

### 4.3.7 MINISTER FOR ENERGY, MINISTER FOR TOURISM, MINISTER FOR CORRECTIVE SERVICES AND MINISTER FOR EMERGENCY SERVICES

#### OVERVIEW

Agency	Forecast 1997-98	Estimate 1998-99	Variation	
	\$m	\$m		%
<b>Department of Energy</b>				
Total Expenses .....	19.7	18.5	(-)	5.8
Asset Acquisitions .....	0.2	0.2		31.1
<b>Sustainable Energy Development Authority</b>				
Total Expenses .....	11.4	10.9	(-)	4.4
Asset Acquisitions .....	0.4	...	(-)	90.3
<b>Tourism New South Wales</b>				
Total Expenses .....	42.0	44.6		6.2
Asset Acquisitions .....	...	...		...
<b>Department of Corrective Services</b>				
Total Expenses .....	433.8	421.0	(-)	3.0
Asset Acquisitions .....	23.6	38.0		61.0
<b>New South Wales Fire Brigades</b>				
Total Expenses .....	272.4	286.8		5.3
Asset Acquisitions .....	26.5	31.0		17.0
<b>NSW Rural Fire Services</b>				
Total Expenses .....	88.6	75.0	(-)	15.3
Asset Acquisitions .....	0.8	0.7	(-)	12.5
<b>State Emergency Service</b>				
Total Expenses .....	14.5	16.2		11.2
Asset Acquisitions .....	1.6	1.8		10.3
<b>Total, Minister for Energy, Minister for Tourism, Minister for Corrective Services and Minister for Emergency Services</b>				
Total Expenses .....	<b>882.4</b>	<b>872.9</b>	(-)	<b>1.0</b>
Asset Acquisitions .....	<b>53.0</b>	<b>71.7</b>		<b>35.2</b>

#### DEPARTMENT OF ENERGY

##### Expenditure Trends and Recent Developments

The Department of Energy (DOE) provides strategic policy advice on and high level regulation for management and utilisation of the State's energy resources in the context of a competitive national market. The development of the legislative framework for the operation of the State and national markets for electricity and gas, and the associated regulatory and structural reforms of the industry have been the focus of the Department in recent times.

The Department also has a significant role in provision of advice to State and Federal Governments on environmental issues relating to the energy sector, in particular Greenhouse issues and the environmental performance of electricity retailers.

Since 1989 the Department has undergone three reviews which have resulted in deletion or transfer of some functions to other agencies (including SEDA and ERTF), and productivity gains. With a current Full Time Staff Equivalent of 66.5, the Department is now a policy, advisory and regulatory reform agency handling in any 12 month period a revolving number of short and long term energy issues in industry regulation, policy development and ministerial support. Regulation now accounts for roughly 30 per cent of normal budget and policy, most of the remainder.

The Department's recurrent Consolidated Fund allocation has dropped from \$26 million in 1994-95 to \$17 million in 1997-98, dropping further to \$7.5 million in 2000-01.

Under current forecasts, cash reserves will fall to \$3.4 million by the end of 1998-99, a level sufficient to cover leave liabilities and working capital needs.

The regulatory functions of the Department have been estimated to cost roughly \$3.2 million and licensing fees aimed at covering the cost of that regulation and paid to the Consolidated Fund will provide over \$5 million in 1998-99.

### **Electricity and Gas Reform**

The phased introduction of a commercial retail market in electricity began on 1 October 1996, when customers purchasing more than 40 GWh annually (about \$2 million annual electricity bill) became contestable, being eligible to choose another retailer or enter the wholesale market directly. About half those customers chose to switch from their franchise retailer. Most customers reported price reductions of between 10 per cent and 40 per cent. From 1 July 1997 more than 40 per cent of the electricity market has been open to competition.

The start of the full National Electricity Market has been delayed and experience with Stage 1 of the National Electricity Market (NEM1) indicates that many issues, both policy and legal, will arise in the early stages of the market that will need the Department's attention. In particular the Department would expect to provide significant input to a wide range of reviews planned for the first year of market operations, for example those covering network pricing, ancillary services, value of lost load, role of the reserve trader and region boundary definition.

Market reforms in gas began with the proclamation in August 1996 of the Gas Supply Act, which gave effect to a third party access code for distribution networks in New South Wales, allowing for contestability of customers on a phased basis.

