

**MINISTER FOR INFORMATION TECHNOLOGY,
MINISTER FOR ENERGY,
MINISTER FOR FORESTRY AND
MINISTER FOR WESTERN SYDNEY**

OVERVIEW

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
Department of Information Technology and Management			
Total Expenses	130.5	71.9	(-) 44.9
Asset Acquisitions	55.0	1.5	(-) 97.3
Ministry of Energy and Utilities			
Total Expenses	43.6	10.0	(-) 77.1
Asset Acquisitions	0.1	0.1	...
Sustainable Energy Development Authority			
Total Expenses	10.5	11.5	9.5
Asset Acquisitions
Payments for Water and Sewerage Assistance			
Total Expenses	90.9	73.1	(-) 19.6
Asset Acquisitions
Land and Property Information New South Wales			
Total Expenses	51.1	98.0	91.8
Asset Acquisitions	7.6	13.2	72.9
Total, Minister for Information Technology, Minister for Energy, Minister for Forestry and Minister for Western Sydney			
Total Expenses	326.6	264.5	(-) 19.0
Asset Acquisitions	62.7	14.8	(-) 76.4

The Department of Information Technology and Management's expenses and asset acquisitions have decreased significantly. This is mainly due to the transfer of two of its programs, the Spatial Land Information and Standards and the Valuer General, to the Land and Property Information New South Wales (LPINSW), from 1 July 2000.

The Ministry for Energy and Utilities' expenses have decreased from \$43.6 million to \$10 million. This represents the ceasing of payments reflecting a community service obligation payment though the Ministry for Energy and Utilities in 1999-2000 to support Pacific Power's non-commercial activities.

The Sustainable Energy Development Authority's expenses have increased from \$10.5 million to \$11.5 million. This reflects an increase in grants and subsidies made possible by an increase in revenues, such as fee for service charges, generated by the Authority.

Payments for Water and Sewerage Assistance have decreased from \$90.9 million to \$73.1 million. This decrease mainly reflects the fact that no provision has been included for backlog sewerage projects, as from 2000-01 Sydney Water will seek the Government's social program contribution for endorsed projects upon completion rather than during construction. No backlog schemes are scheduled for completion in 2000-01.

Land and Property Information New South Wales' expenses have increased from \$51.1 million to \$98 million. This is because total expenses in 1999-2000 relates to the operations of the Land Titles Office only.

DEPARTMENT OF INFORMATION TECHNOLOGY AND MANAGEMENT

The Department of Information Technology and Management was established in April 1999. It brought together the Office of Information Technology with the three agencies having responsibility for providing land and property information to the public and government agencies: the Land Titles Office, the Land Information Centre located in Bathurst and the Valuer General's Office. Also included within the Department are the Forestry Policy and Structural Adjustment Units, the Office of Private Forestry and the Office of Western Sydney.

The prime purpose of this merger was to provide central leadership and co-ordination of information technology, telecommunications and on-line activities, policies and strategies for New South Wales. In addition, there was a need for the integration and coordination of land and property information for increased economic and social development through information collection and use and the setting of standards.

From 1 July 2000, the Valuer General's Office and the Land Information Centre will be integrated with the Land Titles Office to form a General Government Non-Budget dependent agency, Land and Property Information New South Wales (LPINSW).

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Office of Information Technology

Since the Office of Information Technology was established, there has been no major variation in operating expenditure.

In 1999-2000, \$8.5 million was provided for *connect.nsw* projects, a whole of government electronic service delivery strategy, which funds the use of information technology to streamline internal government practices, reduce costs and improve service delivery. *Connect NSW* will remain a key focus in the next few years. An additional \$10 million has been provided for the project in 2000-01.

Office of Western Sydney

The Office of Western Sydney was established in December 1997 as a key agency to deliver strategic whole of region initiatives and solutions to advance the interest of Western Sydney.

The Office will continue to build on the range of recent initiatives in partnership with local businesses, industry, government agencies and community organisations. These initiatives include the Western Sydney Industry Awards funded primarily from the private sector, sponsorship, and Corporate Partners for Change, an initiative designed to assist young people in Western Sydney to make the transition to jobs and traineeships. The Office will progress work on an Environment Strategy and an Arts Strategy for Western Sydney and will act as a catalyst for information technology development in the region.

