as a contributor to improving the State's financial performance and accountability;
- ◆ New South Wales Government agencies deriving value from the information the Office provides;
- ◆ providing an environment that gives job satisfaction, where talented people are proud to work; and
- ◆ having a culture of innovative thinking and client focus.

The Office will move towards achieving this vision by building on the new organisational structures and human resource strategies implemented in 2004-05.

2005-06 BUDGET

Total Expenses

Expenses are estimated to increase from \$28.3 million in 2004-05 to \$28.7 million in 2005-06.

Capital Expenditure

Capital expenditure is estimated at about \$1 million in 2005-06. The majority of this will be spent on information technology related hardware.