

# MINISTER FOR ROADS, AND MINISTER FOR COMMERCE

## OVERVIEW

Agency	2007-08 Budget \$m	2008-09 Budget \$m	Variation %
<b>Roads and Traffic Authority of New South Wales</b>			
Total Expenses .....	2,330.1	2,612.8	12.1
Capital Expenditure .....	1,910.5	2,200.3	15.2
<b>Department of Commerce</b>			
Total Expenses .....	815.5	827.1	1.4
Capital Expenditure .....	317.1	307.1	-3.2
<b>State Records Authority</b>			
Total Expenses .....	16.1	15.8	-1.8
Capital Expenditure .....	1.4	0.3	-74.7
<b>NSWbusinesslink Pty Limited</b>			
Total Expenses .....	118.5	142.9	20.6
Capital Expenditure .....	6.0	12.5	108.3
<b>Total, Minister for Roads, and Minister for Commerce</b>			
Total Expenses .....	<b>3,280.2</b>	<b>3,598.6</b>	<b>9.7</b>
Capital Expenditure .....	<b>2,235.0</b>	<b>2,520.2</b>	<b>12.8</b>

## ROADS AND TRAFFIC AUTHORITY OF NEW SOUTH WALES

As a statutory authority established in 1989 under the *Transport Administration Act 1988* the focus of the Roads and Traffic Authority of New South Wales (RTA) is to deliver a safe, sustainable and efficient road transport system. It achieves this by managing, operating, maintaining and developing the road network, regulating road use and educating road users.

As at 30 June 2007, there were 5.08 million vehicles registered and 4.58 million licensed drivers and riders in New South Wales.

## RESULTS AND SERVICES

The RTA has lead agency responsibility for coordinating with partner agencies to deliver the following State Plan priority:

- ◆ S7: Safer roads.

The RTA contributes to providing safer roads and reducing road fatalities by working towards the following results:

- ◆ The road transport system supplies reliable and efficient movement of people and goods.
- ◆ The condition and value of the road network meets acceptable standards.
- ◆ The safety of the road environment, vehicles and road user behaviour is maximised.
- ◆ Impacts on natural, cultural and built environments are minimised.

Key services provided by RTA to contribute to these results include:

- ◆ developing the road network and infrastructure to provide safer roads and increased capacity
- ◆ providing road management, including strategic network planning, traffic and transport management, road environment safety management and infrastructure maintenance to maintain and improve the functionality, efficiency and safety of the road network
- ◆ managing road use issues including road safety, driver and vehicle management and customer service and camera enforcement and working on initiatives designed to reduce road trauma and
- ◆ providing a refund of tolls paid (excluding GST) for privately registered vehicles on the M4 and M5 Motorways.

The key services provided by the RTA and the way in which they are expected to contribute to these results are set out in the following table:

Service Groups	2008-09 Budget Expenses  \$m	Results			
		The road transport system supports reliable and efficient movement of people and goods.	The condition and value of the road network meets acceptable standards.	The safety of the road environment, vehicles and road user behaviour is maximised.	Impacts on the natural, cultural and built environments are minimised.
Road Development	966.7	✓	✓	✓	✓
M4/M5 Cash Back	102.0	✓			
Road Use	534.0	✓	✓	✓	✓
Road Management	1,010.1	✓	✓	✓	✓
<b>Total Expenses Excluding Losses</b>	<b>2,612.8</b>				

## RECENT ACHIEVEMENTS

### Road Development

#### *The Sydney Motorway network*

The opening of the \$1.1 billion Lane Cove Tunnel and expanded Gore Hill Freeway in 2007 completed the 110 kilometres Sydney Orbital Motorway network. This network improves road links between business and residential areas, reduces congestion on surrounding roads, and improves road safety.

Additional improvements have been introduced to improve public transport services following the opening of the Lane Cove Tunnel, including bus lanes on Epping Road.

Modifications to surface traffic arrangements for the Cross City Tunnel have resulted in traffic flow improvements across and into the city and improved access to the harbour crossings.

## ***Western Sydney***

Sydney's north-west and south-west are currently experiencing high rates of residential and commercial growth. The RTA has upgraded key routes serving these areas including Windsor and Old Windsor Roads. The Windsor Flood Evacuation Route was opened to traffic in September 2007. This represents the final stage of the Windsor Road upgrade, the largest urban arterial expansion undertaken by any state government.

Projects opened to traffic in Sydney's south-west include the \$40 million upgrade to four lanes of Cowpasture Road between Hoxton Park Road and Main Street, the upgrading of Camden Valley Way to four lanes between the M5 South West Motorway and Bernera Road at Prestons, and the extension of Narellan Road from Camden Valley Way to The Northern Road.

## ***North-West T-way Network***

The \$483 million North-West T-way Network comprises two new bus transitway links: Parramatta to Rouse Hill Regional Centre (17 kilometres with 20 stations) and Blacktown to Parklea (seven kilometres with 10 stations). Stage 1, the Parramatta to Rouse Hill Regional Centre link, was completed and buses commenced services in March 2007. Stage 2, the Blacktown to Parklea link, was completed and buses commenced services in November 2007.