Forestry Policy and Structural Adjustment Units and Office of Private Forestry

The Forestry Policy and Structural Adjustment units administer the Forestry Policy and Reforms program. Under the program, trends in expenditure for the Forest Industry Structural Adjustment Package (FISAP) have reflected continued Government support for businesses and workers affected by forestry reforms. In particular, an increase in assistance for training followed the release of the Training Strategy for the NSW Forest Industry in 1998. New NSW FISAP Guidelines were released in October 1998 following an operational review of the program. Additional funding of \$20 million in 1999-2000 to FISAP has extended the program to 2006.

The focus of the Office of Private Forestry is co-ordinating and undertaking projects to promote the development of sustainable private forestry and plantations in New South Wales and providing information and advice to industry stakeholders and investors.

STRATEGIC DIRECTIONS

Office of Information Technology

The Office of Information Technology's main objective is to advance information technology changes to achieve improvements and cost savings in all areas of government operations.

Its strategic priorities include:

- ◆ developing and driving whole-of-government policies and initiatives for the use and management of information technology and telecommunications within and between government, industry and the community;
- ◆ improving access to and sharing of government information for business and the community, with particular focus on land and spatial information;
- ◆ developing, leading and co-ordinating multi-media and online economy policies and strategies for New South Wales and within the National context; and
- ◆ developing information technology and telecommunications industry attraction and growth strategies in consultation with the Department of State and Regional Development and industry.

Office of Western Sydney

The Office of Western Sydney's strategic priorities are to:

- ◆ foster partnerships and links between organisations within Western Sydney and with key decision makers both within and outside Western Sydney; and
- ◆ act as a catalyst for change in the region by generating and driving a range of strategic, innovative regional initiatives in partnership with government, business, the community and the University of Western Sydney to address economic, social and environmental priorities for the Region.

Forestry Policy and Structural Adjustment Units and Office of Private Forestry

The priorities are to:

- ◆ maintain the strategic policy framework for the sustainable management of the State's forests and for the development of new forestry initiatives;

- ◆ effectively implement industry development, worker assistance and training strategies under the joint State-Commonwealth Forestry Industry Structural Adjustment Package; and
- ◆ promote development of sustainable private forestry and plantations.

2000-01 BUDGET

Total Expenses

Estimated total expenses for 2000-01 are \$71.9 million and provide for:

- ◆ \$35.5 million for Forestry Policy and Reforms. This includes expenses for forestry related grants and subsidies that are supplied under the Forestry Program and expenses in relation to the Forestry Industry structural Adjustment Package;
- ◆ \$34.9 million for the Office of Information Technology, including \$10 million for the *connect NSW* program and \$5 million for the Australian Centre for Advanced Computing and Communications (*ac3*); and
- ◆ \$1.5 million for the Office of Western Sydney, including \$0.2 million for the Corporate Partners for Change Initiatives designed to address youth unemployment in Western Sydney.

Asset Acquisitions

The 2000-01 Asset Acquisitions program of the Department is \$1.5 million. This is to replace obsolete equipment within the Government Radio Network.

MINISTRY OF ENERGY AND UTILITIES

The Ministry of Energy and Utilities (MEU), provides strategic policy advice on, and high level regulation for, the management and utilisation of the State's energy resources in the context of a competitive national market. The Ministry is also responsible for advising the Government on compliance by the State's metropolitan water businesses with their operating licences and on related policy issues.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The development of the policy and legislative framework for the efficient and competitive operation of the State and national markets for electricity and gas continue to be the focus of the Ministry.

Total expenses have declined from \$41.1 million in 1994-95 to \$12.9 million (excluding a \$29.7 million payment to Pacific Power) in 1999-2000, largely due to a restructure and reductions in transitional payments to rural distributors. The payments to Pacific Power relate to Social Program Policy payments to support non-commercial activities.

The functions of the Ministry have increased in recent years. The cost of regulation now constitutes approximately 40 percent of the 1999-2000 budget. These costs are fully offset by electricity and gas licensing fees paid directly into the Consolidated Fund.