The Department has also been a major player in securing uniform regulation of access to gas pipelines across state jurisdictions. Lead legislation has been passed by South Australia and the NSW Gas Pipelines Access legislation to apply the national code is expected to be introduced into Parliament in late April/early May 1998. Apart from the implementation of access arrangements the Department will also have a major focus on securing greater competition in the upstream market.

New performance based safety regulations for gas and electricity have been introduced.

## **Environment**

The electricity market reforms include measures to ensure that market competition delivers environmental as well as economic benefits. Significant environmental regulatory requirements apply to holders of electricity retail supply licenses and electricity distribution licenses, which aim to encourage the growth of renewables and energy efficiency services and reduce greenhouse gas emissions from the electricity supply industry. Environmental guidelines and a greenhouse gas emission methodology workbook have been released.

A major review of the National Greenhouse Response Strategy has been completed (with the Department leading the review of the energy sector) which addresses greenhouse gas reduction policies and measures.

## **Strategic Directions**

### **Policy**

Policy is likely to remain a core function of the Department. It is an essential service to Government with the Minister as the prime client.

With the achievements made to date and the expertise it has developed, the Department is in a good position to participate and provide advice on energy portfolio responsibilities relating to electricity reform. This includes reform activities such as -

- review and subsequent implementation of electricity regulation relevant to evolving industry structures;
- carriage of national market matters;
- retail competition and interconnectors; and
- the distribution boundary review.

There are also a number of gas reform activities to pursue -

- Monitoring state/national gas access code, participation in access code change process and advising the Minister on relevant issues;
- Monitoring inter-State market developments;
- Promoting competition in gas production; and
- Implementation of the review of NSW pipeline legislation.

## **Environment**

Environment is a key policy area for the Department. The Greenhouse effect is, and is likely to remain, a significant issue particularly for the energy portfolio. The Department has prime policy and regulatory carriage while SEDA administers hand-on projects. Some environmental projects include -

- Implementation of National Greenhouse Strategy, as expanded by the Commonwealth or any new NSW initiatives. Maintain the New South Wales position of leadership in this field;
- Assessment/review of environmental licence guidelines and processes; and
- Active participation in the National Energy Management Task Force and national groups being set up to implement the Commonwealth's recently announced greenhouse measures.

Providing advice re environmental issues and management of Sustainable Energy Research and Development Fund.

## **Regulation**

Regulation is a core and on-going function, the cost of which is fully recovered from licence fees. Reform of the energy market including potential structural reforms are likely to increase the cost of regulation as market players become more numerous, greater risk takers and more litigious.

Regulatory issues include -

- removal of existing and potential barriers to competition;
- Continued operation of the gateway for new players in the wholesale and retail energy market;
- Consumer protection policy as a new departmental priority; and
- Continued implementation and streamlining of regulation, and raising the level of regulation from prescriptive to performance based arrangements.

## **Safety**

Safety is a specific form of regulation subject to the same pressures as outlined above. Specific challenges for the Department in respect of safety include -

- Guidelines, reporting and monitoring systems will need to be created;
- Increasing demand to place more resources into gas safety; and
- Market reforms make it necessary to work more on the integration of safety regulations and national consistency.

## **1998-99 Budget**

### **Total Expenses**

Estimated total expenses for 1998-99 are \$18.5 million which includes expenditure on the core functions of the Department of policy development and high level regulation. Estimated payments include -

- \$1.8 million for energy research and development of new energy technologies by industry, research organisations and universities;
- \$6.2 million for transitional funding to rural electricity distributors to enable adjustment to revised transmission pricing arrangements; and
- \$1.2 million for the reform of the gas and electricity industries in New South Wales including the development of national electricity and gas market arrangements.

### **Assets Acquisitions**

The Department is undertaking minor capital works to upgrade its information technology capabilities.

## **SUSTAINABLE ENERGY DEVELOPMENT AUTHORITY**

### **Expenditure Trends and Recent Developments**

The mission of the Sustainable Energy Development Authority (SEDA) is to reduce the level of greenhouse gas emissions in New South Wales by promoting the commercialisation and use of sustainable energy technologies.

