

MINISTER FOR ROADS AND MINISTER FOR HOUSING

OVERVIEW

<i>Agency</i>	<i>Budget 2003-04 \$m</i>	<i>Budget 2004-05 \$m</i>	<i>Variation %</i>
Roads and Traffic Authority			
Total Expenses	1,812.0	2,057.9	13.6
Asset Acquisitions	1,208.6	1,212.3	0.3
Payments to Other Government Bodies Under the Control of the Minister			
Total Expenses	467.6	445.1	-4.8
Asset Acquisitions
Aboriginal Housing Office			
Total Expenses	89.9	85.0	-5.5
Asset Acquisitions	9.8	9.6	-2.3
Home Purchase Assistance Fund			
Total Expenses	27.2	24.7	-9.2
Asset Acquisitions
Total, Minister for Roads and Minister for Housing			
Total Expenses	2,396.7	2,612.7	9.0
Asset Acquisitions	1,218.4	1,221.9	0.3

ROADS AND TRAFFIC AUTHORITY

The Roads and Traffic Authority (RTA) is responsible for:

- ◆ testing and licensing drivers and registering and inspecting vehicles;
- ◆ managing road use to achieve consistent travel times, particularly during peak periods, by reducing delays due to congestion and incidents and helping the community use the road system more effectively;
- ◆ improving road safety by encouraging better road user behaviour, ensuring compliance with regulations, improving roads and enhancing vehicle standards; and
- ◆ arterial road development, construction and maintenance, to meet community, environmental, regulatory and economic needs.

The road system comprises:

- ◆ approximately 17,624km of RTA managed major arterial roads, known as State Roads, which includes approximately 3,100km of Commonwealth funded National Highways;
- ◆ approximately 18,500km of local council managed minor arterials, known as Regional Roads, funded primarily by the RTA;
- ◆ approximately 142,900km of local council managed access roads, funded by local rate-payers and Federal road assistance grants; and
- ◆ road and bridge infrastructure in the unincorporated area of New South Wales, managed by the RTA.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Operating expenses for 2003-04 are estimated at \$2 billion and include \$577 million for depreciation of infrastructure assets. Projected capital expenditure, including asset acquisitions of \$1.2 billion, is \$1.4 billion. The total Capital and Maintenance Program is projected to be \$2.3 billion.

Expenditure under the M4/M5 Cashback Scheme to reimburse tolls paid is expected to be \$71 million in 2003-04.

The Government will continue its accelerated program of railway level crossing improvements. \$3 million was committed in 2003-04 and funding of \$18 million is committed over the next three years to 2006-07. 50 sites have been identified for improvement. Eight of these sites are scheduled for a major upgrade by June 2004, with the remaining sites having preliminary investigation and/or concept design completion by June 2004.

STRATEGIC DIRECTIONS

The RTA's strategic directions and priorities are consistent with key New South Wales Government strategic plans.

A combination of government funded and public/private sector partnerships are pursued, where appropriate, for the development and management of the road network. The RTA is currently at various stages of negotiation with the private sector for the provision of about \$3 billion worth of infrastructure.

In conjunction with the Attorney General's Department, the RTA has expanded the Government Access Centre network to increase access to vehicle registration, driver licensing and services for people in rural and remote areas. A total of 67 Government Access Centres are now operating. The system will be further enhanced by a program of staff development as well as plans to increase the range of transactions available and promote the service.

In the Sydney region, the Orbital Strategy will improve road links between key business and residential areas and reduce congestion and travel times. Key orbital road projects continuing in 2004-05 include:

- ◆ Westlink M7 (Western Sydney Orbital) link - 40km of divided carriageway between the M5/Hume Highway at Prestons and the M2 at west Baulkham Hills; and
- ◆ Lane Cove Tunnel – a 3.6km long twin-tunnel between the M2 and the Gore Hill Freeway. The tunnel will complete the Sydney Orbital Motorway connecting the north-west with the CBD. It will also include bus lanes along Epping Road and Transit Lanes on the widened Gore Hill Freeway.

A major project for Sydney is the Cross City Tunnel - a 2.1km tunnel between Darling Harbour and Kings Cross linking the Western and Eastern Distributors. This project will remove 95,000 car and truck trips per day from city streets and improve travel times and amenity in central Sydney.

Other continuing key road projects include the \$380 million upgrade of Old Windsor Road and Windsor Road in north-western Sydney and the upgrade of Cowpasture Road and Hoxton Park Road in south-western Sydney.

