

MINISTER FOR ENERGY, AND MINISTER FOR PORTS AND WATERWAYS

OVERVIEW

<i>Agency</i>	<i>Budget 2005-06 \$m</i>	<i>Budget 2006-07 \$m</i>	<i>Variation %</i>
Department of Energy, Utilities and Sustainability			
Total Expenses	281.5	427.2	51.8
Capital Expenditure	0.4	0.4	...
Maritime Authority of New South Wales			
Total Expenses	83.6	93.5	11.7
Capital Expenditure	15.7	16.9	7.8
Total, Minister for Energy, and Minister for Ports and Waterways			
Total Expenses	365.1	520.7	42.6
Capital Expenditure	16.1	17.3	7.5

DEPARTMENT OF ENERGY, UTILITIES AND SUSTAINABILITY

The Department of Energy, Utilities and Sustainability (DEUS) provides the Minister for Energy and the Minister for Water Utilities (Section 20) with strategic policy, legislative and regulatory advice in relation to the State's energy sector, urban and rural water utilities, and related social programs.

RESULTS AND SERVICES

In collaboration with the energy industry, urban water utilities, other government agencies, consumer groups, businesses and other stakeholders, DEUS assists the Government in choosing and implementing the best strategies for working towards the following results:

- ◆ The sustainable supply and use of energy and urban water is improved.
- ◆ Energy and urban water services are safe, reliable and secure.
- ◆ Supply and use of energy and urban water is efficient and affordable.

Key services provided by DEUS which contribute to these results include:

- ◆ developing more efficient, economical and environmentally sound energy and water supply systems through greater application of demand management and integrated planning principles;
- ◆ developing and promoting greenhouse gas abatement programs and services for industry, business, government and the community;
- ◆ providing policy advice on the future directions of energy and water utilities in New South Wales;
- ◆ administering regulatory frameworks that facilitate the operation of safe, reliable, technically efficient and environmentally responsible energy and water networks;
- ◆ promoting and maintaining appropriate and effective competition in gas and electricity supply markets, including the further development of national energy market frameworks in partnership with other States; and
- ◆ managing social and other funding programs, including pensioner energy and water rebates, the Country Towns Water Supply and Sewerage Program and Energy and Water Savings Funds.

RECENT DEVELOPMENTS

DEUS is responsible for developing reliability standards for electricity networks. New standards, implemented in August 2005, will see an additional \$1.6 billion in infrastructure investment over the next few years to further improve the overall reliability of the NSW electricity network.

DEUS, in conjunction with NSW Treasury, supports the Minister in his role as a member of the Ministerial Council on Energy. This involves providing advice on national reform initiatives, such as preparations for the transfer of distribution regulation to the Australian Energy Regulator.

The Energy Savings Fund was introduced by the NSW Government from 1 July 2005 to support energy savings initiatives. The Energy Savings Fund is for \$40 million per annum over five years paid for by electricity distributors.

STRATEGIC DIRECTIONS

Specific areas of focus for DEUS in relation to energy in 2006-07 include:

- ◆ reforming the State's electricity, natural gas and urban water industries to achieve positive outcomes in areas such as the sustainable use of energy as well as ensuring safety and energy supply reliability;
- ◆ anticipating future energy needs in New South Wales;
- ◆ monitoring industry and government progress in implementing cost-effective energy efficiency measures identified as part of the requirement for the largest energy users to prepare Savings Action Plans;
- ◆ achieving measurable energy savings via the projects supported under the Energy Savings Fund; and
- ◆ carrying out specific responsibilities under the NSW Greenhouse Plan, such as extending the Greenhouse Gas Abatement Scheme to 2020 and beyond.

Recent developments and strategic directions for the Department's urban water activities can be found under the entry for the Minister for Water Utilities at Section 20.

2006-07 BUDGET

Total Expenses

Estimated total expenses for DEUS in 2006-07 will be \$427.2 million. This is an increase of 52 per cent since the 2005-06 Budget, largely driven by movements in major grants programs. This includes the establishment of the Energy and Water Savings Funds and increased expenditure on the Country Towns Water Supply and Sewerage Program.