In addition, SEDA aims to -

- inform policy makers through on-the-ground and replicable experiences, and maintain a key role in shaping general and regulatory initiatives; and
- provide a vision of Australia's energy future.

In its second full year of operation, SEDA has focused on increasing visible market activity across sectors. SEDA's expenditure in 1997-98 was directed towards -

- the development and launching of the following key programs -
  - Energy Smart Business Program – a voluntary partnership program with NSW businesses to improve energy efficiency in the commercial and industrial sectors. Forty businesses signed in 1998.
  - Community Housing Energy Program - over 3500 public and community sector dwellings made more energy and water efficient.
  - Energy Smart Homes Program - over half of all new building approvals for houses in NSW must now be built to the new energy performance standard of 3.5 stars.

- Energy Smart Hot Water Project – a rebate scheme for solar and heat pump water heaters with a reported increase in monthly sales of between 60 to 100 per cent.
- Photovoltaic Investment Program - four such infrastructures were commissioned.
- the design and development of Energy Smart Retailer Program, Energy Smart Showerhead Program, Renewable Energy Investment Program, and Building Integrated Photo-voltaics Rebate Program.
- progress in the following ongoing SEDA initiatives -
  - Energy Smart Government Buildings Program - fourteen NSW government departments joined the Program.
  - Green Power Accreditation Program – covers all NSW based electricity retailers and two from Victoria. Green Power advertising and marketing formed the core of SEDA’s communications activities. The Program stimulated more than \$26 million in renewable energy infrastructure investments.
  - Solar Village - construction of the first 30 solar homes in the Olympic Village which will become the world’s largest solar suburb.
  - Energy Advisory Referral Service - a public information service later transferred to the Sydney Building Information Centre.
  - Co-generation Investment Program – financing for the installation of the first commercial fuel cell in Australia at the Sydney headquarters of the Australian Technology Park. The fuel cell will generate heat and electricity from natural gas.
  - House Energy Rating Management Body - administers the accreditation and auditing of assessors.
  - Energy Smart Allies Directory – the production and distribution of a directory covering over 135 suppliers of sustainable energy services and technologies.
  - Energy Star Office Equipment Program - focused on signing manufacturers to the Program.

## **Strategic Directions**

SEDA will continue to actively participate in policy formulation and the articulation of greenhouse gas emission reductions and of the economic and environmental benefits of emission-reduction measures.

SEDA will focus on initiatives that develop the market for sustainable energy technologies and SEDA will further assist these technologies by vigorously redressing market barriers.

SEDA will significantly increase its investment in innovative projects in renewable energy, in energy efficiency and in the transport sector that permanently increase the market share of sustainable technologies in New South Wales.

SEDA will undertake intensive and wide reaching communications program to engender the economic and environmental benefits of measures to reduce greenhouse gas emissions and increase commercial application of sustainable energy technologies.

SEDA will continue to play a key role in policy formulation in the clarification and articulation of emission benchmarks.

## **1998-99 Budget**

### **Total Expenses**

Areas of SEDA's expenditure will include -

- Program Delivery – Existing programs will be fully implemented, and new initiatives that achieve a demand and supply market for sustainable energy technologies will be developed and launched. SEDA will commence the development of initiatives in the transport sector.
- Communications – SEDA will continue to reach and inform significant market groups and demonstrate the value and use of market-transforming activities for SEDA's programs.

### **Asset Acquisitions**

Asset acquisitions for 1998-99 are planned for the upgrade of computer equipment in the corporate office.

### **Investments**

SEDA will continue to make investments in sustainable energy technologies to commercialise their use in the market place.

## **TOURISM NEW SOUTH WALES**

Tourism New South Wales is responsible for the marketing of New South Wales as a holiday destination in the Australian domestic market and in the international markets of Europe, the United States, Asia and New Zealand.

It also provides strategic direction and leadership to the New South Wales tourism industry to ensure a wide range of tourism product and holiday experiences are available in the marketplace.

### **Expenditure Trends and Recent Developments**

Total expenses for 1998-99 are expected to increase by 6.2 per cent over 1997-98.

During 1997-98, major developments included the launch of the Tourism New South Wales "Experience It" domestic advertising campaign and continuation of the Sydney "All Day Long, All Night Long" marketing campaign in Asia. In addition, with continued recognition of the importance of the Asian market Tourism New South Wales opened an office in Hong Kong.

