

DEPUTY PREMIER, MINISTER FOR TRANSPORT, AND MINISTER FOR FINANCE

OVERVIEW

Agency	Budget 2006-07 \$m	Budget 2007-08 \$m	Variation %
World Youth Day Co-ordination Authority			
Total Expenses	1.9	3.9	110.2
Capital Expenditure
Ministry of Transport			
Total Expenses*	3,431.7	3,338.9	-2.7
Capital Expenditure	11.3	124.2	996.3
Independent Transport Safety and Reliability Regulator			
Total Expenses	16.7	17.1	2.5
Capital Expenditure	0.5	0.4	-26.0
Office of Transport Safety Investigations			
Total Expenses	2.4	2.4	...
Capital Expenditure
Superannuation Administration Corporation			
Total Expenses	50.4	54.6	8.2
Capital Expenditure	4.5	5.3	17.8
State Property Authority			
Total Expenses	14.5	147.1	916.2
Capital Expenditure	89.9	n.a.
Total, Deputy Premier, Minister for Transport, and Minister for Finance			
Total Expenses	3,517.6	3,564.0	1.3
Capital Expenditure	16.3	219.8	1,248.5

* Total Expenses decline between 2006-07 and 2007-08 reflecting a reduction in Budget grants to Rail Corporation for capital investment. Overall capital spending by Rail Corporation will increase by \$118 million or 14.3 per cent, mainly reflecting increased spending on the Rail Clearway Program, which is funded by borrowings.

WORLD YOUTH DAY CO-ORDINATION AUTHORITY

The World Youth Day Co-ordination Authority was established by the *World Youth Day Act 2006* on 4 December 2006.

The principal function of the Authority is to develop policies, strategies and plans for the coordination and delivery of integrated government services for World Youth Day events in July 2008.

RESULTS AND SERVICES

The Authority aims to deliver the following results:

- ◆ Deliver government services to the event in an efficient and effective manner.
- ◆ Enhance the international reputation of Sydney and New South Wales as excellent hosts and organisers for significant events of this nature.
- ◆ Maximise the tourism legacy for Sydney and New South Wales.
- ◆ Minimise the impact of the event on NSW taxpayers.

The Authority has lead responsibility for coordinating with partner agencies to ensure delivery of the following services to support the event:

- ◆ establish a structure for the provision of integrated government services, including the preparation and implementation of road and transport plans;
- ◆ consult with relevant government transport agencies and the NSW Police Force in the preparation of road and transport plans;
- ◆ coordinate and manage the road network, including pedestrian movements and motor vehicle traffic on roads;
- ◆ coordinate and manage the delivery of public transport services;
- ◆ develop and manage the Government's communication and public information strategy; and
- ◆ act as the principal NSW Government agency for liaison on World Youth Day matters with other State and Territory governments, the Commonwealth Government and the Church.

RECENT DEVELOPMENTS

The Authority has commenced discussions with the Catholic Archdiocese of Sydney on the delivery of Government services to World Youth Day 2008.

STRATEGIC DIRECTIONS

The following are the key strategic directions for the Authority:

- ◆ finalise arrangements with the Church regarding the provision of government services in support of the event; and
- ◆ effective and efficient planning and delivery of Government services.

2007-08 BUDGET

Total Expenses

Estimated total expenses for the Authority in 2007-08 are \$3.9 million. This will fund the planning process for the event, as well as providing support for the agreed key preparatory events for World Youth Day.

MINISTRY OF TRANSPORT

The transport portfolio includes the Ministry of Transport, the Independent Transport Safety and Reliability Regulator (ITSRR), the Office of Transport Safety Investigations (OTSI) and the State owned transport service providers - Rail Corporation New South Wales (RailCorp), State Rail Authority (SRA), Rail Infrastructure Corporation (RIC), Sydney Ferries, the State Transit Authority (STA), the Transport Infrastructure Development Corporation (TIDC) and the Public Transport Ticketing Corporation (PTTC).

The Ministry of Transport, ITSRR and OTSI are funded directly by Budget appropriations. Transport service providers, while funded in part from their own source revenues and borrowings, are predominantly funded from the Budget by way of grants and service payments from the Ministry.

The Ministry of Transport is the lead agency of the transport portfolio, providing a focal point for integrated transport planning and service delivery. The Ministry funds transport service providers and specific infrastructure programs, regulates the private bus, taxi and hire car industries and contracts with accredited bus operators in metropolitan, outer metropolitan, rural and regional New South Wales. The Ministry also provides independent policy advice to the Minister for Transport.

RESULTS AND SERVICES

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

- ◆ S6: Increasing share of peak hour journeys on a safe and reliable public transport system.
- ◆ E7: Improve the efficiency of the road network.

