

# MINISTER FOR INFRASTRUCTURE AND PLANNING AND MINISTER FOR NATURAL RESOURCES

## OVERVIEW

<i>Agency</i>	<i>Budget 2003-04 \$m</i>	<i>Budget 2004-05 \$m</i>	<i>Variation %</i>
<b>Heritage Office</b>			
Total Expenses .....	7.6	7.7	1.1
Asset Acquisitions .....	...	...	...
<b>Department of Infrastructure, Planning and Natural Resources</b>			
Total Expenses .....	552.8	421.8	-23.7
Asset Acquisitions .....	18.1	27.2	50.2
<b>Department of Lands</b>			
Total Expenses .....	56.3	79.6	41.4
Asset Acquisitions .....	1.3	2.4	92.2
<b>Environmental Planning and Assessment Act</b>			
Total Expenses .....	23.4	22.9	-1.9
Asset Acquisitions .....	35.0	35.0	...
<b>Honeysuckle Development Corporation</b>			
Total Expenses .....	10.6	10.6	-0.1
Asset Acquisitions .....	0.2	0.3	9.2
<b>Land and Property Information New South Wales</b>			
Total Expenses .....	121.9	127.8	4.8
Asset Acquisitions .....	11.9	15.0	26.1
<b>Catchment Management Authorities<sup>(a)</sup></b>			
Total Expenses .....	n.a.	129.3	n.a.
Asset Acquisitions .....	n.a.	...	n.a.
<b>Total, Minister for Infrastructure and Planning and Minister for Natural Resources<sup>(b)</sup></b>			
Total Expenses .....	<b>772.6</b>	<b>680.8</b>	<b>-11.9</b>
Asset Acquisitions .....	<b>66.5</b>	<b>79.9</b>	<b>20.2</b>

(a) The Catchment Management Authorities were created in January 2004 and have taken over certain functions of the Department of Infrastructure, Planning and Natural Resources.

(b) The grant from the Department of Infrastructure, Planning and Natural Resources to the Catchment Management Authorities of \$118.9 million is included in the 2004-05 recurrent expenditure totals for both agencies. To avoid double counting the amount is included only once in the Minister's total.

## **HERITAGE OFFICE**

The Heritage Office manages the administration of the Government's heritage policies. It has a major educational and promotional role to encourage conservation of the State's heritage assets.

### **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

The Heritage Office's expenses include the conservation of heritage assets through policy advice and the administration of heritage grants. Expenditure levels are relatively consistent from year to year. In 2004-05, total expenses are projected to be \$7.7 million compared to total expenses of \$7.6 million in 2003-04.

### **STRATEGIC DIRECTIONS**

The Heritage Office's strategic directions are to:

- ◆ complete a comprehensive register of the State's significant heritage items;
- ◆ develop the community's understanding of heritage as an essential component of our culture;
- ◆ achieve best practice standards in the conservation and re-use of heritage items;
- ◆ assist and support local councils and State Government agencies with the management of their heritage assets;
- ◆ streamline heritage approvals processes; and
- ◆ demonstrate the benefits of the conservation of the State's heritage resources.

### **2004-05 BUDGET**

#### **Total Expenses**

Total expenses of \$7.7 million in 2004-05 include \$2.3 million for Heritage Assistance grants.

#### **Asset Acquisitions**

An allocation of \$19,000 is provided for minor equipment purchases only.

## DEPARTMENT OF INFRASTRUCTURE, PLANNING AND NATURAL RESOURCES

The Department of Infrastructure, Planning and Natural Resources was established to improve land use, infrastructure, and transport planning and natural resource management in New South Wales. The Department was established on 1 July 2003.

### EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The Department has taken a leading role in improving natural resource management through the establishment of:

- ◆ Catchment Management Authorities (CMAs);
- ◆ Natural Resources Commission;
- ◆ Natural Resources Advisory Council;
- ◆ operational introduction of the *Water Management Act 2000*;
- ◆ reforms to the management of native vegetation; and
- ◆ a major review of the planning system.

During 2004-05 the Department will continue to drive the reforms which were commenced in 2003-04 to better manage natural resources and streamline the land use planning system. This will involve actions such as providing incentive funding to support reforms to native vegetation, fast tracking the allocation of funds to newly created Catchment Management Authorities, and overhauling service provision.