“New South Wales Holidays” entered its third year as a major tourism-wholesaling program targeting the 4,000 travel agents across Australia.

During the year, Tourism New South Wales launched the “Visit New South Wales Australia” Internet site, the biggest web site of its kind in Australia. This site is linked to the tourism product database - Visnet.

Tourism New South Wales’ Special Events Unit continued its involvement in the development and promotion of New South Wales wide range of special events into mainstream marketing activities.

Tourism New South Wales continues to provide leadership to the Tourism Olympic Forum in order to maximise the tourism potential of the Sydney 2000 Olympic Games.

## **Strategic Directions**

Tourism New South Wales mission is to -

- Lead, organise and provide strategic direction to increase the efficiency and effectiveness of the tourism industry in New South Wales and market New South Wales as the destination of choice for Australian and International visitors, in order to generate economic, environmental, social and cultural benefits to the State.

The Tourism New South Wales Masterplan provides the framework within which the following objectives will be achieved -

- Industry development - key stakeholders are committed to agreed tourism strategies and directions.
- Marketing - travel to and within New South Wales has increased.
- Support - community, government, industry, and media support for tourism sustained.
- Olympic Games Benefits - maximum tourism benefits are achieved from the Sydney 2000 Olympic Games and the Paralympics.
- Tourism New South Wales Services - Tourism New South Wales is effective and efficient.

## **1998-99 Budget**

Total expenses for Tourism New South Wales are estimated at \$44.6 million in 1998-99, with the major components being -

- \$22.5 million for the further development and implementation of an integrated domestic marketing campaign and the continuation of international marketing programs;
- \$2.9 million to support specific regional marketing and development activities;

- \$0.7 million to ensure tourism product and infrastructure supply meets demand through the implementation of the New South Wales Tourism Masterplan; and
- \$2.0 million to assist with the development and promotion of special events in Sydney and regional New South Wales, as well as maximising the tourism benefits of the Sydney 2000 Olympic Games.
- An additional \$2.0 million to fund a major promotional campaign to target the important European and North American markets. This initiative is part of an additional \$6 million commitment over the next three years to promote Sydney and New South Wales to these markets. This will ensure that full advantage is taken of the current strong growth potential in these markets and help offset any loss in visitor numbers resulting from the current economic downturn in Asia.

## **DEPARTMENT OF CORRECTIVE SERVICES**

The Department of Corrective Services is responsible for carrying out both custodial and non-custodial orders of the criminal courts for both sentenced and unsentenced adult inmates. The Department is responsible for the management of offenders who have been sentenced to imprisonment, are on remand or appeal, or have been required to adhere to an order involving supervision by the Probation and Parole Service.

### **Expenditure Trends and Recent Developments**

From June 1990 to June 1995, the daily average inmate population, excluding periodic detainees, increased from 5,002 to 6,279 - due largely to the truth in sentencing legislation introduced in September 1989. Since that time the overall inmate population has stabilised and remains marginally above the June 1995 level. However there has been an increase in the number of offenders on remand.

A moratorium on the execution of fine default warrants commenced on 30 September 1997, which reduced the number of fine defaulters in full time custody. The new Fines Act which commenced on 1 January 1998 is designed to provide non-custodial alternatives and thus decrease the number of fine defaulters in full time custody.

The Law Reform Commission Review of the Sentencing Act was completed during 1997-98 and its recommendations are currently the subject of Cabinet review. Under these recommendations some categories of offenders may be diverted to community based orders. The impact on sentencing patterns is expected to be demonstrated in the medium to long term, rather than immediately.

During 1997-98, the nation's largest correctional facility was opened at Silverwater. This facility replaced the archaic infrastructure at Parramatta, and the Remand and Reception Centres at Long Bay. Maitland Correctional Centre was also closed in early 1998 as part of the program to update the Department's infrastructure with more modern facilities.

## **Strategic Directions**

In 1998-99 the Department will continue to implement the major correctional reforms approved in April 1996 which aim to -

- improve the overall management of inmates by reducing transfers;
- establish intensive rehabilitation programs at Long Bay Correctional complex;
- achieve a better match between the location of correctional centres and the place of residence of inmate families;
- take full advantage of the opening of the Metropolitan Remand and Reception Centre; and
- improve specialised care programs as part of the rehabilitation process.

