

MINISTER FOR TRANSPORT AND MINISTER FOR ROADS

OVERVIEW

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Department of Transport^(a)			
Total Expenses	1,846.6	2,141.0	15.9
Asset Acquisitions	48.0	50.7	5.7
Office of Co-ordinator General of Rail			
Total Expenses	5.0	n.a.
Asset Acquisitions
Roads and Traffic Authority			
Total Expenses	1,201.3	1,674.0	39.3
Asset Acquisitions	915.9	964.9	5.4
Waterways Authority			
Total Expenses	83.5	69.9	- 16.3
Asset Acquisitions	24.5	27.1	10.9
Total, Minister for Transport and Minister for Roads			
Total Expenses	3,131.4	3,889.9	24.2
Asset Acquisitions	988.4	1,042.7	5.5

(a) Budget estimates published in 2000-01 have been adjusted to reflect a change in accounting treatment, to recognise asset acquisitions relating to infrastructure on the Department's balance sheet.

DEPARTMENT OF TRANSPORT

The Department of Transport is responsible for co-ordinating the delivery of safe, efficient and reliable transport outcomes for both passengers and freight throughout New South Wales. In order to achieve this the Department of Transport is focussing on improving integration of transport modes and strategic transport planning.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

There have been a number of key developments arising in the Transport portfolio during 2000-01 resulting from the inquiry into the Glenbrook rail accident and concerns regarding the service performance of the rail sector generally.

In particular, the Government has established the Office of the Co-ordinator General of Rail to co-ordinate the operations of the separate rail entities. In addition, the Rail Infrastructure Corporation (RIC) has been established, (combining the operations of the Rail Access Corporation (RAC) and Rail Services Australia (RSA)) to own and maintain track and associated infrastructure.

In April 2001, Justice McInerney finalised his Inquiry into the Glenbrook accident. The Report has been submitted to the Government and a response will be provided after consideration of the recommendations.

In March 2001, the Government announced funding to commence construction of the Parramatta Rail Link, subject to planning approval. Work on the project will commence in 2001-02 with expenditure of \$145 million in this financial year.

Over the four year period commencing in 2001-02, \$710 million is budgeted to be spent on this project.

STRATEGIC DIRECTIONS

During 2001-02 the Department's role in transport planning will be expanded significantly, particularly in the rail sector, but also in the general co-ordination of transport policy.

The Department's new strategic direction is based on improving integration of transport modes and planning which achieves, and is assessed against, customer outcomes. The Department will have a strengthened role which will include co-ordination and review of policy, financial and capital proposals across the Transport portfolio. This is to ensure that key Government decisions take into account all relevant factors including customer requirements, land use planning and cross modal considerations.

Key priorities over the next twelve months include:

- ◆ implementation of strategies to facilitate safe transport systems;
- ◆ steering service integration across transport modes;

- ◆ co-ordination of planning processes to ensure integrated transport decision making; and
- ◆ development of a ports and freight strategy which emphasises land transport linkages to support commercial seaport activities.

2001-02 BUDGET

Total Expenses

Total budgeted expenses in 2001-02 are \$2,141 million, compared with the 2000-01 Budget of \$1,847 million.

The increased expenditure is due primarily to the Government's ongoing commitment to the rail improvement package initiated in 2000-01 and the continuation of Action for Transport 2010 projects.

Funding will continue to be provided over the next three years for the upgrading of CityRail and Countrylink services.

Table 20.1: Transport Expenses

	2000-01 Budget \$m	2000-01 Projected \$m	Change 2000-01 Budget vs Projected \$m	2001-02 Budget \$m	Change 2001-02 vs 2000-01 Budget \$m
Rail	1,120	1,416	296	1,419	300
Olympics ^(a)	...	20	20
Bus/Ferry	567	573	6	592	25
Other ^(b)	160	156	-4	130	-30
Total Expenses	1,847	2,164	318	2,141	294

(a) Olympic transport funding provided via the Department of Transport. The bulk of Olympic funding for the transport sector was provided via the Olympic Roads and Transport Authority.

