

4.3.21 MINISTER FOR URBAN AFFAIRS AND PLANNING AND MINISTER FOR HOUSING

OVERVIEW

Agency	Forecast 1997-98	Estimate 1998-99	Variation
	\$m	\$m	%
Department of Urban Affairs and Planning			
Total Expenses	435.3	473.7	8.8
Asset Acquisitions	91.7	98.0	6.9
Ministry of Urban Infrastructure Management			
Total Expenses	1.8	2.2	26.7
Asset Acquisitions	0.1	0.1	...
Heritage Office			
Total Expenses	6.0	8.1	36.3
Asset Acquisitions	0.5	0.1	(-) 88.0
Payments to other Government Bodies under the Control of the Minister			
Total Expenses	2.7	0.2	(-) 91.3
Asset Acquisitions .....	...	...	...
Payments for Water and Sewerage Assistance			
Total Expenses	85.4	114.4	34.0
Asset Acquisitions .....	...	...	...
City West Development Corporation			
Total Expenses	17.1	35.9	110.4
Asset Acquisitions	0.1	...	(-) 100.0
Environmental Planning and Assessment Act			
Total Expenses	17.2	18.3	6.4
Asset Acquisitions	32.0	42.0	31.3
Honeysuckle Development Corporation			
Total Expenses	9.3	4.7	(-) 49.2
Asset Acquisitions .....	...	...	...
Ministerial Development Corporation			
Total Expenses	12.9	15.4	19.4
Asset Acquisitions .....	...	...	...
Sydney Cove Authority			
Total Expenses	21.7	22.0	1.3
Asset Acquisitions	4.8	7.6	58.7
Home Purchase Assistance Authority			
Total Expenses	39.9	14.2	(-) 64.3
Asset Acquisitions	0.2	0.1	(-) 16.7
Home Purchase Assistance Fund			
Total Expenses	93.2	73.0	(-) 21.6
Asset Acquisitions .....	...	...	...
Total, Minister for Urban Affairs and Planning and Minister for Housing			
Total Expenses	742.5	782.1	5.3
Asset Acquisitions	129.4	147.9	14.3

DEPARTMENT OF URBAN AFFAIRS AND PLANNING

The Department is a central part of the New South Wales Government's strategy to improve the integration of public services and infrastructure throughout the State and for better urban management. It deals with planning policy and regulation, urban management (including the co-ordination of urban growth, renewal and consolidation) and the development of housing policies.

The Department's primary function is to develop planning policies and regulate land use in New South Wales. The major expenditure is on public and community housing, with substantial funds passed on to the Department of Housing.

Expenditure Trends and Recent Developments

The Department has been restructured to focus on the following priorities -

- a heightened focus on the integration of urban policy and planning, public services, housing and infrastructure in the Greater Metropolitan Region;
- clear program emphasis on the maintenance and reform of the planning system and on the promotion of sustainable economic growth through the effective assessment of major developments; and
- a new emphasis on the integration of land use planning for regional New South Wales with natural resource planning and management.

The Environmental Planning and Assessment Amendment Act has also been amended and provides for the integration of planning and building controls, more effective monitoring of the performance of the planning system and deregulation of planning and building certification.

In addition, the Government has announced its decision to establish a new Aboriginal Housing Office in 1998-99 to bring self-determination to the management of Aboriginal housing programs in New South Wales. The Government has also announced the creation of the position of Harbour Manager, foreshadowing a heightened focus on the integrated planning and development management of Sydney's harbour foreshore.

Strategic Directions

Major features of the Department's strategic direction are -

- promotion of a whole of government approach to housing and urban planning policy to ensure that the Greater Metropolitan Region is planned in accordance with broader government objectives for managing urban growth and for improving service planning and co-ordination;
- promotion of a sustainable future for regional New South Wales through the development, co-ordination and integration of statewide regional planning and rural and natural resources policies and programs;

- delivery of a quality planning and environmental impact assessment framework to help achieve ecologically sustainable development in accordance with the Government's economic development and environmental policies and priorities;
- delivering, maintaining and auditing the performance of a planning system which works well;
- the provision of high level advice on forestry issues including extensive consultation with environmental and industry groups; and
- the encouragement of a more diversified housing assistance system, improving access to housing assistance for disadvantaged groups and influencing housing affordability and choice in the private market.

