

# DEPUTY PREMIER, MINISTER FOR TRANSPORT, AND MINISTER FOR FINANCE

## OVERVIEW

<i>Agency</i>	<i>2007-08 Budget \$m</i>	<i>2008-09 Budget \$m</i>	<i>Variation %</i>
<b>World Youth Day Co-ordination Authority</b>			
Total Expenses .....	3.9	60.7	>999.9
Capital Expenditure .....	...	...	...
<b>Ministry of Transport</b>			
Total Expenses .....	3,338.8	3,746.2	12.2
Capital Expenditure .....	124.2	111.5	-10.3
<b>Independent Transport Safety and Reliability Regulator</b>			
Total Expenses .....	17.1	17.0	-0.7
Capital Expenditure .....	0.4	0.2	-59.5
<b>Office of Transport Safety Investigations</b>			
Total Expenses .....	2.4	2.4	...
Capital Expenditure .....	...	...	...
<b>Superannuation Administration Corporation</b>			
Total Expenses .....	54.6	62.4	14.3
Capital Expenditure .....	5.2	1.7	-67.5
<b>State Property Authority</b>			
Total Expenses .....	147.1	164.0	11.5
Capital Expenditure .....	89.9	18.9	-79.0
<b>Total, Deputy Premier, Minister for Transport, and Minister for Finance</b>			
Total Expenses .....	<b>3,563.9</b>	<b>4,052.7</b>	<b>13.7</b>
Capital Expenditure .....	<b>219.7</b>	<b>132.3</b>	<b>-39.8</b>

In addition to the agencies listed above, the Minister is also supported by the Department of Premier and Cabinet (Section2) for the Finance portfolio.

## **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 work being undertaken by the Authority supports efforts to attract major events to New South Wales. To achieve this, the Authority aims to deliver the following results:

- ◆ Government services to the event are delivered in an efficient and effective manner.
- ◆ The international reputation of Sydney and New South Wales as excellent hosts and organisers for significant events of this nature is enhanced.
- ◆ The tourism legacy for Sydney and New South Wales is maximised.

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
- ◆ assist in securing Randwick Racecourse as the main venue for the event
- ◆ develop and manage the public information strategy and
- ◆ act as the principal New South Wales Government agency for liaison on World Youth Day matters with other State and Territory governments, the Commonwealth Government and the Catholic Archdiocese of Sydney.

The key service provided by the Authority and the way in which it is expected to contribute to results are set out in the following table:

Service Groups	2008-09 Budget Expenses  \$m	Results		
		Delivery of Government Services for World Youth Day 2008	Enhance reputation of Sydney and New South Wales as hosts and organisers	Maximise the tourism legacy for Sydney and New South Wales
Government Services to World Youth Day 2008	60.7	✓	✓	✓
<b>Total Expenses Excluding Losses</b>	<b>60.7*</b>			

\* Includes \$11.6 million in relation to access to Randwick Racecourse.

## RECENT ACHIEVEMENTS

Plans are being developed by the Authority in close consultation with other Government agencies and the Catholic Church in preparation for the delivery of Government services to World Youth Day 2008.

The staging of the main event for World Youth Day at Randwick Racecourse has an impact on the NSW racing industry. The Government has successfully negotiated terms with the Australian Jockey Club for the racing industry to vacate the racecourse for a period of 10 weeks to prepare the venue for the event, including the protection of the racing and training surfaces turf. The Commonwealth Government is contributing \$20.5 million to the costs associated with Randwick Racecourse.

## STRATEGIC DIRECTIONS

The following are the key strategic directions for the Authority:

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

## **2008-09 BUDGET INITIATIVES**

The Authority will focus on coordination of Government services for World Youth Day being held in July 2008 and work with the Catholic Church and the Australian Jockey Club to ensure Randwick Racecourse is restored and ready for the 2008 Spring Carnival.

### **Total Expenses**

Total expenses in 2008-09 of \$60.7 million consist of \$49.1 million for Government services for the World Youth Day 2008 event and \$11.6 million for the Randwick Racecourse Access Agreement.

Total expenses in 2007-08 and 2008-09 are being partly funded by a \$20.5 million contribution from the Commonwealth Government and a \$10 million contribution from the Catholic Church. These contributions relate to costs associated with Randwick Racecourse.

### **Capital Expenditure**

A provision of \$30,000 has been made for minor capital expenditure.

## **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), Rail Infrastructure Corporation (RIC), Sydney Ferries, the State Transit Authority (STA), the Transport Infrastructure Development Corporation and the Public Transport Ticketing Corporation.

