

MINISTER FOR PUBLIC WORKS AND SERVICES AND MINISTER FOR SPORT AND RECREATION

OVERVIEW

<i>Agency</i>	<i>Budget 2001-02 \$m</i>	<i>Budget 2002-03 \$m</i>	<i>Variation %</i>
Office of the Minister for Public Works and Services			
Total Expenses	39.2	31.2	-20.5
Asset Acquisitions
Department of Sport and Recreation			
Total Expenses	84.1	85.6	1.8
Asset Acquisitions	3.5	22.2	527.3
Department of Public Works and Services			
Total Expenses	373.7	415.0	11.1
Asset Acquisitions	9.6	28.2	193.8
State Sports Centre Trust			
Total Expenses	5.3	3.7	-30.7
Asset Acquisitions	0.1	0.1	...
Total, Minister for Public Works and Services and Minister for Sport and Recreation			
Total Expenses	502.3	535.5	6.6
Asset Acquisitions	13.2	50.5	282.6

OFFICE OF THE MINISTER FOR PUBLIC WORKS AND SERVICES

The Office of the Minister for Public Works and Services provides for the development of operational policy and the risk management framework for Government to ensure the effective utilisation of resources and reduce Government's risk exposure across its total procurement activities.

The services include advice and policy development for procurement, risk management, total asset management, management of Government wide contracts and the provision of maintenance services for key heritage buildings.

These services are purchased from the Department of Public Works and Services.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Total expenses in 2002-03 are projected to be \$31.2 million, a decrease of \$8.6 million compared to 2001-02. The variance is mainly due to the completion of the CBD Core Office Accommodation Strategy Project in 2001-02. The project completes the relocation of various agencies from Governor Macquarie Tower to cheaper alternative accommodation.

The Parramatta Government Property Strategy is a \$5.3 million program aimed at providing a whole-of-government approach to the redevelopment and management of NSW Government properties in Parramatta. A final allocation of \$2.3 million in 2002-03 will complete the project.

STRATEGIC DIRECTIONS

The Office of the Minister for Public Works and Services has an advisory role to Government and develops whole-of-government policies and activities to:

- ◆ develop a whole-of-government approach to total asset management policy, procedures and standards;
- ◆ provide leadership in the reform of the building and construction industry;
- ◆ consolidate the Government's purchasing power to maximise the benefits and cost savings to Government and clients;
- ◆ consolidate the Government's contracting to maximise benefits of the risk management process across all procurement functions;
- ◆ provide information to the public on Government initiatives and activities through various communication media and the provision of the Government Gazette; and
- ◆ provide impartial advice and professional expertise on business services and infrastructure to the New South Wales Government in areas including environment and energy management, natural disasters relief and heritage conservation.

2002-03 BUDGET

Total Expenses

Total expenses of \$31.2 million for 2002-03 include:

- ◆ \$5.8 million allocated to Procurement Risk Management and Total Asset Management activities in 2002-03 to reduce risks in contracting for capital works and make optimal use of Government assets through effective planning, acquisition, management and disposal strategies;
- ◆ \$5.4 million for stonework and heritage maintenance projects including the purchase of sandstone. Restoration work will be carried out on Sydney Observatory, Australian Museum, Government House, East Sydney College, State Library and Darlinghurst Court;
- ◆ \$3.3 million provided for ongoing Construction Industry Development;
- ◆ \$2.7 million provided for maintenance of Parliament House and Government House; and
- ◆ \$2.3 million for the provision of Government wide procurement and purchasing policies which pass on savings to agencies through the bulk purchasing power and Smarter Buying Programs of the Government.

Asset Acquisitions

The Office of the Minister for Public Works and Services has a minor asset acquisition in 2002-03 of \$10,000 for computer equipment.

DEPARTMENT OF SPORT AND RECREATION

The role of the Department of Sport and Recreation is to provide and facilitate a diverse range of services for the people of New South Wales to participate in sport and recreation.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Department's net operating costs have increased by \$4.8 million per annum as a result of transferring administration of the Western Sydney Olympic Venues and the Duke of Edinburgh Award Scheme in 2001-02. This aside, net operating costs in 2002-03 will be similar to 2001-02 and will continue the trend of absorbing a number of cost escalations which, in turn, have resulted in the Department reducing the level of operating subsidy in real terms required from the Government.