1998-99 Budget

Total Expenses

Total Expenses include -

- \$11.5 million for continuation of the regional assessment process, under the direction of the Resource and Conservation Assessment Council;
- \$6 million for the provision of funding to community projects under the Area Assistance Schemes;
- \$300,000 for operating and strategic planning expenses following the establishment of the Sydney South Development Corporation.

- **Housing Assistance Program**

The Housing Assistance Program uses funds available primarily through the Commonwealth State Housing Agreement (CSHA) to provide housing and related services to low income families and individuals who are unable to access or maintain housing that is secure, affordable and appropriate to their needs. Housing programs and services are administered or delivered through the Housing Group of the Department of Urban Affairs and Planning, the Department of Housing, the Office of Community Housing, the proposed Aboriginal Housing Office and the Home Purchase Assistance Authority.

The Rental Bond Board is providing a total of \$30 million from surplus funds for various housing projects in 1998-99. This includes \$10 million for affordable housing initiatives as well as \$20 million for projects to be undertaken by the Department of Housing and the Office of Community Housing.

In 1998-99 a total of \$434 million in capital and recurrent funds will be allocated under the CSHA, consisting of \$125.5 million from State sources and \$308.5 million contributed by the Commonwealth Government. In addition to CSHA funds, the State will provide \$9.4 million in 1998-99 towards State housing debt and \$2.7 million for other housing initiatives.

A further \$83.5 million will be made available from the Department of Housing's internal funds, mainly from the sale of housing stock, and \$1.8 million from asset sales in the Aboriginal Rental Housing Program. The Home Purchase Assistance Authority will also provide \$2 million from its internal funds.

The 1998-99 Housing Assistance Program is the last year of the current three-year Interim CSHA. As such, it builds on the initiatives established in previous years and targets resources to four strategic priorities: continuation of asset management strategies; maintaining rental housing assistance through redevelopment for new supply, expansion of community and Aboriginal housing, and leasing; promoting diversification through growth of community based organisations; and expansion of housing linked to support.

The main features of the 1998-99 program are -

- approximately 15,000 families and individuals will be newly accommodated in public, community and Aboriginal housing programs; almost 42,500 private renters and home owners will receive financial assistance; and 70 new accommodation places will be provided for people in housing crisis;
- the capital works program will create 1,341 new public housing dwellings and a further 450 dwellings will be leased long term by the Department of Housing from the private rental market and allocated to low income households;
- a more diversified housing provider system with \$117 million to community housing programs to produce 378 new dwellings and to lease an additional 220 dwellings and \$32.6 million for 153 new Aboriginal homes managed mostly by Aboriginal community organisations;
- continuing high levels of funds to improve the amenity and environment of public, community and Aboriginal housing with \$125.7 million to upgrade existing public housing and rejuvenate ageing public housing estates, \$6 million to upgrade community housing, and \$10.5 million to upgrade Aboriginal housing. The Aboriginal housing upgrade expenditure will be the first year of a program to significantly improve the condition of Aboriginal housing and will include special projects to improve health outcomes through better housing;
- 83 per cent of new public housing stock will be achieved through redevelopment to promote urban consolidation objectives and create new housing close to employment, transport and community services; and
- a strong focus on assisting special needs groups through mainstream public housing, housing projects which link housing and support services (\$10.9 million creating 58 new dwellings), and other specific initiatives for older people, people with disabilities, and people with HIV/AIDS.

