

**MINISTER FOR INFORMATION TECHNOLOGY,
MINISTER FOR ENERGY,
MINISTER FOR FORESTRY AND
MINISTER FOR WESTERN SYDNEY**

OVERVIEW

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Department of Information Technology and Management			
Total Expenses	71.9	136.3	89.6
Asset Acquisitions	1.5	2.0	33.3
Ministry of Energy and Utilities			
Total Expenses	10.0	79.1	686.8
Asset Acquisitions	0.1	0.1	...
Sustainable Energy Development Authority			
Total Expenses	11.5	13.7	19.1
Asset Acquisitions	0.1	...
Payments for Water and Sewerage Assistance			
Total Expenses	73.1	74.1	1.3
Asset Acquisitions
Land and Property Information New South Wales			
Total Expenses	97.9	94.0	- 4.0
Asset Acquisitions	13.2	11.9	- 9.8
Total, Minister for Information Technology, Minister for Energy, Minister for Forestry and Minister for Western Sydney			
Total Expenses	264.4	397.2	50.2
Asset Acquisitions	14.8	14.1	- 4.7

DEPARTMENT OF INFORMATION TECHNOLOGY AND MANAGEMENT

The Department of Information Technology and Management comprises the Office of Information Technology, the Office of Western Sydney, and the Offices of Forestry Information. Land and Property Information New South Wales, a General Government Non-Budget dependent agency responsible for land and property information, is also incorporated within the Department of Information Technology and Management, although it provides separate financial statements.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Office of Information Technology

In 2001-02, over \$32 million will fund projects targeted at the use of information technology to improve service delivery, streamline internal Government practices and reduce costs. This is an increase of \$20 million over 2000-01. Community Technology Centres will be established in regional New South Wales, at a cost of \$4.9 million, to facilitate community access to technology and online services. A further \$4 million ongoing support has been provided for the Australian Centre for Advanced Computing and Communications towards establishment costs for the Centre and regional nodes at Bathurst, Newcastle, Wollongong and Western Sydney.

The increased expenditure in 2001-02 will be used to continue to fund initiatives that improve service delivery to the community including \$8 million for a streamlined online entry point for business licensing.

Office of Western Sydney

The Office of Western Sydney will receive an additional \$751,000 to a total budget of \$3.1 million in 2001-02 to deliver strategic whole-of-region initiatives and solutions to advance the interest of Western Sydney. The Office is a catalyst for the region and will continue to build on the range of recent initiatives in partnership with State, Commonwealth and Local Government agencies, local businesses, industry groups and industry associations, community organisations and the education and research sector.

In 2001-02, the Office will continue to build on its strategic initiatives such as the Western Sydney Industry Awards which receive sponsorship of more than \$300,000, Western Sydney Environment Strategy, the Advancing Information Technology in Western Sydney program and Corporate Partners for Change, an initiative to assist young people make the transition to jobs and traineeships.

Office of Forestry Information

The Office of Forestry Information comprises the Forestry Policy and Structural Adjustment Units and the Office of Private Forestry. The Forestry Policy and Structural Adjustment Units facilitate implementation of the Government's forestry reforms and industry structural adjustment programs. The Office of Private Forestry facilitates the flow of private forestry services and information from the Government, and promotes plantation development and sustainable private native forestry in New South Wales.

The expenditure under the Forest Industry Structural Adjustment Package (FISAP) reflects continued New South Wales Government support for businesses and workers affected by forestry reforms. In 1998, the Commonwealth Government suspended its involvement in the joint FISAP. It is anticipated that the Commonwealth Government will resume its participation in FISAP returning funding for industry restructuring. Consequently, expenditure in 2001-02 is expected to increase from \$9.9 million to \$48.9 million. This includes an increase in assistance for marketing and development initiatives which benefit the native timber industry, following the establishment of the Native Timber Industry Marketing and Development Fund in December 1999.