The T-way provides better public transport connections to educational, recreational, employment and health facilities, and the CityRail train network.

## ***Great Western Highway***

Stage 1 of the Leura to Katoomba upgrade opened to traffic in May 2006 as part of the \$460 million Great Western Highway upgrade program. The Great Western Highway upgrade program is improving travel times for motorists and providing a safer road environment for all road users including pedestrians and cyclists.

## ***Pacific Highway***

By June 2007, 263 kilometres of the Pacific Highway between Newcastle and the Queensland border was dual carriageway providing travel time savings of more than one hour for both heavy and light vehicles. Approximately 50 per cent of the highway is either a dual carriageway, being converted to a dual carriageway, or subject to a contract to construct a dual carriageway. Preferred routes for the remaining 370 kilometres have been announced.

Projects that have been opened to traffic since 2006 include the Tomago Road and Old Punt Road intersection upgrades, Karuah to Bulahdelah Section 1, Bundacree Creek to Possum Brush, and Brunswick Heads to Yelgun.

## ***Hume Highway***

The Australian Government has set an objective of completing a four lane dual carriageway for the length of the Hume Highway by 2012. Projects opened to traffic since 2006 include the Albury bypass (see below), an overpass linking West Street to the northbound carriageway of the Hume Highway providing grade separated access for vehicles leaving North Gundagai travelling north on the Hume Highway, the Tarcutta truck and trailer interchange facility, and the Towrang Road and Carrick Road intersection improvements, north of Goulburn.

## ***Albury Wodonga Hume Freeway project***

The Albury Wodonga Hume Freeway project opened to traffic in March 2007. In NSW the freeway comprises 14.6 kilometres of dual carriageway from Ettamogah to the Murray River through the City of Albury. The project also includes 31 bridges and a 7.5 kilometre shared bicycle/pedestrian footway.

The new freeway dramatically improves road safety and travel conditions in the area and strengthens the major link connecting Sydney to Melbourne. It eliminated more than 15 highway black spots and six railway level crossings and reduced the number of light and heavy vehicles travelling through local streets. The Australian Government fully funded the \$374 million NSW section of the project.

## ***Central Coast and Hunter***

The Central Coast and Hunter road widening program continued. Since 2006 works have been completed on the Central Coast Highway, Avoca Drive, Ocean View Drive, Pacific Highway, Nelson Bay Road and Five Islands Road.

## ***Regional projects***

Since 2006 works have been completed on New England Highway, Newell Highway, the new Murray River Crossing, Burley Griffin Way and Main Road 92 Nowra to Nerriga, Stage 1.

## ***Road Management***

### ***Cashless tolling for the Sydney Harbour Tunnel***

In July 2007, the Sydney Harbour Tunnel moved to completely cashless tolling, resulting in improved traffic flow and reduced congestion around the Sydney Harbour crossings, allowing for reduced travel times through the tunnel, in line with Government priorities. The opening of the Lane Cove Tunnel and expanded Gore Hill Freeway also made it more important to reduce congestion on and around the crossings.

### ***Pinch Point Strategy***

The NSW Government's Urban Transport Statement included \$100 million for the Pinch Points program. This strategy includes capacity improvements like widening intersections, lengthening turning bays, upgrading congested roundabouts with signals and upgrading clearway and local parking restrictions. Work is underway on the strategy which will ease congestion at pinch points on more than 20 sections of the road network by 2012.

### ***Public transport initiatives***

The \$483 million North-West Bus T-way, linking Rouse Hill with Parramatta and Blacktown, is now fully operational.

The bus priority program (\$295 million) implements measures on strategic bus corridors, including bus lane enforcement cameras, the Public Transport Information and Priority System (PTIPS) and bus priority infrastructure works. This program is part of an integrated approach to reduce total vehicle kilometres travelled and car dependency. Ongoing integration of bus priority opportunities in major infrastructure development projects and strategic plans contribute to the State Plan.

### ***Network maintenance***

In 2007-08 an additional \$50 million was provided to address pavement surfacing and replacement issues identified by the Auditor-General in his report, *Condition of State Roads*.

The Timber Bridge Partnership replaces old timber bridges on council managed Regional Roads. Since October 2006, 157 bridge upgrades have been announced as part of the program. Funding of \$60 million is being provided over three years to June 2009, conditional upon matching contributions by councils.

### ***Railway level crossings***

Enhanced funding of railway level crossing upgrades has been extended. Annual expenditure of \$7 million will occur in the four years to June 2011, an increase of 33 per cent on the previous four years. Additionally, \$7.5 million has been provided for improvements to the railway level crossing at Riverstone during the two years commencing in 2007-08, as an interim measure prior to bridge construction in the future.