Asset Acquisitions

The Department's program consists primarily of the acquisition of coastal land, designated as such by the Coastal Lands Protection Scheme. The Scheme is part of the overall framework for the planning and development of the State's unique coastal areas.

This year, \$1.5 million will be available for various land acquisitions identified under the Scheme. This will enable the Department to fulfil its role in encouraging proper management, development and conservation of coastal land within the State.

Minor works funding of \$520,000 is provided for the purchase of plant and equipment and information technology projects.

Asset acquisitions by the Office of Community Housing and the Aboriginal Housing Office, which are described above in relation to the Housing Assistance Program, form part of the Department of Urban Affairs and Planning's asset acquisitions program.

MINISTRY OF URBAN INFRASTRUCTURE MANAGEMENT

The Ministry assists the work of the Urban Management Committee of Cabinet which is responsible for setting directions for urban management in the Greater Metropolitan Region (Sydney, Newcastle and Wollongong) and identifying the key supporting infrastructure priorities.

The Ministry's primary function is to enhance infrastructure planning and expenditure in the Greater Metropolitan Region through improving linkages between urban management strategies and infrastructure planning and management. The Ministry recently published the Urban Infrastructure Management Plan 1998, which has a five year outlook and is the first in an annual series. The plan identifies priority infrastructure projects, planning approaches and issues that have the potential to contribute to a prosperous, equitable and sustainable urban area.

Strategic Directions

The Ministry's major output is an annual Urban Infrastructure Management Plan, which has a five year time frame and covers the Greater Metropolitan Region. The plan identifies priority infrastructure projects, planning approaches and issues that have the potential to contribute to a prosperous, equitable and sustainable urban area. Other strategic directions are to work with agencies to promote infrastructure planning, development and management that reflects urban management strategies, and to improve the integration of infrastructure with the Government's urban management strategies.

1998-99 Budget

Total Expenses

The increase in expenditure from \$1.8 million in 1997-98 to \$2.2 million in the 1998-99 reflects the progressive filling of positions in the Ministry throughout 1997-98.

Expenses in 1998-99 will be funded partly by the Consolidated Fund and partly by contributions from other Government agencies.

Asset Acquisitions

An allocation of \$35,000 has been provided for upgrading of information technology and for minor equipment purchases.

HERITAGE OFFICE

The Heritage Office was formed in July 1996 and is responsible for administration of the Government's heritage policies. It has a major educational and promotional role to encourage conservation of the State's heritage assets.

Expenditure Trends and Recent Developments

The Government is providing \$30 million to the Heritage Fund in instalments from 1996-97. The final instalment of these funds will be paid in 1998-99. The capital of this fund will be maintained, with interest earnings used to fund heritage projects.

Expenses in 1998-99 are expected to increase by approximately 36 per cent due to increases in financial assistance for heritage projects.

Strategic Directions

The Heritage Office's strategic directions are to -

- complete a comprehensive inventory of the State's most significant heritage items;
- develop the community's understanding of heritage as an essential component of our culture;
- promote recognition as an integral part of managing environmental change;
- assist local councils and State government agencies to perform their heritage management responsibilities; and
- ensure the State's heritage is appropriately conserved.

1998-99 Budget

Total Expenses

Expenses include \$4.1 million for the payment of grants and loans under the Heritage 2001 program and the NSW Heritage Assistance Program. An amount of \$450,000 is also included for preparing the State Heritage Inventory as well as \$200,000 to increase the public profile of heritage through education and promotion.

Asset Acquisitions

An allocation of \$55,000 has been provided for information technology improvements and minor equipment purchases.

PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

Expenditure under this heading relates to funding provided from the Budget to the City West Development Corporation for the Ultimo-Pyrmont and the Eveleigh Area strategies. In 1998-99, \$230,000 is being provided for work at the Australian Technology Park at Eveleigh. This represents the last payment from the Budget for this project.