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 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 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 Ministry of Transport contributes to providing transport services that are more accessible, attractive and sustainable and that meet customer expectations for safe, reliable and clean services by working towards the following results:

- ◆ Improve the performance of the New South Wales rail, bus and ferry services.
- ◆ Transport services that are safe, reliable and secure.
- ◆ Community needs for equitable and accessible public transport are met.

Services provided by the Ministry to achieve these results 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
- ◆ planning and coordination of transport services
- ◆ 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.

The key services provided by the Ministry of Transport 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		
		Improved performance across the NSW rail, bus and ferry network	Provision of safe, reliable and secure transport services	Equitable and accessible transport to match community needs
Transport Planning, Policy and Infrastructure Programs and Initiatives	871.5	✓		
Targeted Transport Services	643.5			✓
Transport Regulation, Service Provision and Contract Management	2,231.1		✓	
<b>Total Expenses Excluding Losses</b>	<b>3,746.2</b>			

## RECENT ACHIEVEMENTS

Budget funded expenditure on transport has grown significantly over the past six years reflecting the Government's prioritisation of this area. Forecast total expenses for 2008-09 of \$3.7 billion represent an increase of more than 60 per cent on the 2002-03 level.

### Rail Services

A significant expansion of the rail network is underway.

In March 2008 the Government announced SydneyLink, a series of major transport projects to transform Sydney's public transport infrastructure. The first stages of SydneyLink will be the North West Metro and the South West Rail Link. This is 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.

- ◆ The North West Metro is a \$12 billion, 38 km rail line to run from Rouse Hill to the Sydney CBD. Construction will begin from both ends in 2010 with the first trains operating between Epping and the Hills Centre in 2015 and services between Rouse Hill and the CBD by 2017. The new line will include 17 easy access stations with interchanges to existing transport services. Services will be high frequency and significantly reduce the travel times to the CBD for commuters along the corridor.

- ◆ The South West Rail Link is a \$1.36 billion, 13 kilometre rail line from Glenfield to Leppington with two new stations at Edmondson Park and Leppington. Construction will commence in 2009 and be complete by 2012. An additional 1,650 commuter car parking spaces will be available, with bus interchanges at Leppington and Edmondson Park. The line will eventually enable up to eight trains per hour to the city.
- ◆ The \$2.3 billion Epping to Chatswood Rail Line, will provide underground services to the growing North Ryde/Macquarie Park area and increase the capacity on the Western line. Construction will be complete around mid year and commissioning of the rail connections at Epping and Chatswood will begin in the second half of 2008. Services will commence after operational readiness processes and final safety assurances are complete.
- ◆ The \$1.8 billion Rail Clearways Program comprises 15 key projects to simplify the rail network. Additional track, platforms and turnbacks will remove bottlenecks and junctions to increase capacity, ease congestion and reduce delays. This means an incident on one part of the network will have a limited effect on services elsewhere.

New rollingstock and rollingstock improvements are being provided to improve passenger amenity. New Outer Suburban carriages, costing around \$439 million, are now servicing commuters in the Illawarra and Central Coast, with services to be extended to the lower Blue Mountains later this year. The first stage of 41 carriages is almost complete and the second stage of 81 carriages well underway. The Hunter area is now benefiting from a \$102 million investment in 14 new carriages.

All non air-conditioned rail cars will be replaced under a Public Private Partnership arrangement. The 626 new CityRail carriages will be air-conditioned, equipped with CCTV cameras, internal passenger information screens and will be of a vandal-resistant design. Construction of the manufacturing and maintenance facilities is progressing. The first of the new carriages is due to be delivered in 2010.

Customer service has been a major focus during 2007-08. The Customer Service Improvement Program is a plan for RailCorp that puts the customer at the centre of its operational planning and management. RailCorp has already started to deliver the first changes from this Program.

The Program will ensure that RailCorp focuses its efforts on getting the basic service essentials right. This plan will involve a set of deliverables in 2008, 2009 and 2010 to systemically improve the customer service performance of RailCorp through a variety of measures.

The aim of the Program is to significantly improve the quality and consistency of the day-to-day service provided by RailCorp to its customers, by lifting RailCorp's performance and increasing its ability to deliver consistently acceptable levels of service across the network. It consists of inter-related initiatives that address each customer service challenge. The Program will ensure that the customer is at the centre of RailCorp's service and operations.

Major upgrading is continuing on 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, a dedicated freight line for trains from Macarthur to Chullora, to be constructed by the ARTC, which will free up capacity for the passenger rail system.

## **Bus Services**

The Government continues to deliver improved bus services.