In 1998-99 further intensive rehabilitation programs at Long Bay will commence including a Drug and Alcohol Therapeutic Unit and an Acute Crisis Management Unit.

The Government's Home Detention Scheme will continue in 1998-99 and accommodate an increasing number of offenders. This program is an integral part of the Government's policy to provide an alternative sentencing option for those who have committed crimes of a less serious nature. This program complements periodic detention as an alternative sentencing option.

## **1998-99 Budget**

### **Total Expenses**

Provision has been made for -

- **Crisis Management Units**

During 1997-98 crisis management units were completed at Cessnock and Bathurst and these will come into operation in 1998-99. These facilities, constructed as a consequence of the Waller Committee Report on suicide and self harm, will provide a therapeutic regime for inmates who exhibit suicidal behaviour or self harm. The Budget includes \$1.5 million to meet the operating costs of these facilities.

- **Indigenous Action Plan**

A key plank of the Government's Social Justice Policy calls for the development of alternatives to full time custody for Aboriginal offenders. In 1998-99 an additional \$2.8 million has been provided in the Budget to meet the operating costs of a number of facilities and other initiatives outlined in the Indigenous Offender Action Plan. This is in addition to the \$1 million per annum provided in the 1997-98 Budget.

A "Second Chance" program is to commence operation in western New South Wales to allow Aboriginal inmates to maintain their family and community links. The program is consistent with the recommendations of the Royal Commission into Aboriginal Deaths in Custody and will address the employment needs of mainly indigenous young offenders aged between 18 and 26 who have not previously served a full time custodial sentence.

In addition mobile work camps will be established to allow selected inmates to undertake community projects.

- **Sex Offenders Program**

The establishment of the Sex Offender Program is to continue with the introduction of the community based post-release and after care program. This is a key component of the overall program which commenced in 1997-98 with the establishment of the custodial component at Long Bay Correctional complex. The Sex Offender Program seeks to address offending behaviour from reception into the correctional system through to post-release. Funding of \$2.25 million has been approved as part of the 1998-99 Budget. The program addresses the recommendations of the Royal Commission Report into Paedophilia by Justice Wood.

- **Drug and Alcohol Therapeutic Community**

During 1998-99 a drug and alcohol therapeutic community will be established at Long Bay for inmates requiring intensive drug and alcohol intervention. Intensive programs have been shown to have a positive impact on recidivism with effective transition to the community upon release. Funding of \$2.1 million has been approved for 1998-99 to meet the ongoing costs.

#### **Asset Acquisition**

Highlights of the 1998-99 program, which totals \$38.0 million, are as follows -

- **John Morony Stage 2 - Minimum Security Development**

A 300 bed minimum security facility is being developed adjacent to the existing Centre at Windsor. Much of the existing infrastructure will be shared. Construction commenced in 1997-98 with completion scheduled for December 1999 at a total cost of \$17.8 million. Expenditure in 1998-99 is expected to be \$10 million.

- **Emu Plains Stage 2 Development**

Seven new accommodation pods, each for ten minimum security female inmates, are under construction within the existing boundaries of the Emu Plains Correctional Centre. Accommodation for mothers with babies, women of non-English speaking backgrounds, Aboriginal and special needs inmates has been incorporated in the design.

The total estimated cost is \$5.8 million, with 1998-99 expenditure of \$3.2 million. Completion is scheduled for June 1999.

- **Probation Information Management System**

The NSW Probation and Parole Service's operations are being upgraded by new generation application systems, based on the Department's Offender Management System. Networks and computer equipment are being supplied and installed at all probation office sites.

The total estimated cost is \$4.6 million and completion is scheduled for December 1998.

- **Long Bay Redevelopment**

The five year staged redevelopment of Long Bay commenced in 1997-98 at a total estimated cost of \$37 million (\$3.6 million in 1998-99). The redevelopment will provide intensive rehabilitation and special needs programs such as those for sex offenders, violent offenders, intellectually disabled inmates, special care, medical transients and drug and alcohol dependents.

The redevelopment is scheduled for completion in early 2002.

- **Goulburn Redevelopment - Stage One**

Stage One of the redevelopment of Goulburn Correctional Centre commenced in 1997-98 at a total estimated cost of \$6.2 million (\$2.0 million in 1998-99). It includes the refurbishment of four wings, the restoration of the historically significant chapel and the demolition of the old kitchen block.