In 2006-07, expenditure on grants and subsidies will be \$409.3 million, including:

- ◆ pensioner energy and electricity life support rebates of \$83.1 million;
- ◆ social program payments of \$100.3 million to Sydney and Hunter Water Corporations largely for concessions granted to pensioners on water and sewerage rates, concessions granted to properties exempt from water and sewerage rates, and connection of selected un-sewered areas to the sewerage network based on public health and environmental priorities;
- ◆ Energy and Water Savings Funds totalling \$79.5 million;

- ◆ government contributions of \$70.1 million towards expenditure of \$100.1 million on the Country Towns Water Supply and Sewerage Program;
- ◆ government contributions to State Water of \$35.3 million, comprising a transitional operating subsidy and an Independent Pricing and Regulatory Tribunal determined capital contribution; and
- ◆ Energy Accounts Payment Assistance Program totalling \$8.9 million.

Capital Expenditure

The capital program for 2006-07 is estimated at \$0.4 million to replace and upgrade plant and equipment, information technology and communication assets.

MARITIME AUTHORITY OF NEW SOUTH WALES

The Maritime Authority of New South Wales is the regulator responsible for providing safe and sustainable ports and waterways in New South Wales. This is achieved through encouraging a strong safety culture across all maritime activities in New South Wales and by taking the initiative to protect the marine environment. The Authority is also responsible for the appropriate development and use of wetland areas in Sydney Harbour, Botany Bay, Newcastle and Port Kembla.

RESULTS AND SERVICES

The Authority works towards a number of results for the community, including:

- ◆ The provision of safe harbours and ports which in turn support a growing economy.
- ◆ Safe and sustainable waterways.
- ◆ Improved access to waterways for all users.

Key services provided by the Authority which contribute to these results include:

- ◆ regulating the safe navigation of recreational and commercial vessels;
- ◆ providing safe ports, including protection against potential terrorist attack;
- ◆ ensuring the protection of the environment in state waters; and
- ◆ managing vested maritime properties.

RECENT DEVELOPMENTS

The Maritime Authority's major recent achievements are:

- ◆ progress on the remediation of Homebush Bay including the removal of hazardous debris from the Bay, with the total project costing \$21 million;
- ◆ completion of the Eden cargo storage area as part of a program to develop a general purpose port, costing \$6 million;
- ◆ commencement of the Manly Wharf upgrade which will improve passenger access and safety;
- ◆ reform of the ownership of all Sydney Harbour commuter wharves by their transfer to the Authority and the development of an integrated maintenance plan; and
- ◆ development of a Boating Plan Strategy for 2004-2007.

STRATEGIC DIRECTIONS

The Maritime Authority of New South Wales is committed to working with all sectors of the boating community, marine industry, government and the general community to strive for equity, safety and environmental sustainability in the use of our waterways.

The Authority has developed a number of strategies to meet this objective, including:

- ◆ reviewing the operation and audit mechanisms of the Port Safety Operating Licence;
- ◆ investigating maritime incidents to identify safety and compliance issues;
- ◆ co-ordinating NSW policy with respect to maritime security for ports and for commercial vessels;
- ◆ providing input into NSW port planning issues;
- ◆ amending commercial vessel regulations to support national standards;
- ◆ providing safe commuter wharves throughout New South Wales;

- ◆ developing a 10-year Maritime Infrastructure Program; and
- ◆ developing a pricing philosophy and an implementation strategy for Authority charges.

Commercial strategies developed in relation to the Authority's property assets are:

- ◆ completing the implementation of the Independent Pricing and Regulatory Tribunal recommendations on rentals for residential wetland leases;
- ◆ introducing and implementing a revised commercial lease policy;
- ◆ implementing the new Sydney Harbour Catchment Regional Environmental Plan (REP) in planning assessments;
- ◆ developing a State-wide Boat Storage Strategy; and
- ◆ continuing development of maritime precincts in Sydney Harbour.

2006-07 BUDGET

Total Expenses

Total expenses in 2006-07 are expected to be \$93.5 million. This includes providing recreational boating functions involving the promotion of safety and environmental protection on the water through boat licences and registrations, patrols, marine rescue contributions, education programs, seminars, publications, compliance and enforcement activities.

Funds will be spent conducting commercial vessel surveys, providing environmental services in Sydney Harbour and Myall Lakes, navigation aid maintenance, accident investigation, wharf and building maintenance, construction of key waterway infrastructure as well as conducting safety audits of commuter wharves.

Capital Expenditure

The total capital program for 2006-07 is \$16.9 million. This includes refurbishment and enhancement of Manly Wharf and the new infrastructure for the Rozelle Bay maritime precinct.

In addition, spending will support the acquisition of vessels and outboard engines, the continued development of the computerised integrated management system and graphical leasing system, installation of navigation aids and waterway signage improvements.