

CHAPTER 4: GENERAL GOVERNMENT SECTOR SERVICE DELIVERY

- ◆ Health, education and public order and safety policy areas represent 54 percent of total Budget expenses. After excluding finance and superannuation costs, these policy areas account for 60 percent of the Budget.
- ◆ A further 17 percent of expenditure is in the social security and welfare, and transport policy areas (19 percent after excluding finance and superannuation costs).
- ◆ Asset acquisitions are expected to be \$2.6 billion in 2001-02.
- ◆ The transport sector represents 40 percent of General Government sector asset acquisitions (mainly roads). Health, education and public order and safety represent a further 44 percent of General Government sector asset acquisitions.
- ◆ The growth in total expenses needs to be adjusted for one-off events and major non-discretionary spending to give a true measure of the increase in costs associated with core service delivery functions. After adjusting for these factors, expenses are expected to increase by 4.9 percent in 2001-02 and an average increase of 4.1 percent per annum over the five years to 2004-05.

4.1 INTRODUCTION

The Government undertakes expenditure to achieve its key objective of delivering services needed by the community. To provide these services, agencies incur operating expenses (e.g. wage costs for nurses) and undertake spending on asset acquisition programs (e.g. building new hospitals).

This Chapter outlines the key service delivery initiatives in the 2001-02 Budget and analyses the longer-term trend in total expenses over the forward estimates period.

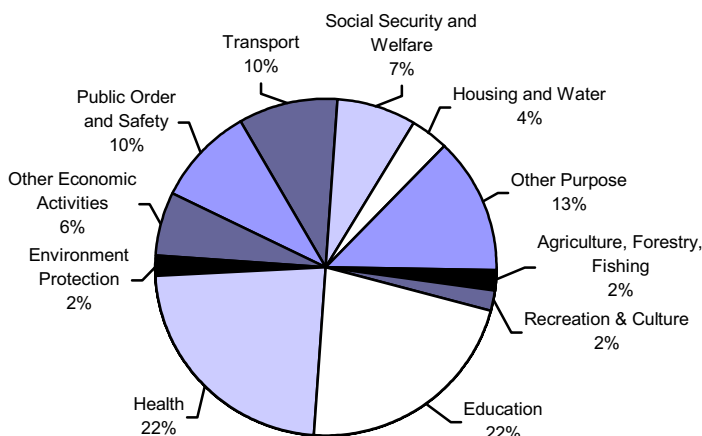
The classification of expenditure to policy areas is based on Australian Bureau of Statistics (ABS) standards. This ensures consistency of treatment of government expenditure over time, regardless of agency restructures. Nevertheless, some inconsistencies do arise.

The policy area categories used in this Chapter have been adapted from the standard ABS policy categories in Chapter 9 to better reflect service delivery in New South Wales. The main change involves the addition of a policy area for environment protection. This new area identifies government expenditure on sewerage services, protection of the environment and national parks and wildlife activities.

Policy area expenditure classifications are not directly comparable with agency expenditure as detailed in Budget Paper No. 3. In many cases agency expenditure spans a number of different policy areas. For instance the Department of Agriculture conducts animal education programs which are classified as education expenditure. Department of Transport expenses relating to school student transport are also classified as education expenditure. In addition, superannuation and interest expenses for all agencies are recorded against the Other Purposes classification. Finally estimates provided in this section are based on consolidated aggregates which eliminate inter-agency transactions (eg agency purchases from the Department of Public Works and payroll tax payments).

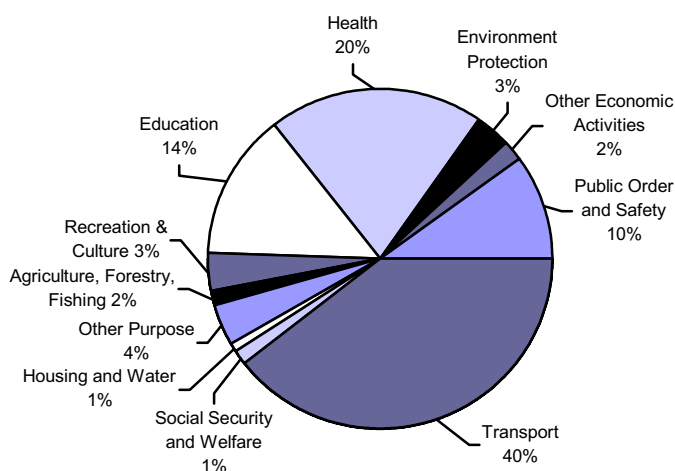
Charts 4.1 and 4.2 show the distribution of expenses and asset acquisitions by function. Budget expenses are dominated by the health and education policy areas while transport is the major contributor to asset acquisitions.

