

4.3.20 TREASURER AND MINISTER FOR STATE DEVELOPMENT

OVERVIEW

| Agency | Forecast 1997-98 | Estimate 1998-99 | Variation | |
|--|---------------------|---------------------|------------|-------------|
| | \$m | \$m | | % |
| Treasury | | | | |
| Total Expenses | 88.0 | 87.7 | | ... |
| Asset Acquisitions | 5.6 | 19.1 | | 241.1 |
| Crown Transactions Entity | | | | |
| Total Expenses | 4,000.0 | 2,702.3 | (-) | 32.5 |
| Asset Acquisitions | 15.9 | ... | (-) | 100.0 |
| Crown Leaseholds | | | | |
| Total Expenses | 1.5 | 2.2 | | 46.7 |
| Asset Acquisitions | ... | ... | | ... |
| Crown Transactions Entity Commercial Activities | | | | |
| Total Expenses | 10.1 | 10.0 | (-) | 1.0 |
| Asset Acquisitions | ... | ... | | ... |
| New South Wales Financial Institutions Commission | | | | |
| Total Expenses | 3.7 | 3.7 | | ... |
| Asset Acquisitions | 0.1 | 0.1 | | ... |
| New South Wales Insurance Ministerial Corporation | | | | |
| Total Expenses | 731.5 | 742.8 | | 1.5 |
| Asset Acquisitions | ... | ... | | ... |
| Superannuation Administration Authority | | | | |
| Total Expenses | 50.5 | 45.1 | (-) | 10.7 |
| Asset Acquisitions | 17.9 | 1.3 | (-) | 93.0 |
| Department of State and Regional Development | | | | |
| Total Expenses | 92.9 | 92.6 | (-) | 0.3 |
| Asset Acquisitions | 0.1 | 0.3 | | 200.0 |
| Treasurer – Olympic Funding Reserve | | | | |
| Total Expenses | ... | 1.1 | | ... |
| Asset Acquisitions | ... | 22.6 | | ... |
| Total, Treasurer and Minister for State Development (a) | | | | |
| Total Expenses | 4,978.2 | 3,687.5 | (-) | 25.9 |
| Asset Acquisitions | 39.6 | 43.4 | | 9.6 |

(a) Total expenses exclude the sum of \$125 million allocated in 1998-99 to the Treasurer's Advance Account.

The significant variation in total expenses is mainly due to a decrease in superannuation and interest expenses. Superannuation expenses will be approximately \$700 million lower due to the proposed distribution of the Contributor Reserve Account (refer to Chapter 7). Interest expense on debt due to Treasury Corporation and the Commonwealth will be reduced by both repayment from the proceeds of the sale of the TAB and a reduction in interest rates.

TREASURY

Treasury consists of the Office of Financial Management (OFM) and the Office of State Revenue (OSR). OFM serves the Treasurer and the Government by providing economic advice and advising on, and accounting for, the overall management of the States finances. OSR administers and collects taxes and implements legislation relating to State taxes.

Expenditure Trends and Recent Developments

Office of Financial Management

Core activities undertaken by OFM during 1997-98 included the monitoring of the State's Budget and the provision of advice to the Treasurer and the Budget Committee on Budget issues and strategy. Financial and economic advice was also given on all matters being submitted to Cabinet. Treasury reported on the State's finances and prepared the Public Accounts and the Public Sector Consolidated Financial Statements. Treasury also advised on the financial performance of Commercial Sector agencies.

During 1997-98 Treasury intensified its efforts to implement a financial management improvement framework for public sector agencies. In that regard a Risk Management and Internal Control toolkit was developed and issued to agencies.

The State Budget process was also reformed. Performance Agreements were negotiated with a number of key agencies. A Budget Officers Group was established to facilitate the strategic decision making of Budget Committee.

OFM advised the Government on the 1997 High Court Section 90 challenge and negotiated safety net tax arrangements with the other States and the Commonwealth. Advice was also developed on the fundamental reform of the National tax system and Commonwealth State financial arrangements.