(b) Includes funding for rail redundancies.

Rail Services

In 2000-01, rail funding increased by \$296 million including initiatives announced as part of the rail improvement package. Extra funding was provided for increased levels of rail carriage and track maintenance, upgrading rail infrastructure and for improving the operational performance of the State Rail Authority (SRA), as well as meeting shortfalls on its budgeted revenue due to the impact of unanticipated events such as the airline price war.

The 2001-02 Budget provides \$300 million in additional rail funding compared to the 2000-01 Budget. The Government is committed to further improving the safety, reliability and presentation of the rail system, through increased expenditure on track and rolling stock maintenance, infrastructure upgrades and by instituting programs to improve customer security and information.

Improving maintenance of the rail system has been a key priority. Maintenance funding to RIC and SRA will increase by \$118 million in 2001-02 compared to the 2000-01 Budget.

The SRA is budgeted to receive a total of \$791 million in recurrent funding assistance in 2001-02 to fund CityRail and Countrylink rail services. Increased funding has been provided for the following initiatives:

- ◆ rollingstock maintenance is budgeted to increase by \$38 million in 2001-02, to \$153 million. This is due to acceleration in the rollingstock refurbishment program from a 6-year cycle to a 4-year cycle to enhance the reliability of the train fleet;
- ◆ an additional \$40 million to fund improved track maintenance in metropolitan areas; and
- ◆ recurrent funding to support the ongoing implementation of a number of initiatives commenced in 2000-01. These include additional staff for stations that were previously unstaffed during certain night time shifts, additional cleaning and maintenance staff to improve presentation and reliability of trains and an additional 100 safeworking staff at stations.

The SRA program of capital works for 2001-02 totals \$336 million. This is funded from an allocation from the Department of Transport of \$261 million, sale of surplus land and internal reserves. The principal elements of the program are the provision of more network capacity; enhancements in infrastructure to improve service reliability; station upgrading to improve access, security and the provision of information to passengers; and upgrades to support systems. Key capital projects include:

- ◆ replacing life expired track and associated infrastructure, with a focus on signal and safety systems;
- ◆ increasing the capacity of the network to meet passenger demand from Sydney's South West by completing the quadruplication of the East Hills line in 2001-02;
- ◆ improving the reliability of the Southern corridor through new train turnback facilities at Central and on the East Hills line;

- ◆ infrastructure improvements between Glenfield and Campbelltown to improve train operating headway in this section of the network;
- ◆ completing the electrification of the line from Dapto to Kiama in 2001-02;
- ◆ providing improved train stabling facilities at Blacktown and Macdonaldtown to facilitate timely train fleet re-configuration for daily services;
- ◆ improving passenger safety and reducing crime at stations by completing in 2001-02 the provision of better lighting, and the installation of closed circuit television and help points;
- ◆ installation of data loggers on electric trains and the installation of metronet radios and safety equipment on diesel trains. Simulator facilities for the training of staff will also be substantially upgraded;
- ◆ commissioning of the new Millennium Trains, which will be joining the CityRail fleet in 2001-02. A total of 81 of these carriages will be progressively added to the fleet over the next two years;
- ◆ commencement of procurement of 40 new InterCity cars to provide additional capacity for interurban services and the procurement of railcars to replace the older cars operating in the Hunter area; and
- ◆ completion during 2001-02 of the current project of replacing engines on the entire XPT fleet. Diesel railcars will also be acquired to provide services to Broken Hill.

Other major funding commitments include:

- ◆ \$207 million to the Rail Infrastructure Corporation to support rail lines throughout rural New South Wales, including an additional \$40 million in 2001-02 for country track maintenance;
- ◆ \$72 million to fund the carriage of freight on rail that would otherwise not be commercially viable, primarily through rural New South Wales; and
- ◆ \$59 million for the Parramatta Rail Link as part of total spending of \$145 million on this project in 2001-02.