PAYMENTS FOR WATER AND SEWERAGE ASSISTANCE

Payments of \$84.9 million will be made in 1998-99 comprising -

- \$53.4 million for water and sewerage rate rebates for pensioners provided by Sydney Water and the Hunter Water Corporation;
- \$14 million for transitional water rebates associated with the move to usage pricing;
- reimbursement to Sydney Water for its contributions to environmental trusts (\$13.5 million);
- \$3.5 million for six environmental impact statements for high priority backlog sewerage projects; and
- \$470,000 for the Blue Mountains septic pumpout service.

An amount of \$29.6 million is being provided for capital grants associated with four non-commercial backlog sewer schemes at Picton, Gerringong/Gerroa, Bundeena/Maianbar and Winmalee, pending the Independent and Regulatory Tribunal's consideration of specific cost recovery for these projects.

In regards to Sydney Water's contributions to environmental trusts, the Government has decided to merge the three Trusts into a single Environmental Trust. It is intended that income that the Trusts currently receive from trade waste levies raised on Sydney Water will be replaced by an annual allocation of income from the Consolidated Fund, indexed for inflation.

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT

Activities under this heading relate to the acquisition of land for planning purposes through the Sydney Region Development Fund and the Land Development Contribute Fund which have been established under the Environmental Planning and Assessment Act 1979.

Expenditure Trends and Recent Developments

Expenditure can fluctuate from year to year depending on the value of land passed onto other organisations (such as land for open space that is passed onto councils). Overall expenditure in 1998-99 is expected to be about the same level as the previous year.

Asset acquisition also varies from year to year depending on the timing of property settlements. Significant land acquisitions are being finalised in 1997-98 and 1998-99 in respect of the Western Sydney open space corridors.

Strategic Directions

This program facilitates the acquisition of strategically significant land for purposes such as open space, major roads, transport and special use corridors and education precincts. The program also provides for improvements of open space areas.

The on-going acquisition program is self-financing, principally through the sale of surplus assets. Contributions towards loan servicing costs are provided by the Government and by councils.

1998-99 Budget

Total Expenses

Included in the total expenses of \$18.3 million for 1998-99 are \$9.4 million for loan servicing costs, \$6.5 million in respect of the value of land for open space that is transferred to councils and \$2.4 million for administration.

Asset Acquisitions

The asset acquisition program provides for acquisition and development of land required for planning purposes, such as regional open space and major road reservations. In 1998-99 asset acquisitions are estimated at \$42 million and will substantially complete land acquisition within the Horsley Park and Eastern Creek corridors.

CITY WEST DEVELOPMENT CORPORATION

The City West Development Corporation manages the regeneration of the City West growth centre which covers 300 hectares of land and water to the west of the Sydney CBD. The Corporation develops and/or coordinates new roads, parks, infrastructure, developable packages for eventual sale, cycle ways, foreshores and a viable transport system.

Expenditure Trends and Recent Developments

The Corporation's main activity has been the redevelopment and management of surplus government lands in Pyrmont/Ultimo and Eveleigh South. Currently, land management strategies are being investigated for the other precincts in City West areas to determine the extent of expenditure required to implement redevelopment plans in the future.

The large increase in expenditure in 1998-99 is mainly due to expenditure on community service obligations and public domain and infrastructure.

As City West's activities are project based with the ultimate aim of transferring property assets to other entities, capital expenditure on the development of these property assets has been classified as inventories.

Strategic Directions

The primary focus is to regenerate the City West area. The Growth Centres Act (1974) empowers the Corporation -

- To manage the acquisition and orderly disposal/development of surplus Government land holdings within the City West redevelopment area in line with government's financial, social, economic and environmental objectives;
- To manage the provision of social and physical infrastructure; and
- To promote and encourage development and investment in the area.

In doing so, the Corporation aims to optimise returns on the early provision of infrastructure by encouraging private/public sector investment in commercial opportunities to create benefits for the local community.