Advice was provided on the application of competition policy principles, including options for further reform of the electricity industry.

Other industry reform included the development of a structural reform package for the racing industry, corporatisation of the TAB and management of arrangements for its subsequent privatisation.

A new integrated financial information system was also implemented to facilitate core functions such as the preparation of the Public Accounts and Budget and to rationalise data requests of agencies.

Office of State Revenue

The new Duties Act was passed on 26 November 1997 and will commence on 1 July 1998. The rewrite project included the development of new and potentially controversial policy issues which, after extensive consultation with professional groups and tax advisers, were concluded in a manner that produced legislation enjoying strong professional and industry support.

The Revenue and Compliance Process System (RECOUPS) is a major initiative being undertaken by OSR to implement new and improved processes, information systems and technology for the core revenue functions of the Office. The majority of the work is due to be completed by mid 1999 with the remaining aspects due for completion by year 2000.

The first stage of RECOUPS involving project planning and the development of functional specifications have been completed. Stage 2 of the project, which is now underway, focuses on addressing year 2000 exposures to OSR and the delivery of redesigned business processes and more flexible information systems.

The Business Communications Centre was established within OSR as the first and primary point of contact with new and existing clients. The primary objectives of the Centre are to exceed the service expectations of clients at every opportunity and to maximise the proportion of client matters completed and despatched within 24 hours of receipt. The "front office" concept of the Business Communications Centre marks the start of a renewed focus on client rights and expectations.

Other initiatives to maximise client satisfaction include the electronic lodgment and payment of monthly Pay-roll tax and provision of a project to extend the availability options for Stamp Duty to be paid by means of returns.

Strategic Directions

Office of Financial Management

The following issues will be addressed during 1998-99.

- **Maximising Net Worth**

There will be continuing emphasis on maximising the net worth of the public sector, within a prudent risk management framework. This will include advice on appropriate medium term debt strategy and financial targets. Risk management of key areas will be strengthened.

- **Resource Allocation**

There will be continuing emphasis given to improving the linkage between performance and resource allocation in the Budget process. This will involve the ongoing development of appropriate productivity measures.

Following on the initiatives applied in 1997-98, the budget process will be further reviewed to facilitate strategic decision making.

In conjunction with other States, options will be developed for the fundamental reform of the national tax system and the associated reform of Commonwealth State financial arrangements.

Treasury will continue to oversight and advise on the ongoing reform of the electricity sector.

- **Accountability**

OFM will continue to develop and implement a comprehensive financial management improvement framework for public sector agencies incorporating initiatives such as the linkage of outputs and outcomes to resource allocation, risk management, governance and improved financial reporting.

- **Management and Communication**

OFM will fully implement its Integrated Performance Management System to provide a more effective link between corporate planning, performance agreements, and staff development and training. This will result in more effective performance management. Other strategies will include ongoing structural reform of OFM, including the possible extension of portfolio based Branches to monitor both Budget and Commercial Sector agencies.

Office of State Revenue

OSR's corporate objectives to maximise revenue, efficiency and client satisfaction provide the strategic focus for 1998-99. OSR's Corporate Plan, which has a three-year time frame, sets out the strategies by which these objectives will be achieved. They are -

- compliance effectiveness - to increase the awareness of taxpayers to their obligation to State tax laws.
- service cost reduction and process simplification - to review existing processes and to identify areas where cost reduction can be achieved.
- compliance cost reduction - to examine alternate means such as electronic commerce by which clients can meet their obligation to State taxes in a simple, cost effective manner.
- service quality - to develop strategies that will match or surpass clients' service expectations.
- skilled people - to identify and develop training programs to enhance technical skills and to improve OSR's leadership capability.

1998-99 Budget

Total Expenses

Estimated total expenses in 1998-99 are \$87.7 million for Treasury, approximately the same as 1997-98.

Asset Acquisitions

- **Office of Financial Management**

For 1998-99, \$430,000 has been allocated for OFM's computer and related equipment replacement program.