Bus and Ferry Services

Budgeted recurrent funding payments in 2001-02 to the State Transit Authority (STA), which operates bus and ferry services in Sydney and Newcastle, total \$198 million. This represents an increase of around \$11 million compared to the 2000-01 Budget, reflecting the expected growth in patronage and cost increases.

In addition, the Authority will receive a capital grant of \$10.8 million to continue upgrading and replacement of the Sydney ferry fleet. This capital grant will partly fund State Transit's \$68 million capital works program which also includes continued expansion of the Compressed Natural Gas (CNG) bus fleet. In 2001-02 an additional 120 CNG buses will be added to the fleet. These buses are wheelchair accessible, ultra low floor buses, and will increase the total number of wheelchair accessible buses in State Transit's fleet to 500, out of a total fleet of 1,900.

Other Scheme Payments

The Government will continue its commitment to a wide range of concessions and subsidies to various groups throughout the State.

Payments to private operators and community groups are estimated to increase by \$16 million to \$419 million in 2001-2002, from the previous year. The payments include funding for concessions such as half-fare concessions for pensioners, transport subsidies provided under the Community Transport Program, Home and Community Care program and subsidies for half-fare taxi transport for persons unable to utilise public transport because of a disability.

The School Student Transport Scheme provides free travel to and from school for eligible students on Government and private bus, rail, and ferry services, school charter services, long distance coaches and in private vehicles where no public transport services exist. School Student Transport Scheme payments (including SRA and STA) in 2001-2002 are estimated to total \$416 million, an increase of \$13.6 million on the previous year's expenditure.

Five year costs and trends within this scheme are as follows:

Table 20.2: School Student Transport Scheme Costs

		1997-98	1998-99	1999-2000	2000-01	2001-02
Total student population ^(a)	'000	1,085.5	1,096.5	1,099.7	1,104.8	1,105.1
Beneficiaries	'000	647.6	653.7	655.9	663.9	664.1
Total costs ^(b)	\$m	348.4	356.6	378.1	402.4	416.0
Total cost per beneficiary	\$	538.0	545.5	576.5	606.0	626.5

(a) Source data from the Department of Education and Training

(b) Inclusive of payments to SRA and STA

Other Programs

The Department's infrastructure program will provide a total of \$29 million towards new interchanges and commuter facilities in 2001-02. Proceeds from the Parking Space Levy will be used to fund a range of infrastructure projects including interchange developments at Kogarah, Holsworthy, Parramatta, and Wyong.

In addition, \$10 million from Parking Space Levy funds will be provided towards the cost of the Liverpool to Parramatta Bus Transitway stations and \$1 million towards new interchange facilities for Parramatta station as part of the Parramatta Rail Link project.

The Non-Urban Infrastructure Program will provide \$1.5 million in 2001-02 to fund interchange facilities in a number of rural centres including Singleton, Maitland, Cessnock, Moruya, Grafton and Albury.

OFFICE OF CO-ORDINATOR GENERAL OF RAIL

Following the Glenbrook accident in December 1999 and subsequent establishment of the McInerney Inquiry, the Government implemented a range of measures to address the safety and reliability of the rail network. The first step was the creation of the Office of Co-ordinator General of Rail in June 2000. The Co-ordinator General of Rail was appointed to:

- ◆ manage and co-ordinate the functions of the Rail Access Corporation (RAC), the State Rail Authority (SRA) and the Rail Services Australia (RSA) for the New South Wales rail network; and
- ◆ review the effectiveness of existing arrangements including contractual arrangements between RAC, SRA and RSA in achieving reliable service standards for CityRail services.

The Co-ordinator General's first priority was to deliver safe and reliable Olympic rail services. This task was successfully achieved through the effective co-ordination of the rail agencies. This experience provided a sound basis for developing further actions to improve the rail system.