Stage One is scheduled for completion in late 2000.

- **Goulburn Redevelopment - Stage Two**

Stage Two of the redevelopment of Goulburn Correctional Centre will be carried out over five years and will include construction of new inmate accommodation on the existing sports field, a new secure sports field, a new visiting facility, upgrade of special purpose inmate services, retrofit of three storey wings and construction of a new administration block.

The total estimated cost of the Stage Two redevelopment is \$32 million (\$1.5 million in 1998-99) and completion is scheduled for mid 2003.

- **Mulawa Redevelopment**

Mulawa Correctional Centre is currently undergoing a staged redevelopment.

The overall program is a combination of a retrofit of existing infrastructure and a new custom built facility for induction and detoxification. The redevelopment includes upgrading the office for Inmate Development Services and program areas and accommodation for segregation and protection inmates.

The total estimated cost of the redevelopment is \$4.6 million and completion is scheduled for April 2000.

- **Integrated Management System (IMS) and Year 2000 Bug**

The installation of an IMS will overcome the lack of integration between the separate software packages used by the Department for payroll, personnel, finance, rostering and manufacturing to accommodate changing management information needs as well as resolve concerns about Year 2000 compliance.

The estimated cost of these initiatives is \$8.0 million (\$3.5 million in 1998-99) and completion of all phases of the program is scheduled for late 2000.

- **Metropolitan Periodic Detention Centre (Parklea)**

It is proposed to develop a new purpose built 80 bed Periodic Detention Centre within the boundaries of Parklea Correctional Centre.

Construction is due to commence this year and is scheduled for completion late in 1999. Estimated total cost is \$2.0 million.

- **Transport Unit - Silverwater**

It is proposed to develop a new purpose built transport facility at Silverwater to cater for current and future inmate movements. The existing facility at Daking Street, Parramatta is considered inadequate and inappropriately located following completion of the new Metropolitan Remand and Reception Centre at Silverwater.

Replacement of the Daking Street facility will generate efficiencies. That facility is now considered too small to deliver an appropriate service and there are increasing occupational health and safety issues relating to overcrowding and lack of amenities.

The total estimated cost to develop a new Transport Unit at Silverwater is \$3.5 million (\$1 million in 1998-99) and completion is scheduled for late 2000.

## **NEW SOUTH WALES FIRE BRIGADES**

The NSW Fire Brigades works with the community to prevent fire and to respond to fires, hazardous material incidents and rescue operations in order to protect and preserve life, property and the environment. The Brigades is responsible for providing fire protection to developed centres throughout the State, covering over 90 per cent of the population. In times of emergency, such as a bush fire crisis, it also supports the NSW Rural Fire Service in non-urban areas.

### **Expenditure Trends and Recent Developments**

Subsequent to a recent amendment to the Fire Brigades Act 1989, the funding mechanism for the Brigades will change from 1 July 1998. From this date funding contributions to capital works will be on the same basis as for the recurrent budget, i.e. Consolidated Fund 14 per cent, Local Government 12.3 per cent and insurance industry 73.7 per cent. This change will enable the Brigades to implement a long overdue strategic program to improve fire cover by building a statewide network of new fire stations.

Between 1991-92 and 1996-97 there was a 28 per cent growth in incidents attended by the Brigades. In 1996-97 the Brigades was required to respond on 133,204 occasions. This places heavy demands on the Brigades' resources and generates higher operational costs. This is particularly so in country areas where the cost of the service provided is directly related to the number of emergencies attended as retained firefighters are paid a retainer and hourly rates for attending emergencies and training. Increased costs continue to be experienced through higher levels of overtime, greater demand on skills training, more (and improved) equipment, increased requirements for consumable firefighting materials and an increase in repairs and maintenance to fire stations and fire appliances which are required to be operational 24 hours a day.

There have been significant increases in awards, superannuation and workers' compensation, as well as depreciation following a recent revaluation of the Brigades' assets. As a consequence the level of expenditure over recent years has increased. The Brigades has continued to progressively upgrade the level of protection to firefighters in accordance with occupational health and safety requirements.