## Intelligent Access Program (IAP) for freight vehicles

The IAP was developed through Austroads in partnerships with all Australian road agencies. This provides transport operators with the opportunity to obtain improved road network access, while providing the RTA with greater assurance over compliance, through the use of satellite technology. This results in benefits for asset management and compliance monitoring and enforcement.

## Adoption of Higher Mass Limits vehicles in NSW

Access for Higher Mass Limits (HML) vehicles to the NSW road network was expanded in July 2006 to cover Sydney, Wollongong, Newcastle, western NSW and south-western NSW. This allows some vehicles to transport an increased payload capacity under rigorous regulatory conditions, including road friendly suspension and satellite tracking through the Intelligent Access Program.

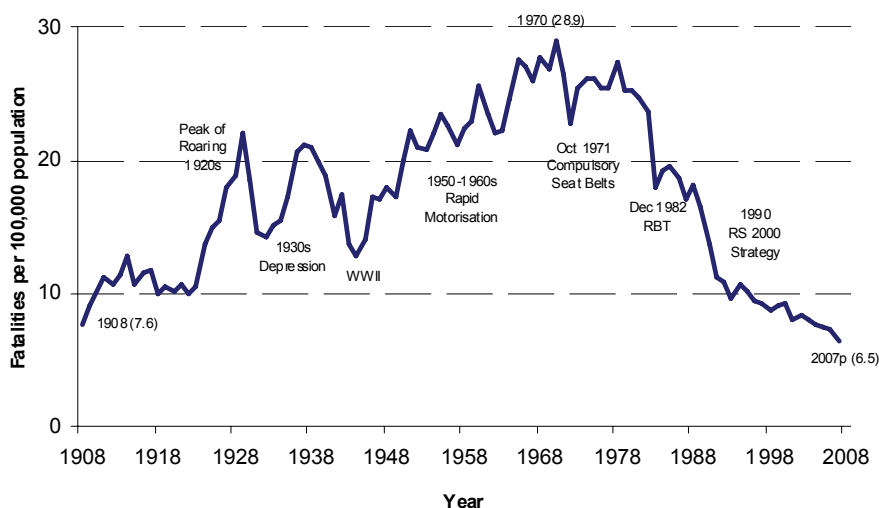
Accordingly, HML has the potential to reduce the total number of individual truck trips, providing economic benefits by reducing the cost of transporting goods and produce, while contributing to improved road safety and environmental outcomes.

## Road Use

### NSW fatality rates

Fatality rates from motor vehicle accidents have generally been on a downward trend over the last 40 years, notwithstanding a significant rise in distance travelled.

**Chart 20.1: NSW Road Traffic Crash Fatalities per 100,000 Population NSW, 1908-2007**



Notwithstanding the favourable results, the RTA remains committed, in accord with the State Plan, to continuing to reduce the fatality rate on a distance travelled as well as per head of population basis. The target is 0.7 fatality per 100 million kilometres travelled. The fatality rate has reduced from 1.11 fatalities per 100 million kilometres travelled in 1997-98 to 0.71 in 2006-07. These recent outcomes have been the result of a number of programs supporting Government priorities.

### *Anti-speeding campaigns*

In June 2007 a new, award winning anti-speeding campaign *Speeding. No one thinks big of you.* was launched, aimed at young drivers. This campaign focuses on the need to make speeding socially unacceptable, and to change risk taking behaviours.

### *Highway reviews and remedial works*

In 2004, safety reviews were conducted on the Pacific and Princes highways using a safe systems partnerships approach. The multi-disciplinary approach resulted in a program of works being delivered that incorporated strategically targeted road engineering, behavioural and enforcement strategies. Key elements of this strategy included shoulder widening, improved delineation, shoulder and median wire rope safety barriers, speed limit reviews, police enforcement, education campaigns, intersection and black spot treatments.

The rollout of this program has resulted in dramatic road safety improvements. On the Pacific Highway fatalities dropped from 55 in 2003 to 25 in 2006, while injuries dropped from 617 to 483 over the same period. Likewise on the Princes Highway, fatalities dropped from 24 in 2004 to four in 2006 with injuries decreasing from 324 to 294 over the same period.

The Safety Review program has continued, with a review of the Newell Highway being finalised and other highways to be reviewed in the future.

### *Younger driver initiatives*

People aged under 26 comprise 16 per cent of all licence holders (driver and motorcycle licence holders) but the crashes in which they are involved account for 31 per cent of all road crash fatalities. Following recommendations from the *Improving Safety for Young Drivers Discussion Paper*, initiatives were implemented to reduce the death and injury of young people on NSW roads. These initiatives included changes in licensing conditions, mobile phone usage bans and passenger restrictions.

### *Engineering crash reduction*

A total of \$24.2 million is being spent in 2007-08 on treatments to 160 high crash locations. Work by the RTA included intersection improvements, road realignments, clear zone enhancements and safety barrier installations. The Australian Government's AusLink Black Spot Program, administered by the RTA, is implementing a further 131 crash reduction projects with total federal funding of more than \$19.9 million in 2007-08.