STRATEGIC DIRECTIONS

Office of Information Technology

The Office of Information Technology's main objective is to provide leadership in the advancement and use of information and communications technology to achieve improved service delivery and cost savings in all areas of Government operations.

Strategic priorities of the Office include:

- ◆ developing and driving whole-of-government policies and initiatives for the use and management of information technology and telecommunications (ICT) within and between Government, industry and the community;
- ◆ accelerating the range and volume of Government services delivered electronically, and facilitating improved information sharing and exchange across Government;
- ◆ driving the use of core telecommunications service contracts by Government agencies;
- ◆ coordinating the implementation of the Government's ICT Skills Action Plan;

- ◆ working with other State and Commonwealth agencies in the establishment of regulatory frameworks that foster development and growth of the online economy; and
- ◆ developing information technology and telecommunications industry attraction and growth strategies in consultation with other agencies.

Office of Western Sydney

The Office of Western Sydney's strategic priorities are to:

- ◆ foster partnerships and links between organisations within Western Sydney and with key decision makers both within and outside Western Sydney; and
- ◆ act as a catalyst for change in the region by generating and driving a range of strategic, innovative, economic, social and environmental initiatives in partnership with Government, business, the community and the education and research sectors.

Office of Forestry Information

Priorities of the Office are to:

- ◆ provide advice to the Minister, forestry committees, industry and other Government agencies regarding the Government's forestry policy, reform and structural adjustment programs;
- ◆ facilitate the implementation of the Government's forestry reform agenda through the provision of Forest Industry Structural Adjustment Package (FISAP) assistance to workers and businesses in the native timber industry;
- ◆ increase viability of the New South Wales native timber industry by providing assistance for marketing and development initiatives under the Native Timber Industry Marketing and Development Fund; and
- ◆ promote development of sustainable private forestry and plantations.

2001-02 BUDGET

Total Expenses

The Department of Information Technology and Management's expenses will increase from \$84.5 million to \$136.3 million. This includes an anticipated additional \$35 million from the Commonwealth Government and \$5 million from the State Government for the Forest Industry Structural Adjustment Program. An additional \$2 million has been allocated to *connect.nsw* projects, \$7.4 million (as well as \$0.6 million capital expenditure) for the Online Business Licensing project and \$4.9 million for the establishment of Community Technology Centres in regional New South Wales.

Estimated total expenses for 2001-02 are \$136.3 million and provide for:

- ◆ \$73.1 million for Forestry Policy and Reforms. This includes forestry related grants and subsidies and the Forest Industry Structural Adjustment Package;
- ◆ \$60.1 million for the Office of Information Technology, including \$12 million for the *connect.nsw* program, \$7.4 million for the online business licensing project, \$4 million for the Australian Centre for Advanced Computing and Communications; and
- ◆ \$3.1 million for the Office of Western Sydney, including \$985,000 for projects to assist young people obtain jobs, apprenticeships and traineeships, small and medium sized enterprises to adopt new technologies, to develop entrepreneurial skills and to support emerging technology firms.

Asset Acquisitions

The 2001-02 Asset Acquisitions program of the Department is \$2 million. This includes continuing the upgrade of the Government Radio Network and capital costs of information and communication technology projects.

MINISTRY OF ENERGY AND UTILITIES

The Ministry of Energy and Utilities was established in April 1999 to provide the Minister for Energy with strategic policy, legislative and regulatory advice in relation to the development of the State's energy sector and urban water utilities.

The Ministry develops and implements strategies for promoting the efficient, safe, reliable and ecologically sustainable supply and use of energy and urban water services. The Ministry has additional responsibility for the regulatory frameworks aimed at improving the performance of the energy industries and urban water utilities. The Ministry is particularly focused on competition reform of the State's natural gas and electricity markets, the sustainable use of energy, energy safety and supply reliability.