- **Office of State Revenue**

OSR's 1998-99 asset acquisitions program is almost totally directed at the development of RECOUPS (\$18.567 million).

CROWN TRANSACTIONS ENTITY

Expenditure Trends and Recent Developments

“Crown Transactions” reflect service-wide transactions for which individual agencies are not directly accountable. The major components relate to provisions for superannuation contributions, the employer’s cash contribution to superannuation liability, long service leave payments, interest payments on Government debt to Treasury Corporation and the Commonwealth, and the payment of interest on bank balances held by General Government agencies that are members of the Treasury Banking System.

Proceeds from the sale of Government businesses are being utilised for debt retirement and the Government is phasing in full funding of accruing superannuation liabilities which should be achieved by 2020. For detailed commentary on asset and liability management refer to Chapter 7.

The Budget estimates provide for the payment of \$101 million in Special Revenue Assistance grants to the Commonwealth in 1998-99 (1997-98, \$216 million). The State is also required by the Commonwealth to make a contribution to higher education superannuation. This is estimated to be \$21 million in 1998-99. Other payments include State Bank post sale management costs, refunds and remissions of Crown revenue, rate concessions on exempt properties within the Sydney and Hunter Water Districts, contribution to the Treasury Managed Insurance Fund, debt/investment management costs, and an operating subsidy to Far West Energy.

1998-99 Budget

Total Expenses

Estimated total expenses in 1998-99 are \$2,745 million, with the major components being -

- \$1,188 million for interest expenses on existing debt held with Treasury Corporation, the Commonwealth and other organisations. This is a 31.1 per cent decrease on 1997-98, reflecting the repayment of Commonwealth debt funded by the net proceeds from the sale of the TAB and the savings generated from the maturity of long term debt in a lower interest rate environment;
- \$542 million for employer superannuation expenses. This cost is 55.6 per cent lower than 1997-98 as a result of the proposed distribution of the Contributor Reserve Account (\$570 million);
- \$329 million for long service leave expenses of public service employees;
- \$190 million for subsidies to offset the additional tax impost applied by the Commonwealth on alcohol and petroleum products as a result of the High Court decision on the operation of section 90 of the Constitution;

- \$126 million for expenses relating to the Crown Property portfolio;
- \$101 million in Special Revenue Assistance grants to the Commonwealth;
- \$53 million grant to the Traffic Accident Compensation Fund to replace the Third Party Motor Vehicle Registration Levy concessions granted in 1998-99 to New South Wales Senior's Card holders, Family Allowance recipients and primary producers.
- \$21 million as the State's contribution to higher education superannuation;
- \$20 million for the Energy Smart Government Buildings Program. This program is an initiative of the Sustainable Energy Development Authority, whereby substantive energy efficiency projects with guaranteed energy savings are identified for application in NSW State Government buildings and facilities;
- \$13 million for Natural Disaster grants; and
- \$13 million to Sydney Water for rate concessions on exempt properties.

Natural Disaster Relief

Natural disaster relief provided by the Government is funded through Crown Transactions (for certain General Government Sector agencies) as well as within the normal works programs of State agencies such as the Roads and Traffic Authority and the State Rail Authority.

Under Commonwealth/State Natural Disaster Relief Arrangements, New South Wales is required to fund the full cost of disaster relief up to a "base amount" which was \$55 million in 1997-98. In 1997-98 the State's overall Natural Disaster Relief Arrangements expenditure is expected to be \$23 million.

However, relief for personal hardship and distress attracts a dollar for dollar Commonwealth contribution regardless of whether State expenditure reaches the base amount. In 1997-98 the Commonwealth is expected to contribute \$1.1 million, being half of the State's estimated personal hardship and distress expenditure.

The Commonwealth does not recognise drought relief expenditure under the Natural Disaster Relief Arrangements. Notwithstanding this, the New South Wales Government has decided that relief measures (such as stock and fodder transport subsidies) should continue to be made available due to difficulties currently facing the rural sector. These drought assistance measures are made available through an allocation to the Minister for Agriculture.