### *School zone safety*

The school road safety package included installation of 50 additional fixed cameras to allow greater enforcement of the 40 kilometre per hour school zone speed limits. As at December 2007, 39 cameras had been installed. Pending site approvals, the remaining 11 cameras will be installed during 2008. Common selection criteria are applied to all school zones in NSW.

Flashing light technology will now be installed in 100 school zone sites each year over the next four years.

On 21 May 2007 the NSW Government introduced new fines and demerit points for offences committed in school zones.

### *Pedestrian facilities*

The RTA has a program to upgrade 59 non-signalised pedestrian crossings located on multi-lane State Government controlled roads. As at the end of February 2008, of the 59 sites identified, 22 have been upgraded, with traffic signals installed at 19 sites. A further 20 sites will be completed or under construction by 30 June 2008.

### *Introduction of random drug testing*

The *Road Transport Legislation Amendment (Drug Testing) Act 2006* commenced on 15 December 2006. As at the end of February 2008, the NSW Police Force had conducted 62 operations resulting in 7,827 roadside drug tests of 2,882 heavy vehicle drivers and 4,945 light vehicle drivers. Overall, 216 drivers have tested positive to the presence of at least one of the three illicit drugs at the roadside.

## **STRATEGIC DIRECTIONS**

The NSW State Plan is the key focus for the RTA's activities. In addition to the State Plan, the RTA has a key role in contributing to the implementation of other State Government plans and strategies, including the State Infrastructure Strategy (SIS); the Urban Transport Statement; the Metropolitan Strategy; Action for Air; and other announced Government commitments.

## **2008-09 BUDGET INITIATIVES**

The NSW Government is delivering a record roads budget of more than \$4 billion in 2008-09, an increase of \$400 million on the 2007-08 budget. Key highlights of the budget include:

- ◆ continued implementation of improved road safety, licensing and vehicle management strategies
- ◆ enhanced transport management throughout New South Wales
- ◆ major infrastructure projects in Sydney, regional and rural New South Wales
- ◆ delivery of an integrated road maintenance program and
- ◆ continuation of the M4/M5 cashback scheme.

### **Total Expenses**

The RTA's total operating expenditure is estimated at more than \$2.6 billion in 2008-09.

### **Capital Expenditure**

Capital expenditure is estimated at almost \$2.2 billion in 2008-09, which is almost \$300 million higher than 2007-08 due primarily to expanded programs on the Pacific, Hume and Great Western Highways, Victoria Road and M5 East Tunnel Filtration.

The RTA's major capital expenditure projects include:

- ◆ the Pacific Highway upgrade program
- ◆ southern Hume Highway duplication
- ◆ improved facilities for buses on Victoria Road in Drummoyne and Rozelle
- ◆ the major upgrade program for key roads in Sydney's south-west and
- ◆ the Great Western Highway upgrade to four lanes east of Katoomba.

Please refer to Budget Paper 4 for detailed descriptions and costings of major infrastructure projects.

## AGENCY RESULT INDICATORS

### *The road transport system supports reliable and efficient movement of people and goods*

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) Benefit of development program (excludes private partnerships)	\$m	2,257	3,041	3,635	4,612
ii) Travel speed: 7 major routes AM peak	km/h	32	30	30	30
iii) Travel speed: 7 major routes PM peak	km/h	42	41	41	41
iv) Pacific Highway: travel time for heavy vehicles	mins	469	465	465	465
v) Pacific Highway: travel time for light vehicles	mins	448	454	454	454

Notes:

i) This indicator assesses the value of benefits, including road safety and travel time savings expected, to be provided by the annual RTA's Road Development Program. The value is derived from benefit cost analysis for projects in the Program. The desired movement for this indicator is an increase on current levels.

ii) - iii) The seven major routes in Sydney that are used in traffic speed analysis are:

- ◆ Princes Highway route, Heathcote to Railway Square.
- ◆ M5 Motorway route, the Crossroads to the Eastern Distributor toll gates.
- ◆ M4 and City West Link route, Blacktown to the city.
- ◆ Victoria Road route, Parramatta to the city.
- ◆ M2, Epping Road, Gore Hill Freeway and Sydney Harbour Tunnel, Seven Hills to the Domain.
- ◆ F3, Pacific Highway, Gore Hill Freeway and Sydney Harbour Bridge, Brooklyn to southern Harbour Bridge toll gates.
- ◆ Pittwater, Spit and Military Roads, Warringah Freeway and Sydney Harbour Tunnel route, Mona Vale to the Domain.

The desired movement of these indicators is to maintain current levels.

iv) - v) These figures provide the average travel times between Hexham and the Queensland border. They are based on an average of the north and south bound travel time surveys with the average observed work site delay effect removed, giving an indication of overall "free speed" on the Pacific Highway. The desired movement of these indicators is to reduce current levels.