1998-99 Budget

Total Expenses

Total expenses for the year 1998-99 are budgeted at \$35.9 million, comprising -

- Community Service Obligations, Affordable Housing Levy, Public Arts Strategy, Open space maintenance and the Sydney City Council funding arrangement (\$32.4 million); and
- Employee related payments, overheads, general administration, and advertising and promotions (\$3.5 million).

Asset Acquisitions

In accordance with accounting standards, City West's property development activities are capitalised as inventory not property assets, hence no asset acquisitions are noted.

HONEYSUCKLE DEVELOPMENT CORPORATION

The Honeysuckle Development Corporation manages the redevelopment of 50 hectares of surplus State Government land. The land is situated adjacent to the Newcastle CBD and comprises 4 km of waterfront real estate located on the Shores of Newcastle Harbour.

Expenditure Trends and Recent Developments

The initial funding was provided in line with the Building Better Cities (BBC) Program. Since the completion of the BBC funding in June 1997, the Corporation's main focus is now moving from infrastructure delivery to generating income from land sales. The Corporation receives no Consolidated Fund Allocation. In 1998-99, the borrowing level will be reduced by \$1.6 million after land sales, with \$5.3 million being spent on infrastructure works and \$1.6 million on housing.

As Honeysuckle's activities are project based with the aim of either transferring the property assets to other entities or holding them as trading stock, capital expenditure on the development of these property assets has been classified as inventories.

Strategic Directions

The primary focus is to revitalise Newcastle's city centre and enhance the role of the city as capital of the Hunter Valley Region. The Growth Centres Act 1974 empowers the Corporation -

- to manage the acquisition and orderly disposal/development of surplus Government land holdings within the Honeysuckle redevelopment area in line with government's financial, social, economic and environmental objectives;
- to manage the provision of social and physical infrastructure; and
- to promote and encourage development and investment in the area.

In doing so, the Corporation aims to optimise returns on the early provision of infrastructure by encouraging private sector investment in commercial opportunities to create benefits for the local community.

1998-99 Budget

Total Expenses

Total expenses for the Corporation are budgeted at \$4.7 million, comprising grants and subsidies (\$1.8 million) and finance costs (\$1.0 million).

Asset Acquisitions

In accordance with accounting standards, Honeysuckle's property development activities are capitalised as inventory not property assets, hence no asset acquisitions are noted.

MINISTERIAL DEVELOPMENT CORPORATION

The Ministerial Development Corporation (MDC) was constituted on 1 May 1992 under the Growth Centres (Development Corporations) Act 1974, following the closure of the Macarthur and Bathurst-Orange Development Corporations.

The Corporation is responsible for the planning, development and marketing of the remaining property assets of these former Corporations in an environmentally and socially acceptable manner.

The Corporation does not have any staff. Officers of Landcom undertake all administrative activities on a management fee basis.

Expenditure Trends and Recent Developments

Recent buoyant demand for land has depleted the Corporation's stock of developed land. Increased expenditure is forecast to develop additional land stock to meet expected future sales.

All development and sales are dependent on the prevailing economic conditions.

Strategic Directions

The objectives of the Corporation reflect Government policy to provide large industrial commercial sites for organisations that are establishing new businesses or are relocating, with the aim of promoting economic growth and employment in the areas where the Corporation owns land for development.

1998-99 Budget

Total Expenses

The majority of the Corporation's proposed 1998-99 expenditure is to fund the development and sale of industrial or commercial land in the Macarthur region.

All other income and expenditure relates to the property related activities of the Corporation, the return of surplus funds to the Government and the payment of the remaining \$5 million of a \$10 million grant to the Campbelltown City Council for the development of a sporting complex.

Total expenses are estimated at \$15.4 million. The increase from \$12.9 million in 1997-98 is due to the higher cost of land sales in 1998-99.

Asset Acquisitions

No asset acquisitions are planned for 1998-99.

SYDNEY COVE AUTHORITY

The Sydney Cove Redevelopment Authority is responsible for the planning, conservation, redevelopment and promotion of The Rocks.