Chart 4.1: General Government Expenses in 2001-02 by Policy Area



Total Expenses = \$30,696 million

Chart 4.2: General Government Asset Acquisitions in 2001-02 by Policy Area



Total Asset Acquisitions = \$2,596 million

4.2 TOTAL EXPENSES

Total expenses in 2001-02 are expected to be \$30,696 million. This represents a decrease of \$2,728 million or 8.2 percent on the estimated 2000-01 level of expenses. Total expenses are expected to increase by 3.4 percent in 2002-03, 3.5 percent in 2003-04 and 2.7 percent in 2004-05.

Trends in expenses should be treated with caution because of the distortions created by special factors. These special factors can be classified as:

- ◆ Significant one-off expenses such as the 2000 Olympics. Olympics related expenses peak at \$806 million in 2000-01. Included in this total is a non-cash accounting adjustment that recognises that certain Olympic assets (eg Ryde Aquatic Leisure Centre, Penrith Whitewater Stadium, media centre and Blacktown Olympic Centre) will be transferred at zero cost to third parties. This non cash accounting adjustment generates in part the difference between the accounting expense recognised in the operating statement and the cash outflows referred to in Chapter 6.

- ◆ Expense impacts of the GST package as outlined in the “Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations”. Changes in expenses related to the agreement are offset by equivalent changes in Commonwealth grants.
- ◆ Major structural shifts in expenses. The most significant example is the impact of the dairy industry restructure on Safe Food Production NSW. Milk purchases and sales previously made by the agency were discontinued in 2000-01. The impact on the operating result is minimal, but results in large reductions in expenses and revenues in 2000-01.
- ◆ Major non discretionary expenses such as superannuation, depreciation, finance costs and insurance claims.

Table 4.1 shows the underlying level of General Government expenses between 1999-2000 and 2004-05 after adjustments for the above special factors. Details of the specific adjustments made to the expense totals are listed.

Underlying expenses are a measure of costs associated with core service delivery functions. The moderate growth in underlying expenses over the forward estimates period is the foundation for the State’s strong financial performance, as evidenced by strong Budget results and continuing declines in net debt and net financial liabilities.

In nominal terms underlying expenses are expected to increase by 4.9 percent in 2001-02 and by an average of 4.1 percent per annum over the five-year period between 1999-2000 and 2004-05. In real terms this represents a growth of 2.5 percent in the Budget year and an average growth of 1.7 percent over the five-year period.

Table 4.1: Total Expenses

	1999-2000 Actual \$m	2000-01 Revised \$m	2001-02 Budget \$m	2002-03 \$m	2003-04 Estimate \$m	2004-05 \$m
Total Expenses (as per Chapter 2)	26,145	33,424	30,696	31,734	32,841	33,728
Less material one-off items:						
Assumption of HIH liability		600				
Contingency grant to SOCOG	140					
Olympics and ancillary services (net of SOCOG contributions)	393	517	22			
Transfer of Olympic facilities to third parties		168	71			
Olympics expenses funded by SOCOG contributions	22	121				
State election costs (approx)				30		
Reimbursement of backlog sewer grants		(36)				
GST transitional payments to clubs	68					
Write back of investment in National Rail Corporatisation adjustment for Pacific Power		141				
Asset revaluation for Department of Health	(72)					
Less items related to GST package (offset by Commonwealth grants):						
First Home Buyers scheme		297	337	318	325	331
GST administration costs		335	174	126	124	122
Wholesale sales tax savings		(95)	(153)	(191)	(232)	(261)
Less structural shifts in expenses:						
Change in Budget scope	118	142				
Reclassification of petrol & alcohol subsidies		80	73	77	81	85
Reduction in costs associated with the de-regulation of the NSW Dairy Industry	312					
Less major non discretionary expenses						
Superannuation	(1,173)	2,935	1,741	1,942	2,011	2,052
Finance costs	1,450	1,899	885	853	769	728
Depreciation	1,411	1,443	1,493	1,528	1,569	1,624
Insurance claims expense	674	858	914	974	1,044	1,105
NET UNDERLYING EXPENSES	22,802	23,967	25,139	26,077	27,150	27,942
Increase in Net Underlying Expenses	+ 2.9%	+ 5.1%	+ 4.9%	+ 3.7%	+ 4.1%	+ 2.9%
- Real Increase ^(a)	+ 0.8%	+ 2.7%	+ 2.5%	+ 1.3%	+ 1.5%	+ 0.4%

(a) Calculated using Government Consumption Deflator.