**The condition and value of the road network meets acceptable standards**

<b>Result Indicator</b>	<b>Units</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Forecast</b>
i) Ride quality: smoothness of State roads (% rated good)	%	88	88	89	90
ii) Pavement durability: cracking country State roads (% rated good)	%	90	87	87	89
iii) Average roughness of sealed State roads (NAASRA Roughness Meter Counts)	NAASRA	70	70	70	69
iv) Carriageway kilometres of poor roughness on sealed State roads	km	720	730	740	755
v) Carriageway kilometres of narrow high trafficked rural State roads	km	4,933	4,900	4,850	4,800

**Notes:**

- i) The reporting methodology changed from 2006-07 to provide a more consistent sample of the road network being reported on each year. About 18,500 of the 20,000 lane kilometres surveyed each year are consistent for reporting. The desired movements of the State roads (% rated good) indicator is to maintain current levels.
- ii) Pavement durability indicates the average rate of cracking on State roads in NSW. The desired movements of the State roads (% rated good) indicator is to increase current levels.
- iii) This indicator measures the roads roughness by recording the upward vertical movement of the rear axle of a standard station wagon relative to the vehicle's body as the vehicle travels at a standard speed along the road being tested. A cumulative upward vertical movement of 15.2 mm corresponds to one NAASRA Roughness Count (1 NRM/km). The desired movements of this indicator is to maintain current levels.
- iv) This indicator details the length of sealed State roads that are classified as being of poor roughness.
- v) This indicator measures the number of bridges, on State roads, with an imposed load limit. A decreasing trend indicates a favourable result.

***The safety of the road environment, vehicles and road user behaviour is maximised***

<b>Result Indicator</b>	<b>Units</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Forecast</b>
i) Fatalities / 100,000 population	no.	7.9	6.5	6.5	≤ 07-08
ii) Fatalities / 100 million vehicle km travelled	no.	0.87	0.71	≤ 0.79	≤ 07-08
iii) Young motor vehicle controllers (<=25yrs) involved in fatal crashes per 10,000 licence holders (<=25yrs)	no.	2.4	2.0	2.0.	≤ 07-08
iv) Fatalities from heavy truck crashes per 10,000 heavy trucks on register	no.	9.5	8.4	8.4	≤ 07-08

**Notes:**

- i) - ii) These indicators estimate the road crash fatality risk per person and per kilometre travelled respectively. The S7 Safer Roads State Plan target is set at 0.7 fatalities per 100 million VKT by 2016, 2007-08 and 2008-09 based on State Plan target.
- iii) This indicator estimates the fatal crash involvement risk for young motor vehicle controllers per licence held by this age group. The desired movements of this indicator is to decrease current levels.
- iv) This indicator estimates the fatality risk for heavy truck crashes per heavy truck registered. The desired movements of this indicator is to decrease current levels.

**Impacts on the natural, cultural and built environments are minimised**

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) Non compliances with environmental licences	no.	0	26	4	0
ii) RTA's total annual greenhouse gases (tonnes CO <sub>2</sub> -equivalent)	tonnes	116,118	119,600	122,000	124,400
iii) RTA's total office energy consumption	gigajoule	73,203	72,471	71,746	71,029

Notes:

i) This indicator measures the number of non compliances recorded with environment protection licences held by the RTA. In 2007, a detailed compliance audit was undertaken which identified a number of non compliances. These are being rectified and the forecast is expected to trend towards zero. The desired movements of this indicator is to decrease current levels.

ii) This indicator measures the RTA's total direct greenhouse gas contribution. It includes electricity, fuels, and gas, but excludes emissions associated with the production of materials used and contributions by contractors. The RTA is aiming to decrease its greenhouse emissions. The desired movements of this indicator is to decrease current levels.

iii) This indicator measures RTA's total office energy consumption, including offices, motor registries and depots, but does not include plant and equipment. The RTA follows the Government's policy on Australian Building Greenhouse rating (for all offices over 1,000m<sup>2</sup>). The desired movements of this indicator is to decrease current levels.

## DEPARTMENT OF COMMERCE

The Department of Commerce is responsible to the Minister for Commerce, the Minister for Industrial Relations (Section 8) and the Minister for Fair Trading (Section 10).

The Department of Commerce is a service provider and regulator dedicated to delivering better services to clients, customers and the community and contributing to a prosperous New South Wales.

The Office of Fair Trading, the Office of Industrial Relations, the Office of Public Works and Services, New South Wales Procurement, Government Chief Information Office, and Strategic Communication and Advertising form the Department of Commerce.

The Department's staff also provides employee related services to Businesslink Pty Ltd and the State Records Authority.

## RESULTS AND SERVICES

The Department contributes to Government priorities by making doing business in New South Wales simple and fair and obtaining the best value for the NSW Government by delivering four priority results:

- ◆ Fair and productive workplaces.
- ◆ Fair marketplace for consumers and traders.
- ◆ Maximise value for government agencies in delivering services to communities.
- ◆ Simplify processes for dealing with government.

