

MINISTER FOR TRANSPORT AND MINISTER FOR ROADS

OVERVIEW

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
Department of Transport			
Total Expenses	1,871.6	1,860.7	(-) 0.6
Asset Acquisitions	0.7	0.7	5.8
Roads and Traffic Authority			
Total Expenses	1,205.6	1,205.3	...
Asset Acquisitions	990.0	915.9	(-) 7.5
Waterways Authority			
Total Expenses	39.7	48.5	22.3
Asset Acquisitions	5.3	4.7	(-)10.3
Marine Ministerial Holding Corporation			
Total Expenses	38.9	41.7	7.2
Asset Acquisitions	40.2	19.7	(-) 50.9
Total, Minister for Transport and Minister for Roads			
Total Expenses	3,155.8	3,156.2	0.0
Asset Acquisitions	1,036.2	941.0	(-) 9.2

DEPARTMENT OF TRANSPORT

The Department of Transport is responsible for meeting the passenger and freight transport needs of the people of New South Wales through more efficient, reliable, safe and accessible transport solutions. The Department formulates transport policies and plans. It purchases performance-based transport services from Government-owned and private operators to achieve equitable transport outcomes for the community of New South Wales. It accredits and regulates transport providers and evaluates and audits the performance of transport services.

The Department implements and purchases designated transport infrastructure projects and manages key transport assets. It is also the Government's safety regulator for the rail industry and for passenger and maritime transport operators.

The Department collects transport data to review performance and underpin decision-making. The Department is the State's transport coordinator of major non-Olympics events.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Policy

The Government continues to implement reforms in the transport portfolio to achieve increased patronage and to make transport services more accessible, reliable and safe. The Government is continuing to fund and implement *Action for Transport 2010*, a statewide integrated transport plan. The plan includes the expansion of the State's rail network, with the construction of key projects including the Parramatta Rail Link, the construction of a 90km bus transitways network and enhancement of all passenger transport services.

The Department of Transport is progressing towards reform in line with National Competition Policy principles and cost recovery from the beneficiaries of regulation. In 2000-01, progress will be made on reforms in the taxi and hire car industries.

The Government is continuing to improve and expand the publicly owned transport network in NSW. The State Transit Authority (STA) acquired the North and Western Bus Lines and Riverside Bus Services to provide improved coordination of bus services in the northwestern area of Sydney. The acquisition of these bus companies has enabled the STA to introduce a direct bus service between the central business district of Sydney and Parramatta.

Infrastructure

The Government's commitment to the implementation of *Action for Transport 2010* is reflected in the continued funding and development of key transport infrastructure projects including the Liverpool-Parramatta Transitway, the Parramatta Rail link (which has been allocated \$75.4 million in 2000-01) and the commencement of planning and design for the Newcastle High Speed Rail link.

In addition, the new Airport line has been completed at a total cost of \$704 million with Wollie Creek station providing interchange facilities for commuters on this rail line.

The Government is continuing to expand and improve the current rail network, with work continuing on the Dapto to Kiama electrification, the duplication of the Richmond line and the quadruplication of the East Hills line.

From next year, the first of the 80 new state-of-the-art Millennium Train carriages will be added to the CityRail fleet. State Rail will also continue to upgrade its Countrylink fleet, with the purchase of new XPT carriages for the Griffith and Broken Hill passenger services at a total cost of \$12 million. The State Transit bus fleet will continue to be expanded with \$39 million allocated for the purchase of new CNG buses.

Safety on the NSW transport network will continue to be a priority with the completion of the security upgrade of all 301 CityRail stations and the continued provision of security cameras on all buses and ferry wharves.

The Government continues to implement a rolling program of construction of bus-rail-ferry interchanges, such as at Wyong, Mascot and Manly, which will be completed in the current year. Funding for the purchase of 12 new Supercat ferries and refurbishment of the existing Manly ferry fleet is a key priority.

Services

The Department is progressing the development of new service initiatives, including investigation of a proposed integrated ticketing system to operate on all modes of public transport, both government and privately operated, and an integrated transport information system to provide a central point for all timetabling and general information for transport users.

The Department continues to take a lead role as coordinator of transport services for major non-Olympics events within the State. For instance, in 1999, the New Year's Eve celebrations proved a significant challenge that was widely regarded as a resounding success.