HEALTH

Overall Objective

The objective of the Health policy area is to improve the health of the people of New South Wales, to provide fairer access to services, to improve the quality of health care and to ensure health services are well-managed and efficient.

Scope of Policy Area

The Health policy area includes costs associated with the provision of acute hospital services, accident, emergency and outpatient clinics, rehabilitation, counselling, support and palliative care, community health centres, services for people seriously affected by mental illness, health promotion and education, dental services as well as services to persons affected by drugs, alcohol and HIV/AIDS.

The policy area includes expenses and asset acquisitions associated with the provision of services by the NSW Department of Health and the Health Care Complaints Commission.

Services Delivered

On an average day, 3,600 people are admitted to NSW public hospitals for inpatient care, 17,700 people spend the day being treated in a hospital bed, with more than 5,000 people every day (or around three people per minute) seen in emergency departments. Ambulance services respond to an average of 1,800 calls a day.

The NSW health system delivers a wide range of essential services to assist in improving the health of the community. These services are provided through:

- ◆ 206 general hospitals
- ◆ 15 multi-purpose services
- ◆ 15 nursing homes
- ◆ 280 community health centres
- ◆ 500 early childhood centres

Government Initiatives

The Government Action Plan for Health commenced in 2000-01 and has been supported by substantial growth funding. Major uses of the additional growth funding provided in 2001-02 include -

- ◆ an increase in medical and surgical procedures undertaken across a variety of disciplines at hospitals throughout the State including those in the Hunter, Mid North Coast, Central Coast, Northern Rivers, Greater Murray and South West Sydney;
- ◆ establishment of new community centres at Wyong, Erina and Lake Haven on the Central Coast;
- ◆ an additional eight fully operational intensive care beds at a number of centres in Western Sydney and the Hunter;
- ◆ new funding to provide additional orthopaedic services at Shoalhaven and the restoration of obstetrics services at Shellharbour Hospital;
- ◆ major redevelopment occurring in the Tweed Valley region involving an additional 36 beds, including surgical ward and theatre staff, increased community services and establishment of a 25 patient mental health unit at Tweed Heads;
- ◆ increase in activity in outpatient procedures particularly for chemotherapy, cardiac catheterisation, endoscopy, cancer radiotherapy and imaging services;
- ◆ the provision of community-based acute and post-acute care services throughout Northern Sydney aimed at reducing inpatients length of stay;
- ◆ expansion of aged care, cardiac, palliative and respiratory rehabilitation and extended care services in the Mid North Coast; and
- ◆ improvements in the provision and management of chronic care patients with respiratory disease, cardiovascular and cancer related illnesses throughout the Mid Western area of New South Wales.

Funding commenced in 2000-01 to support reform initiatives under the Government Action Plan, and amounting to \$45 million per annum, will continue to be used to reduce pressure on local emergency departments, to improve the care of patients with chronic cardiovascular, respiratory or cancer related illnesses and to increase medical and surgical in-patient services.

The Government Action Plan is also achieving results through a wide range of reforms including:

- ◆ improving Day of Surgery Admission and Day Only Surgery rates;
- ◆ development of a coordinated discharge planning policy;
- ◆ a coordinated planning process for Metropolitan Specialty Services;
- ◆ development of an Acute Aged Care Interface policy;
- ◆ work on a whole-of-government approach to community and non-urgent health transport;
- ◆ expansion of NSW Telehealth services;
- ◆ development of a statewide emergency services plan; and
- ◆ creation of an Institute for Health Care Improvement and Excellence.