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

- ◆ reviewing policy and enforcing fair trading and industrial relations legislation
- ◆ providing marketplace and workplace information and helping in fair trading and industrial relations
- ◆ delivering online procurement tools and solutions and support operations of the State Contracts Control Board, assisting New South Wales Treasury in the development and implementation of the New South Wales Government procurement policy and providing fleet management and vehicle leasing services
- ◆ providing architectural and engineering design services and project management services for water, engineering and waste water services, managing the engineering response to emergencies and providing facilities management services
- ◆ providing Government advertising and publication services
- ◆ developing and overseeing implementation of the NSW Government Information and Communications Technology (ICT) plan, managing operations of key government ICT infrastructure and coordinating emergency services communications and
- ◆ providing business and personnel services to a number of government entities.

A range of key services in fair trading, industrial relations and public works are delivered through a regional network.

The key services provided by the Agency and the way in which they are expected to contribute to results are set out in the following table:

Service Groups	2008-09 Budget Expenses  \$m	Results			
		Fair marketplace for consumers and traders	Fair and productive workplace	Maximise value for government agencies in delivering services	Simplify processes for dealing with government
Fair Trading	167.0	✓			
Industrial Relations	23.7		✓		
Procurement	251.5			✓	✓
Public Works and Services	184.3			✓	
Communications and Advertising	7.0			✓	✓
Government Chief Information Office	58.7			✓	✓
Corporate Services	134.9			✓	
<b>Total Expenses Excluding Losses</b>	<b>827.1</b>				

## RECENT ACHIEVEMENTS

The Department of Commerce works extensively with other NSW Government agencies to help reduce costs and improve government-wide capability in procurement and information and communications technology.

During 2007-08:

- ◆ As part of a \$371 million three year program, Commerce delivered 48 major capital school projects valued at \$118 million, 12 TAFE college projects valued at \$44 million and managed \$72 million of minor works for schools.
- ◆ Commerce managed a \$557 million capital works program for the Department of Corrective Services, including the construction of the Wellington Correctional Centre and Silverwater Women's Prison staged redevelopment.
- ◆ Commerce identified potential savings of over 1,720 megalitres of water each day through the provision of specialist water saving advice and water use monitoring.

- ◆ Electricity costs in Government buildings were reduced by up to 20 per cent over the last year.
- ◆ Commerce launched the *Agency Accreditation Scheme* for government goods and services procurement.
- ◆ Commerce introduced new Government Telecommunications Agreements (GTAs), which will significantly reduce the State's annual telecommunications costs.
- ◆ StateFleet helped government agencies exceed the Government Cleaner Fleet target.
- ◆ Commerce launched the New South Wales Government ICT Strategy, *People First*, which is expected to deliver capital and recurrent savings of \$565 million over four years.
- ◆ Aggregated purchasing contracts and e-procurement solutions avoided expenditure or provided savings of \$410 million to government through a range of procurement initiatives.
- ◆ Centralised booking of all Government advertising through Media Contracts saved the Government an estimated \$44 million on general advertising rates.
- ◆ The Office of Fair Trading led national legislative reform on the regulation of finance brokers. A draft exposure Finance Brokers Bill was released for consultation during the year.
- ◆ Red tape reforms have resulted in builders and plumbers saving time and money by being able to renew their licences every three years rather than annually and motor dealers being able to reduce the number of prescribed forms, a reform estimated to save the industry \$1.1 million per annum.
- ◆ The Office of Industrial Relations carried out Australia's largest workplace compliance program, with more than 12,850 workplaces inspected.

## **STRATEGIC DIRECTIONS**

In order to achieve its major results in 2008-09, the Department of Commerce is pursuing a number of broad strategies.

The Office of Fair Trading is ensuring consumers and traders operate in a fair and productive marketplace by:

- ◆ enhancing marketplace compliance through cost effective fair trading law enforcement strategies and
- ◆ providing better services, matching resources to changing customer service delivery preference.

The Office of Industrial Relations is ensuring New South Wales has fair and productive workplaces by:

- ◆ advising the Government on the fairness and responsiveness of the industrial relations framework and regulations and
- ◆ providing effective compliance with industrial relations regulations including access to information on rights and obligations.

The Office of NSW Procurement and the Office of Public Works and Services is improving the performance of the NSW Government by:

- ◆ removing duplication across government through central delivery of procurement systems and services
- ◆ developing *Better Government Access*, the NSW Government's single toll-free number and unified government services web portal
- ◆ improving government procurement capability and productivity through greater use of electronic systems and by using solutions and services tailored to each client
- ◆ establishing and delivering common ICT infrastructure strategies for government by setting standards and encouraging collaboration across agencies.
- ◆ assisting client agencies in the design, construction, maintenance and sustainability of public infrastructure through the provision of professional engineering, architectural and project management services and
- ◆ delivering optimal outcomes for infrastructure projects of State significance and mitigating the impact on service delivery from natural disasters or terrorism.