Metropolitan bus services are now provided through 15 contracts, worth \$2.8 billion over seven years. Bus priority measures support more frequent services on strategic corridors. In 2007-08, new integrated networks with improved services have been introduced in three bus regions. Reviews on 19 other corridors have commenced. New bus stop signage, identifying the corridor and containing bus route and timetable information, has been introduced on 14 corridors with installations proceeding on a further seven.

Service and operational improvements resulting from the new contracts include:

- ◆ new services on the North West T-way extensions to the Rouse Hill Interchange and Blacktown to Parklea
- ◆ a three-year \$135 million bus priority program, commenced in 2005-06, to improve traffic priority for buses on key strategic corridors. Further services are now operating along 18 corridors
- ◆ introduction of 61 new buses, costing \$26 million, to carry an additional 15,000 commuters and ease crowding on the busiest services
- ◆ standardisation of bus fares, with outer metropolitan fares being reduced to the level of metropolitan fares
- ◆ introduction of 23 pre-pay services on STA's strategic corridor routes
- ◆ introduction of a comprehensive community consultation process to develop bus networks that are better targeted to community needs and
- ◆ enhanced standards to ensure all buses on new routes 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 330 projects have been undertaken over the last three years.

During 2007-08 \$32.2 million was allocated to 134 organisations under the Home and Community Care Program, the NSW Community Transport Program and the Area Assistance Scheme. These programs give improved transport options to transport disadvantaged people including isolated families, the frail aged, people with disabilities and their carers. In addition, \$1.9 million was allocated to some 47 projects in 34 towns under the Country Passenger Transport Infrastructure Grant Scheme.

The Ministry also coordinates public transport services to major sporting and cultural events. In 2007 more than one million people took advantage of special integrated ticketing to travel to and from major and special events.

## STRATEGIC DIRECTIONS

The New South Wales State Plan sets out the Government's goal of an effective transport system and the *Urban Transport Statement*, released in November 2006, is the blueprint for Sydney's transport needs.

Investments in new and improved infrastructure are being undertaken to ensure State Plan targets are met. SydneyLink represents the next generation in public transport strategy for the Sydney region. SydneyLink is a series of major transport projects, including the North West Metro, an M4 extension, the South West Rail Link and possible future metro rail to the west and south east of the city.

The Government is committed to delivering the South West Rail Link by 2012 and the new North West Metro between Epping and the Hills Centre by 2015 and from Rouse Hill to the CBD by 2017.

The North West Metro will provide benefits for existing rail users by reducing crowding on the existing Western, Richmond, Main North and North Shore rail lines. The construction of the North West Metro provides an additional corridor into the CBD for residents of the north west, deferring the need for a second harbour crossing. The North West Metro will also reduce congestion on major roads such as Old Windsor Road, the M2 Motorway, Victoria Road, the Anzac Bridge, the Harbour Bridge and within the CBD.

An amount of \$30 million will be available in 2008-09, from the Commonwealth and the State, to undertake a feasibility study into a Western Metro Line, between Parramatta and the CBD. The feasibility study will identify preferred alignments and establish a business case for the project.

The introduction of an additional 40 new buses for private metropolitan bus operators and the acquisition of 150 high capacity buses for the STA are designed to meet the growing demand for bus services. The buses will be acquired by the bus operators with acquisition costs being funded over the life of buses through the bus contracts. Bus Priority measures and improved network designs that better meet commuter travel needs are aimed to encourage greater use of the public transport network.

The Government's priorities are to:

- ◆ increase the share of commuter 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
- ◆ consistently meet public transport reliability targets and
- ◆ increase public transport usage in and around peak times.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Total expenses in 2008-09 are estimated at \$3.7 billion. A significant portion of total expenses is comprised of grants to transport service providers.

### ***Rail Services***

In 2008-09 budget support for rail services, including metropolitan passenger rail services and the country regional network, is \$2.5 billion.

In 2008-09 the Budget, through the Ministry of Transport, will provide:

- ◆ \$1.6 billion to RailCorp to fund CityRail and CountryLink passenger services
- ◆ \$499 million to RailCorp as a contribution to capital investment
- ◆ \$3.4 million to the Transport Infrastructure Development Corporation toward completion of the Epping to Chatswood Rail Line
- ◆ \$170 million to the Transport Infrastructure Development Corporation for the North West Metro and South West Rail Link and
- ◆ \$209.5 million to Rail Infrastructure Corporation, including \$166.5 million for maintenance of the Country Regional Network and \$22.8 million for the interstate and Hunter Valley rail networks.

In 2008-09 RailCorp plans to spend \$2.5 billion (excluding depreciation) on operating CityRail and CountryLink services. Operating costs will be financed by Budget grants of \$1.6 billion (which includes a contribution to concessional rail travel provided to students and pensioners), farebox revenue of \$652 million and miscellaneous income.