In addition, the Government will commence the following health capital works in 2001-02:

- ◆ redevelopment of Gosford Hospital to upgrade the emergency department, operating theatres, cardiac care and acute inpatient facilities at an estimated total cost of \$100.8 million;
- ◆ redevelopment of Wyong Hospital to provide additional acute inpatient and mental health beds and clinical, imaging and diagnostic facilities at an estimated total cost of \$79.6 million;
- ◆ implementation of a \$19.4 million pilot project of the NSW Electronic Health Record which will enable information to be shared between hospitals, community health, general practitioners and other clinicians within the context of chronic and complex care;
- ◆ provision of \$7 million for rural information technology infrastructure;
- ◆ a \$7 million refurbishment of the Prince of Wales Parkes Block;
- ◆ provision of \$46.6 million for Ambulance infrastructure works including enhancements to clinical care and information systems, medical equipment and fleet replacement;

- ◆ an additional \$25.1 million for the Mental Health program to address service priorities including an expanded inpatient and new ambulatory care facility at Liverpool Hospital; and
- ◆ \$4 million to finalise planning and commence work for the Newcastle and Western Sydney strategies.

In 2001-02, expenses in the Health policy area are expected to total \$7,110 million while asset acquisitions of \$529 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

SOCIAL SECURITY AND WELFARE

Overall Objective

Expenditure within the Social Security and Welfare policy area is applied towards the:

- ◆ provision of the best possible care and protection and the promotion of opportunities for those in vulnerable positions including families, young people and children, frail older people, people with disabilities and their carers;
- ◆ promotion of opportunities for Women, Aboriginal and Torres Strait Islander people and people from non-English speaking backgrounds; and
- ◆ provision of assistance to those experiencing financial difficulty.

Scope of Policy Area

The policy area includes expenses and asset acquisitions of the Department of Community Services, the Department of Ageing, Disability and Home Care, the Community Services Commission, the Commission for Children and Young People, the Office of the Children's Guardian, the Home Care Service, the Community Relations Commission for a Multicultural NSW (former Ethnic Affairs Commission) and the Department for Women, as well as:

- ◆ services provided by the Department of Aboriginal Affairs;
- ◆ compensation to victims of crime (administered by the Attorney-General's Department); and

- ◆ Budget-funded concessions and subsidies to social security beneficiaries (including payments by the Department of Transport, and pensioner rebates for rates and for electricity, water and sewerage services).

Services Delivered

During 2001-02, the NSW Government's Social Security and Welfare policy area will continue to deliver services to people with special needs or requiring a particular commitment, including:

- ◆ investigation of over 115,000 reports and notifications of potential abuse and neglect of children;
- ◆ protection for an estimated 26,300 children, substitute care for an estimated 14,700 children, and associated care and support for children, young people and families;
- ◆ support and services to older people, people with disabilities and their carers aimed at helping them achieve greater independence and community involvement. This includes accommodation, nursing home care, food services, transport and personal care with:
 - over 300,000 hours of respite care; and
 - over 3.8 million hours of service provided by the Home Care Service of New South Wales;
- ◆ an estimated 6,300 awards made by the Victims Compensation Tribunal;
- ◆ assistance, including accommodation, to people affected by crises and natural disasters; and
- ◆ promotion of social, economic and cultural opportunities for Women, Aboriginal and Torres Strait Islander people and multicultural communities.

Government Initiatives

Expenditure within the Social Security and Welfare area is projected at \$2,261 million in 2001-02. Additional funding provided in the 2001-02 Budget includes:

- ◆ \$5.7 million for foster care support, with total additional expenditure on these services expected to amount to \$28.8 million over the next four years;

- ◆ \$4 million for child protection services to enable the recruitment of a further 60 case workers;
- ◆ \$2 million for the Charitable Goods Transport Subsidy to ensure that this scheme can be operated on a sustainable basis in the future;
- ◆ \$26.2 million for growth in the Home and Community Care program to assist frail older people and people with disabilities who do not receive residential care support;
- ◆ \$2.7 million (\$11 million over four years) to fund a Dementia Action plan that will promote dementia awareness, expand dementia advisory services and establish behaviour support services; and
- ◆ \$0.6 million (\$1.7 million over three years) to improve access by older people to information technology through training and the development of a website that will provide information about Government and other services.