## 2008-09 BUDGET INITIATIVES

### Total Expenses

The Department's total expenses for 2008-09 are budgeted to be \$827.1 million compared to the budget estimate of \$815.5 million for 2007-08.

The budgeted operating surplus for 2008-09 from commercial activities is \$56.8 million compared to the estimate of \$54.7 million for 2007-08. Commerce has budgeted to pay \$15 million to the Consolidated Fund in dividend payments for 2008-09.

Budgeted expenses of the Department of Commerce include:

- ◆ \$121 million for project management services to assist agencies in the construction of buildings and engineering works
- ◆ \$60 million for enforcement of fair trading laws including business licensing/registration and the Consumer, Trader and Tenancy Tribunal
- ◆ \$98 million for fair trading information and assistance services to consumers and traders
- ◆ \$57 million for Government ICT services, including managing the Government Radio Network and Long Term Radio Strategy projects, and providing advice to NSW Government agencies to minimise risk and gain the best value from information and communications technology
- ◆ \$28 million for the Central Corporate Services Unit to manage corporate services on behalf of 30 agencies and to reduce the cost of corporate services generally across the public sector
- ◆ \$30 million to provide technical expert advice to agencies and the community on the management and use of water
- ◆ \$23 million for expert technical advice from the Government Architect's Office
- ◆ \$22.5 million for review and advice on industrial relations regulations, compliance and provision of information to employers and employees
- ◆ \$18 million for the management of goods and services standing offer agreements and client specific contracts and

- ◆ \$16 million to deliver online procurement tools including smartbuy® and e-tendering and other tools and services.

## Capital Expenditure

The Department's capital expenditure in 2008-09 is estimated at \$307 million compared to \$317 million for the 2007-08 Budget, a decrease of 3 per cent. This decrease is mainly a result of changes to motor vehicles purchased by StateFleet.

An amount of \$265 million is allocated to motor vehicles for StateFleet, \$8 million for whole of Government single call centre and web portal, \$16.6 million for computer projects including upgrades and replacement and \$11.6 million for accommodation.

## AGENCY RESULT INDICATORS

### *Fair marketplace for consumers and traders*

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) Public knows where to get Fair Trading help	%	70	66	65-70	65-70
ii) Consumers confident in fair operation of marketplace	%	69	73	68-74	68-74
Note: These indicators show the effectiveness of Office of Fair Trading (OFT) in promoting community awareness and information delivery and the effectiveness of OFT Services.					

### ***Fair and productive workplaces***

<b>Result Indicator</b>	<b>Units</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Forecast</b>
i) Employees confident in fair operation of NSW Industrial Relations system	%	n.a.	76	70	70
ii) Office of Industrial Relations client satisfaction meets or exceeds benchmark	%	n.a.	90	85	85
iii) Accuracy of Industrial Relations information provided	%	99	n.a.	98	95
iv) Employees satisfied with Office of Industrial Relations advisory services	%	n.a.	95	95	95
<p>Note:</p> <p>These indicators show the effectiveness of Office of Industrial Relations (OIR) processes and decision making, to provide accurate information and advice.</p>					

## Maximise value for government agencies in delivering services

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) Projects managed on time	%	92	87	85	85
ii) Projects managed on budget	%	95	92	85	85
iii) Cost savings for government agencies using NSW Procurement services	\$m	563	660	410	335
iv) Savings to government achieved through Commerce media contracts compared to market rates	\$m	32	44	35	35
v) Client satisfaction with shared corporate services	%	85	94	80	80

### Notes:

- i - ii) These indicators show the effectiveness of Office of Public Works and Services (OPWS) to deliver projects on time or budget.
- iii) This indicator shows the effectiveness of the Office of NSW Procurement (NSWP) in assisting government agencies to minimise procurement costs. The 2006-07 figure comprises cost savings from State Contracts, avoided/ duplicated efforts, process efficiency savings, and estimated strategic sourcing savings. For 2007-08 onwards, a revised methodology only reports savings for whole-of-government State Contracts, duplicated efforts and process efficiency savings from eProcurement. In 2007-08, the Government Chief Information Office, Communication and Advertising, and State Records are no longer part of NSW Procurement.
- iv) This indicator shows the effectiveness of Communications and Advertising in assisting government to minimise costs associated with media services.
- v) This indicator shows the effectiveness of Commerce in delivering shared corporate services to government agencies.

## ***Simplify processes for dealing with Government***

<b>Result Indicator</b>	<b>Units</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Budget</b>	<b>2008-09 Forecast</b>
i) Customer satisfaction with NSW Procurement services	%	62.0	61.7	61.7	62.0
ii) Visits to the NSW Government Portal	m	3.1	4.0	4.0	4.0

Notes:

i) This indicator shows the effectiveness of NSW Procurement in providing procurement services to government agencies and suppliers.

ii) This indicator shows the effectiveness of Government Chief Information Office in providing an entry point for the NSW community to access NSW Government information.