RailCorp's total capital expenditure program in 2008-09 is \$967.1 million. The program is funded by \$499 million in grants, with the balance from borrowings and internal funds. The program includes safety and reliability initiatives, enhancements to customer service including improved access, security and passenger information and new rollingstock.

### *Rail Clearways*

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

In 2008-09, \$353 million will be made available to fund a number of projects including:

- ◆ the planned completion of a new station platform at Hornsby
- ◆ the continued duplication of the Cronulla line and
- ◆ continuation of works on Liverpool, Revesby, Homebush and Lidcombe turnbacks, the Kingsgrove to Revesby quadruplication, the Richmond line duplication and a new platform at Macarthur.

### *Rollingstock*

In 2008-09, \$152.9 million will be spent on rollingstock acquisition and upgrades including:

- ◆ \$106.3 million to progress ancillary works on the privately financed project for 626 new air-conditioned carriages for the CityRail network
- ◆ \$15.7 million to finalise the acquisition of 122 new Outer Suburban carriages for intercity services
- ◆ \$6 million to upgrade long haul XPT and Endeavour fleet cars and
- ◆ \$12.9 million for rollingstock enhancements, \$8 million for passenger initiated egress and \$3 million for rollingstock maintenance and servicing facilities.

## *Rail Infrastructure*

Over \$200 million will be spent to improve customer services, amenities and accessibility including:

- ◆ \$25.3 million for Easy Access station upgrades across the CityRail network, including completion of Eastwood, and continuation of Lindfield and Emu Plains, commencing work at Burwood and assessment of options at Newtown, as part of a \$127 million program
- ◆ \$28.6 million for North Sydney Station and \$6.5 million for Hurstville Station upgrades. Planning for redevelopment of Town Hall, Redfern and Wynyard stations will continue as well as planning for new stations at Flinders, North Warnervale, and Glendale
- ◆ \$10 million for station passenger information systems to improve customer communications and
- ◆ \$132.4 million for various safety and reliability improvements to infrastructure and rollingstock, including consolidation of signal boxes, electrical traction power supply through new or upgraded sub-stations and high voltage transmission lines to meet the needs of new generation rollingstock and other safety systems.

## *Epping to Chatswood Rail Line*

Expenditure on the Epping to Chatswood Rail Line is estimated at \$148.3 million in 2008-09.

The new rail line will service three new underground stations at Macquarie University, Macquarie Park and North Ryde.

## *SydneyLink*

The SydneyLink projects include the North West Metro and the South West Rail Link. In 2008-09 \$106 million will be available for the North West Metro Rail Line and \$64 million for the South West Rail Link.

## ***Rail Infrastructure Corporation***

The Corporation manages arrangements with the Australian Rail Track Corporation (ARTC) to ensure safe, consistent and reliable rail services are provided to rural New South Wales. In 2008-09, \$209.5 million will be available to RIC, including:

- ◆ \$166.5 million for the Country Regional Network and
- ◆ \$22.8 million towards works on the New South Wales interstate and Hunter Valley rail networks, as part of the State's obligation to contribute \$95 million over four years, to ARTC's investment on the east coast rail corridor.

The 2008-09 allocation to the Country Regional Network is a 28 per cent increase on last year and includes an additional \$35 million per annum for maintenance of unrestricted lines and public overbridges and \$15 million in 2008-09 for maintenance of the grain lines.

Expenditure on capital works is estimated at \$93.7 million in 2008-09, including \$41.7 million for re-sleepering and \$30 million for capacity enhancements on The Gap to Narrabri line to meet forecast increases in export coal from the Gunnedah basin.

## ***Bus Services***

With the implementation of Metropolitan and Outer Metropolitan Bus Service contracts, the Ministry funds bus services in Sydney, Central Coast, Newcastle, Wollongong and the Blue Mountains through seven year service contracts. These contracts provide for greater accountability to government and long-term funding certainty for operators. These contracts will result in a more viable and sustainable public and private bus industry and better services for commuters.

During 2008-09 the Ministry will also progress with the roll-out of contracts for rural and regional bus operators to support improved services in these areas.

## ***State Transit Bus Services***

Payments for STA services are budgeted at \$298.6 million in 2008-09, an increase of \$15 million over 2007-08.