The Government has remained committed to enhancing on-train security with the continued provision of CityRail Security guards on all trains from 7pm and the provision of 24 x 2 guard security teams patrolling the network from 3pm.

STRATEGIC DIRECTIONS

The Department's strategic focus is on achieving integrated and improved transport services and infrastructure for passenger and freight transport users and providers. Key issues include improving the reliability and accessibility of transport services, reducing the impact of transport on the environment, enhancing the safety and comfort of passengers, and utilising new technologies to enhance transport outcomes for the community.

The successful implementation of the *Action for Transport 2010* plan, which is central to the overarching objective of increasing the use of public transport and decreasing reliance on private transport and improving our air quality, is a top priority. *Action for Transport 2010* is the State's blueprint for achieving a long-term vision for how transport needs can be better met in the years ahead.

The funding provided to implement *Action for Transport 2010* will help make rural, regional and urban growth areas more accessible for commuters, visitors, tourists and freight services and will therefore underpin economic growth and job creation around the State.

The plan outlines a fully funded construction timetable for the development of new rail services, rapid bus transitways and cross regional bus services up to 2010 that will meet the needs of Sydney's growing population. Key areas of development are in western, south-western and north-western Sydney, which are currently relatively poorly serviced in terms of public transport.

The development of improved transport links with the Central Coast and Illawarra is also provided for in the plan. The plan also outlines key strategies for safeguarding the environment, improving air quality, reducing car dependency and getting more people on public transport. Accordingly, the plan is one of the keystones in the Government's environmental strategies, such as *Action for Air*.

Other strategic priorities include developing a stronger performance assessment regime for transport operators, and utilising new technologies to develop integrated information and ticketing services across all modes of public transport. The Department will continue to maintain its strategic emphasis on contracting, purchasing and auditing performance-based transport services and the regulation of transport operators.

2000-01 BUDGET

Total Expenses

Total budgeted expenses in 2000-01 are \$1,860.7 million. This compares with the 1999-2000 Budget of \$1,871.6 million.

The 2000-01 Budget provides for a 3 percent increase in public transport once one-off factors are considered. The factors affecting expenditure in 2000-01 include:

- ◆ \$23.1 million reduction in the cost of providing public transport from the removal of embedded wholesale sales tax as a result of changes to the Commonwealth tax system;
- ◆ fewer voluntary redundancies in the State Rail Authority (SRA) and the Rail Services Authority saving these agencies some \$36.4 million;

- ◆ \$7.3 million reduction in payments to the SRA to account for historical workers' compensation and freight debt responsibilities taken over following the creation of the four separate rail agencies in 1996.

Budget initiatives continue to focus on key elements of the *Action for Transport 2010* plan as well as focusing on continuing improvement to the provision of public transport, including the safety, reliability, quality and accessibility of transport services.

The Department uses the purchase of transport outcomes as a primary driver for implementing the strategy outlined above. The major components are explained below.

Rail Services

The SRA is budgeted to receive a total of \$588.1 million in recurrent funding assistance in 2000-01 to fund the State's passenger rail services, including CityRail. This represents a \$72.1 million reduction in SRA's operating subsidy compared to the 1999-2000 Budget.

SRA's maintenance budget in 2000-01 will increase to \$115 million, up from \$110 million in 2000-01. This is before allowing for any embedded tax savings.

In addition, the SRA is budgeted to receive a \$213.3 million grant for capital projects. In total, rail capital spending in 2000-01 is budgeted to increase by 6 percent or, \$29 million to more than \$466 million.

The reduction in the operating subsidy to the SRA does not represent a change in the level of service provision. Operating costs are expected to be lower as a result embedded tax savings and fare revenues will be higher than in 1999-2000 because of last year's fare increases, continuing growth in patronage as well as the one-off impact of the Olympics.

Patronage on the State Rail system continues to increase. A major focus is on the provision of enhanced security and accessibility at railway stations. CityRail will continue to provide security guards on every CityRail train after 7pm and mobile security guards from 3pm on weekdays.

The Government continues to support and improve country services and will provide recurrent funding of \$169.4 million to support rail lines throughout rural NSW. The Government will continue to fund the provision of Countrylink train and coach services to rural areas.

Funding of \$72.2 million is provided to fund the carriage of freight on rail that would otherwise not be commercially viable, primarily through rural NSW.

Expansion of the rail network continues to be the focus of the transport capital program. Capital grants for the provision of infrastructure total \$327.9 million.