Traffic and transport management priorities include the bus only Transitway network in Western and North Western Sydney. As recommended in the Government's review of bus services in New South Wales, the focus for bus priority will be on an identified network of strategic bus corridors in Sydney, Wollongong, Newcastle and the Central Coast. Initiatives include new red bus lanes, responsive priority for busses at traffic lights and the bus lane monitoring system, which uses camera surveillance.

Electronic tolling is available on all tollways and tags issued for each system can be used on all of the others. New tollways such as the Cross City Tunnel, Lane Cove Tunnel and M7 will operate without cash tollbooths. Traffic flow efficiency at the Sydney Harbour Bridge and Tunnel toll plazas is improving, taking advantage of increasing toll tag usage.

Cycling and walking priorities include expanding the cycleway network, promoting easier, safer cycling and providing pedestrian overbridges and other pedestrian facilities.

Road safety strategies address speed management, drink driving, seat belt usage, fatigue management, motorcyclist and cyclist safety, school and youth programs, and educational programs for repeat traffic offenders. Areas which are receiving new or increased focus include: heavy vehicle safety; road safety of pedestrians; a rollout to other areas of the successful Operation Westsafe; and a program of works to increase safety on the Pacific Highway.

The RTA will continue to combat speeding. There are now 100 fixed digital speed cameras at high-risk locations, and cameras in selected school 40km/h speed zones.

Recent customer service delivery improvements include expansion of the RTA's on-line booking system to include the Driver Qualification Test, expansion of the e-Safety Check scheme for Authorised Inspection Stations and the introduction of a new range of Special Number Plates. In 2004-05 the RTA will further promote the availability of its online services. The RTA is also reviewing its business processes to enhance customer service options.

The RTA will introduce a new voluntary photo identification card for NSW residents who may need a photo identification document but do not hold a driver's licence.

The RTA will support the NSW Government's business and vocational licensing system by providing licence photos and proof of identity services to enable production of photo licence cards under the scheme. The RTA will also work with the WorkCover Authority of New South Wales to provide OHS testing as part of the government licensing scheme.

The RTA's community support programs include the Aboriginal Action Plan, early childhood, primary and secondary school road safety education programs, and youth road safety programs including parent support workshops for the Graduated Licensing Scheme.

2004-05 BUDGET

The RTA's 2004-05 Roads Program Budget is \$2.9 billion.

Total Expenses

Total operating expenses, including \$577 million for depreciation of infrastructure assets, are estimated at \$2.1 billion.

Maintenance expenses of \$707 million increase in 2004-05 partly due to a re-classification of some work types from capital to maintenance.

Road safety programs will remain a priority. Key initiatives include:

- ◆ continuing the road safety school education programs, the Safety Around Schools Program and the School Crossing Supervisors Program;
- ◆ enhancing the Graduated Licensing Scheme Parent Workshops through delivery in high schools;
- ◆ an alcohol interlock program targeting serious drink drive offenders, as a whole-of-government initiative;
- ◆ an education program for repeat drink drive offenders, as a whole-of-government initiative;
- ◆ a heavy vehicle safety strategy including developing a revised fatigue management regime for heavy vehicle drivers, education campaigns to increase seat belt wearing rates and programs to reduce drug usage by heavy vehicle drivers;
- ◆ Operation Roadsafe, a joint RTA/Police road safety crackdown in the eastern half of Sydney, similar to the strategy successfully used in Western Sydney;
- ◆ an integrated program to counter excessive speeding; continuing the Accident Reduction Program including the Road Blackspot Program;
- ◆ continuing the Enhanced Enforcement Program in partnership with the NSW Police;
- ◆ a program of works to increase safety on the Pacific Highway, recommended from the preliminary Pacific Highway Safety Review;
- ◆ the police to undertake a trial of testing drivers for certain drugs known to have an impairment effect; and
- ◆ continuing to upgrade railway level crossings with flashing lights or boom gates as part of an accelerated four year program that commenced in 2003-04.

Funding of \$39 million will be allocated to the Transport Management Centre for improved traffic incident management.

The M4/M5 Cashback Scheme payments will continue with total program costs estimated at \$77 million in 2004-05.

Asset Acquisitions

The total Roads Program capital expenditure, including asset acquisitions of \$1.2 billion, is estimated at \$1.4 billion.