Contract payments plus service revenue will contribute towards a \$75.4 million capital works program for STA in 2008-09 including:

- ◆ \$44.3 million for depot redevelopment including \$27.2 million to double the capacity of Leichhardt depot, \$6.4 million for an upgrade to Ryde Depot and \$10.7 million to expand Brookvale Depot
- ◆ \$2.9 million for on-board surveillance cameras and driver security screens
- ◆ \$5 million for upgrades to depot facilities and workshop modifications and
- ◆ \$8.2 million to upgrade the information management systems.

In addition, the STA will acquire 52 Euro-5 diesel and 70 standard compressed natural gas buses for Sydney and Newcastle networks, at a cost of \$60.8 million and place orders for a further 150 articulated buses for growth with delivery commencing in 2009. These buses will be financed by the Ministry and be treated as part of its capital program.

### *Private Bus Services*

Funding for private metropolitan and outer metropolitan bus operators is estimated at \$309.8 million in 2008-09. This will ensure service viability and enable private metropolitan operators to bring into service 54 replacement buses, worth an estimated \$18.7 million. The Government will provide private metropolitan operators with \$13.9 million to purchase 40 buses to meet the growth in demand. All new buses will be environmentally friendly, with air conditioning and low floor for easy access and faster boarding.

Operators in outer metropolitan Sydney will bring into service 47 replacement buses worth an estimated \$16.3 million and are planning to spend \$7.1 million in 2008-09 on bus refurbishment. An amount of \$294.9 million will be available for regional bus operations, which will be progressively transferred to new contract arrangements.

### *Bus Priority*

In 2007 two further extensions were opened on the North West T-way to the new Rouse Hill Town Centre Interchange and between Blacktown and Parklea. New dedicated bus lanes on Epping Road and the Lane Cove Bus Interchange opened in March.

As announced in the Urban Transport Statement, an additional \$100 million has been allocated over four years for bus priority in strategic bus corridors, bringing the total funding to \$235 million. In 2008-09, \$25 million will be spent on bus priority measures.

### **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 estimated value of benefits gained by participants of the School Student Transport Scheme in 2008-09 is \$465.2 million.

**Table 3.1: School Student Transport Scheme**

		2003-04	2004-05	2005-06	2006-07	2007-08 Revised	2008-09 Projection
Beneficiaries (a)	'000	660.1	660.5	661.6	662.4	662.5	662.6
Total value to beneficiaries* (b)	\$m	451.3	456.3	429.3	433.3	446.3	465.2
Average value per beneficiary (b/a)	\$	683.7	690.8	648.9	654.1	673.7	702.0

\* 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 \$80.5 million in 2008-09, an increase of \$20.3 million on the 2007-08 Budget.

Sydney Ferries' \$30.3 million capital works program includes a number of initiatives designed to improve safety and service reliability including:

- ◆ \$3.2 million for the Ferry Operations and Customer Information System and
- ◆ \$3.2 million for continuation of the First Fleet re-engining project.

The Report of the Special Commission of Inquiry into Sydney Ferries was released on 1 November 2007. The Government is currently considering its response to the report's recommendations.

## **Electronic Integrated Ticketing**

The Public Transport Ticketing Corporation terminated the Tcard contract in January 2008.

The NSW Government remains committed to delivering an electronic integrated ticketing system for Sydney. The Public Transport Ticketing Corporation is working with an expert group from across Government to begin scoping out next steps for a new system.

## **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 \$82.9 million in 2008-09. This includes \$33.4 million to assist frail aged and younger people with disabilities and their carers, \$3.7 million to assist people who are transport disadvantaged to access transport services and \$22.4 million for taxis subsidies for people with disabilities.

## **Transport Interchanges and Commuter Car Parks**

Improvements in public transport infrastructure, funded from the Parking Space Levy, will continue during 2008-09 and include:

- ◆ commuter car parks to be built or extended at Wentworthville, Holsworthy, Werrington, Seven Hills, St Marys, Glenfield and Blacktown
- ◆ continued delivery of the bus/rail interchanges at Hurstville, Macarthur, Morisset and Windsor and
- ◆ construction of a bus parking facility on Warringah Freeway at Cammeray.

## **Capital Expenditure**

The Ministry of Transport's total capital program in 2008-09 is estimated at \$111.5 million. The program includes \$109.8 million for 263 new buses funded through the Metropolitan and Outer Metropolitan Bus Service Contract Arrangements. The acquisitions cover 122 standard buses for the STA and 141 buses for use by private operators, including 54 buses in metropolitan regions, 47 buses in outer metropolitan regions and 40 buses to meet the growth in demand. The Government has also approved purchase of a further 150 articulated buses to meet the growth in demand in STA areas. Delivery of these buses should commence in the second half of 2009.