## **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 Authority's whole-of-government strategy, regulatory and archival functions and services receive funding support from the Budget (through the Department of Commerce) while the Government Records Repository, operated by the State Records Authority, is self-funded.

## **RESULTS AND SERVICES**

The Authority contributes to good governance and to the enrichment of the community by working towards the following results:

- ◆ Good governance is assisted by reliable, well-managed public sector records that are available when needed.
- ◆ The community is enriched by the State's official archives that are preserved and available as a cultural and information resource.

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

- ◆ regulating, guiding and promoting best practice in public sector records retention, disposal and management
- ◆ providing non current records storage and associated services to the sector
- ◆ identifying, documenting and preserving the State's official archives and
- ◆ promoting and providing access to the State archives by the community.

The key services provided by the Authority and the way in which they are expected to contribute to these results are set out in the following table:

Service Groups	2008-09 Budget Expenses  \$m	Results	
		Good governance assisted by quality official records	Community enriched by official archives
Regulation, Guidance and Promoting Best Practice	1.4	✓	✓
Storing Non-Current Records	8.0	✓	✓
Documenting and Preserving the Archives	3.5		✓
Reference Services and Outreach	2.9		✓
<b>Total Expenses Excluding Losses</b>	<b>15.8</b>		

## RECENT ACHIEVEMENTS

Following a review by the Council on the Cost and Quality of Government in 2005-06, the Authority has focused particular attention on improving the retention and disposal of records by public sector bodies and on better management of digital records across the sector.

The proportion of public offices with comprehensive retention/disposal authorities (defining how long their records must be retained) reached an expected 80 per cent in 2007-08. The Authority provided centralised storage for an expected 390 kilometres of public sector non current records, representing significant savings through the avoided costs of using office accommodation.

The Authority worked with the Government Chief Information Office on a range of whole-of-government digital records and archives projects as part of the *People First* information and communication technology strategy.

The Authority completed the consolidation of the two main online catalogues to the State archives into one and increased the number of individual records catalogued to an expected 235,000 in 2007-08. Visits to the Authority's reading rooms remained steady at an expected 61,000 but online visits (unique user sessions) grew by 42 per cent to an expected 1.4 million.

Over the last five years total expenses have increased from \$13.5 million in 2003-04 to an expected \$16.1 million in 2007-08.

## **STRATEGIC DIRECTIONS**

The Authority's key priority in 2008-09 will be to continue the whole-of-government records management strategies noted above, with the aim that all agencies have:

- ◆ comprehensive records retention and disposal authority coverage by 2010 and
- ◆ records management and business application systems that are fully compliant with the Government's standards and specifications for digital records by 2012.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Total expenses are budgeted at \$15.8 million in 2008-09. This includes:

- ◆ \$7.8 million for the Authority's regulatory and archival collection and service delivery functions and
- ◆ \$8 million for operating expenses of the Government Records Repository.

### **Capital Expenditure**

Total capital expenditure in 2008-09 is estimated at \$345,000 for the replacement and upgrade of plant and equipment.

## **NSWBUSINESSLINK PTY LIMITED**

NSWbusinesslink Pty Ltd (Businesslink) is a wholly government owned company that provides the full suite of finance, human resources, project, property, records management, recruitment, information management and technology services to its clients the Departments of Ageing, Disability and Home Care, Community Services and Housing.

Businesslink aims to support these agencies in their service delivery by providing more efficient and better services through economies of scale.

## **RECENT ACHIEVEMENTS**

During 2007-08, Businesslink:

- ◆ benchmarked its product pricing structure and validated its competitiveness with similar products provided in the broader shared services market place
- ◆ continued development of centres of capability in data centre management, SAP, Siebel and recruitment and
- ◆ continued to implement its Future Directions Strategy, which will promote efficiency in service delivery and Businesslink's overall long term sustainability.

## **STRATEGIC DIRECTIONS**

In 2008-09, Businesslink will continue to:

- ◆ seek opportunities that improve service delivery and capabilities for our clients
- ◆ provide rigorous governance, compliance, quality and control solutions and
- ◆ realise benefits through financial performance transparency.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Total expenses for Businesslink in 2008-09 are estimated at \$142.9 million.

### **Capital Expenditure**

Businesslink's 2008-09 asset acquisition program of \$12.5 million will fund the following minor works program initiatives:

- ◆ maintenance of shared services technology infrastructure including desktops, networks, printers, servers, databases and data storage (\$5.8 million)
- ◆ enhancement of shared services technology infrastructure including desktops, networks, printers, servers, databases and data storage (\$5.6 million) and
- ◆ periodic replacement of plant, equipment, motor vehicles and administrative assets (\$1.1 million).

There is scope for Businesslink's capital program to vary in response to changing priorities and emerging demand of its clients.