The outcome is to ultimately reduce the cost of administration and red tape, improve effectiveness and redirect more resources to communities and farmers. As a result, total expenses for the Department will fall from \$552.8 million in 2003-04 to \$421.8 million in 2004-05.

Devolution of many natural resource service and planning responsibilities is reflected in the Department's total expenditure for 2004-05, which includes a grant of \$118.9 million to the CMAs. The bulk of this grant (\$82.4 million) is for locally based natural resource management outcomes and the balance is for salary and operational costs of the new Authorities.

## STRATEGIC DIRECTIONS

The Department's goal is to improve economic performance, environmental sustainability and the quality of life for the NSW community through balanced land use and natural resource management, supported by well-timed, quality transport and infrastructure.

The Department will lead the development of a Metropolitan Strategy which will outline priorities to sustainably manage growth and change in Sydney and the Greater Metropolitan Region over the next 30 years. As a first stage, funding to councils at Penrith, Blacktown, Fairfield, Parramatta, Liverpool, Campbelltown, Bankstown, Wollongong, Newcastle and Wyong/Gosford has been provided for strategic local growth plans.

The objectives of the new Department are to:

- ◆ better link natural resource management and urban development, particularly in coastal areas;
- ◆ simplify land use planning and natural resource management decision making, policy and regulation;
- ◆ improve service levels to communities, local government and farmers by simplifying of applications and approvals;
- ◆ reduce the costs of administration to enable resources to be redirected to service delivery; and
- ◆ better link vital infrastructure such as transport and other facilities and services to the needs of communities now and in the future.

Priorities for the Department are to:

- ◆ increase the involvement of the community in land use and natural resource decision-making;
- ◆ strengthen catchment management processes;
- ◆ implement native vegetation reforms;
- ◆ commence water sharing plans, the new water licensing system and overhaul of the *Water Management Act 2000*;
- ◆ develop a strategic approach to implementing urban water efficiency and conservation;

- ◆ enhance governance arrangements for land use and natural resource decision-making and the efficient allocation of funds to communities;
- ◆ simplify development controls;
- ◆ link strategic transport decisions to meet government and community priorities;
- ◆ better manage coastal development; and
- ◆ co-ordinate and strategically plan for major infrastructure development.

## **2004-05 BUDGET**

### **Total Expenses**

Total expenses in 2004-05 are estimated at \$421.8 million. A major part of this expenditure and that of future years will be directed towards a better integration of natural resource management and balanced and sustainable development. The integration of the vital areas of infrastructure, planning and natural resources will deliver infrastructure and policy that aligns with the changes that are taking place in the community.

In the areas of infrastructure, land use and transport planning, with total ongoing expenditure of \$76 million, the Department is developing a framework for the optimum delivery of quality infrastructure and transport services to meet the growing needs of communities across the State.

Key initiatives that are ongoing or commencing in 2004-05 will be:

- ◆ returning over allocated groundwater systems to sustainable levels. Structural adjustment to assist groundwater dependent irrigators and communities to achieve this goal has been increased by \$38.4 million to a total expenditure of \$58.4 million by 2005-06;
- ◆ expenditure, in some cases spread across several agencies, of \$64.7 million over four years to implement the *Water Management Act 2000*;
- ◆ \$52 million over several years towards the New South Wales Salinity Strategy;
- ◆ \$20.4 million as the State's share of operating costs and works programs for irrigation areas in 2004-05 with similar ongoing expenditure;
- ◆ \$19.4 million for Forest Industry Structural Adjustment;

- ◆ \$2 million in 2004-05 as part of a \$5 million Aboriginal Water Trust to assist the Aboriginal community in the development of water-based farming and aquaculture enterprises;
- ◆ \$2.2 million for the Comprehensive Coastal Package involving assessment of the condition and economic, social and environmental values of the coast;
- ◆ \$3 million for mapping native vegetation to support vegetation management reforms;
- ◆ \$3 million in 2004-05 for increased auditing and accreditation functions and the Building Professionals Board;
- ◆ \$3.8 million over four years for the continued roll-out of BASIX - a framework to reduce water and energy demand in new buildings;
- ◆ \$2 million to preserve vital transport corridors;
- ◆ \$5.5 million for conserving and restoring groundwater resources of the Great Artesian Basin under the Cap and Pipe the Bores Program; and
- ◆ support for local government in the areas of coastline cycle ways (\$1.5 million).