The Parramatta Rail Link, the cornerstone project of the Government's integrated transport plan, *Action for Transport 2010*, is the major infrastructure works for which \$75.4 million is allocated in 2000-01 to continue the project's development. When completed in 2006 the line will represent a major improvement in the CityRail network, providing improved access to medical, education and business centres in Sydney's northern suburbs. Work on the rail link is expected to commence in the coming year.

Further network enhancements are being made with the amplification of the East Hills line, the duplication of the Richmond line, the electrification of the Dapto to Kiama rail line and the completion of the Kandos-Gulgong line reopening. An additional allocation of \$24.8 million for this Budget furthers the *Action for Transport* program.

New rail rolling stock that provides improved comfort and reliability, has been targeted for investment in this State Budget. The Millennium Train program will continue with the introduction of the new trains in 2001 and the XPT locomotive fleet is being fitted with new, upgraded motors at a cost this year of \$10 million. Countrylink will also continue the development of new XPT carriages for Broken Hill and Griffith passenger services.

The Government's program includes upgrading works at rail stations. A total of \$25.6 million is allocated for Easy Access facilities at stations including Allawah, Wollongong and Summer Hill. Detail Planning and design for the provision of easy access at key stations including Beresfield, West Ryde, Beverley Hills and Thornton will commence over the next year. A further \$13.4 million is committed for the completion of the CityRail stations security upgrade.

Bus and Ferry Services

Budgeted recurrent funding assistance in 2000-01 to the STA, which operates bus and ferry services in Sydney and Newcastle, is \$187 million. This represents an increase of around \$20.2 million compared to the 1999-2000 Budget, after account is taken of savings of \$8.2 million from the abolition of wholesale sales tax (and the sales tax equivalence regime). In addition, the STA is budgeted to receive capital grants of \$10.9 million for the continued upgrade and expansion of the STA ferry fleet.

Increased funding in 2000-01 reflects the continued growth in patronage. Core patronage growth has increased between one and four percent over the last three years, with forecast growth of over two percent this year. In addition, provision is made in the Budget for continuing funding to the STA to enhance service outcomes. STA's Capital works program provides \$39 million for the continued expansion of the CNG Bus fleet over the coming year.

Two new ferry wharves were recently opened along the Parramatta river, at Cabarita and Kissing Point. The new wharves, together with new timetables introduced by the STA to coincide with the opening, will give commuters and their families in the area a fast, direct and affordable way to travel.

Other Programs

The extension of the Sydney Light Rail will be completed by 2000-01. The total \$16 million investment by the Government will provide enhanced public transport services to the residents of Sydney's inner west.

The commitment to enhanced freight infrastructure is demonstrated by the continued funding under the *Action for Transport 2010* plan. A grant of \$17.8 million is to be applied to provide freight infrastructure improvements for Sydney.

The Department's infrastructure program will provide a total of \$37.6 million towards new interchanges and commuter facilities. Interchanges at Wyong, Mascot and Manly, to be completed in 2000-01, and major works on commuter car parks at Kogarah, Holsworthy and Gosford will be funded from the proceeds of the Parking Space Levy.

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 \$8 million, to \$401.4 million in 2000-01, compared to the 1999-2000 Budget. The payments include funding for concessions such as 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 those to SRA and STA) in 2000-01 are estimated to total \$402.9 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 20.1: School Student Transport Scheme Costs

		1996-97	1997-98	1998-99	1999-2000	2000-01
Total student population ^(a)	'000	1,066.4	1,085.5	1,096.5	1,103.7	1,113.7
Beneficiaries	'000	645.9	649.8	656.6	664.8	671.8
Total costs ^(b)	\$m	329.6	350.7	354.9	389.3	402.9
Total cost per beneficiary	\$	510.3	539.6	540.5	585.5	599.7

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

(b) Inclusive of payments to SRA and STA

Apart from increases in fares, expenditure increases are driven by growth in the total student population and an increasing demand for new services, part of which is generated by the decision of parents to send children to schools outside of the local area.

ROADS AND TRAFFIC AUTHORITY

The Roads and Traffic Authority (RTA) manages the State's road network and traffic systems. The RTA focuses on three main areas of business: road safety and road user management; road network infrastructure; and traffic and transport management. It is responsible for the maintenance and development of 20,653 kilometres of State Roads including National Highways as well as Regional and Local Roads in the Unincorporated Area in New South Wales. It also provides funding assistance to Local Councils for Regional Roads and, to a limited extent, for Local Roads.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The projected total roads program for 1999-2000 is \$2,311.2 million, an increase of \$132.7 million over the actual Program expenditure in 1998-99.