Impact of the State Bank Sale

On 31 December 1994, the former Government sold the State Bank of New South Wales Limited to the Colonial Mutual Group.

Even though the State Bank sale was completed on 31 December 1994, with the State receiving \$526.5 million in that year, the State continues to be adversely affected by further payments required to be made under the sale arrangements.

Since the sale, the State has outlaid \$200.6 million (to 31 March 1998) against receipts during the same period of \$75.4 million.

The outlay for 1998-99 is forecast to be \$104.2 million and for 1999-2000, \$45.7 million.

This forecast, along with the shortfall the State is bearing in relation to the lease of the State Bank Centre, represents in total an additional cost to the State of approximately \$187.5 million or a final sale price of \$213.8 million.

The primary reason for the ongoing outlays is the indemnities provided to the purchaser against loans in existence as at the sale date.

Under GFS statistical standards, the costs associated with the State Bank sale, which reflect indemnities provided in the sale contract, are financing transactions. Hence while they result in debt levels and hence debt servicing costs being higher than they would otherwise be, they do not affect the Budget result.

In the case of the TAB, costs associated with payments or concessions to the racing industry are treated as expenses and hence do impact on the Budget result because they are not part of any sale contract.

CROWN LEASEHOLDS ENTITY

The Crown Leaseholds Entity was previously incorporated within the Crown Transactions Entity, and is administered by the Department of Land and Water Conservation under the Crown Lands Act 1989.

The Crown Leaseholds Entity collects annual instalments relating to the purchase of Crown Land and generates revenue from leases, licences and permissive occupancies of Crown Land.

Total cash transfers to the Consolidated Fund are estimated to increase by 85.9 per cent to \$70.7 million in 1998-99. This increase is mainly attributable to scheduled asset sales.

CROWN TRANSACTIONS ENTITY COMMERCIAL ACTIVITIES

The commercial activities of the Crown Transactions Entity comprise the New South Wales Non Budget Long Service Leave (LSL) Pool, the New South Wales Structured Finance Activities Account and the Balance of Salaries Suspense Account.

The LSL Pool administers LSL Provision for agencies and commercial activities whose liabilities were previously assumed by the Crown Transactions Entity due to them being part of the Budget Sector.

The principal activities of the NSW Structured Finance Activities relate to the utilisation of the financial standing of the Crown in securing efficient funding of the State's assets (electricity assets, motor vehicles and the rolling stock of the State Rail Authority). Tax and credit arbitrage benefits through the use of financial structures both within and outside Australia have been utilised.

The transactions, involving foreign jurisdictions, are designed to result in lower costs of finance and/or refinance for the capital expenditure of the State. The Crown receives the financial benefits and these benefits, net of expenses, are then remitted to Consolidated Fund.

The Balance of Salaries Suspense Account was previously credited with payments from Budget Sector agencies so that the financial statements of those agencies would reflect the full year impact of employee related costs. The year end credits were then reversed on the first payday in the following year. With the introduction of the accrual accounting presentation for all agencies in this year's Budget Papers, use of this Account was discontinued in 1997-98.

1998-99 Budget

Expenses in 1998-99 will fall by approximately \$100,000 to \$10 million. A similar increase in receipts will see the operating deficiency fall from \$354,000 to \$114,000. The Balance Sheet will be substantially reduced by the cessation of the Balance of Salaries Suspense Account.

NEW SOUTH WALES INSURANCE MINISTERIAL CORPORATION

The Corporation was created in 1992 to accept the assets, liabilities, rights and obligations of Government insurance activities. The two activities are -

- the Treasury Managed Fund, which provides cover for all insurance exposures faced by budget dependant agencies (other than compulsory third party insurance); and
- the management of liabilities from a number of closed schemes. The closed schemes are the Governmental Workers Compensation Account, the Transport Accidents Compensation Fund and the Pre-Managed Fund Reserve.

These activities are currently managed under contract by GIO General Limited.

Expenditure Trends and Recent Developments

The major revenue items are premiums, investments earnings, levies received from motorists and Government grants. Expenses are primarily related to claims costs.