As a strategic policy organisation, the Ministry provides the following services:

- ◆ policy advice on the future directions of energy and urban water in New South Wales;
- ◆ administration of regulatory frameworks which facilitate the operation of safe, reliable, technically efficient and environmentally responsible energy and water networks in the context of competitive and converging markets; and
- ◆ management of programs, including research and development, which support greenhouse and sustainable energy initiatives of the Government.

The electricity pensioner rebate scheme formerly with the Department of Community Services, will be transferred to the Ministry from 1 July 2001. This will allow the Ministry to ensure the scheme is integrated with arrangements enabling households to enter the contestable markets for both gas and electricity from 1 January 2002.

From 1 January 2002, a single pensioner energy rebate will be funded by the New South Wales Government. This rebate will be provided on electricity bills and set at \$107 per annum. This higher rebate level, also incorporating the old gas rebates, increases the Government's total expenditure commitments on rebates by \$12.4 million to \$67.5 million. This level ensures that no pensioner will be worse-off compared to their current total gas and electricity rebates, while 94 percent of pensioners are better off under the new arrangements.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Ministry's expenses will increase from \$10 million in 2000-01 to \$79.1 million in 2001-02. This increase is largely attributable to the \$67.5 million expenditure on the pensioner energy rebate scheme transferred from the Department of Community Services as from 1 July 2001.

In November 2000, the Ministry transferred its gas and electricity licensing functions to the Independent Pricing and Regulatory Tribunal and its appliance safety and gas meter testing functions to the Department of Fair Trading. Associated with the transfer of functions was a \$2.3 million reduction in the Ministry's recurrent Consolidated Fund allocation. The Ministry has refocused its key functions as a result of this process.

Other major developments in 2000-01 included:

- ◆ development and approval by the Government of the Policy Framework for Gas Retail Competition and its subsequent implementation including legislation and regulatory amendment;
- ◆ finalisation of proposed amendments of the *Pipelines Act 1967* for release to industry;
- ◆ continued leadership in the development of the electricity network safety regulatory framework and reliability reporting for improved performance outcomes;
- ◆ development and introduction of a new Pipelines Regulation establishing an outcomes-based safety and environmental framework; and
- ◆ continuing initiatives for reducing New South Wales greenhouse gas emissions through electricity retailer licensing regimes, the Government Energy Management Policy, appliance labelling and research and development.

STRATEGIC DIRECTIONS

New South Wales has led the way in reforming the gas market and will continue with these processes until the new arrangements are implemented, tested and refined as necessary. Specifically the Ministry will:

- ◆ monitor the implementation of the new National Gas Access Law and Code at the National and State level and participate in the code change process;
- ◆ advise the Minister in his role as the relevant Minister under the inter-governmental gas access agreement; and
- ◆ ensure a smooth transition to full retail gas contestability.

The Ministry's efforts in relation to electricity reform will focus on the development and implementation of further enhancements to the regulatory framework applying to electricity retail suppliers, electricity distributors and other network operators. Particular attention will be given to the further development of the successful Network Management Plan system, and electricity network issues.

The Ministry will continue to implement a number of National Greenhouse Strategy measures. This role is carried out in close co-operation with The Cabinet Office and NSW Treasury.

The Ministry will also monitor compliance of the Sydney and Hunter Water Corporations and the Sydney Catchment Authority with the conditions of their operating licence.

The New South Wales Government is committed to ensuring that the State's electricity supplies remain reliable and secure. Currently there are sufficient generation reserves to provide high levels of reliability for several years to come. The Ministry is undertaking work to provide an enhanced understanding of the demand and supply balance into the future. Support is being provided by Treasury's Market Implementation Group.

Despite the presence of these reserves, New South Wales is already making provision to ensure State-owned and independent generators have access to sites on which to locate new generators. In particular, the Government is looking at ways of ensuring that approval processes are clearly delineated. These need to be implemented consistently within required time frames, but also in a manner that ensures community interests, as well as the State's electricity needs, are satisfied.