The 10 year \$2.2 billion Pacific Highway Upgrade Program comprises \$1.6 billion funded by the RTA and \$600 million by the Federal Government. Major works in 2004-05 will include:

- ◆ State-funded construction of the Coopersnook Bypass, the Lakes Way interchange at Rainbow Flat, the Northern Pacific Highway Noise Abatement program; and
- ◆ State/Federal equally funded construction of Brunswick Heads to Yelgun, Karuah to Bulahdelah dual carriageways, Karuah Bypass, Taree to Coopersnook and Bundacree Creek to Possum Brush.

The Government will continue to invest annually an average of \$160 million (\$300 million in 2004-05) in western and south-western Sydney roads. Key projects in progress include:

- ◆ commencing works on extension of Narellan Road to the Northern Road;
- ◆ commencing stage one construction of North West Transitway linking Parramatta, Rouse Hill and Blacktown;
- ◆ widening of Church Street, North Parramatta for bus priority;
- ◆ widening Windsor Road from Mile End Road to Boundary Road, Boundary Road to Henry Road and from Roxborough Park Road to Norwest Boulevard;
- ◆ intersection improvements on Dunheved Road, Werrington Downs;
- ◆ commencing construction of a new crossing of South Creek at Windsor; and
- ◆ continuing Cowpasture Road upgrade and widening Hoxton Park Road.

Other major works within the Sydney area include:

- ◆ bus priority works on Warringah Road;
- ◆ completion of Bangor Bypass East-West Link; and
- ◆ pedestrian overbridges at Leichhardt, Epping West and Canterbury.

A 12 year \$460 million program to upgrade the Penrith to Orange route will continue by:

- ◆ continuing widening of the Great Western Highway to four lanes with divided carriageways between Leura and Katoomba; and
- ◆ widening to four lanes at Wentworth Falls West.

The RTA will continue the Hawkesbury Nepean Flood Plain Management Strategy co-ordinated by the Department of Infrastructure Planning and Natural Resources.

In the Hunter and Central Coast, work will continue on:

- ◆ The Entrance Road, Terrigal Drive intersection improvements;
- ◆ The Entrance Road, Avoca Drive intersection upgrade;
- ◆ Five Islands Road widening to four lanes from Booragal to Speers Point;
- ◆ intersection improvements on the Pacific Highway at Ntaba Road, Jewells; and
- ◆ the Kahibah to Whitebridge stage of the Fernleigh Track cycleway.

On the Mid North Coast, work will continue on:

- ◆ footpath widening on the Forster/Tuncurry Bridge across Wallis Lake.

In the Illawarra, South Coast and Southern Highlands work will include:

- ◆ continuing the Government's ten year Princes Highway upgrade, including constructing the North Kiama Bypass;
- ◆ continuing the Main Road 92 upgrade between Nowra and Nerriga;
- ◆ construction of a new 665 metre viaduct over the ocean to enable the re-opening of Lawrence Hargrave Drive between Coaldale and Coalcliff will progress with a view to re-open the road by early 2006;
- ◆ intersection improvements at Masters Road and Springhill Road, Mt St Thomas; and
- ◆ the Queanbeyan northern upgrade for heavy vehicles.

Capital expenditure on traffic management improvements will focus on a range of bus priority initiatives on strategic bus corridors, upgrading and enhancing of the co-ordinated traffic signal system and intersection and traffic facility improvements on other principal transport routes.

Cycleway expansion will include the Fairfield to Bankstown, Prospect to Blacktown and Parramatta to Windsor routes.

Work will continue on the National Highways system, including:

- ◆ completing the widening of the F3 north of the Hawkesbury River;
- ◆ commencement of the Albury-Wodonga National Highway Project on the Hume Highway; and
- ◆ Devils Pinch and Duval Creek realignments on the New England Highway.

With Federal funding, property acquisition will continue for the M7 in Sydney and the Hume Highway at Albury-Wodonga.

PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

These payments represent the budget support for Housing Assistance. In 2004-05, a total of \$445.1 million from the Commonwealth and State will assist an estimated 500,000 people on low incomes in housing need. The Department of Housing will receive \$396.8 million and the Aboriginal Housing Office \$48.3 million under this program. These funds along with agency revenues, will support:

- ◆ approximately 350,000 people accommodated in Government-subsidised housing managed by public, community or Aboriginal housing providers;
- ◆ around 4,100 places available in crisis accommodation for nearly 60,000 people; and
- ◆ financial help to around 95,000 private renters and home buyers.