### **Strategic Directions**

The NSW Fire Brigades aims to minimise the impact of emergency incidents on the community. The Brigades has taken a number of strategic initiatives to improve decision making required for better planning, evaluation and operational service delivery throughout the organisation. Many of these involve improved consultation with local government. Improved decision making capability will maximise the effectiveness and efficiency of the Brigades' core business, fire prevention, fire suppression, management of hazardous material incidents, provision of rescue services and response to natural hazards.

In 1998-99, for the first time, the enhanced Australian Incident Reporting System and the new Operational Information System will enable access to strategic information at many fire stations so people throughout the whole organisation can better evaluate and improve organisational performance.

To support rapid and efficient operational service delivery, the Brigades new FIRECAD system (enabling computer assisted dispatch) is continuing to be implemented.

In 1997 the Government initiated a three year strategic program to construct new fire stations in areas of population growth in the Greater Sydney Area. New fire stations have been opened at St Andrews, Marayong and Kellyville. Permanent staffing has been allocated to Dunheved fire station. Sites for new stations have been acquired at Cecil Park, Regentville and Prestons. New stations are also planned for Eastern Creek, Cranebrook, Schofields and Horsley Park. Other strategic programs are being developed for the Central Coast, the Illawarra region, the far North Coast and other regional areas, particularly in the western area of the State.

With the NSW Rural Fire Service, the Brigades is currently working to finalise a joint fire service strategic plan for New South Wales to facilitate an optimal, coordinated range of services protecting the community from emergency incidents.

## **1998-99 Budget**

### **Total Expenses**

Total expenses in 1998-99 are estimated at \$286.8 million.

In 1998-99 the Brigades plans to continue to expand its repairs and maintenance programs for both the firefighting fleet and also for fire stations. As a consequence of the strategic plan to open a number of new fire stations in the Greater Sydney Area, \$3.8 million has been allocated for the staffing of these new stations which will meet the expanding demands of growth areas. Allowance has also been made for increased operating costs arising from the latest Consent Award (18 per cent over three years). An amount of \$0.8 million has been provided for the implementation of Competency Based Training and Assessment to meet the Government's requirement of implementing merit promotion and to meet the Brigades' staff training and development needs.

### **Asset Acquisitions**

The NSW Fire Brigades' 1998-99 capital program of \$31 million includes provision for the following projects -

- communications - continued Government Radio Network development (\$5.0 million);
- Central Coast strategic program (\$1.6 million);
- completion of new fire stations at Regentville, Cecil Hills, Eastern Creek, Rosemeadow, Narellan and Prestons (\$6.4 million);
- improvements to a number of fire stations including Bankstown, Cronulla, Lakemba and Helensburgh (\$0.9 million);
- continuation of an on-going program to acquire and replace fire fighting appliances, "pumpers" (\$8 million);
- continuation of a program to replace special appliances such as breathing apparatus, hazardous material response and salvage vehicles (\$2 million);
- purchase of specialised aerial fire fighting appliances (\$1 million);
- major computer upgrade and extension of the network including replacement of existing hardware and software (\$ 1 million); and
- various minor works including minor firefighting and other equipment (\$2.2 million).

These asset acquisitions will be of particular benefit to both city and rural areas of New South Wales and will continue to address the needs for additional facilities required in growth areas.

## **NSW RURAL FIRE SERVICE**

The NSW Rural Fire Service is responsible for the promotion of effective rural fire fighting services within the State, including the co-ordination of bush fire fighting and prevention activities. The Office for Emergency Services is included under the Service's administration and is responsible for policy advice to the Minister and for rescue services and emergency management throughout the State.

The prevention and containment of bush fires would not be possible without the unpaid work of some 70,000 unpaid volunteers, who operate through 2,400 community-based bush fire brigades attached to 142 local councils.

Under the Rural Fires Act, expenditure by the Service on fire fighting activities is financed from the Consolidated Fund (14 per cent), Local Government (12.3 per cent) and Insurance Industry (73.7 per cent).

The Rural Fire Service Act was proclaimed on 1 September 1997. The new Act provides for the establishment of the NSW Rural Fire Fighting Fund, which replaces the previous Bush Fire Fighting Fund.

### **Expenditure Trends and Recent Developments**

The Service has received significant funding increases over the past five financial years. Total expenses for 1997-98 are projected at \$88.6 million (of which \$14 million is in respect of costs associated with declared natural disasters) compared to \$43.4 million in 1993-94.