Operating expenses for 1999-2000 are estimated at \$1,095.8 million and include \$111.0 million to meet debt repayment and interest costs.

Capital expenditure, including asset acquisitions for 1999-2000, is \$1,215.3 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 1999-2000 of \$1,951.7 million - an increase of \$57 million over the initial 1999-2000 Budget.

STRATEGIC DIRECTIONS

A key funding priority for the RTA is to maintain the condition and value of NSW's road infrastructure and to improve the safety of the road network.

Reduction of the road toll is a key priority for the RTA. Current efforts are aimed at improving driver behaviours, ensuring vehicles have effective protective measures, designing new roads to minimise the risk of accidents, and addressing blackspot areas with a history of serious accidents.

New technologies are being implemented to improve vehicle regulation compliance monitoring, with new vehicle inspection sites to include Safe-T-Cam and Weigh-In-Motion screening technology.

Significant expenditure is also being directed to the establishment of 50 km/h zones for residential areas.

A priority for road development is the upgrade of the road corridor along the eastern seaboard along the Pacific Highway and the Princes Highway.

The RTA continues to participate in road transport reform to improve efficiency, productivity and safety. The RTA has implemented the Australian Road Rules in conjunction with the other States and Territories and is progressing the introduction of the National Road Transport Commission's (NRTC) Second Generation Heavy Vehicle Registration Charges.

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

- ◆ improving customer service in motor registries by ensuring that staff undertake customer service training and have access to management development programs;
- ◆ developing rostering software to better match motor registry staffing with peak periods of customer demand;
- ◆ providing access to customised number plate purchases on the Internet;
- ◆ developing a network of Government Access Centres and agencies for people in remote areas; and
- ◆ trialing of on-line registration renewal and dealer establishment of registrations.

On 30 November 1999, the NSW Government announced a Road Maintenance Reform Package. This package will be implemented from 1 July 2000.

The initiative was developed after extensive consultation with Local Government and industry stakeholders and represents a significant step forward for road maintenance. It initiates major improvements in road safety, road environmental management, worker safety and the quality of road works. The Government has made a commitment that savings from the Road Maintenance Reform Package will be re-invested into the RTA's roads program.

Action for Transport 2010

In November 1998, the NSW 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*.

This program aims to develop the State's transport links and support the Government's goals for economic development and jobs, social justice, environmental protection and improved financial performance of Government.

Action for Transport 2010 forms the basis for planning within the RTA. The RTA's *Strategic Plan 1998-2003* makes a commitment to implement the 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 the use of public transport, bicycles, walking and teleworking.

Action for Transport 2010 initiated the Rebuilding Country Roads Program to focus road infrastructure funds in rural areas to assist industry. A particular focus of this strategy is on increasing the reliability of rural roads for industry and isolated communities during periods of prolonged wet weather and flooding.

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 plans for a number of major road projects and the development of bus-only transitways throughout Sydney. Road projects identified for Sydney include:

- ◆ ninety kilometres of bus-only transitways across Western Sydney linking Parramatta, Strathfield, St Mary's, Blacktown, Castle Hill, Wetherill Park, Liverpool and Mungerie Park;
- ◆ major roads projects such as the Cross City Tunnel, the Lane Cove Tunnel, the M5 East, and the Federally funded Western Sydney Orbital; and

- ◆ road upgrade packages in growth areas such as Sutherland-Menai, southwest Sydney and the north west sector.

Pedestrians comprise the largest single road-user group. The Budget provides for improved facilities for pedestrians through the implementation of pedestrian crossing treatments and the development, with a number of local councils, of pedestrian access mobility plans.

To support cycling, the Government has outlined a comprehensive network of arterial cycleways in *Action for Bikes – Bikeplan 2010*. The Budget provides for the implementation of this program including new cycleways, such as the Liverpool to Parramatta Rail Track, and other bicycle facilities such as parking and improvements to existing cycleways.

The RTA's Public Transport Infrastructure Improvement Program is improving efficiency and priority for buses through the implementation of bus lanes, transit lanes, special priority 'B' signals and bus bays.