Achievements during the year include the following:

- ◆ successful implementation of contestability down to gas customers using more than 1 terajoule of gas;
- ◆ finalisation and release of various reports and discussion papers relating to the regulation of utilities, including the Electricity Network Management Report, Electricity Demand Management Code, and Licence Compliance Advisory Board Report;
- ◆ collection of government energy use data and completion of a report to government on energy use;
- ◆ completion and implementation of Emergency Response Plans for electricity, gas and petroleum for the year 2000 event; and
- ◆ agreement with the other States on extended liability arrangements to apply to the National Electricity Market Management Company (NEMMCO) and electricity transmission operators.

STRATEGIC DIRECTIONS

The Ministry is principally concerned with providing the Minister with advice on policy, regulatory and operational issues relating to the electricity and gas industries and metropolitan water utilities.

New South Wales has led the way in reform of the gas market and will continue with these reforms until the new arrangements are implemented, tested and refined as necessary. Specifically the Ministry will:

- ◆ monitor the implementation of the new National Gas Access Law and Code at the national and State level and participate in the code change process;
- ◆ advise the Minister in his role as the relevant Minister under the inter-governmental gas access agreement; and
- ◆ ensure a smooth transition to full gas retail contestability.

In respect of electricity reform the Ministry will focus on development and implementation of further enhancements to the regulatory framework applying to electricity retail suppliers, electricity distributors and other network operators. Particular attention will be given to the further development of the successful Network Management Plan system, and electricity network issues.

The Ministry has regulatory carriage of the greenhouse gas reduction requirements of electricity retailers and carries out its role in close co-operation with The Cabinet Office and Treasury.

The Ministry will also monitor compliance of the Sydney and Hunter Water Corporations and the Sydney Catchment Authority with the conditions of their operating licence.

2000-01 BUDGET

Total Expenses

Estimated total current expenses for 2000-01 are \$10 million for the Ministry's core functions covering employee and general expenses. Included within this figure is enhanced funding of \$0.26 million for electricity network reliability and safety and \$0.25 million for metropolitan water utility policy and licence compliance.

Asset Acquisitions

The Ministry will undertake minor capital works of \$0.076 million to maintain its information technology capabilities and purchase office equipment.

SUSTAINABLE ENERGY DEVELOPMENT AUTHORITY

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

SEDA also delivers major economic benefits by increasing business competitiveness through more efficient energy use, fostering new employment and investment in the sustainable energy industry in New South Wales, informing policy makers and contributing to the market reform process through on-the-ground, replicable experience and providing a vision of Australia's energy future.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

In 1999-2000 SEDA focused on the following areas:

- ◆ Through the Energy Smart Business Program and related initiatives, SEDA spent approximately \$4 million on energy efficiency measures that are expected to result in significant savings to New South Wales companies and Government agencies. In addition, the Building Greenhouse Rating Scheme was launched.
- ◆ \$2.9 million was spent on programs for residential energy efficiency, such as the Energy Smart Awareness Program, the Energy Smart Homes Policy, the Energy Smart Hot Water Program and Community Housing Energy Program. These programs are expected to provide significant savings to NSW households.
- ◆ SEDA spent \$7.5 million to further develop initiatives in the areas of solar photovoltaics, wind energy, biomass and small scale hydro-electricity. Through the Green Power Accreditation program the number of subscribers of renewable energy products has grown to over 60,000.

STRATEGIC DIRECTIONS

SEDA's two key strategic directions in 2000-01 will be:

- ◆ to maximise the "market transformation" component of existing programs, so that the impact of its programs persists well beyond SEDA's direct program involvement; and
- ◆ to develop opportunities to increase the level of self-funding by SEDA of its programs.

To maximise market transformation SEDA will:

- ◆ strengthen business networks that supply and use sustainable energy products and services;
- ◆ promote energy management tools like energy performance contracting and building greenhouse ratings;
- ◆ assist local government implement sustainable energy policies;
- ◆ gather and disseminate information on sustainable energy resources; and
- ◆ undertake communication activities to highlight the economic and environmental benefits of sustainable energy technologies.