Water safety was a major focus in 2001-02 with the expansion of the Safewaters public education program to include a strong component focussing on people from culturally and linguistically diverse backgrounds, the development of the Safewaters web site as well as significant investment in research. The New South Wales Water Safety Taskforce was also expanded to include representatives from Fisheries and the Office of Emergency Services.

The Department supported and strengthened the capacity of organisations within the sport and recreation industry and assisted them in meeting emerging issues. The Department has developed a comprehensive support package "It's Your Business" which addresses matters related to risk management, corporate governance, legal issues and financial management. Further modules will be developed in 2002-03.

The Department has strengthened its emphasis on working collaboratively with other agencies with a particular focus on disadvantaged groups within the community. Working in partnership with key community organisations and Government agencies such as Police and Community Youth Clubs, Aboriginal and Torres Strait Islander Commission and Government Departments such as Health, Women, Education and Training, has enabled the Department to increase the capacity of organisations to address emerging social issues.

In addition program staff across sport and recreation centres and academies in New South Wales have continued to upgrade their skills and hence improve the range of services provided.

STRATEGIC DIRECTIONS

In 2002-03, the Department will continue to develop the programs and services delivered across New South Wales through the network of regional centres and academies. Ongoing investment in both capital development and professional development will ensure facilities, programs and services meet customer needs and expectations.

The Department will continue to support the development of sporting infrastructure in regional and rural New South Wales through the facility development funding programs including the Regional Sports Facility Program, the Capital Assistance Program and the Shooting Clubs Development Program.

In managing its resources to more effectively achieve the desired outcomes the Department will focus on the following major priorities for 2002-03:

- ◆ expanding organisational development, including further development of the “It’s Your Business” package and other capacity building initiatives;
- ◆ building on the achievements of the New South Wales Water Safety Taskforce;
- ◆ assisting other Departments address key social issues such juvenile crime, community disengagement and substance abuse;
- ◆ continuing to develop new products and services and expand the use of sport and recreation centres and academies; and
- ◆ further develop and expand partnership arrangements with other Government agencies, state sporting and recreational organisations and key community organisations.

2002-03 BUDGET

Total Expenses

Total expenses of \$85.6 million include:

- ◆ \$29.3 million for sport and recreation programs coordinated by the Department’s Regional Offices and programs provided at Centres and Academies of Sport and Recreation;
- ◆ \$17.3 million in payments from the Sport and Recreation Fund for the operation of sporting associations, sports development grants and sporting facility capital grants. This includes payments for the Capital Assistance Program (\$4.6 million), the Regional Sports Facility Program (\$3.5 million), the Shooting Clubs Development Program (\$0.4 million), Sports Development Program (\$2.7 million), Regional Academies of Sport (\$0.7 million), various Water Safety programs (\$1.7 million), Disabled Athlete Scholarships (\$0.1 million), the Country Athletes Scheme (\$0.3 million) and the Remote Areas Travel Assistance Scheme (\$0.3 million); and

- ◆ \$10.3 million in administered grant funding towards the operations of the New South Wales Institute of Sport (\$4.7 million), the Sydney International Athletic and Aquatic Centres (\$4.8 million) and maintenance funding for the State Sports Centre (\$0.8 million).

ASSET ACQUISITIONS

A total of \$22.2 million will be spent in 2002-03. The asset acquisition program comprises:

- ◆ \$16.2 million to continue construction of a stand-alone drag strip at Eastern Creek;
- ◆ \$1.4 million to complete the installation of a Customer Information Management System;
- ◆ \$1 million for new lodge accommodation at the Myuna Bay Sport and Recreation Centre;
- ◆ \$0.8 million to begin the replacement dining hall and kitchen facilities at Point Wolstoncroft and Myuna Bay Sport and Recreation Centres;
- ◆ \$0.8 million to continue remediation of the former shotgun range at the Sydney Academy of Sport and Recreation;
- ◆ \$0.3 million for new office accommodation at the Berry Sport and Recreation Centre;
- ◆ \$0.3 million for adding ensuites to dormitories at Lake Burrendong Sport and Recreation Centre; and
- ◆ \$1.4 million for minor works projects at Sport and Recreation Centres and Academies of Sport and Recreation.