In November 2000, the Government introduced a key structural reform with the merger of RAC and RSA to create the Rail Infrastructure Corporation (RIC). RIC commenced operations on 1 January 2001. RIC was established largely in response to the Special Commission into the Glenbrook Rail Accident and the views put by the Co-ordinator General of Rail for a stronger accountability.

In addition to structural issues, the Co-ordinator General advised on a comprehensive program to improve train safety and reliability. The Government approved a significant rail enhancement package which provides for additional funding to improve the rail network, signalling system and rolling stock.

ROADS AND TRAFFIC AUTHORITY

The Roads and Traffic Authority (RTA) of New South Wales manages the State's road network and traffic systems. The RTA focuses on three main areas: road safety and road user management; road network infrastructure; and traffic and transport. It is responsible for the maintenance and development of 17,783 kilometres of State Roads including National Highways as well as 2,919 kilometres of Regional and Local Roads in the Unincorporated Area in New South Wales. The RTA also provides funding assistance to Local Councils for managing 18,430 kilometres of Regional Roads and, to a limited extent, for Local Roads.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

A key funding priority for the RTA is to maintain the condition and value of the New South Wales road infrastructure and to improve the safety of the road network.

The projected total Roads Program for 2000-01 is \$2,290.0 million, an increase of \$113.8 million over the actual Program expenditure in 1999-00.

Operating expenses for 2000-01 are estimated at \$1,683.4 million. Expenses include \$435 million brought to account for depreciation of infrastructure assets. This item is not included in the calculation of the total Roads Program.

Capital expenditure, including asset acquisitions of \$987.1 million for 2000-01, is \$1,041.6 million. This projected capital expenditure (in addition to the RTA's operating costs of maintaining roads and providing services to the community) will result in a total Capital and Maintenance Program for 2000-01 of \$1,942.9 million, an increase of \$130.2 million over the initial 2000-01 Budget.

The M4/M5 Cashback Scheme was introduced on 1 January 1997 to reimburse tolls paid by motorists driving vehicles privately registered in New South Wales on the M4 and M5 Motorways. Expenditure under the Scheme is expected to be \$44.0 million in 2000-01.

STRATEGIC DIRECTIONS

The RTA continues to participate in national road transport reform to improve efficiency, productivity and safety. The RTA is working with the National Road Transport Commission (NRTC) to develop a national charges model to ensure charges more accurately and fairly recover the cost of road damage imposed by heavy vehicles.

Reductions in road fatalities and serious injuries are key priorities for the RTA. The initiatives in *Road Safety 2010* aim to: improve driver behaviour; ensure vehicles have effective protective measures; design new roads to minimise the impact of accidents; address blackspot areas with a history of serious casualty accidents; and encourage road safety initiatives in local communities.

Following a heavy road toll during Christmas 2000, the Minister for Roads initiated a Task Force on Road Safety. The Task Force report was released in April 2001 and included fourteen recommendations to address speeding, seat belt wearing and licensing requirements. The recommendations of the Task Force will be implemented during 2001-02.

To combat speeding by cars, trucks and buses, fifty fixed digital speed cameras are expected to be installed across New South Wales on known accident 'black lengths' by the end of June 2001. New technologies will be used to improve heavy vehicle regulation compliance monitoring, with vehicle inspection sites to include Safe-T-Cam and Weigh-In-Motion screening technology. Technology is also being developed to monitor compliance in Bus Lanes. A rest area strategy for both heavy and light vehicles is also being developed to address fatigue-related crashes.

School child safety is being addressed through road safety education in schools and pre-schools, a program of systematic engineering improvements and speed reduction initiatives around schools and expansion of the School Crossing Supervisor Program.

The RTA is also working to improve access to driver and vehicle services and to maintain a high standard of customer service. Activities to improve services include:

- ◆ internet access to RTA services;
- ◆ extending hours of service;
- ◆ extending on-line registration services provided by motor dealers;

- ◆ managing the expansion of the network of Government Access Centres and agencies to improve services for people in rural and remote areas;
- ◆ improving customer service in motor registries by ensuring staff have access to customer service training and management development programs; and
- ◆ improving allocation of staff to meet peak periods of customer demand.