2000-01 BUDGET

The RTA's 2000-01 Roads Program total funding of \$2,199.9 million implements the Government's commitment to improve the State's road network and continues the work of providing integrated transport networks for NSW.

Total Expenses

Total operating expenses in 2000-01 are estimated at \$1,201.3 million, which is 1.3 percent higher than in 1999-2000 after adjusting for the impact of embedded taxes and the reassessment of superannuation liabilities. During 2000-01 the RTA will continue to improve services with new road safety initiatives and improved services in relation to 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 are a priority area for the RTA.

Initiatives to achieve improvements in road safety include:

- ◆ funding for Police enforcement for road safety;
- ◆ health and community based programs to improve driver behaviour, including local community based road safety groups;
- ◆ provision of road safety education for children through schools;
- ◆ an integrated program to counter excessive speeding;

- ◆ further development of the capacity of local government to deliver road safety programs at community level; and
- ◆ encouraging consumers to purchase safer vehicles.

Funding of \$19.1 million will be provided for the Road Blackspot Program complementing major works. The Program includes improvement of sight distances on the Alpine Way, work at Ewingsdale near Byron Bay and realignment works on the Bega-Tathra road.

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, total vehicle operating costs are currently estimated at over \$9 billion each year. Maintaining the condition of existing roads can reduce these costs.

The RTA aims to balance the savings made in operating costs against the cost of providing smoother roads. A key priority is to maintain road assets at minimum whole of life cost. Increased road travel has necessitated a focus on the efficient management of traffic flow to meet road user expectations and reduce the adverse impacts on the environment.

A total of \$70 million will be allocated in order to improve the reliability of travel times, average speeds and management of traffic where incidents occur. This funding will be used for the operation of the Transport Management Centre that incorporates a centralised computer system to manage the incident detection and driver information system. It will provide a specialist on-site traffic management service, incorporating full-time RTA traffic commanders and Traffic Emergency Patrols (TEPs) on key routes.

The RTA will continue the expansion of cycleway networks and education and promotion of bicycle network usage and safe cycling through specific bike programs as outlined in *Bikeplan 2010*. Bicycle facilities are to be made part of the new road works and maintenance programs. The total investment in expanding bike networks in 2000-01 will be \$25 million.

During 2000-01, the M4/M5 Cashback Scheme is expected to continue to increase, with payments to motorists estimated at \$44.0 million an increase of \$9 million compared to 1999-2000. This increase is due to increased traffic flows and the resultant increase in claimants.

Asset Acquisition

The 2000-01 Roads Program capital expenditure, including asset acquisitions of \$915.9 million, is estimated to be \$998.6 million.

A large proportion of the capital expenditure incurred by the RTA occurs within the RTA's Road Network Development Program. This Program provides safer roads, promotes economic growth, improves road accessibility and aims to assist regional development by improving 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 key regional routes, by strengthening, widening and undertaking initial sealing of roads.

Replacement of timber bridges also falls under this program. This 10-year program includes a total of \$129 million to restore and, where necessary, replace 140 country timber bridges. Examples of new works commencing in 2000-01 include:

- ◆ Pambula River bridge on the Princes Highway south of Bega;
- ◆ Thornes Bridge on the Braidwood Road south of Goulburn;
- ◆ Gramby and Greenbah Creek bridges near Mendooran; and
- ◆ Boree Creek Bridge, which is 50 km west of Orange.

The Public Transport Infrastructure Improvement Program will be funded for \$37 million in 2000-01. The aim of this program is to improve efficiency and priority for buses through the implementation of bus lanes, transit lanes, special priority 'B' signals and bus bays. Examples include the Victoria Road Transit Lane enhancement, continued improvements on the Military Road (Mosman) corridor and aspects of the Liverpool to Parramatta Transitway.

Capital expenditure on traffic management improvements will also target principal transport routes and include intersection improvements, upgrading and fine-tuning of the coordinated traffic signal system and provision of a network of Variable Message Signs.

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 2000-01, major State-funded works in progress will include:

- ◆ duplication of the road between Raymond Terrace and Karuah;
- ◆ road widening between Bray Street and Arthur Street, Coffs Harbour; 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 as the program proceeds.

Of the \$160 million mentioned above, a total of \$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:

- ◆ Coolongolook to Wang Wauk Duplication;
- ◆ upgrading in Coffs Harbour between Lyons and Englands Roads;
- ◆ Ewingsdale Interchange at the Byron Bay turn-off; and
- ◆ the deviation from Yelgun to Chinderah.