## AGENCY RESULT INDICATORS

### *Improved performance across the NSW rail, bus and ferry network*

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
Work with service delivery partner agencies to improve:					
i) Share of commuter trips made by public transport to and from Sydney CBD during peak hours	%	72.8	72.8	72.9	73.0
ii) Share of total journeys to work by public transport in the Sydney metropolitan region	%	22.0	22.0	22.0	22.1
iii) On time running of peak CityRail trains	%	88.8	92.1	92.0	92.0
iv) On time departure of Sydney buses	%	95	95	95	95
v) On time running of Sydney ferries	%	98.4	97.9	99.5	99.5
Notes:					
i) The extent to which mode share is shifting to public transport during peak hours. Target is 75 per cent by 2016.					
ii) The extent to which journey to work mode share is shifting to public transport in the Sydney metropolitan region. Target is 25 per cent by 2016.					
iii) Target is 92 per cent.					
iv) Target is 95 per cent.					
v) Target is 99.5 per cent.					

### *Equitable and accessible transport services to match community needs*

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) School Student Transport Scheme beneficiaries	'000s	661.6	662.4	662.5	662.6
ii) Community transport organisations meeting service quality measures	%	90	92	92	92
Note:					
i) The number of school students who are provided with transport assistance to access education.					

## ***Provision of safe, reliable and secure transport services***

<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) Bus operator on-road inspection compliance audits completed	no.	1,804	2,435	2,500	2,500
ii) Taxi operator on-road compliance inspection audits completed	no.	6,486	7,401	7,500	7,500
iii) Customers using transport information services	million	7.52	8.52	9.40	10.20

## **INDEPENDENT TRANSPORT SAFETY AND RELIABILITY REGULATOR**

The Independent Transport Safety and Reliability Regulator (ITSRR) is a statutory authority reporting to the Minister for Transport. ITSRR's principal objective is to facilitate the safe operation of transport services in New South Wales.

ITSRR's primary focus, as mandated under the *Rail Safety Act 2002*, is to regulate rail safety. ITSRR also coordinates safety regulation across New South Wales transport safety regulators (rail, bus, ferry) and provides independent reports on reliability issues affecting publicly funded rail, bus and ferry services.

### **RESULTS AND SERVICES**

ITSRR achieves its mandate by working towards the following results:

- ◆ Operators have safety management systems that meet legislated requirements of mitigating risk and focus on improving their safety culture and processes.
- ◆ Improvements are made by regulators to safety regulatory frameworks for rail, bus and ferry services.
- ◆ Government, the community and transport operators are aware of reliability and sustainability issues and results.

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

- ◆ accreditation, audit and compliance of rail operators to ensure they have, and maintain, appropriate safety management systems

- ◆ use of regulatory and enforcement powers to ensure rail operators implement specific safety requirements and, where necessary, ensuring that identified unsatisfactory safety risks are addressed
- ◆ a strategic coordination role for safety regulation with the Ministry of Transport and Maritime Authority of New South Wales to ensure initiatives for safety are assessed for applicability for the rail, bus and ferry transport modes and
- ◆ provision of reports on transport service reliability and sustainability issues that create awareness and inform critical decisions on the performance of the publicly funded transport network.

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

Service Groups	2008-09 Budget Expenses  \$m	Results		
		Rail operators have safety management systems that effectively manage risk and have a continuously improving safety culture	Improvements made by regulators to safety regulatory frameworks for rail, bus and ferry sectors	Highly regarded and sought after reliability advice
Rail Safety Regulation	14.9	✓	✓	
Transport Service Reliability Advice	1.9	✓		✓
Strategic Coordination of Safety across Transport Modes	0.2	✓	✓	
<b>Total Expenses Excluding Losses</b>	<b>17.0</b>			

## RECENT ACHIEVEMENTS

ITSRR has:

- ◆ implemented more rigorous safety requirements for mainline operators designed to bring about an improvement in their safety management systems
- ◆ provided considerable input into finalising the national model rail safety legislation and regulations, and prepared a draft *New South Wales Rail Safety Bill*

- ◆ monitored and reported on the implementation of the recommendations arising from the Special Commission of Inquiry into the Waterfall Rail Accident (97 per cent implemented) and
- ◆ initiated a system for monitoring and reporting by transport safety regulators on the implementation of independent investigation reports on rail, bus and ferry accidents.