Excluding the natural disaster expenditure, which is met in full from additional funds provided by the Government, the increase in funds available from 1993-94 to 1997-98 is \$31.2 million, a 71.9 per cent increase over 4 years.

### **1998-99 Budget**

The level of funding provided in 1998-99 will allow the Service to continue its equipment replacement program at the accelerated level. A total of \$19 million has been allocated to fund the continuing tanker program. It is anticipated that an additional 155 new tankers will be funded during the year, and, depending on acquisition costs, 100 to 150 replacement and secondhand tankers will be provided to bush fire brigades statewide. A further \$3.2 million will be spent on new and upgraded bush fire brigade stations.

A total of \$39.7 million will be provided to local councils for purchase of capital equipment and \$15.8 million to meet recurrent costs associated with bush fire fighting. This is a reduction of \$2.5 million over the amount provided in 1997-98, which is explained by the completion of a three year program to upgrade the state-wide radio network, for which \$3.6 million was provided in 1997-98.

The Service's capacity to respond to emergencies will be significantly enhanced during the year as a result of a decision to staff the State Operations Centre on a 24 hour basis. This will result in better support for brigades in the field, and improve the Service's ability to deploy resources more efficiently through earlier access to information and better control of operations, especially during emergencies that require co-ordination across local government boundaries.

Additional community education programs implemented during 1997-98 will be further developed to ensure all identified risk areas have the benefit of these resources.

Funding for the Office of Emergency Services has been provided at a level commensurate with that of the previous financial year.

## **STATE EMERGENCY SERVICE**

The State Emergency Service (SES) is a volunteer based organisation dedicated to providing immediate assistance to the community in times of natural or man-made incidents or emergencies. In addition to being the lead Government agency in responding to floods and storms, the SES is also the major provider of land and inland water search and rescue effort in New South Wales, contributing to the activities of the Police and other emergency services.

### **Expenditure Trends and Recent Developments**

In 1997-98 expenditure of the SES is expected to be \$1.4 million above the original budget. This is due to the operational costs incurred at the Thredbo landslip, and the payment of Capital grants for buildings to volunteer units, which are funded by the Commonwealth Government. The Service continued to provide support directly to volunteers through the provision of equipment, training and insurance, as well as the repair and maintenance of equipment.

Throughout the year, volunteer members of the SES attended numerous floods, windstorms, road rescues and searches, as well as providing assistance in bushfires. However, it was the 1,039 volunteers who participated in the rescue operations at the disastrous Thredbo landslip that saw the quality and skill of State Emergency Service volunteers come to the fore.

The Government has recently accepted the report of the Hawkesbury-Nepean Flood Management Advisory Committee, which provided a comprehensive strategy for flood management in the Hawkesbury-Nepean area. As part of a five year program, the SES, as the lead agency in dealing with floods, will receive \$1.35 million from the Department of Land and Water Conservation in 1998-99 to update and improve flood emergency planning and response capabilities, upgrade flood warning, and to improve public education.

### **1998-99 Budget**

#### **Total Expenses**

The State Emergency Service's estimated expenditure in 1998-99 of \$16.1 million will ensure that the already high level of support provided by the Government to volunteers in terms of equipment, insurance, training and equipment repairs is increased.

In addressing a need for additional resources in 1998-99, the Government has allocated the State Emergency Service an additional \$1.1 million. This includes an additional \$500,000 for protective clothing and safety equipment and \$340,000 for radio communications. An additional \$110,000 for the ongoing employment of Divisional Controllers, and \$100,000 to assist with the introduction of competency based training, to further the skills of volunteers, has also been provided.

## **Asset Acquisitions**

The Government is committed to providing State Emergency Service volunteers with the equipment and facilities necessary to undertake their invaluable community function. In 1998-99 the State Emergency Service will acquire assets of \$1.8 million. This includes \$1.3 million for rescue and communications equipment, and \$400,000 for the construction of a new headquarters for the Oxley Division at Taree. Equipment acquisitions will include flood rescue boats and emergency lighting sets, as well as equipment vital for undertaking road rescue. The Southern Highlands Division will be provided with modern radio communications equipment enabling access to the Government Radio Network.