STRATEGIC DIRECTIONS

The Commonwealth and New South Wales are negotiating a new Bilateral agreement that underpins the strategic priorities of the Department of Housing for 2003-04 to 2007-08. These priorities are to:

- ◆ provide flexible and sustainable social housing responses for clients;
- ◆ work more effectively with the private market, local government and the non-government sector;
- ◆ strengthen local housing communities to help address social and economic disadvantage; and
- ◆ provide efficient, effective and viable services.

It is anticipated that the Commonwealth-State bilateral agreement will be finalised by the end of June 2004.

2004-05 BUDGET

The increase in payments in 2003-04 above budget reflects the bringing forward of State housing assistance grants. This has been done to manage cashflow for the program through to the finalisation of the Commonwealth State Bilateral agreement. The Commonwealth has withheld a substantial amount of its contributions pending the signing of that agreement. An amount of \$20 million was brought forward from 2004-05. This has the effect of making the 2004-05 budget allocation appear artificially lower than 2003-04.

In 2004-05, \$445.1 million will be allocated from the Consolidated Fund for housing assistance. The allocation comprises \$297.9 million from the Commonwealth and \$147.2 million from the State. This is in addition to other internal funding sources to the Department of Housing and the Aboriginal Housing Office.

This budget is broadly applied in three areas. These are housing supply, asset management for existing dwellings and other housing assistance for people on low incomes.

Housing Supply Program

The Housing Supply Program of \$230.3 million will fund new capital works, works in progress and existing and new leased housing in the public, community and Aboriginal housing sectors, as follows:

- ◆ \$87.5 million for public housing will provide 363 new dwellings (purchased or constructed), 2,460 existing leases and 75 new leases from the private market;
- ◆ \$109.3 million for community housing (excluding crisis accommodation) will provide 279 new dwellings (purchased or constructed), subsidies for 5,509 existing leases and 205 new leases;
- ◆ \$11.7 million for crisis accommodation will provide 26 new dwellings and 189 existing leases and 15 new leases; and
- ◆ \$21.8 million for the Aboriginal Housing Office (AHO) to provide 57 new dwellings for AHO and 45 new dwellings for community-owned properties under the Housing for Aboriginal Communities Program.

In total, 1,065 dwellings will be added to the social housing portfolio through capital completions or purchases (770 units) and leasing from the private market (295 units).

Asset Management

Continuing with the strategic direction of improving the standard of housing stock, allocations of \$226.5 million, \$6.5 million and \$19.6 million will be given to public, community (including crisis) and Aboriginal housing, respectively, for improvements to approximately 63,000 dwellings. Improvements range from painting to major upgrading work and are designed to bring properties to an agreed minimum standard. Asset management improvements also contribute to community regeneration of public housing estates.

Other Assistance

The Government assists disadvantaged and lower income people renting in the private rental market. In 2004-05, \$23.1 million will be available to fund Rentstart, a program that provides financial assistance, such as payment of rental bond, for private renters. Under the Special Assistance Subsidy program, \$10.2 million will assist eligible people with disabilities and people living with HIV/AIDS, to access the private rental market.

The Government also assists lower income earners own their own home through the Self Build Program, and maintain their mortgage in times of financial crisis with the Mortgage Assistance Scheme. Under the self build program \$0.3 million will be available along with \$1 million in revolving funds is provided for mortgage assistance.

Other programs funded in this budget for community and public housing, include:

- ◆ \$1.5 million for programs to tackle homelessness in the State;
- ◆ \$4.1 million for grants to peak and resourcing bodies that address housing related issues affecting lower income earners, including local government bodies (under the Local Government Housing Initiatives Program) and the Department of Infrastructure, Planning and Natural Resources;
- ◆ \$31.5 million for new products and service initiatives (including self build program and some newer homelessness programs) that provide a broader range of housing assistance options and accommodation alternatives for low income households in New South Wales; and
- ◆ \$1.1 million for the Centre for Affordable Housing;

The Aboriginal Housing Office will allocate \$15.1 million to fund non asset related programs, such as resourcing Aboriginal community organisations and providing sector support. A further \$15 million will be provided for the Aboriginal Communities Development Program.

Information on the planned asset acquisition program of each housing agency is in Budget Paper No. 4.

ABORIGINAL HOUSING OFFICE

The Aboriginal Housing Office (AHO) is a statutory authority established in 1998 pursuant to the *Aboriginal Housing Act 1998*. The AHO plans and administers the policies, programs and asset base for Aboriginal housing in New South Wales. This includes resource allocation, sector-wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal housing sector.