## **STRATEGIC DIRECTIONS**

ITSRR's strategic directions for 2008-09 are to:

- ◆ address high level risks with operators, as necessary
- ◆ work with the heritage sector to improve risk management practices and operational safety, with a focus on compliance with new rail safety legislative requirements
- ◆ implement amendments to NSW legislation to give effect to national rail safety reforms and
- ◆ monitor and report on the implementation of recommendations arising from independent investigation reports into rail, bus and ferry accidents.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Total Expenses for ITSRR are estimated at \$17.0 million in 2008-09 including:

- ◆ \$14.9 million for conducting safety audits, compliance investigations and to implement the new rail safety legislation
- ◆ \$1.9 million to research and report to the Government and the public on reliability issues impacting on publicly funded transport and
- ◆ \$200,000 to facilitate improvements to transport safety regulatory frameworks.

### **Capital Expenditure**

Capital expenditure of \$150,000 in 2008-09 is for the completion of ITSRR's management reporting system.

## AGENCY RESULT INDICATORS

### *Rail operators have safety management systems that effectively manage risk and have a continuously improving safety culture*

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) Fatalities on the NSW rail network					
- Passenger	no.	1	0	1	n.a.
- Rail employee	no.	3	0	2	n.a.
ii) Incidents on the NSW rail network					
- Running line derailment	no.	43	42	35	n.a.
- Running line collision between trains	no.	4	8	5	n.a.
- Level crossing occurrences: road vehicle collision	no.	10	8	5	n.a.
iii) Audited rail operators that implement improved safety management system frameworks	%	n.a.	94	85	95
iv) Annual Safety Reports received by ITSRR from rail operators:	%	56	93	95	100
- Identifying self-improvement safety initiatives	%	n.a.	82	80	85
<b>Notes:</b>					
i) - ii) Data for 2007-08 reflects actual data for July 2007 - March 2008 (latest data available at the time of the budget)) due to incidents and impacts being relatively infrequent. Collisions between trains are generally between trains passing each other on adjacent tracks or track machine collisions (at low speed).					
iii) This indicator shows the responsiveness of industry in complying with new more rigorous safety requirements for rail operator safety management systems. Data for 2007-08 includes tourist and heritage operator who were given a longer time-frame to implement the new measures.					
iv) This indicator reflects whether industry is meeting its safety reporting requirements and is showing an improving safety culture through taking self-initiated actions.					

### ***Improvements made by regulators to safety regulatory frameworks for rail, bus and ferry sectors***

- ◆ Ensure cross-agency implementation of ongoing improvements to the regulatory framework of all transport modes

### ***Highly regarded and sought after reliability advice***

- ◆ Ensure that the Government, the community and transport operators are aware of reliability and sustainability issues and results.

## **OFFICE OF TRANSPORT SAFETY INVESTIGATIONS**

The Office of Transport Safety Investigations (OTSI) is an independent statutory office whose function is to investigate rail, bus and ferry passenger transport and rail freight accidents and incidents in New South Wales.

## **RESULTS AND SERVICES**

OTSI contributes to the delivery of a number of core regulatory activities within the Transport portfolio that are concerned with public safety by working towards the following results:

- ◆ reducing the risk of accidents in public transport in New South Wales by instituting safe working practices in public transport, assessing operational safety incidents and identifying and pro-actively targeting high risk practices and
- ◆ reducing the risk of accidents in rail freight in New South Wales by instituting safe working practices, assessing operational safety incidents and identifying and pro-actively targeting high risk practices.

The key service provided by OTSI contributing to these results includes:

- ◆ investigation and risk mitigation analysis through liaison with all industry participants in the preparation of reports and recommendations and publication of reports on OTSI website for transport industry and public utilisation.

The key service provided by OTSI and the way in which it is expected to contribute to these results and Government priorities are set out in the following table:

Service Groups	2008-09 Budget Expenses  \$m	Results	
		Reduced risk of accidents in public transport in New South Wales	Reduced risk of accidents in rail freight in New South Wales
Investigation and Risk Mitigation Analysis	2.4	✓	✓
<b>Total Expenses Excluding Losses</b>	<b>2.4</b>		

## RECENT ACHIEVEMENTS

OTSI has:

- ◆ researched international safety investigation standards to further improve measurement and benchmarking of its performance in transport accident investigation methodologies and
- ◆ undertaken further general “systemic” investigations into the policy, organisational, operational, administrative and cultural deficiencies of transport operators to improve their approach to risk mitigation.

## STRATEGIC DIRECTIONS

OTSI’s objectives are:

- ◆ to raise the standard of risk mitigation strategies of the various public transport and rail freight operators in New South Wales by the use of systemic investigations and
- ◆ to further enhance the structure, substance, integrity and resilience of investigation reports by continuing to refine the process of engaging and consulting directly involved and interested parties throughout the investigation, and particularly during the final phase of report compilation.

## 2008-09 BUDGET INITIATIVES

### Total Expenses

Total expenses for OTSI are estimated at \$2.4 million in 2008-09.