The key result areas for the Ministry are to ensure transport services are more accessible, attractive and sustainable and meet customer expectations for safe, reliable and clean services.

Services provided by the Ministry to achieve this result include:

- ◆ regulating bus, taxi and hire car services through accreditation, compliance and performance audit programs;
- ◆ funding, and contracting for the provision of, public passenger transport services and transport concessions provided by operators;
- ◆ providing independent policy advice on rail, bus, ferry and aviation policy issues;
- ◆ managing transport programs including the School Student Transport Scheme, the Private Vehicle Conveyance Scheme and Community Transport Programs; and
- ◆ supporting local initiatives to improve transport options in rural and regional areas and coordinating whole-of-Government approaches to transport security and counter-terrorism including Central Business District security and evacuation planning.

RECENT DEVELOPMENTS

Budget funded expenditure on transport has grown over the past five years. Forecast total expenses for 2006-07 of \$3.5 billion represent an increase of over 40.6 per cent on the 2002-03 level.

Rail Services

A significant network expansion is underway:

- ◆ The Epping to Chatswood Rail Line, a new underground rail line due for completion in the second half of 2008, will provide direct rail access for the first time to the growing North Ryde/Macquarie Park area.
- ◆ The Rail Clearways Program comprises 15 key projects to simplify the rail network to alleviate congestion and delays. This means an incident on one part of the network will have a limited effect on services elsewhere. The program will facilitate plans to increase CityRail network capacity to meet continued patronage growth in suburban and intercity areas.
- ◆ The Metropolitan Rail Expansion Program consists of the North West Rail Link, the South West Rail Link and the CBD Rail Link. This program will be the largest expansion of the rail network since the 1930s and will put services into the growing areas of the north west and south west of Sydney.

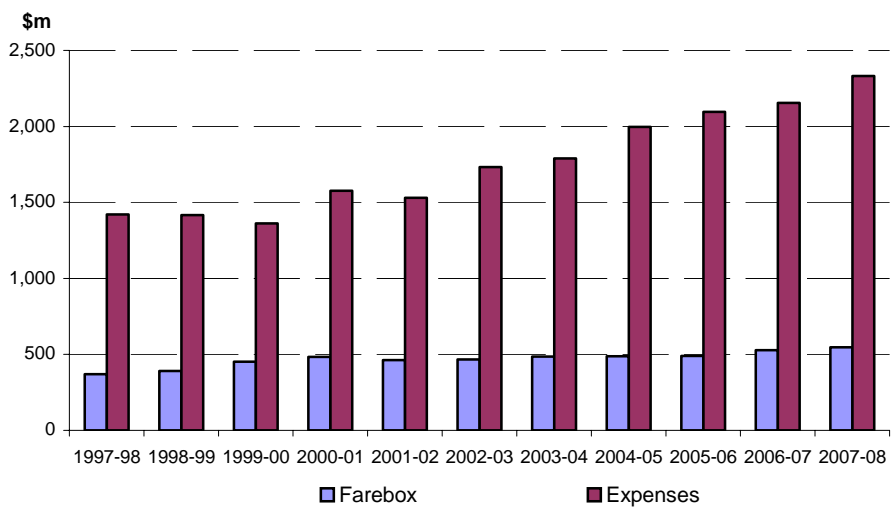
Network infrastructure is being complemented by major upgrades at North Sydney and Hurstville, together with planning for major redevelopments of Town Hall and Redfern stations. During 2006-07 Easy Access upgrades will be completed at a further eight CityRail stations.

New Outer Suburban carriages, costing an estimated \$439 million, will provide enhanced passenger comfort to commuters from the Central Coast, the Blue Mountains and the Illawarra. The first stage of 41 carriages is well advanced and the second stage of 81 carriages is underway. The Hunter area is already benefiting from a \$102 million investment in 14 new carriages, with more than half now in service. In November 2006 the Government announced a contract for the delivery of 626 new CityRail carriages, including arrangements to maintain the carriages over 30 years. The new carriages will be air-conditioned, have CCTV cameras, internal passenger information screens and will be of a vandal-resistant design. The first of the new carriages is due to be delivered in 2010.

Budget support for CityRail and CountryLink passenger rail services, for both operations and capital investment, has increased significantly since 2002-03, from around \$1.4 billion to nearly \$2 billion in 2007-08, an increase of over 40 per cent.

Over the same period fare revenues, regulated by the Independent Pricing and Regulatory Tribunal (IPART), grew only modestly with fares increasing by just over 10 per cent since July 2002. Fares now only recover about 23 per cent (2007-08 projection) of CityRail expenses, compared with 27 per cent in 2002-03 and 30 per cent in 2001-02. This means that taxpayers in general, rather than users, are contributing more to the operating costs and capital investment for rail services.