Claims expenses includes movements in the liability for outstanding claims. The liability includes claims incurred but not yet paid, incurred but not yet reported claims and the anticipated fund management fees in respect of the management of those claims. The liability is assessed in conjunction with independent actuaries.

Apart from some minor property holdings, the investment portfolio consists of short term money market, and units in the Treasury Corporation hourglass facilities (fixed interest, diversified and balanced). As these investments are subject to movements in the equity, property and fixed interest markets, annual investment earnings may vary significantly.

Strategic Directions

A greater emphasis has been placed on reducing claims costs in the Treasury Managed Fund by promoting better risk management and claims management practices.

The contract for management of the Treasury Managed Fund was, and will continue to be, subject to competitive tender.

1998-99 Budget

The estimated operating deficit of \$25.9 million for 1998-99 compares favourably, with \$60.9 million achieved in 1997-98. This result will be achieved by a 6.8 per cent increase in revenue to \$717 million offset by a 1.5 per cent increase in expenses to \$743 million.

NEW SOUTH WALES FINANCIAL INSTITUTIONS COMMISSION

New South Wales Financial Institutions Commission (FINCOM) was established as a corporate body for the supervision and regulation of New South Wales non-bank financial institutions on 1 July 1992.

Expenditure Trends and Recent Developments

In the first year of operation (year ending 30 June 1993), total expenditure was \$4.1 million. This included set up costs. Since then expenditure has remained at approximately \$3.7 million per annum which is the amount budgeted for 1998-99.

With no significant variation in functions, operating expenditure has been controlled (in real terms) to less than 1993-94 levels.

Strategic Direction

In March 1998, legislation was introduced to prepare for the implementation of the Australian Prudential Regulation Authority (APRA). APRA will require the merging of Commonwealth and relevant State regulatory authorities. This will include functions of the Reserve Bank, the Insurance and Superannuation Commission and organisations within the Financial Institutions Scheme.

FINCOM forms part of this group of organisations responsible for the regulation and supervision of non-bank financial institutions.

It is the Commonwealth Government's intention to have the new organisation APRA established by 1 July 1998. Uncertainty exists however over the exact date that FINCOM will be integrated into APRA. Given this uncertainty FINCOM have been included in the 1998-99 New South Wales State Budget.

1998-99 Budget

Total Expenses

Given the current circumstance regarding FINCOM, the 1998-99 budget has been prepared on a status quo basis with no significant variations in operations to the current year.

Levy revenue is the same as current year (held at same level for three years) and operating expenses are 1 per cent below current year.

Asset Acquisitions

The FINCOM asset acquisition program for 1998-99 includes \$60,000 provision for the replacement of plant and equipment.

SUPERANNUATION ADMINISTRATION AUTHORITY

The Superannuation Administration Authority (SAA) was created in July 1996 to carry out superannuation scheme administration services for NSW public sector trustees. State Super Investment and Management Corporation had previously carried out this function. SAA provides superannuation administration services to trustees of the First State Superannuation Fund, the Pooled Fund and the Parliamentary Contributory Superannuation Fund. The services include collecting contributions and paying benefits, maintaining member records, telephone and field advisory services and technical advice to trustees.

Expenditure Trends and Recent Developments

SAA operates on a cost recovery basis for the Pooled Fund administration and on a fee for service basis for its other business. Negotiations are underway to introduce a fee for service arrangement for the Pooled Fund administration, and so move SAA to a fully commercial basis.

The major upgrade of all computer administration systems will continue in the coming year. This project began in 1997 and will be completed by mid 1999, thus ensuring SAA is Year 2000 compliant. The project will improve administrative and financial controls over members' records and keep staff up to date with changes to legislation and trustee instructions.

Strategic Directions

SAA has a limited mandate to operate for NSW public sector trustees and aims to be a service oriented and technically advanced organisation. In 1998-99 improvements in service delivery will be achieved by -

- implementation of new administration systems to streamline processing and to improve quality of member information;
- flexible and user friendly inquiry and reporting systems; and
- strengthening partnerships with clients through improved communication and services.