### Capital Expenditure

OTSI will not make any capital expenditure in 2008-09.

## AGENCY RESULT INDICATORS

### *Reduced risk of accidents in public transport in New South Wales*

Result Indicator	Units	2005-06 Actual	2006-07 Actual	2007-08 Budget	2008-09 Forecast
i) Contributions by identified interested parties to OTSI reports	%	100	100	100	100
ii) Agreement by parties to Statement of Facts	%	100	100	100	100
iii) Confidential Safety Information and Reporting Scheme referrals actioned	%	100	100	100	100
iv) Implementation of OTSI recommendations	%	75	75	75	75

Notes:

- i) Measures contributions from parties identified as having an interest in a particular incident.
- ii) Measures the level of agreement to the published statement of facts relating to an incident being investigated.
- iii) Measures action taken on breach of safe working practice incidents, when confidentially reported by transport workers.
- iv) Measures the level of acceptance by operators that OTSI's recommendations are practical and will improve safe working within public transport.

## **Reduced risk of accidents in rail freight in New South Wales**

<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) Contributions by identified interested parties to OTSI reports	%	100	100	100	100
ii) Agreement by parties to Statement of Facts	%	100	100	100	100
iii) Confidential Safety Information and Reporting Scheme referrals actioned	%	100	100	100	100
iv) Implementation of OTSI recommendations	%	75	75	75	75

Notes:

- i) Measures contributions from parties identified as having an interest in a particular incident.
- ii) Measures the level of agreement to the published statement of facts relating to an incident being investigated.
- iii) Measures action taken on breach of safe working practice incidents, when confidentially reported by transport workers.
- iv) Measures the level of acceptance by operators that OTSI's recommendations are practical and will improve safe working within rail freight.

## **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 industry statutory reporting.

### **RECENT ACHIEVEMENTS**

Through competitive tenders, Pillar has secured private sector clients and now services more than 1.5 million 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 NSW Government as shareholder.

In 2008-09 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.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Operating expenses for 2008-09 are forecast at \$62.4 million, an increase of 14.3 per cent over the 2007-08 Budget of \$54.6 million, due to increases in the number of accounts being administered.

### **Capital Expenditure**

The capital expenditure for 2008-09 is estimated to be \$1.7 million. This includes office fit out, computer hardware and system enhancements to meet new business needs.

## **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 or 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 ACHIEVEMENTS**

The 2007-08 financial year was the first full year of operation for the Authority. The year saw the transfer of the functions and activities of all owned properties of the former Crown Property Portfolio into the Authority.

During 2007-08, the Authority established the platform for its ongoing operations through a range of activities including business planning, organisational development, recruitment and relocation to new office accommodation.

A number of reviews of generic properties were completed during the year with both a regional and a portfolio-specific focus. This program of reviews will be ongoing, with the intent of identifying surplus assets and improvements in property management outcomes for agencies.

In 2007-08, construction of Government office buildings in Penrith and Queanbeyan continued and the next stage of the Parramatta Justice Precinct was concluded with the completion of the Attorney General's Building and the Trial Courts.

## **STRATEGIC DIRECTIONS**

To enable improved coordination and management of generic property assets, the Government established a property policy framework in 2007-08. This framework will see staged vesting of Government-owned office accommodation properties in the Authority from 1 July 2008. A programmed transition to the Authority of all Government-occupied leased office accommodation will also commence in 2008-09.

The Authority's focus for the next 12 months will include:

- ◆ implementation of the Government's property policy initiatives in cooperation with service delivery agencies
- ◆ transitioning the management of owned and leased office accommodation to the Authority, including establishment of management arrangements with occupying agencies
- ◆ the development and implementation of property reviews to ensure alignment with service delivery outcomes and
- ◆ the implementation of strategic property divestments and acquisitions on behalf of Government agencies to realise efficiencies in the generic portfolio.

## **2008-09 BUDGET INITIATIVES**

### **Total Expenses**

Total expenses in 2008-09 are budgeted at \$164 million. The major components of total expenses relate to Government-occupied owned and leased office accommodation and include head lease rental payments of \$83.1 million and other property related expenses of \$49.9 million, including building operating costs, maintenance and depreciation.

### **Capital Expenditure**

In 2008-09 the Authority will receive a capital contribution of \$18.9 million. This will mainly be used to fund major Government office building construction and refurbishment works including:

- ◆ \$10 million to complete construction of the Government office building at Penrith
- ◆ \$2 million to complete construction of the Government office building at Queanbeyan and
- ◆ \$6.9 million for various building refurbishments and miscellaneous minor works.