On 30 November 1999, the New South Wales Government announced a Road Maintenance Reform Package. The Package initiates major improvements in road safety, road environmental management, worker safety and the quality of road works.

The package followed extensive consultation with Local Government and industry stakeholders. Widespread changes are consequently being implemented in both the RTA's and Local Councils' management systems and procedures, work methods, cost accounting systems, resource management, and works reporting. Many councils are progressively implementing the requirements stipulated in the Maintenance Reform Package.

Action for Transport 2010

In November 1998, the New South Wales Government released integrated transport plans aimed at improving the New South Wales transport network. These Plans were:

- ◆ *Action for Transport 2010 - An Integrated Transport Plan for NSW;* and
- ◆ *Action for Transport 2010 - An Integrated Transport Plan for Sydney.*

The Plans commit the Government to a 10-year program of infrastructure investment, and will be implemented by the RTA, Department of Transport, State Rail Authority, Rail Infrastructure Corporation and State Transit Authority. This program aims to develop the State's transport links and support the Government's goals for economic development and jobs, social justice, and environmental protection and improved financial performance of Government.

Action for Transport 2010 outlines plans for the eight regions in New South Wales, including Sydney. These plans also include major road initiatives to support rural and regional industries. Action for Transport 2010 forms the basis for planning within the RTA. The RTA's Strategic Plan 1998-2003 is aligned with strategies contained in the document.

As economic growth continues, road travel is expected to increase. A key challenge for the RTA is to encourage people to use cars less and opt for public transport, bicycles, walking and tele-working.

Action for Transport 2010 sets targets for reducing car dependency and sets out strategies to achieve those targets. *Action for Transport 2010* initiated the Rebuilding Country Roads Program to focus road infrastructure funds in rural areas.

The Rebuilding Country Roads Program will spend, on average, over \$100 million of State funds per year in real terms between 1998 and 2010. This will be used on major works including restoring, rebuilding or replacing existing roads and bridges.

Action for Transport 2010 commits the Government to major road projects and the development of Transitways for buses throughout Sydney. Road projects identified for Sydney include:

- ◆ ninety kilometres of Transitways across Western Sydney linking Parramatta, Strathfield, St Mary's, Blacktown, Castle Hill, Wetherill Park, Liverpool and Mungerie Park; and
- ◆ major roads projects including the Cross City Tunnel, the Lane Cove Tunnel, the M5 East, and the Western Sydney Orbital National Highway link.

The Budget provides for improved facilities for pedestrians and cyclists by pedestrian crossing treatments, new cycle-ways and bicycle parking.

Initiatives for pedestrians with special needs are a key priority and include audio-tactile push buttons on traffic signals and kerb ramps at intersections. Other pedestrian safety initiatives include the school crossing supervisor scheme, bridges and traffic signals.

The RTA's road-based Public Transport Priority Program is improving efficiency and priority for buses through the implementation of Bus Lanes, Transit Lanes, special priority 'B' signals and bus bays. A program of red colouring of Bus Lanes makes them easily visible to motorists. This is part of a strategy, in partnership with the New South Wales Police Service, for monitoring and enforcement of Bus Lanes, including camera surveillance.

2001-02 BUDGET

The RTA's 2001-02 Roads Program Budget of \$2,288.6 million takes into account the Government's commitment to enhance the State's road network, improve road safety and increase access to Government services.

Total Expenses

Total operating expenses in 2001-02 are estimated at \$1,674.0 million, which is \$9.5 million less than the revised Budget projection for 2000-01.

During 2001-02 the RTA will continue to improve road safety services, traffic and transport management, driver and vehicle regulation, registry services and road infrastructure maintenance. Implementation of effective road safety programs to reduce road deaths, serious injuries and crashes in New South Wales remains a key priority.