1998-99 Budget

Total Expenses

The estimated total expenses for 1998-99 is \$45.1 million, a decrease of 10.7 per cent, based on current funding arrangements with the trustees.

Asset Acquisitions

Asset acquisitions amount to \$1.3 million, a decrease of 93.0 per cent. The decrease is attributable to acquisitions in 1997-98 for the computer migration project, including \$11.3 million of system development assets.

TREASURER'S ADVANCE ACCOUNT

\$125 million has been allocated in 1998-99 to the Treasurer as an advance to allow for supplementary expenses of an unforeseen nature for the ordinary services of government. Actual expenses will be recorded in the expenses of the appropriate agencies.

OLYMPIC FUNDING RESERVE

To enable the Government to plan future expenditure, the full cost of Olympic commitments over the next three years has been factored into the Budget.

An Olympic Funding Reserve has been established to provide for costs to be borne by agencies in strategic planning, preparation and providing services, including transport, health and security for the Olympic Games. This is the first time that the Budget has provided for the cost of agency services to support the Olympic Games. Agencies have been directly provided with some additional funding. The Reserve provides for funding which has not yet been formally allocated to agencies by the Budget Committee. As expenditure items from the Reserve are approved by the Budget Committee, funding will be transferred from the Reserve to the agencies concerned.

The Reserve provides for expenditure in the Budget and forward years as follows -

| | 1998-99 | 1999-00 | 2000-01 |
|--|-------------|-------------|--------------|
| | \$m | \$m | \$m |
| Recurrent costs - | | | |
| Agency service provision costs | 56.8 | 99.5 | 320.3 |
| less amounts provided to agencies | 55.7 | 44.3 | 45.5 |
| Olympic Funding Reserve - recurrent | 1.1 | 55.2 | 274.8 |
| Capital costs - | | | |
| Agency service provision costs | 38.1 | 42.0 | 8.5 |
| less amounts provided to agencies | 15.5 | ... | ... |
| Olympic Funding Reserve - capital | 22.6 | 42.0 | 8.5 |
| Total - Olympic Funding Reserve | 23.7 | 97.2 | 283.3 |

DEPARTMENT OF STATE AND REGIONAL DEVELOPMENT

The Department of State and Regional Development was established in December 1995. It works with business to strengthen New South Wales competitiveness internationally, increase investment and create new jobs for the State.

Expenditure Trends and Recent Developments

The Department continues to be successful in attracting and facilitating major investment projects in New South Wales. It is estimated that during 1997-98, the Department will have facilitated projects in both metropolitan and regional New South Wales with an investment value of \$1.553 billion and an employment impact of over 8,100 jobs.

Specific projects include -

- establishment of First Data's regional processing operation;
- Oracle's Australian headquarters and national centre for network computing;
- Parke Davis' regional manufacturing and supply headquarters for the Asia/Pacific region;
- the Central West Gas Pipeline;
- announcement by Lockheed Martin that they will be establishing a \$25.0 million Satellite Antenna Farm at Uralla;
- establishment by Austral Softwoods of an \$18.0 million softwood processing plant at Holbrook;
- establishment of a Department of Social Security Teleservice Centre at Port Macquarie employing in excess of 100 people;
- establishment of Bioclip, a manufacturer of biological wool harvesting nets at Lithgow;
- establishment of Hugh Symonds Group, Wireless Data Services Call Centre at Wollongong; and
- an announcement by the Bega Cheese Cooperative that a major expansion (packaging facility) involving up to 150 new staff will take place at Bega.

Strategic Directions

The Department of State and Regional Development works in partnership with industry to ensure that New South Wales is widely recognised as a leading centre of high value-adding, knowledge intensive business in the Asia-Pacific region. The Department works with business to develop New South Wales as a prosperous and internationally competitive economy, through attracting and retaining investment, boosting exports, fostering industry skills and innovation, and creating sustainable jobs to enhance the quality of life for people throughout the State.