Chart 4.1: CityRail Expenses and Farebox



Additional funding has also been provided for major upgrades to the country regional rail network, including lines managed by the Australian Rail Track Corporation (ARTC). The Government is also contributing to the new Southern Sydney Freight Line, being constructed by the ARTC, which will provide a dedicated freight path for trains from Macarthur to Chullora.

Bus Services

The Government's plan to improve bus services is being delivered.

Metropolitan bus services are now provided through 15 contracts, worth \$2.8 billion over seven years. Reforms have resulted in more frequent services on "strategic corridors", supported by bus priority measures. In 2006-07, new integrated networks with improved strategic corridor services were completed in south and south western Sydney. Reviews on a further eight network corridors have commenced.

Contracts for outer metropolitan services in the Lower Hunter, Newcastle, Central Coast, the Illawarra and the Blue Mountains were completed at the end of 2006.

Service and operational improvements resulting from the new contracts include:

- ◆ consistent fares for any given distance, whether on State Transit or private buses. The \$2.50 Pensioner Excursion Ticket is available on Government and private bus services across Sydney and outer metropolitan areas;
- ◆ a three-year \$135 million bus priority program, which commenced in 2005-06, to improve traffic priority for buses on key strategic corridors. Services are operating along corridors between Miranda and Hurstville, Miranda and Bankstown, Liverpool and Bankstown, and Bankstown and Burwood;
- ◆ improved delivery and planning of Transitway services. Patronage on the Liverpool-Parramatta Transitway has tripled since opening four years ago. The North West Transitway, which opened in March 2007, is also experiencing strong patronage growth;
- ◆ introduction of a comprehensive community consultation process to develop bus networks that are better targeted to community needs; and
- ◆ enhanced standards to ensure all new route buses are accessible and air-conditioned.

Other Services

Regional Transport Coordinators have introduced trial projects designed to improve the utilisation and effectiveness of existing transport resources. Over 300 projects were undertaken in the last three years.

In 2006-07 some 66 projects in 29 towns were funded under the Country Passenger Transport Infrastructure Grant Scheme (CPTIGS). The scheme assists local councils in rural and regional areas to improve public transport facilities through better bus and taxi shelters, improved seating, lighting and signage.

The Ministry coordinates public transport services to major sporting and cultural events. In 2006 more than one million people took advantage of special “integrated ticketing” to travel to and from major and special events, a 33 per cent increase on 2001.

STRATEGIC DIRECTIONS

New South Wales is already investing \$20 billion over the next decade to expand and improve the transport system. In November 2006 the Government released the *Urban Transport Statement*, a \$660 million package of new and accelerated initiatives to address Sydney’s present and future transport needs.

The Statement is a new direction for the planning and delivery of transport services in Sydney. New and accelerated initiatives to deal with increased transport demands across Sydney include:

- ◆ duplication of the Richmond Line to Riverstone by 2010 and Vineyard by 2012. The project, costing \$316 million, is an addition to the \$1.5 billion Rail Clearways Program;
- ◆ fast tracking of the North West Rail Link to the Hills Centre by 2015, instead of 2017 and to Rouse Hill by 2017;
- ◆ acceleration of bus priority works on strategic bus corridors (\$100 million); and
- ◆ an expansion of commuter car parking (\$45 million).

The Statement also identifies initiatives to improve the movement of buses throughout the CBD and improve access to Town Hall Station. A new Centre for Transport Planning and Product Development, within the Ministry, will lead strategic, multi-mode transport planning and coordinate transport and planning issues.

Other key Government priorities include working towards targets to:

- ◆ increase the share of trips made by public transport to and from the Sydney CBD during peak hours to 75 per cent by 2016;
- ◆ increase the proportion of total journeys to work by public transport in the Sydney metropolitan area to 25 per cent by 2016; and
- ◆ consistently meet public transport reliability targets.

Complementing targets to increase public transport usage in peak times is a target to reduce road congestion.

2007-08 BUDGET

Total Expenses

Total expenses in 2007-08 are estimated at \$3.3 billion. A significant portion of total expenses is comprised of grants to transport service providers. Grants in 2007-08 reflect the reduced need for funding for the Epping-Chatswood Rail Line as the project nears completion.

Safe, Reliable and Clean Rail Services

In 2007-08 Budget support for rail services, including metropolitan passenger rail services and the country regional network, is \$2.2 billion.