Initiatives to achieve improvements in road safety include:

- ◆ a youth road safety program (including support workshops for the new Graduated Licensing Scheme);
- ◆ road safety education through schools;
- ◆ health and community based programs to improve driver behaviour, including local community based road safety groups;
- ◆ further development of the capacity of local government to deliver road safety programs at community level;
- ◆ an integrated program to counter excessive speeding, including funding for Police enforcement of road safety;
- ◆ encouraging consumers to purchase safer vehicles; and
- ◆ continuation of the Road Blackspot Program.

A major influence on the New South Wales and Australian economies is the availability of a road transportation network in sound condition. In New South Wales, vehicle operating costs are estimated at \$9 billion each year. Maintaining the condition of existing roads, and providing smoother road surfaces can reduce these costs.

The RTA aims to balance the savings made in operating costs against the cost of providing smoother roads. There is also a focus on the efficient management of traffic flow to minimise travel times and impacts on the environment.

A total of \$69.0 million will be allocated in order to improve the reliability of travel times, average speeds and management of traffic where incidents occur. A key component is the Transport Management Centre that incorporates a centralised computer system to manage the incident detection and driver information system. The funding will also provide for a specialist on-site traffic management service, incorporating full-time RTA traffic commanders and Traffic Emergency Patrols (TEP's) on key routes.

The RTA will continue bicycle programs for the expansion of the cycleway network, the education and promotion of bicycle network usage and safe cycling. Additional bicycle facilities, as part of new road works and maintenance programs, bring the total investment in expanding bike networks to \$25.0 million in 2001-02.

During 2001-02, the M4/M5 Cashback Scheme payments are expected to continue to increase, with total costs estimated at \$49.5 million (\$5.5 million more than in 2000-01). This increase is due to increases in toll charges, increased traffic flows and the resultant increase in claims by eligible users.

Asset Acquisition

The 2001-02 Roads Program capital expenditure, including asset acquisitions of \$964.9 million, is estimated to be \$1,049.6 million.

A large proportion of the RTA's capital expenditure is incurred within the Road Network Development Program. This Program provides safer roads, and aims to assist regional development by improving the State's road infrastructure. This Budget will continue the RTA's commitment to providing better road infrastructure for rural and regional New South Wales. The Rebuilding Country Roads Program will target spending on regional routes, strengthening, widening and sealing roads. The 10-year program also includes a total of \$129 million to restore and, where necessary, replace 140 country timber bridges.

Examples of new works commencing in 2001-02 include:

- ◆ Collins Bridge on the Kamilaroi Highway between Narrabri and Wee Waa;
- ◆ three new bridges at Gravesend Overflow on the Gwydir Highway west of Warialda; and
- ◆ Redbourneberry Bridge near Singleton.

Capital expenditure on traffic management improvements will target principal transport routes and includes intersection improvements, upgrading and fine-tuning of the coordinated traffic signal system and provision of a range of Intelligent Transport System (ITS) infrastructure.

The Pacific Highway Upgrading Program provides for the continuation of State funding of \$160 million per annum for State-funded works and the State's share of joint State/Federal projects.

In 2001-02, major State-funded works under construction will include:

- ◆ Coopernook Bypass;
- ◆ Halfway Creek Upgrade; and
- ◆ the Tandy's Lane Dual Carriageway Deviation.

Funding will include provision for environmental protection and mitigation measures for water quality, traffic noise and flora and fauna conservation.

Of the \$160 million mentioned above, \$60 million will be provided by the State for joint projects under the joint State/Federal Program. Major works to be undertaken by the Program include the:

- ◆ Yelgun to Chinderah Freeway;
- ◆ Karuah Bypass; and
- ◆ Taree to Coopernook upgrade to dual carriageways.

Upgrading of the Summerland Way (in northern New South Wales) and the Golden Highway (Dubbo-Newcastle) will continue.