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

In 2000-01 a 12-year program to upgrade the Penrith to Orange route will continue including a Commonwealth contribution for the Great Western Highway.

Work to be undertaken includes:

- ◆ improvements at Blaxland;
- ◆ widening of the Great Western Highway to four lanes with divided carriageways at Falconbridge and Linden;
- ◆ widening and realignment at Shell Corner west of Katoomba;
- ◆ realignment and railway overbridge at Medlow Bath; and
- ◆ widening and realignment at Soldiers Pinch, west of Katoomba.

During 2000-01 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 on Avoca Drive at Sun Valley Road;

- ◆ widening the Pacific Highway at Wyoming;
- ◆ a new link road at Stewart Street, Newcastle; and
- ◆ planning for a variety of other works in the Central Coast, Hunter and Maitland areas.

In the Illawarra, South Coast and Southern Highlands work will include:

- ◆ continuation of the Government's \$380 million ten year program to upgrade the Princes Highway including:
 - the new interchange at the Princes Highway and Lakes Entrance Road;
 - commencement of the North Kiama Bypass;
 - realignments and widening from Yellow Pinch to Millingandi; and
 - the realignment of the Crookwell Road (north of Goulburn).

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

- ◆ Sutton to ACT border dual carriageways on the Federal Highway;
- ◆ Bookham Bypass on the Hume Highway;
- ◆ F3 driver aid system between Wahroonga and Calga;
- ◆ Rose Valley deviation on the New England Highway;
- ◆ widening of the Cumberland Highway between The Horsley Drive and Merrylands Road in Western Sydney; and
- ◆ stabilising of rock cuttings on the F3 south of the Hawkesbury River.

The Hume Highway Albury to Wodonga project is also expected to commence during 2000-01. Planning and property acquisition is also expected to continue for the Western Sydney Orbital. All proposed works on the National Highways system will, however, be subject to Federal allocation of funds to the State.

The Government's commitment to invest an average of \$160 million per annum for roads in western and south western Sydney will continue in 2000-01. Key projects currently in progress under the Program include:

- ◆ construction of the Liverpool to Parramatta Transitway;
- ◆ widening of Old Windsor Road from Abbots Road to Sunnyholt Road;

- ◆ a new rail overpass on Horsley Drive at Carramar;
- ◆ widening of Heathcote Road between Macarthur Drive and the M5; and
- ◆ widening of The Northern Road between Smith Street and the M4.

Other major works in the Sydney area include the:

- ◆ City West Link Road from Balmain Road to Boomerang Street;
- ◆ cycleway between Bexley and Mascot;
- ◆ construction of a new bridge and approaches over the Woronora River, Woronora;
- ◆ improvements to Mona Vale Road;
- ◆ widening of Linden Street, Sutherland; and
- ◆ construction of the M5 East from Beverly Hills to Mascot.

WATERWAYS AUTHORITY

The Waterways Authority is responsible for leading and advocating the integrated management of New South Wales' navigable waters. In this context the Authority is responsible for all waterways management functions under the marine legislation relating to commercial vessels and recreational boats. This involves the promotion of safety and education on the water and enforcement of marine safety and environmental legislation.

The Authority also manages the bed of the harbour in Sydney, Port Kembla and Newcastle as well as a number of marine related properties. It also provides the Sydney Harbour Cleaning Service and is involved in the provision of infrastructure through the Waterways Asset Development and Management Program (WADAMP).

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Authority has operated on a self-funding basis with Consolidated Fund support and is committed to improving operating efficiency. Funding is restricted to the Olympic Games and the Community Awareness Program Water Safety Package.

The Authority's core business revenues are derived from charges collected from commercial vessels and recreational boating customers, and property and wetland management.

STRATEGIC DIRECTIONS

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

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

The Authority's corporate plan promotes a commercial approach to service delivery management. It is directed towards specific external challenges such as:

- ◆ balancing the needs and requirements of all waterways users and ensuring safe navigation;
- ◆ protecting the marine environment from the impact of recreational and commercial vessels;
- ◆ preparing for staging the 2000 Olympic Games and other special events on Sydney Harbour and other waterways and managing super yachts; and
- ◆ implementation of a consistent national marine safety strategy for commercial and recreational vessels.