In 2007-08 the Budget, through the Ministry of Transport, will provide:

- ◆ \$1.5 billion to RailCorp to fund CityRail and CountryLink passenger services;
- ◆ \$390 million to RailCorp as a contribution to capital investment;
- ◆ \$19 million to the Transport Infrastructure Development Corporation toward completion of the Epping to Chatswood Rail Line;
- ◆ \$56 million to the Transport Infrastructure Development Corporation for the Metropolitan Rail Expansion Program; and
- ◆ \$201 million to Rail Infrastructure Corporation, including \$130 million for maintenance of the Country Regional Network and \$50 million for the interstate and Hunter Valley rail networks.

In 2007-08, RailCorp plans to spend \$2.4 billion (excluding depreciation) on operating CityRail and CountryLink services. Operating costs will be financed by Budget grants of \$1.5 billion (which includes a contribution to concessional rail travel provided to students and pensioners), farebox revenue of \$590 million and miscellaneous income.

Improving safety and reliability continue to be top priorities. New organisation wide safety management systems are being introduced to reduce the risk of operational incidents, to instil a safety first culture in all employees and to improve emergency preparedness in the event of major disasters. On time running is averaging at 92.8 per cent this financial year to April, in comparison to 88.6 per cent for 2005-06 and 67.4 per cent for 2004-05, the year before the timetable change.

RailCorp's total capital expenditure program in 2007-08 is \$948 million, an increase of \$118 million on last year. The program is funded by \$390 million in grants, with the balance from borrowings and internal funds. Safety and reliability initiatives continue to be the focus, as well as enhancements to customer amenity, including improved access, security and passenger information.

Rail Clearways

The \$1.8 billion Rail Clearways Program will untangle the existing 14 lines into five independent clearways to deliver more reliable services, to remove bottlenecks and minimise delays on the metropolitan network. Three projects have already been completed – turnbacks at Bondi Junction and Macdonaldtown and a new platform at Berowra.

A \$316 million enhancement to the Program will extend duplication of the Richmond Line beyond Schofields as originally planned, to Riverstone in 2010 and Vineyard in 2012.

In 2007-08, \$284.4 million will be available for:

- ◆ the planned completion of infrastructure works for turnbacks at Revesby, Homebush and Lidcombe, stabling facilities and a new platform at Hornsby station and stabling facilities at Macdonaldtown; and
- ◆ continuation of planning and delivery of the Cronulla line duplication, Liverpool turnback, Kingsgrove to Revesby quadruplication, Richmond line duplication and a new platform at Macarthur.

Rollingstock

In 2007-08, \$232.1 million will be spent on rollingstock acquisition and upgrades including:

- ◆ \$132.8 million to progress delivery of 626 new carriages to replace non air-conditioned trains on the suburban network;
- ◆ \$50 million for the new Outer Suburban carriages for intercity services. The first stage of 41 carriages is well advanced; and
- ◆ \$12.5 million for the upgrade of the long haul XPT and Endeavour fleet cars, \$23.8 million for various safety improvements in carriages, including new door motors, \$5 million for passenger initiated egress and \$6 million for rollingstock maintenance and servicing facilities.

Rail Infrastructure

Nearly \$120 million will be spent in 2007-08 to improve customer services, amenities and accessibility including:

- ◆ \$43 million for Easy Access station upgrades across the CityRail network including:
 - completion of upgrades already underway at Auburn, Belmore, Bowral, Carlton, Eastwood, Seven Hills, Turramurra and Werrington; and
 - commencement of works at Lindfield, Newtown and St James and investigations on eight other stations, as part of a \$127 million program to upgrade a further 11 stations.
- ◆ canopies at 22 stations to improve passenger comfort;
- ◆ \$26.1 million to continue the major upgrade of North Sydney station and \$6.9 million for Hurstville station. Funds will be also available to investigate redevelopment of Town Hall and Redfern stations. Planning is continuing on new stations at North Warnervale, University of Western Sydney and Glendale;
- ◆ \$12.5 million to continue the implementation of the station passenger information system, improving customer communications; and
- ◆ completion of minor works, worth more than \$7 million, at 13 stations.

A further \$201 million will be spent on safety and security measures, including track safety, access, egress and fire safety improvements in tunnels and underground stations and various public and staff safety programs. Power supplies will be augmented to ensure availability for both existing and new carriages as they come on line. New stabling will also be available for rail carriages as they come into service with operational improvements to existing stabling facilities.

Epping to Chatswood Rail Line

Expenditure on the Epping to Chatswood Rail Line is estimated at \$297.5 million in 2007-08. Construction is well advanced with the line due to be completed in the second half of 2008.

The new rail line will be serviced by three new underground stations in the North Ryde/Macquarie Park area. The first stage of the Chatswood Transport Interchange was opened to the public in a temporary configuration in October 2006. Improvements to electrical supplies at Beecroft station were commissioned in February 2007 and the Epping station concourse was opened in April 2007.