2001-02 BUDGET

Total Expenses

The Ministry's expenditure for 2001-02 is expected to be \$79.1 million. The principal items of additional expenditure are:

- ◆ Pensioner energy rebate scheme (\$67.5 million);
- ◆ natural gas and electricity market retail contestability communication campaign (\$3 million);
- ◆ gas network safety and reliability regime implementation (\$0.4 million); and
- ◆ Utility Consumer Advocacy Program (UCAP) (\$0.2 million).

With the implementation of full retail contestability in the gas market from 1 January 2002, the Ministry's facilitation role will be wound back. Accordingly, the expenditure relating to this role will be reduced by approximately \$1.5 million in 2001-02.

Asset Acquisitions

The Ministry will undertake minor capital works of \$76,000 to maintain its information technology capabilities and to purchase office equipment.

SUSTAINABLE ENERGY DEVELOPMENT AUTHORITY

The Sustainable Energy Development Authority (SEDA) was established in 1996 to reduce greenhouse gas emissions in New South Wales by promoting the commercialisation and use of energy efficiency and renewable energy technologies.

In addition, SEDA aims to increase business competitiveness through more efficient energy use, to foster new employment and investment in New South Wales through the development of the sustainable energy industry, to inform policy makers and contribute to market reform through on-the-ground replicable experience and to provide a vision of Australia's energy future.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Estimated expenditure in 2000-01 is \$13.1 million. Highlights of SEDA's activities included:

- ◆ \$2.4 million to improve Commercial and Industrial Energy Efficiency. Over 170 businesses have signed agreements under the Energy Smart Business Program and are now saving in excess of \$10 million per annum. In addition, New South Wales Government Agency savings from participating in the Energy Smart Government Program amount to more than \$3.7 million per annum. The Building Greenhouse Rating Scheme has expanded nationally and continues to transform the market for energy efficiency in the commercial building sector;

- ◆ \$2.4 million on programs to encourage efficient energy use in New South Wales homes. Sixty local councils have now committed to the program and 28 councils have fully adopted the Energy Smart Homes Policy. As a result, over 50 percent of development applications are now subject to home energy performance standards. SEDA initiated a state-wide Energy Smart communications program to industry and the community to highlight the economic and environmental benefits of sustainable energy technologies;
- ◆ \$4.3 million on Sustainable Energy Supply programs. Through the Renewables Investment Program, \$3.7 million of financial support was allocated to projects that will result in an estimated \$34 million of investment in New South Wales. SEDA also administered \$3.2 million in renewable energy grants on behalf of the Australian Greenhouse Office; and
- ◆ the Green Power Accreditation Program, which has been extended to Victoria, Queensland, South Australia and Western Australia, has stimulated the commitment of more than \$140 million in renewable energy investments in New South Wales.

STRATEGIC DIRECTIONS

SEDA has redefined its business planning process and focus. This new approach incorporates an annually updated three-year plan, which has been agreed in consultation with the Minister and NSW Treasury. This plan consolidates SEDA's role as a catalyst for the development and application of sustainable energy technologies in New South Wales homes and businesses. The plan provides the blueprint for SEDA's continued commercial evolution, reflecting the Government's goal of exploiting a wider range of sustainable energy opportunities by increasing SEDA's level of self-funding.

SEDA's three key strategies are:

- ◆ to seize opportunities for continual improvement in existing programs;
- ◆ to continue to shift existing programs, where possible, onto a more self-sustaining basis; and
- ◆ to create value in SEDA through developing and servicing new markets.

While maintaining its commitment to long-term "market transformation" through its existing programs, SEDA's commercial evolution will increasingly focus on new activities on a cost recovery or fee-for-service basis.