Expenditure on the Salinity Strategy is recognised as part of New South Wales' contribution of \$198 million to the \$396 million National Action Plan on Salinity and Water Quality (NAP), which is a joint State/Commonwealth program spread over several years.

In addition, a new Natural Heritage Trust (NHT) program between the State and the Commonwealth commenced in 2003-04. Spread over several years, it will enable substantial funding to be directed through the catchments to address New South Wales' most pressing natural resource management problems.

In consultation with the Commonwealth, a substantial proportion of both NHT and the NAP funding will be allocated on a global basis to strengthen the Catchment Management Authorities to enable them to prepare investment strategies in consultation with local communities. An example is the \$120 million program over four years for native vegetation management incentives which will create a new model of sustainability.

## **Asset Acquisitions**

Total asset acquisitions in 2004-05 are estimated at \$27.2 million. To support natural resource decision making increased funding will be directed at advancing electronic information systems, and in particular \$4.6 million for the Planning and Natural Resource Integrated Information Environment, \$3.1 million for Water Management Information Systems and \$5.2 million for systems to support vegetation management. Other items include coastal land acquisitions and building infrastructure works in Newcastle and at the Department's historically significant Bridge Street building.

## **DEPARTMENT OF LANDS**

The Department comprises Crown Lands management, Native Title and Aboriginal Land Claims management, Soil Conservation Service and the Office of Rural Affairs. The Department also includes the Land and Property Information Division, which is reported separately.

The Department's role covers the sustainable management of Crown lands, the provision of spatial information and land and property related information, the description, identification, and registration of ownership of land in New South Wales, provision of land management and conservation consulting services and assistance to rural New South Wales in developing sustainable communities.

## **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

In 2004-05 the Department of Lands will be continuing its work started in 2003-04 in focussing and unifying its various business units under the one umbrella agency. Within all programs achieving efficiency improvements and enhancing commercial opportunities will continue to be a priority.

The increase in total expenses in 2004-05 is largely due to the transfer of activities (such as the Tweed sand bypass costing \$5.5 million) and functions (such as the administration of Minor Ports \$1 million, State Parks \$1.4 million and the Office of Rural Affairs \$0.4 million) from other Government Departments to better reflect agency objectives.

## **STRATEGIC DIRECTIONS**

The establishment of a public trading enterprise to manage Crown Lands is being progressed. This framework will provide greater flexibility in achieving economically viable outcomes whilst managing programs of benefit to the environment and the community.

## **Crown Lands**

Strategies developed for 2004-05 include:

- ◆ a comprehensive review of Crown Lands management, rental and legislative frameworks, by officers, consultants and the Independent Pricing and Regulatory Tribunal (telecommunication site leases);
- ◆ tenure portfolio restructure to increase emphasis on more modern tenures with market based rents providing higher rental returns; and
- ◆ implementation of new web-enabled systems to improve management of, and public access to Crown land information.

## **Native Title and Aboriginal Land Claims**

Strategies developed for 2004-05 include:

- ◆ realignment of the branch's work to increase the numbers of completed Aboriginal Land Claim determinations; and
- ◆ Native Title land status investigation reports for review by the Federal Court.

## **2004-05 BUDGET**

### **Total Expenses**

Total expenses for 2004-05 are \$79.6 million. This includes \$45.9 million for the maintenance and management of Crown Lands, \$20.5 million for soil conservation activity and \$13.2 million paid to Land and Property Information to continue community service programs such as maintenance of topographical data, survey marks, aerial photography and the Geographic Names Board.

### **Asset Acquisitions**

The total capital program for the Department (excluding Land and Property Information) for 2004-05 is \$2.4 million and includes funding for the continued development of the Land Direct information system and remediation work in respect to a number of dams on Crown Lands.

## **ENVIRONMENTAL PLANNING AND ASSESSMENT ACT**

Under the *Environmental Planning and Assessment Act 1979*, the Sydney Region Development Fund was established with the specific objective of acquiring land for planning purposes within the Sydney region. The program facilitates the acquisition of regionally significant land for open space, and of vacant land for future freeway and transport corridor construction purposes, and regional projects such as the Rouse Hill Regional Centre.

### **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

Expenditure is mainly incurred on land acquisition, administration, loan servicing costs, and grants for ongoing improvements of open space land and new foreshore open space, in partnership with local councils and community organisations.

Major land acquisition activities continue to focus on regional open space and road programs, including significant land acquisition for the Western Sydney Regional Parklands.