Metropolitan Rail Expansion Program

The Metropolitan Rail Expansion Program is a key element of the Government's Metropolitan Strategy for Sydney. It consists of three projects – a South West Rail Link, a CBD Rail Link and a North West Rail Link. In 2007-08 \$56 million will be available as follows:

- ◆ \$19 million for the South West Rail Link to continue design, contract documentation and site investigation. Construction is planned to commence in late 2008 for completion by 2012;
- ◆ \$18 million for the CBD Rail Link for a full feasibility study, preparation of a Concept Plan and an Environmental Assessment. Concept planning approval is expected to be sought in late 2008; and
- ◆ \$19 million for the North West Rail Link to continue design, contract documentation and site investigation. Stage 1, from Epping to the Hills Centre is planned for completion by 2015 and Stage 2, from the Hills Centre to Rouse Hill, by 2017.

A further \$289 million is available to the Minister for Planning for land acquisitions in the North West and South West Rail Link corridors.

Rail Infrastructure Corporation

The Corporation manages arrangements with the ARTC to ensure consistent, safe and reliable rail services can be provided to rural New South Wales. In 2007-08, \$201 million will be available to RIC, including \$130 million for the maintenance of the Country Regional Network and dedicated grain lines and \$50 million for works on the interstate and Hunter Valley networks. The Corporation is undertaking a \$32 million program to upgrade, over three years, signalling infrastructure and to introduce new train control systems.

Safe, Reliable and Clean Bus Services

With the implementation of Metropolitan and Outer Metropolitan Bus Service Contracts, the Ministry funds bus services in Sydney, Newcastle, Wollongong and the Blue Mountains through seven year service contracts. These contracts provide greater long-term funding certainty for operators.

These contracts will result in a more viable and sustainable public and private bus industry and, through contractual incentives, performance measures and ongoing network reforms, better services for commuters.

State Transit Bus Services

Contracted service payments for STA bus services are budgeted at \$281.3 million in 2007-08, an increase of \$13.7 million over 2006-07.

Contracted payments plus service revenue will allow for a \$72.7 million capital works program for STA in 2007-08 including:

- ◆ \$34.1 million for depot redevelopment including \$23.6 million toward the upgrade of Leichhardt Depot which will double its capacity and make it Australia's first "all green" bus depot, \$5.5 million to upgrade Ryde Depot and \$5 million to expand Brookvale Depot;
- ◆ \$19.4 million for passenger and driver security on-board buses;
- ◆ \$5.6 million on depot facilities and workshop modifications; and
- ◆ \$1.6 million for real-time passenger information and \$1.6 million to fit older buses with new emission reduction technology.

In addition, 60 standard CNG and 74 Euro 5 diesel buses for the Sydney and Newcastle networks (at a cost of \$63.4 million) and five super metro CBD buses (at a cost of \$4.3 million) will also be acquired for use by the STA. These buses will be financed by the Ministry and be treated as part of its capital program. The super metro buses are part of a two year trial costing \$12 million which also includes infrastructure upgrades and improvements to service information.

Private Bus Services

Funding for private metropolitan bus operators is estimated at \$178.1 million in 2007-08. This will ensure service viability and enable operators to bring into service 50 new buses, worth an estimated \$22.7 million. All new buses will comply with environmental standards and will be air conditioned and low floor for easy access and faster boarding.

Patronage on services linking the growing North West sector to the Sydney CBD has grown strongly over the past two years, with further growth expected over the next four years. Since the beginning of Metropolitan Bus System Contracts, 25 additional buses have been acquired with patronage growth of over 48 per cent on services along the M2 Motorway. Standard buses will increasingly be replaced with 58-seat 14.5 metre buses to increase service capacity.

Funding for outer metropolitan buses, through new service contracts, will total \$86 million. This will enable operators to bring into service 76 new buses worth an estimated \$30.4 million. An amount of \$274 million will also be available for regional bus operations, which will be progressively transferred to new contract arrangements. Private operators are expected to spend around \$4.2 million of their contract funding on refurbishing buses in metropolitan and outer metropolitan areas.

Bus Priority

The Parramatta-Rouse Hill link of the \$524 million North West Transitway opened on 10 March 2007 as part of a plan to provide a modern, integrated public transport network for North-West Sydney. The Transitway enables more services in peak hour and more service late at night and on weekends, increasing options for where and when people can travel.

In 2007-08, \$60 million will be spent on bus priority measures, including \$45 million as the final instalment of a three year enhancement program. As announced in the *Urban Transport Statement*, work will commence on a \$100 million Victoria Road Upgrade Program, to improve the efficiency and reliability of Victoria Road bus services.

School Student Transport Scheme

The School Student Transport Scheme (SSTS) provides subsidised travel to and from school for eligible students on government and private bus, rail, and ferry services, long distance coaches and in private vehicles where no public transport services exist.