Elements of the commercial evolution that SEDA will pursue in 2001-02 and beyond include:

- ◆ the Energy Smart Business Program will be expanded from being opened to fee-paying partners;
- ◆ SEDA will further extend the scope nationally of the Building Greenhouse Rating scheme partially through fee-for-service income;
- ◆ facilitation of financing options for sustainable energy for both business and consumers such as energy performance contracts and pooled investment vehicles;
- ◆ facilitating the development of demand side management to defer capital expenditure by electricity network businesses and to reduce greenhouse gas emissions;
- ◆ assisting New South Wales and Australian sustainable energy businesses to tap into the burgeoning export markets, particularly in the Asia Pacific region; and
- ◆ continued cooperation with key authorities to facilitate effective regulation, where appropriate. This includes application of the Energy Smart Homes Policy, development of efficiency standards for appliances and clarification of electricity retailers' environmental guidelines, including emission benchmarks.

SEDA will also engage in strategic communication initiatives such as participating in the Government's sustainability education program by undertaking the second stage of the Energy Smart campaign.

2001-02 BUDGET

Total Expenses

Total expenses in 2001-02 are estimated at \$13.7 million and include:

- ◆ Program Delivery – approximately \$6 million will be spent on program delivery, which includes the Energy Smart programs that ensure forecast energy savings are achieved and partnership commitments are met; and
- ◆ Grants - SEDA will allocate over \$2.3 million in grants to improve the sustainable energy supply.

Investments

SEDA will make investments worth around \$2 million in sustainable energy technologies to commercialise their use in the market place in 2001-02.

PAYMENTS FOR WATER AND SEWERAGE ASSISTANCE

Payments for Water and Sewerage Assistance have increased from \$73.1 million to \$74.1 million. The change comprises:

- ◆ adjustments to meet the provision of pensioner rebates in accordance with price determinations made by the Independent Pricing and Regulatory Tribunal; and
- ◆ inclusion of payments for priority sewerage projects.

Payments in 2001-02 comprise:

- ◆ \$69.9 million for water and sewerage rate rebates for pensioners provided by Sydney Water and Hunter Water Corporations;
- ◆ \$3.4 million for the connection of non-sewered areas to sewerage services based on public health and environmental priorities; and
- ◆ \$0.7 million for the Blue Mountains septic pump-out service.

LAND AND PROPERTY INFORMATION NEW SOUTH WALES

Land and Property Information New South Wales (LPI) is a Government business formed on 1 July 2000 following the merger of the Land Information Centre, the Land Titles Office and the Valuer General's Office. LPI's role is to operate the State's land and property information services and to create value through the integration of land and property information.

LPI operates from two main locations, Sydney and Bathurst, and has offices throughout New South Wales. LPI offers customer convenience irrespective of location through the innovative use of Information and Communications Technology.

LPI has an advisory Board, chaired by the Director-General of the Department of Information Technology and Management, which includes the Valuer General and members from the private sector.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Reductions in most categories of expenditure in 2001-02, compared to 2000-01, will be achieved through the increased use of technology and the amalgamation of functions.

STRATEGIC DIRECTIONS

The Government business structure represents the first stage of progression from operating as a Department to operating as a commercial Government entity. The non-commercial activities of LPI include operations of the Geographical Names Board and the spatial data infrastructure.

Technology will be used to improve efficiency, to maximise return on assets, and to expand the range of services delivered online.

LPI is currently resolving practical issues related to the merger of the three entities, integrating processes and developing longer-term operating and investment plans.

2001-02 BUDGET

Total Expenses

Total expenses for 2001-02 are estimated to be \$94 million. The majority of this expenditure is required to provide statutory land valuations (\$18 million), land title creation and registration services (\$17 million), spatial information (\$6 million), survey and mapping services (\$12 million) and technical support (\$13 million).

Asset Acquisitions

The 2001-02 Budget for asset acquisitions is \$11.9 million. The program for LPI includes consolidating, expanding and enhancing computerised land information systems, maintenance of buildings, including the heritage listed building at Queens Square, the renewal of plant and equipment. Specific projects are an integrated land and property information warehouse, a new valuation roll maintenance system and a common accounting system across all entities.