It has been proposed by the Government that the Marine Ministerial Holding Corporation (MMHC) will be merged with the Waterways Authority. Part of the assets and operations of the MMHC have been incorporated in the Waterways Authority in 1999-2000. Legislation is expected to be introduced to State Parliament by the end of 1999-2000 to complete the merger.

2000-01 BUDGET

Total Expenses

Total expenses in 2000-01 are expected to be \$48.5 million which includes the provision of recreational boating functions including the promotion of safety on the water through boat licences and registrations, patrols, education, seminars, publications, compliance and enforcement activities. In addition, expenditure will be incurred on 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, construction of key waterway infrastructure under WADAMP, and a subsidy to volunteer emergency services for marine rescue activities.

Asset Acquisition

The Authority gives priority to the renewal of assets such as vehicles and vessels for regulatory compliance and operational requirements. This priority is maintained in the Authority's capital strategy.

The asset acquisition program for 2000-01 is forecast to be \$4.7 million plus an additional \$51,000 in expenditure related to the Olympics. The program includes the acquisition of vessels and outboard engines (\$0.9 million), the continued development of the integrated management system (\$275,000) and the integrated graphical leasing system (\$175,000), installation of navigational aids (\$349,000), mooring facilities (\$36,000), waterway signage improvements (\$106,000) and vessel fuel facility upgrade (\$75,000).

MARINE MINISTERIAL HOLDING CORPORATION

The Marine Ministerial Holding Corporation (MMHC) was established as a statutory body under the *Ports Corporatisation and Waterways Management Act, 1995*, and is managed by the Maritime Assets Division of the Waterways Authority on behalf of the Minister for Transport.

Following the abolition of the former Maritime Services Board, the MMHC has inherited, in addition to a number of actual and contingent liabilities, the following:

- ◆ land which is not currently used for port purposes but is strategically important for future port development;
- ◆ wetlands, which include the beds of the major ports and parts of waterways such as Sydney Harbour, Botany Bay, Hunter River and Port Kembla;
- ◆ non-operational properties which are surplus to the requirements of the port corporations (e.g. Walsh Bay, Woolloomooloo Bay); and
- ◆ assets deemed to be regulatory in nature, including navigation aids and wharf facilities for regional ports of Yamba and Eden, and a range of public wharves and jetties in the major port areas.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Major maintenance programs and projects affect annual operating expenditure. The major items of expenditure are maintenance and depreciation on the MMHC's property, interest costs on the Maritime Centre lease (Kent Street, Sydney, office building) and management fees paid to the Waterways Authority for managing MMHC assets and liabilities.

STRATEGIC DIRECTIONS

It is proposed to merge the MMHC with the Waterways Authority. Part of the assets and operations of the MMHC have been incorporated in the Waterways Authority in 1999-2000. Legislation is expected to be introduced to State Parliament by the end of 1999-2000 to complete the merger. Until then, the MMHC is responsible for ensuring the sustainable use and optimum return on its assets to meet environmental, economic and social expectations.

Due to the nature of its assets, the management of the MMHC involves a mix of regulatory functions (i.e. development control of wetlands and as the owner of regulatory assets) and commercial functions (i.e. as owner of strategic port land and non-core commercial assets).

Accordingly, the MMHC's strategic focus is mainly on:

- ◆ managing and planning current and future usage of MMHC assets;
- ◆ monitoring and responding to environmental issues and impacts;
- ◆ acting as a delegated approval authority for certain developments on the harbour and foreshore, and which are assessed under relevant environmental plans; and
- ◆ managing and monitoring private and public sector developments on MMHC land.

2000-01 BUDGET

Total Expenses

Total expenses for 2000-01 are estimated to be \$41.7 million, a decrease of 2.6 percent on 1999-2000 mainly due to the substantial completion of major maintenance work at Circular Quay.

Major responsibilities in 2000-01 include:

- ◆ sediment remediation at Homebush Bay;
- ◆ Circular Quay wharf maintenance;
- ◆ repairs to Balls Head wharf (Sydney Harbour);
- ◆ repairs to Walsh Bay wharves and seawalls; and
- ◆ redevelopment of Darling Harbour wharves nine and ten.

Asset Acquisitions

Total asset acquisitions for 2000-01 are estimated to be \$19.7 million, a decrease of \$22.2 million on 1999-2000. The decrease is mostly due to the completion of early stages of work on Darling Harbour wharves nine and ten by the developer. These assets have been transferred to the MMHC in kind.