This is achieved by -

- securing and sustaining investment;
- working with industry to ensure that export market opportunities are maximised;
- working with regions to expand and diversify economic opportunities;
- building the capabilities of small and medium sized businesses to pursue opportunities for growth;
- enhancing innovation, research and development and technology commercialisation and take-up;
- advocating and initiating policy change and infrastructure development to improve the business climate; and
- coordinating and expediting relevant government agency input on investment projects, to ensure a whole-of-Government approach.

1998-99 Budget

Total Expenses

The Department's estimated total expenses for 1998-99 amount to \$92.6 million.

During 1998-99 the Department's initiatives will include the following -

- Regional Economic Transition Scheme (RETS) - The program is worth \$5 million per annum for the next three years. RETS will give assistance to regional centres which have experienced sharp economic shocks from structural changes in industries which served as mainstays of the region's economy. Financial assistance will be available to new investments, which can help diversify the economic base and create secure jobs for the region.
- The Country Lifestyles Program - The program is worth \$1 million per annum for the next three years. It will promote the lifestyle advantages of individual regional centres. The program will help attract skilled and trade professionals to meet the needs of industry development.
- The Department's community economic development programs have been refocussed to reflect the need for diversification of the economic base of country towns. The Main Street / Small Towns program now looks at the economy of the broader local government area rather than simply a town's retail precinct.
- New South Wales High Growth Business Program - This program aims to induce growth of exports, jobs and profits in internationally active small to medium enterprises. The program will extend the following services to around 500 companies each year -
 - client manager services to work with high growth companies to plan strategies to increase exports and other business outcomes;
 - group activities for companies presenting innovative management and production practices;

- limited financial assistance to selected companies to engage expert assistance on a project basis;
- forums and networking activities between firms; and
- joint activities with government and non-government agencies to extend the reach of the program.
- Redevelopment of Grahame Park - The assistance will be provided to Gosford City Council to help develop a 20,000-seat multi-purpose stadium. Council is scheduled to complete the new facility, which will cater for sports including rugby league, rugby union and soccer, as well as festivals and entertainment, by early 1999.
- The Department will be supporting a number of new initiatives including Investment 2000, showcasing Australian technology via the Internet, and other business development activities aimed at small to medium enterprises throughout New South Wales.

In addition, the 1998-99 Budget includes the following allocations -

- Regional Headquarters Tax Concessions - incentives to encourage international companies to establish their regional headquarters in Sydney;
- Australian Technology Showcase - An international campaign to promote the best of Australia's technologies and industries in the spotlight of the 2000 Olympics. The aim is to increase exports and attract investment into local companies. Matching grants will be provided for tailored marketing and export promotional activities in the ATS. Additional promotional support will include the production of an ATS brochure linking the website to electronic commerce; and further export marketing assistance through technology conferences and trade shows.
- Assistance to Industry - promoting, encouraging and stimulating the establishment and development of industry;
- Regional Development Assistance Scheme - It provides assistance to help secure new jobs and investment for regional locations. It is targeted at businesses in establishment, expansion or relocation. Its main purpose is to help companies cope with the periods of critical cash flow and other initial cost hurdles, which can discriminate against regional locations being selected.
- Hunter Advantage Fund - established by the Government as a response to the need for job creation and industry development initiatives in the Newcastle area as a consequence of the closure of BHP's steelmaking operations by 1999; and
- Small Business Development - supporting a range of activities directed at the 250,000 small and micro firms in New South Wales. The programs are mainly delivered from the community and private sector with the departmental resources directed to testing concepts and delivery mechanisms. Activities funded include Business Enterprise Centres, Business Expansion Program, Small Business Development Corporation, Business Skills Migration Program and the Women in Business Mentoring Program.

Asset Acquisition Program

The Department's asset acquisition program for 1998-99 includes \$210,000 provision for the replacement of departmental plant and equipment and a specific provision for the Department's share of the cost of upgrading the Governor Macquarie Tower information technology network.