Expenditure Trends and Recent Developments

An increase in the level of property maintenance and the borrowing costs associated with past funding of the Authority's capital works program account to a large extent for the growth in expenses over the last five years. In addition, the opening of a Visitors' Centre in 1994 and the continuing expansion of The Rocks Market have contributed to the increased level of overheads.

The Authority is presently assisting a taskforce that includes representatives from NSW Treasury and State Property with the disposal of its interest as head lessor in the Grosvenor Place site.

Strategic Directions

Although the Authority is currently responsible for planning and redevelopment within The Rocks area, the Government has recently announced its intention to amalgamate the operations of the Sydney Cove Authority, the City West Development Corporation and, after the Olympics in 2000, the Darling Harbour Authority.

1998-99 Budget

Total Expenses

Total expenses for Sydney Cove Authority are budgeted at \$22.0 million in 1998-99. These expenses include all the costs associated with maintaining the Authority's property assets within The Rocks, as well as the Sydney Visitor Centre, The Rocks Markets and the marketing and promotion of the area.

Asset Acquisitions

Total capital expenditure for Sydney Cove Authority is estimated at \$7.6 million in 1998-99 and comprises expenditure on income producing assets and infrastructure improvements. The major outlays in 1998-99 relate to the Cumberland Street Dig Site (\$2.1 million) and 135 George Street (\$1.0 million).

HOME PURCHASE ASSISTANCE AUTHORITY

The Home Purchase Assistance Authority manages a number of Government schemes that provide support to low-medium income home buyers. The programs managed include the HomeFund Scheme and the Mortgage Assistance Scheme.

Expenditure Trends and Recent Developments

Subsidy support and other costs associated with the HomeFund mortgage and rental portfolios are the major elements of expense for the Authority. Rental portfolio costs are met by the Housing Reserve Fund while mortgage portfolio expenses are funded by the Home Purchase Assistance Fund.

To date, the costs of the restructured HomeFund Scheme have been broadly in line with original projections.

Recent developments include -

- An interest rate cap, set at 9.75 per cent p.a., will be introduced for HomeFund borrowers from 1 July 1998; and
- HomeFund tenants who have not met the access conditions for public housing will receive two-year lease extensions. Rental subsidies will continue at current levels.

Strategic Directions

The Authority's strategy is concentrated on managing the HomeFund Scheme within the existing resources of the support funds. Specific emphasis is placed on risk management and policies including -

- adoption of best practice standards for programs under administration and for internal audit and control; and
- prudent investment of scheme assets within an integrated asset-liability management plan.

1998-99 Budget

Total Expenses

Total expenses for the Authority are budgeted at \$14.2 million in 1998-99. The chief items are property expenses associated with the rental portfolio (\$5.4 million) and interest on borrowings (\$4.9 million).

Asset Acquisitions

Capital expenditure is budgeted at \$125,000 in 1998-99. The chief item is the purchase of computer hardware and software.

HOME PURCHASE ASSISTANCE FUND

The Home Purchase Assistance Fund was established by Trust Deed in 1989 to support and administer Government home purchase assistance programs. Income earned by the Fund's investments is used to meet shortfalls in the HomeFund Scheme. The Fund is managed by the Home Purchase Assistance Authority.

Expenditure Trends and Recent Developments

The costs of the restructured HomeFund Scheme have been broadly in line with original projections although investment returns have declined over the past year with the fall in interest rates.

Strategic Directions

Management is focused on cost minimisation, risk containment, prudent asset investment and the careful administration of borrowings. Within this structure, the Fund's key objective is to maintain sufficient levels of capital to meet its HomeFund support obligations.

1998-99 Budget

Total Expenses and Asset Acquisitions

Total expenses are budgeted at \$73.0 million with the most important items being FANMAC Trust shortfalls (\$33.6 million) and interest on borrowings (\$30.7 million). No purchases of capital assets are forecast in 1998-99.