The AHO manages and co-ordinates a substantial annual capital works program, and develops and implements a range of financial and resourcing strategies. In addition, the AHO has an important role in facilitating and improving training and employment opportunities for Aboriginal people.

In carrying out its functions, the AHO is guided by the principles of self-determination and self-management by Aboriginal people. The AHO aims to maximise the involvement of Aboriginal housing providers and the Aboriginal community (including tenants and housing applicants) in the development of housing policy and standards and the delivery of housing programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Significant policy developments that will impact on AHO's expenditure and activities in 2004-05 include:

- ◆ renegotiation of the bilateral agreement between the NSW Government, Commonwealth Government and the former ATSIC on the provision and management of housing and housing-related infrastructure for Aboriginal and Torres Strait Islander people in New South Wales. This Agreement achieves a single point of planning and program delivery by pooling the former ATSIC funds from the Community Housing and Infrastructure Program with Aboriginal Housing Program funds including Commonwealth State Housing Agreement (CSHA) funds;
- ◆ potential changes to the CSHA tied funding program, the Aboriginal Rental Housing Program (ARHP) following a Commonwealth review; and
- ◆ continuation of the strategy to achieve viability of community housing providers and the stock they manage. Funds and support are provided to the relevant Registered Aboriginal Housing Organisations to improve their management skills, trial new management arrangements such as engaging a single administrator for several providers, and repair and maintain community-owned assets.

STRATEGIC DIRECTIONS

The strategies underpinning the 2004-05 Aboriginal Housing Program build on the four key strategic areas in the NSW Aboriginal Housing Office Strategic Plan 2001-02 to 2003-04 as follows:

- ◆ developing a sustainable Aboriginal housing sector;
- ◆ increased focus on asset management;
- ◆ increased access to safe, affordable, culturally appropriate housing; and
- ◆ promoting employment opportunities for Aboriginal people.

These strategies, and the draft 2004-05 Plan, were developed in consultation with Aboriginal people and Aboriginal housing organisations as well as other key stakeholders. The strategic directions are also closely linked to:

- ◆ the *Aboriginal Housing Act 1998*; and
- ◆ the Housing Ministers' Building a Better Future: Indigenous Housing to 2010.

2004-05 BUDGET

Total Expenses

In addition to the AHO operating costs and rental property expenses, total expenses of \$85 million will provide:

- ◆ grants of \$13.5 million to Aboriginal communities for the acquisition of community-owned dwellings, with an expected commencement of 19 units, and completion of 45 units currently in progress;
- ◆ AHO and Aboriginal community housing repairs and maintenance backlog;
- ◆ resourcing of community organisations, sector support and training; and
- ◆ the housing component of the Aboriginal Communities Development Program.

The AHO will receive, subject to the ARHP review, grant funding of \$34 million under the CSHA. In addition it will receive State funding of \$23.6 million for housing under the Aboriginal Communities Development Program and for asset improvement (\$15 million) and \$13 million from the Commonwealth Community Housing and Infrastructure Program (of the former Aboriginal and Torres Strait Islander Commission). The remainder of the AHO's source of funds is a small asset sales program, interest income and net rental income after rental expenses.

Asset Acquisitions

The AHO housing program provides public rental housing for Aboriginal people. In 2004-05 total asset acquisition is \$9.6 million comprising \$8.3 million for an expected commencement of 11 units of accommodation and completion of 57 units in progress, and \$1.3 million for acquisition of office equipment and relocation.

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 and other programs supporting home purchase. The Department of Housing oversees the management of the Fund.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Outstanding bonds in FANMAC Trusts 19 and 20 (with maturity dates of May 2006 and May 2007 respectively) were purchased from the market during 2003-04 as part of the simplification of the HomeFund Scheme structure. The bonds carried interest rates of 13.8 percent and 12.3 percent. The purchases resulted in interest premiums of \$3 million being written off in 2003-04.

A provision has also been made for a possible reduction in the market value of the fixed interest investment portfolio of the Fund in 2003-04 as a result of increases in market interest rates.

While both factors add to expenditure in 2003-04, they are offset by favourable variances in subsequent years as borrowing costs are reduced and valuation losses are reversed when investments mature.

STRATEGIC DIRECTIONS

Management is focused on risk containment, prudent asset investment, cost minimisation 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.

2004-05 BUDGET

Total expenses are budgeted at \$24.7 million in 2004-05 with major components being interest on borrowings of \$13.2 million and funding of FANMAC Trust shortfalls of \$7.8 million.