DEPARTMENT OF PUBLIC WORKS AND SERVICES

The Department of Public Works and Services (DPWS) provides a range of commercial services including procurement, asset management, project management, property management and disposal, valuation, corporate and business services within the public sector.

DPWS offers a wide range of technical, managerial and specialist skills. This, together with a knowledge of government, its policies and processes, ensures clients are provided with innovative and practical solutions to all their procurement and asset related needs such as ecologically sustainable design and e-business solution. DPWS also plays a major role in the development of whole-of-government policies in areas such as procurement, asset management, risk management and office accommodation. Combined with its commercial operations, DPWS delivers significant cost savings across government annually.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

As the Department's major client base is the public sector, changes in government policies and directions have a direct impact on its financial performance. Savings in government spending, restructuring of agencies, new policy initiatives and redirection of funding to specific portfolios have the capacity to open up new markets or conversely restrict other markets with a resultant impact on DPWS performance.

The Department's revenue for 2002-03 is expected to improve by 12.2 percent with the major increase being anticipated revenue from e-business activities and an improvement in project related work due to an expansion in agencies' capital and maintenance programs. The Department's direct costs for 2002-03 are expected to increase at a lower rate than revenue and therefore lead to an improved operating result.

STRATEGIC DIRECTIONS

The Department has developed a new strategic plan, "*DPWS: Directions 2006*".

The key focus of this plan is for DPWS to deliver innovative business outcomes for the Government and its agencies, to provide better value for the people of New South Wales. DPWS aims to achieve this by focusing on four key areas:

- ◆ *Acting as a catalyst for new business solutions across government.* This includes the pro-active identification of emerging opportunities and challenges, and the provision of leading edge business solutions, strategic advice and support to agencies to help improve their performance.
- ◆ *Helping to sustain the inter-generational value in New South Wales public assets.* This includes facilitating better asset integration and management, ensuring that assets are designed and delivered with regard to ecological sustainable development principles and optimising the value of government assets through the application of Total Asset Management principles.

- ◆ *Increases in government buying power.* This includes the implementation of smarter buying practices and the development of innovative contracting strategies and methods which incorporate social, environmental and economic development objectives.
- ◆ *Leadership in government online development.* This includes working with agencies to develop and implement new electronic service delivery applications such as Asset.Gov and the Government's Electronic Marketplace.

The delivery of these strategies will help clients of DPWS provide their services more effectively and efficiently, which helps to free up resources across the sector.

2002-03 BUDGET

Total Expenses

Total expenses for 2002-03 are budgeted to be \$415 million, an increase of 11.1 percent over 2001-02. The increase comprises the following key areas - increase in direct costs that support a 12.2 percent increase in revenue, additional salary costs resulting from award increases, costs associated with implementing e-business initiatives and a provision for voluntary redundancy.

Asset Acquisitions

Total expenditure for 2002-03 is budgeted at \$28 million, compared to \$9 million during 2001-02. The major reasons for the increase are the inclusion of the State Fleet purchase of replacement motor vehicles (\$6.6 million) for client agencies, the Electronic Marketplace (\$3.5 million) and the Central Corporate Services Unit IT upgrade (\$9.5 million).

STATE SPORTS CENTRE TRUST

As required under its charter, the State Sports Centre Trust will continue to provide affordable world-class facilities to the sporting community and assist NSW Institute of Sport athletes. In order for the Trust to discharge its community service obligations, the Department of Sport and Recreation provides an operating subsidy to the Trust.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The transfer of the Trust's land and building for \$48.4 million to the Sydney Olympic Park Authority reduced depreciation expense by \$1.8 million.

From May 2002, the Trust operated the Sydney Indoor Sports Centre which will increase expenditure by \$0.3 million. Expenditure will otherwise remain consistent with the years leading up to the 2000 Olympics.

STRATEGIC DIRECTIONS

The Trust's objective is to increase its service to sport through its outdoor hockey and indoor facilities including the newly acquired Sydney Indoor Sports Centre which provides first class facilities for developing sports.

2002-03 BUDGET

Total Expenses

Total Trust expenses, estimated at \$3.7 million in 2002-03, will be used to provide and maintain the Centre's sporting facilities.

Asset Acquisitions

The Trust will spend \$50,000 on replacement equipment in 2002-03.