To increase self-funding SEDA will pursue increased partner co-funding, additional service fees, licence fees and sponsorship and funding through the Federal Government's Greenhouse Gas Abatement Program.

2000-01 BUDGET

Total Expenses

Total expenses in 2000-01 are \$11.5 million and include:

- ◆ Program Delivery – approximately \$6 million will be spent on program delivery to encourage the up-take of energy efficiency technologies and practices in the commercial and residential sectors as well as the commercialisation of sustainable energy supply technologies.
- ◆ Grants - SEDA will allocate over \$3 million to grants concentrating on residential energy efficiency and sustainable energy supply.

Investments

SEDA will make investments worth around \$1.3 million in a range of sustainable energy technologies to commercialise their use in the market place.

PAYMENTS FOR WATER AND SEWERAGE ASSISTANCE

Payments of \$73.1 million will be made in 2000-01 comprising:

- ◆ \$57.7 million for water and sewerage rate rebates for pensioners provided by Sydney Water and the Hunter Water Corporation;

- ◆ \$14.7 million for transitional water rebates associated with the move to usage pricing; and
- ◆ \$0.7 million for the Blue Mountains septic pumpout service.

LAND & PROPERTY INFORMATION NEW SOUTH WALES

From 1 July 2000 the roles, functions and staff of the Land Titles Office (LTO), the Valuer General's Office (VGO), the Land Information Centre (LIC) and Surveyor General will be integrated to form a General Government Non-Budget dependent agency to provide land and property information. The VGO, LIC and Surveyor General were formerly within the budget of the Department of Information Technology and Management.

The mission of Land and Property Information New South Wales (LPINSW) will be *to build an integrated agency that uses advanced technology to collect, maintain and provide access to accurate and timely NSW land and property information for economic development, sustainable management of the resources base and the well being of the people of New South Wales.*

The operating objectives of LPINSW include the integration of property and land information roles and functions; increased targeting of client needs; and rationalisation and increased relevance of existing and future information data sets.

An interim board, chaired by the Director General of the Department of Information Technology and Management, includes the Valuer General, the Registrar General and the Surveyor General.

LPINSW will operate from two main locations, Bathurst and Queen's Square Sydney, with a range of smaller regional offices.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Combining the budgets of the three land and property information agencies into one agency is not detrimental to the Budget in the short term. The average dividend and tax equivalents of \$20 million paid by the LTO over the last few years are similar in amount to the Budget support provided to the Land Information Centre in Bathurst, while the Valuer General's Office is covering its costs.

STRATEGIC DIRECTIONS

In forming the new agency, the Department is building on existing operational assets and skills. All functions of the three separate entities are being reviewed and, where appropriate, amalgamated. Information technology systems are being linked and integrated. A new valuation roll maintenance system and an integrated property warehouse are being developed to provide a whole-of-government approach to maintaining land and property information.

Greater emphasis will be placed on use of information technology and electronic/computerised systems and equipment to reduce delivery time and costs to users.

The business groups of LPINSW will be split into a regulatory side and a service delivery operation. This will ensure each part has a clearer focus and will, in time, lead to greater contestability in the way services are delivered.

2000-01 BUDGET

Total Expenses

Total expenses of \$98 million for 2000-01 represents a 91.8 percent increase on the 1999-2000 Budget. This is because the Budget for 1999-2000 relates to the operations of the LTO only.

The majority of this expenditure is required to fund land title registration, title creation, update and maintenance of survey information, and to purchase valuation services.

Amalgamation of the former three separate entities into a one agency requires funding of projects to facilitate consolidation and reallocation of resources, resulting in substantial savings in future years.

Asset Acquisitions

Total capital expenditure for 2000-01 is estimated at \$13.2 million.

The capital works program includes expanding and enhancing computerised land and property information systems, a new valuation roll maintenance system (Valnet 2) and the creation of an integrated property warehouse.

Provision has been made in the budget for improved communication between Bathurst and Sydney and to provide a common financial processing and reporting system. Funding has been set aside for consolidation and rationalisation of office accommodation and maintenance of the heritage building in Queens Square.