Activities include the sale of major industrial sites at Prospect and Eastern Creek, and an agreement with Landcom and Liverpool Council that delivers development land at Hoxton Park to Landcom and open space for Council in that locality. Disposal of land in partnership with Landcom developments will proceed at Bonnyrigg, Minto, Willoughby and Menai. Land for the Coastal Land Protection Scheme includes an acquisition at Vincentia.

The Rouse Hill Regional Centre is a major project that reflects the current focus on development of land purchased by the Fund. This major Centre, which will include retail, commercial, community, education, recreational, transport and residential uses, will be developed in association with Landcom as a joint venture with the private sector.

As required under the *Heritage Act 1977*, the Fund also manages a heritage asset management program. This program provides a systematic basis for assessing the significance of historic places owned by the Department and directing the course of their future conservation and management.

The ongoing lease for the Waste Recycling and Processing Corporation at Eastern Creek for use as a waste disposal facility on land owned by the Fund is anticipated to provide \$4 million in annual rental revenue over the next five years.

The Department of Infrastructure, Planning and Natural Resources has worked with the Department of Tourism, Sport and Recreation and Department of Commerce on the development of the Western Sydney International Dragway and a proposed business park on land owned by the Fund at Eastern Creek. The business park will generate revenue starting in 2004-05 when the land is rezoned and sold to the private sector.

The Fund has undertaken significant metropolitan open space planning and funded programs to improve liveability, such as the Greenspace and Urban Improvement Programs. Work included regional recreation demand studies, Western Sydney Regional Parklands studies and the first major open space inventory for Sydney in 20 years.

## **STRATEGIC DIRECTIONS**

The Sydney Region Development Fund has a range of key strategies for the future including:

- ◆ a co-ordinated Departmental approach, rezoning and acquiring lands for emerging public purpose needs (e.g. new transport corridors);
- ◆ prudent financial management to meet the objectives and commitments of the Fund including achieving an optimal return on surplus assets;
- ◆ ongoing reviews of surplus land and acquisition commitments to ensure the objectives of the Fund are achieved and the Fund is financially sustainable; and
- ◆ enhanced focus on the implementation of planning outcomes, including open space strategies and land purchased for planning purposes.

## **2004-05 BUDGET**

### **Total Expenses**

Total expenses for 2004-05 of \$22.9 million include \$6.9 million for loan servicing costs, \$4.2 million for grants for improvements to open space land, and \$5 million for lands transferred to other government bodies. Expenses involved in administration, selling, acquiring and developing land total \$6.8 million.

Revenue for 2004-05 is estimated at \$22.5 million, including net rental income of \$6.2 million; investment income of \$2.5 million; and contributions from local government and the State government of \$11 million.

## **Asset Acquisitions**

The asset acquisition program provides for the purchase and development of land required for planning purposes such as regional open space and major road reservations. In 2004-05, asset acquisitions are estimated at \$35 million, with estimated asset disposal of \$25 million.

Expenditure is mainly incurred on land acquisitions and planning studies for redevelopment sites and surplus land. Expenditure levels do not vary significantly from year to year unless some major acquisitions are completed within that year.

Asset acquisition levels can vary from year to year and are difficult to accurately predict. They depend on the timing of approaches from owners to acquire their land, the completion of negotiations including vendor's agreement to sell, and property settlements.

## **HONEYSUCKLE DEVELOPMENT CORPORATION**

The Corporation assists in the revitalisation of inner Newcastle. The area being revitalised is situated adjacent to the Newcastle Central Business District (CBD) and comprises 50 hectares of former industrial land located on the shores of Newcastle Harbour.

### **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

Until 1996-97, the Corporation was funded through budget contributions from the Building Better Cities program. Since that time, the Corporation has been funded through land sales and borrowings.

The Corporation has made community contributions of \$78.8 million over the life of the project in the form of grants to other organisations, housing, public domain and open space landscaping.

Some 40 sites have been released to the market with 38 settled, and two under conditional contract. The total end value of works associated with the sites is estimated to be over \$571 million.

### **STRATEGIC DIRECTIONS**

The Corporation undertakes programs to fulfil its role in assisting the revitalisation of inner Newcastle. The major features of the Corporation's strategic directions are to:

- ◆ develop the city into an effective capital of the Hunter region;

- ◆ develop a mix of affordable and other housing choices;
- ◆ improve the quality of life within the CBD and inner suburbs and to open community access to the harbour foreshore areas and enhance the attractiveness of the city;
- ◆ manage the acquisition and disposal of surplus government land holdings; and
- ◆ facilitate the provision of adequate infrastructure to promote and encourage development and investment in the area.