The Government's commitment to invest an average of \$160 million per annum for roads in western and south-western Sydney will continue in 2001-02. Key projects currently in progress under the Program include:

- ◆ major upgrading of Windsor and Old Windsor Roads by 2006 at a cost of \$323 million over five years, including \$47 million in 2001-02 for the:
 - upgrade of the Old Windsor Road/Seven Hills Road intersection;
 - widening of Old Windsor Road – Windsor Road from Seven Hills Road to Merriville Road; and

- widening of Windsor Road from Roxborough Park Road to Showground Road.
- ◆ widening of the Northern Road between Wentworth Road and the M4;
- ◆ continuing to upgrade Cowpasture Road; and
- ◆ construction of the Liverpool to Parramatta Transitway.

Other major works in the Sydney area include the:

- ◆ construction of the M5 East Motorway from Beverly Hills to Mascot;
- ◆ commencement of the Bangor Bypass;
- ◆ Homebush Bay to Fairfield and Prospect to Blacktown cycleways; and
- ◆ improvements to Mona Vale Road.

In 2001-02 a 12-year program to upgrade the Penrith to Orange route will continue with additional funding to be contributed by the Commonwealth for the Great Western Highway which recognises the route as a Road of National Importance.

Work to be undertaken includes:

- ◆ widening of the Great Western Highway to four lanes with divided carriageways at Faulconbridge and Linden;
- ◆ widening and realignment at Shell Corner west of Katoomba;
- ◆ widening of the Great Western Highway between Leura and Katoomba;
- ◆ improving the Great Western Highway between Hazlebrook and Lawson;
- ◆ realignment and railway overbridge at Medlow Bath; and
- ◆ widening and realignment at Soldiers Pinch, west of Katoomba.

In western New South Wales upgrading of Highways will continue at the Mid Western Highway at Kings Plains and Castlereagh Highway at the Lidsdale Rail Overbridge.

During 2001-02, the RTA will continue the \$44.6 million Road Improvement Program announced in 1998-99 as part of the Hawkesbury Nepean Flood Plain Strategy which is coordinated by the Department of Land and Water Conservation. This will include planning for a new high level crossing of South Creek at Windsor.

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

- ◆ West Charlestown Bypass;
- ◆ upgrading of Avoca Drive at Sun Valley Road;
- ◆ widening the Pacific Highway at Wyoming;
- ◆ the Adamstown to Kahibah cycleway; and
- ◆ planning for a variety of other works in the Central Coast, Hunter and Maitland areas.

In the Illawarra, South Coast and Southern Highlands, continuation of the Government's \$380 million ten year program to upgrade the Princes Highway will include:

- ◆ completion of the new interchange at Oaks Flats;
- ◆ construction of the North Kiama Bypass;
- ◆ realignments and widening from Yellow Pinch to Millingandi;
- ◆ realignment at Wagonga Inlet; and
- ◆ realignment of the Crookwell Road (north of Goulburn).

On the National Highways system, construction is expected to continue on the:

- ◆ Bookham Bypass on the Hume Highway;
- ◆ Devils Pinch on the New England Highway; and
- ◆ widening of the Cumberland Highway between The Horsley Drive and Merrylands Road in Western Sydney.

Planning and property acquisition is expected to continue for the Western Sydney Orbital and Hume Highway at Albury-Wodonga. All proposed works on the National Highways system will, however, be subject to the Federal allocation of funds to the State.

WATERWAYS AUTHORITY

Waterways Authority is primarily responsible for the management of navigable waters in New South Wales. This involves the licensing of vessel operators, commercial vessels, on-water events, mooring management as well as promotion and education programs for the safety and protection of the marine environment. In addition, the Authority plays a key role in the provision of marine infrastructure such as sewage pump-out facilities, boat ramps and public wharves and jetties through the Waterways Asset Development and Management Program.