The table below shows the value of the scheme over time. The reduction in 2005-06 partly reflects the impact of fare harmonisation between government and private bus operators, which lowered fares on private buses thus reducing the value of SSTS.

The estimated value of benefits gained by participants of the School Student Transport Scheme in 2007-08 is \$448.9 million.

Table 3.1: Value to Beneficiaries of the School Student Transport Scheme

		2002-03	2003-04	2004-05	2005-06	2006-07 Revised	2007-08 Projection
Beneficiaries (a)	'000	649.8	660.1	660.5	661.6	662.4	663.1
Total value to beneficiaries* (b)	\$m	431.5	451.3	456.3	429.3	437.4	448.9
Average value per beneficiary (b/a)	\$	663.9	683.7	690.8	648.9	659.7	676.9

* The reduction in 2005-06 partly reflects a reduction in private bus fares resulting from fares harmonisation, which reduced the value of SSTS.

Sydney Ferries

Recurrent funding payments to Sydney Ferries, including payments for SSTS and concessions, are estimated at \$60.2 million in 2007-08, an increase \$16 million on the 2006-07 Budget.

Sydney Ferries' \$16.8 million capital works program includes a number of initiatives designed to improve safety and service reliability. The program includes:

- ◆ over \$3 million to enhance fleet maintenance facilities at Balmain Shipyard;
- ◆ \$2.6 million for new engines for First Fleet vessels to improve safety, reliability and fuel efficiency and \$0.9 million for installation of a vessel management system on all vessels;
- ◆ \$1 million for preliminary work on a Fleet Replacement Strategy as part of a Total Asset Management Plan; and
- ◆ \$0.4 million to refurbish seats on vessels.

A Special Commission of Inquiry into Sydney Ferries was established in April 2007, to report on actions to enable Sydney Ferries to provide safe, efficient and customer focused ferry services.

Tcard

The Public Transport Ticketing Corporation is managing Tcard, the new smartcard ticketing system being developed for public transport in the Greater Sydney Metropolitan Area. Tcard will provide the convenience of a single payment card for travel on all Government and privately operated rail, bus and ferry services. An amount of \$70.3 million is available for the project in 2007-08.

Already some 380,000 school cards are in use daily for students using private bus services.

Community Groups and Other Transport Subsidy Schemes

The Government provides a wide range of public transport concessions and subsidies to various disadvantaged groups to assist access to services, education and employment. Payments to community groups are estimated at \$55.6 million in 2007-08. This includes \$29.5 million to assist frail aged and younger people with disabilities and their carers and \$3.6 million to assist people who are transport disadvantaged to access transport services.

Transport Infrastructure Improvement

The Transport Infrastructure Improvement Program, funded from the Parking Space Levy, will continue during 2007-08. The Program provides for the construction of interchanges and commuter car parks and other transport infrastructure to improve access to, and encourage the use of, public transport.

Projects continuing in 2007-08 include:

- ◆ \$7.6 million for bus stations on the North West Transitway, linking Mungerie Park, Blacktown and Parramatta;
- ◆ Wentworthville carpark; and
- ◆ interchanges and carpark improvements at Woy Woy and Tuggerah.

Four new bus/rail interchanges will be developed at Hurstville, Macarthur, Morisset and Windsor. In addition, feasibility studies will start for possible new interchanges at Auburn, Eastwood, Revesby, Granville and St Marys.

Commuter car parks will be built or extended at Holsworthy and Werrington by 2010 and at Seven Hills, St Marys, Glenfield and Blacktown by 2011. Studies will commence on the potential for car parks at Revesby, Schofields, Quakers Hill and a multi-deck car park at Glenfield.

Capital Expenditure

The Ministry of Transport's total capital program in 2007-08 is estimated at \$124 million.

It includes provision of \$3.5 million to continue information technology upgrades and capital works annual provisions.

The program also includes new buses funded through the Metropolitan and Outer Metropolitan Bus Service Contract Arrangements. The total value of these buses is \$120.7 million for 134 standard buses for the STA, 5 "super metro" buses for use in a CBD trial to be conducted by the STA, 50 buses to be used by private operators in the metropolitan region and 76 buses to be used in the outer metropolitan regions.

INDEPENDENT TRANSPORT SAFETY AND RELIABILITY REGULATOR

The primary role of the Independent Transport Safety and Reliability Regulator (ITSRR), established under the *Transport Administration Act 1988*, is to regulate safety on the State's rail network. In addition, the agency provides strategic coordination of safety regulation across all passenger transport modes, and advises Government on reliability issues affecting publicly funded rail, bus and ferry services.