## **2004-05 BUDGET**

### **Total Expenses**

Total expenses for the Corporation for 2004-05 are budgeted at \$10.6 million. The primary components are the cost of selling land and property of \$3.6 million and community contributions of \$3.7 million.

The level of expenses between the 2003-04 projection and 2004-05 Budget is expected to decrease by approximately \$1 million due to a decrease in the level of contributions to the community (grants and subsidies), which reflects the timing of when certain works are required.

The forecast deficit in 2004-05 is primarily due to the level of community contributions.

### **Asset Acquisitions**

In accordance with accounting standards, Honeysuckle's property development activities are capitalised as inventory not property assets.

## **LAND AND PROPERTY INFORMATION NEW SOUTH WALES**

The role of Land and Property Information (LPI) is to operate the State's land and property registration and information services, to provide land valuation and survey services, and to create value through the integration of land, spatial and property information.

LPI has offices throughout New South Wales with its principal offices located in Sydney and Bathurst. LPI offers customers convenient access to services irrespective of location through the innovative use of information and communications technology.

## **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

LPI's business activity continues to grow in line with the State economy generally and the level of property transactions in particular. LPI continues to invest in technological solutions to improve efficiency and create value for the convenience of its customers.

## **STRATEGIC DIRECTIONS**

In 2004-05, LPI will continue to consolidate the gains made in its first four years by concentrating on its core activities. Its major focus will include continuing to integrate spatial data with all LPI information sets, whole of government spatial information initiatives and upgrading its information systems to meet public and private sector spatial information needs.

## **2004-05 BUDGET**

### **Total Expenses**

During 2003-04 expenses were slightly higher than budget due to the high levels of activity in the property market.

Total expenses for 2004-05 are estimated to be \$127.8 million. The majority of this expenditure is required to provide statutory land valuations, land title creation and registration services, spatial information, survey and mapping services and technical support.

### **Asset Acquisitions**

The 2004-05 Budget for asset acquisitions is \$15 million. The program for LPI includes consolidating and enhancing computerised land information systems; maintenance of buildings, including the heritage listed building at Queens Square and the renewal of plant and equipment. Specific projects include the development of E-Channel services and an upgrade of the Electronic Service Delivery System, upgrade of rural addresses and regional service delivery, and the conservation and digitisation of historical plans.

## **CATCHMENT MANAGEMENT AUTHORITIES**

The thirteen Catchment Management Authorities were established as a key component of the natural resources management reforms recommended by the Native Vegetation Reform Implementation Group chaired by the Hon. Ian Sinclair. The Authorities will engage regional communities in key natural resource management issues facing each catchment area. Specific functions include preparing catchment action plans and associated investment strategies.

They are formally constituted as statutory authorities with a responsible and accountable Board reporting directly to the Minister.

## **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

The *Catchment Management Authorities Act 2003* commenced on 23 January 2004. Since then, the various Chairs and Board members have been appointed to the Catchment Management Authorities and offices established in each of the catchments across New South Wales. An interim Chair and Board have been appointed for the Sydney Catchment Management Authority.

The Authorities are responsible for maintaining the roll-out of National Action Plan on Salinity and Water Quality (NAP) and Natural Heritage Trust (NHT) investment funds.

## **STRATEGIC DIRECTIONS**

The Authorities are responsible for the new system of managing many natural resources including native vegetation. Key priorities include preparing catchment action plans and managing incentive programs to implement the plans. The Authorities will also provide data to landholders to enable them to prepare Property Vegetation Plans.

The Authorities will establish investment strategies for the \$436 million NAP and NHT investment funds. The strategies will seek to meet the standards and targets set by the Natural Resources Commission and the funding requirements of both the Commonwealth and NSW Governments.

Catchment Management Authorities will co-ordinate community involvement in natural resource decisions.

## **2004-05 BUDGET**

### **Total Expenses**

Total Expenses for 2004-05 are estimated at \$129.3 million, including \$82 million for grants and subsidies for sustainable natural resources management, in line with catchment action plans.

### **Asset Acquisitions**

No asset purchases are projected for the Authorities.