The Authority also manages the assets previously owned by the Marine Ministerial Holding Corporation (MMHC) including the bed of the harbour in Sydney, Botany Bay, Port Kembla and Newcastle and also a number of significant maritime properties such as Walsh Bay, Woolloomooloo and Darling Harbour Wharves 9/10, now known as King Street Wharf. Further responsibilities include the management of the regional ports of Eden and Yamba and the residual liabilities of the former Maritime Services Board.

FINANCIAL TRENDS AND RECENT DEVELOPMENTS

The Authority's core business revenues are derived from charges collected from boating clients and property and wetland management.

In March 2000, assets and liabilities of the MMHC were transferred to the Authority. The formal dissolution of the MMHC and the subsequent integration of assets into the Authority have resulted in a broader role with a significant addition of commercial and wetland landholdings into the Authority's property portfolio. The sale of the Waterways Tower will not proceed in 2000-01.

Strategic Directions

The Authority is conscious of the increasing and diversified demands on waterways throughout the State. It has a commitment to working with all sectors of the boating community, marine industry, all levels of government and the general community to strive for equity, safety and environmental sustainability in the use of our waterways.

Waterways will continue to approach its role and responsibilities from a stewardship perspective and its policy and operational focus will be one of forming partnerships with stakeholders and clients to achieve desired outcomes.

The Authority has developed a number of strategies to meet its objectives of promoting safety on all navigable waterways and minimising the impact of waterways user on the marine environment, including:

- ◆ improving the knowledge of waterways users regarding the safe operation of recreational vessels through the issue of licences, educational programs (including boating safety seminars and advertising campaigns), the provision of Waterways information on the internet and the establishment and support of user groups;
- ◆ licensing commercial vessels and operators and, where applicable, providing specific conditions under which an operation is to be carried out;
- ◆ installing and maintaining navigation aids and signs to contribute to safer waterways;
- ◆ licensing on-water events and providing conditions to be met by licensees;
- ◆ undertaking environmental assessments of on-water activities prior to approval in order to minimise adverse environmental impacts;
- ◆ undertaking Harbour Cleaning activities to contribute to clean waters; and
- ◆ reducing sewage pollution from vessels.

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

- ◆ developing and maintaining maritime facilities or renewing existing assets through the capital works program and, where possible, facilitating private sector development;
- ◆ managing disposal of non-core assets and ensuring a sound financial return to Government;
- ◆ managing the regional ports of Eden and Yamba to optimise their contribution to the economic development of their respective regions and the State;
- ◆ providing advice on major planning and environmental matters involving wetland development and usage;

- ◆ assessing foreshore development plans and applications through balanced consideration of community and commercial needs; and
- ◆ managing the residual responsibilities of the former Maritime Services Board and the former Marine Ministerial Holding Corporation.

2001-02 BUDGET

Total Expenses

Total expenses in 2001-02 are expected to be \$69.9 million which includes the provision of recreational boating functions involving the promotion of safety and environmental protection on the water through boat licences and registrations, patrols, education, seminars, publications, compliance and enforcement activities.

In addition, expenditure will be incurred in conducting commercial vessel surveys, the cleaning of Sydney Harbour and the provision of sewage pumpout services in Sydney Harbour and Myall Lakes, navigation aid maintenance, accident investigation and the construction of key waterway infrastructure.

Asset Acquisition

The total capital program for 2001-02 is \$27.1 million. The Authority gives priority to the provision of marine infrastructure for the benefit of the boating and general community including the redevelopment of various wharves, such as Wharf 9/10 at Darling Harbour, Wharf 2/3 at Walsh Bay and the wharf and promenade at Blackwattle Bay. The program also includes the construction of facilities to support a new multi purpose wharf at Eden.

The renewal of assets such as vehicles and vessels to support the regulatory compliance and operational requirements is a priority commitment. This program includes the acquisition of vessels and outboard engines, the continued development of the computerised integrated management system and graphical leasing system, installation of navigation aids, waterway signage improvements, and a solar array energy saving project.