RESULTS AND SERVICES

ITSRR develops strategies and allocates resources directed at achieving the following results:

- ◆ Rail operators have safety management systems that meet legislated requirements and focus on improving safety culture and processes.
- ◆ Improvements in safety regulatory frameworks across all passenger transport modes (ITSRR for rail, Ministry of Transport for buses and Maritime Authority of New South Wales for ferries).
- ◆ The Government, transport operators and the community are aware of service reliability and sustainability issues for publicly funded rail, bus and ferry services.

Key services provided by ITSRR which contribute to these results include:

- ◆ regulating accredited rail operators through a mix of compliance and education strategies;
- ◆ facilitating NSW public transport regulators to work together to improve safety regulatory frameworks across the rail, bus and ferry transport modes; and
- ◆ advising on transport service reliability by conducting research and reporting on the reliability and sustainability of publicly funded rail, bus and ferry services.

RECENT DEVELOPMENTS

ITSRR has taken a lead role in fostering safety and reliability enhancements:

- ◆ monitoring and reporting on the ongoing implementation of the Government's response to the Final Report of the Special Commission of Inquiry into the Waterfall Accident;
- ◆ facilitating implementation of new rail safety legislation for New South Wales, based on a nationally consistent model;
- ◆ introducing new accreditation requirements for Safety Management Systems for NSW operators;
- ◆ publishing an independent survey of CityRail customers to measure changes over time in the quality of services from a customer perspective; and
- ◆ providing advice to Government on current and emerging issues impacting on reliability and publishing reports on the performance and sustainability of publicly funded transport services.

STRATEGIC DIRECTIONS

Key priorities for ITSRR in 2007-08 include:

- ◆ implementing new nationally consistent Rail Safety legislation, including working with rail operators to facilitate compliance through education, liaison and compliance inspections;
- ◆ developing pro-active intervention strategies by utilising a strategic framework to collect evidence based risk information;
- ◆ facilitating the NSW transport regulators forum to identify and implement improvements to rail, bus and ferry safety regulation; and
- ◆ advising Government on strategic reliability issues and informing the community on the reliability and sustainability of publicly funded transport.

2007-08 BUDGET

Total Expenses

Total expenses for ITSRR are estimated at \$17.1 million in 2007-08 including:

- ◆ \$15 million for conducting safety audits, compliance investigations and for implementing new Rail Safety legislation, including education and liaison with industry and other regulators;
- ◆ \$1.9 million to research and report on reliability issues, primarily for the rail network, to the Government and the public; and
- ◆ \$0.2 million to facilitate improvements to transport safety regulatory frameworks.

Capital Expenditure

Capital expenditure of \$0.4 million in 2007-08 is for developing ITSRR's management reporting system required for safety regulation.

OFFICE OF TRANSPORT SAFETY INVESTIGATIONS

The Office of Transport Safety Investigations (OTSI) is an independent statutory organisation with powers to investigate rail and passenger transport accidents and incidents.

RESULTS AND SERVICES

OTSI contributes to improving and enhancing the safety of public transport and rail freight services in New South Wales by conducting and directing investigations which are designed to produce:

- ◆ identification of the primary cause/s of major rail, bus and ferry accidents and incidents, and those factors which have contributed to their occurrence;
- ◆ making recommendations on remedial safety actions to prevent recurrence of those types of accidents and incidents;
- ◆ provision of notices to transport service operators concerning safety issues within their organisations that have been reported by employees through the Confidential Safety Information Reporting Scheme (CSIRS), and which require remedial safety action;

- ◆ provision of Transport Safety Investigation Reports to transport service operators who are involved in accidents and incidents so that they may understand the causes and contributing factors, and the safety actions that are necessary to prevent recurrence;
- ◆ validation of accident and incident investigations undertaken by transport service operators to certify the investigations have been conducted comprehensively and the recommendations are appropriate to effect necessary remedial safety action;
- ◆ provision of Transport Safety Investigation Reports to the Minister for Transport for tabling in Parliament; and
- ◆ publication of tabled Transport Safety Investigation Reports on the OTSI website for transport industry and public utilisation.

STRATEGIC DIRECTIONS

Key priorities for OTSI in 2007–08 are:

- ◆ to build a transport safety database, and develop incident and trend analysis, benchmarking and industry safety advice publications;
- ◆ to acquire and integrate geographic and infrastructure data with communications and video imagery to permit real-time observation of incident sites from a central command facility; and
- ◆ to promote a 'just culture' across the transport sector through a transparent investigative process.

2007-08 BUDGET

Total Expenses

Total expenses for OTSI are estimated at \$2.4 million in 2007-08.

SUPERANNUATION ADMINISTRATION CORPORATION (TRADING AS PILLAR ADMINISTRATION)

The business of the Corporation is the provision of superannuation scheme administration services and related services in both the public and private sectors. Pillar's clients in the public sector include the trustees of the First State Superannuation Fund, the Pooled Fund, and the Parliamentary Contributory Superannuation Fund.

The services provided include collecting contributions and paying benefits, maintaining member records, inquiry services, accounting and finance, and statutory reporting.

RECENT DEVELOPMENTS

Through competitive tenders, Pillar has secured private sector clients and now services more than 1,000,000 members in total. Pillar continues to market its services and expects further success in winning new business. Business expansion will enable it to spread the costs of ongoing systems development and general overheads.

STRATEGIC DIRECTIONS

As a statutory State Owned Corporation, Pillar is subject to the commercial monitoring regime that provides accountability and reporting requirements to the New South Wales Government as shareholder.

In 2007-08 Pillar will focus on:

- ◆ maintaining quality of service and compliance to existing clients;
- ◆ expanding business services, particularly in the private sector;
- ◆ improving processing systems and productivity;
- ◆ enhancing systems to better support statutory and market needs, innovation and growth;
- ◆ enhancing the culture of governance and control; and
- ◆ improving profitability.

2007-08 BUDGET

Total Expenses

Operating expenses for 2007-08 are forecast at \$54.6 million, an increase of 8.2 per cent over the 2006-07 Budget of \$50.4 million, due to increases in the number of accounts being administered.

Capital Expenditure

The capital expenditure for 2007-08 is estimated to be \$5.3 million. This includes \$1.4 million for the purchase from Sydney Water of property adjacent to Pillar's current premises, the property being surplus to Sydney Water's requirements. The purchase will accommodate Pillar's expanding business services.

In addition, \$1.9 million will be spent on office fit out, computer hardware and system enhancements to meet new business needs, as well as \$2 million in minor works for routine replacement of plant and equipment.

STATE PROPERTY AUTHORITY

The *State Property Authority Act 2006* established the State Property Authority as a statutory body with functions relating to the acquisition, management and disposal of property vested in the Crown and in government agencies and to provide for the transfer of certain property to the Authority.

The Authority's objectives are to:

- ◆ improve operational efficiencies in the use of properties of government agencies, particularly generic properties (such as offices, warehouses, depots and car parks);
- ◆ manage properties of government agencies in a way that supports the service delivery functions of those agencies;
- ◆ provide advice and support within government on property matters; and
- ◆ operate at least as efficiently as any comparable business, consistently with the principles of ecologically sustainable development and social responsibility for the community (including the indigenous community).

RECENT DEVELOPMENTS

The Authority comprises the former State Property Group from the Department of Commerce and property staff from the Ministry for Police. Most of the activities previously undertaken by the State Property Group and the Ministry for Police (in relation to the Police property portfolio) will be continued by the Authority. The ownership of the Crown Property Portfolio, which is currently managed by the Authority on behalf of NSW Treasury, will be vested in the Authority from 1 July 2007.

The Authority will be reviewing agency property portfolios. The Authority will, under a program to be agreed with NSW Treasury and the Government Asset Management Committee, work with nominated agencies to undertake detailed reviews of their property portfolios and existing property management arrangements. The reviews will result in strategies to optimise the alignment of an agency's property portfolio with its service delivery requirements.

The Authority, in conjunction with NSW Treasury, has been developing a suite of property management related principles that will be the basis of the policy framework. The framework will underpin the interaction between the Authority and agencies on property matters to support better service delivery. The principles incorporate and, in some cases, expand on those that have been successful in the implementation of the Office Accommodation Reform Program.

STRATEGIC DIRECTIONS

Over the next year, the Authority will finalise its organisation structure, its initial business plan and the policy framework. Other key priorities include:

- ◆ development and implementation of improved property management practices;
- ◆ preparation of property strategies for the Sydney CBD and metropolitan area and other major urban and rural centres;
- ◆ developing agency specific property strategy implementation plans that highlight opportunities for redeployment, redevelopment or disposal; and
- ◆ operation of a whole-of-government lease negotiation and management service.

2007-08 BUDGET

Total Expenses

Total expenses in 2007-08 are estimated at \$147.1 million. The main component is rental payments of \$110 million on Government occupied office accommodation. This amount was included in the Crown Property Portfolio, which prior to 2007-08 existed as a separate reporting entity.

Capital Expenditure

In 2007-08, the State Property Authority has an allocation of \$89.9 million to fund major Government office building construction and refurbishment works. Major projects are:

- ◆ \$23.2 million to complete the Justice office building at Parramatta;
- ◆ \$29.6 million to construct the Government office building at Queanbeyan;
- ◆ \$28.5 million to construct the Government office building at Penrith; and
- ◆ \$8.6 million for building refurbishments and miscellaneous minor works.