The Department of Ageing, Disability and Home Care will continue implementation of the substantial funding initiatives commenced in the 2000-01 Budget including:

- ◆ \$134 million over four years for additional supported accommodation places;
- ◆ \$22 million over four years for an immediate assistance pool providing short-term placements for clients in crisis;
- ◆ \$18 million over four years for local area co-ordination to meet immediate needs quickly and to help strengthen informal supports in the community;
- ◆ \$24.6 million over four years for the relocation of residents from large disability residential facilities;
- ◆ \$20 million over four years for other disability support services; and
- ◆ \$6.9 million for a capital grant to the Home Care Service of New South Wales to fund an information technology project (estimated total cost - \$9.8 million) enabling the establishment of the new Service Delivery Model.

The 2001-02 Budget also provides for concessions to social security beneficiaries and other financial assistance including:

- ◆ \$300 million for transport concessions on CityRail, Countrylink and State Transit services;

- ◆ \$208.4 million for local council rate rebates and electricity, water and sewerage rate concessions; and
- ◆ \$92.2 million for compensation to victims of crime.

The Government will support a significant asset acquisition program of \$17.4 million in 2001-02 within the Department of Community Services, including \$12.6 million for the system design, specification and implementation of a Financial Management System.

The Department of Ageing, Disability and Home Care will spend \$7.8 million on its asset acquisition program in 2001-02 including \$250,000 on the second stage of an E_Business project to enable the community, service providers, Departmental personnel and other Human Services agencies to access the information and systems necessary to significantly improve the delivery of services to the ageing and disability sectors.

Further details are provided in Budget Papers No. 3 and No. 4.

EDUCATION

Overall Objective

The objective of the Education policy area is to provide a comprehensive range of quality education services for the people of New South Wales.

Scope of Policy Area

The Education policy area includes all expenses and revenues for the educational activities of the Department of Education and Training, the Office of the Board of Studies, the Department of Agriculture, Department of Community Services and Department of Transport.

Services Delivered

The Education policy area incorporates:

- ◆ Primary and Secondary Education services for over 761,000 students at some 2,200 Government schools, as well as the provision of significant financial assistance to non-Government schools;
- ◆ Tertiary, Vocational Education and Training Services for over 800,000 students;

- ◆ Pre-school Education services for 2,290 students;
- ◆ Payments for the conveyance to school of around 670,000 students by various Government and non-Government service providers; and
- ◆ training and educational policy activities.

Government Initiatives

Key initiatives for 2001-02 include:

Schools

- ◆ \$464.5 million over four years for the further expansion of the State Literacy and Numeracy Plan with almost \$117 million to be spent in 2001-02;
- ◆ \$555.3 million over four years for the Computers in Schools Plan, including the replacement of the existing 90,000 computers through leasing arrangements and provision of an additional 25,000 computers. A total of \$137.3 million will be provided in 2001-02 for this program;
- ◆ \$160 million over four years for targeted student welfare programs, including \$46.2 million for a wider range of placement and support options for students with disruptive behaviour. In 2001-02 over \$42 million will be available for these programs;
- ◆ \$18.2 million will be spent over four years to expand opportunities for teacher training in using new technology in the classroom, including \$5.6 million allocated in 2001-02;
- ◆ some \$21.5 million over four years (\$5.7 million in 2001-02) will be provided to prepare young people for work through the development of individual school to work plans for all students in Years 9 to 12; and
- ◆ an expanded school maintenance program, providing \$628 million over the next four years. Some \$157 million will be spent in 2001-02 to maintain public schools.

TAFE

- ◆ \$18.3 million over four years to support TAFE scholarships and students at risk programs, with some \$4.4 million being allocated this year;

- ◆ the ongoing development of partnerships between TAFE and industry to deliver flexible training programs specific to the clients needs and at times and locations suitable to the client;
- ◆ \$1.8 million in 2001-02, for a joint TAFE and schools initiative through TAFE NSW Outreach and school substitute care, to target youth and to expand their access to vocational education and training. An additional 100 TAFE places for students in Juvenile Justice Centres will be available; and
- ◆ \$2.6 million assistance to students from rural and low socio-economic areas who have successfully completed vocational education training courses as part of the Higher School Certificate to continue full-time study at TAFE NSW.

Asset Acquisitions

Schools

In 2001-02, \$257.6 million will be available for spending on capital projects at schools, an increase of \$80.4 million on last year's allocation. The allocation is part of a four year \$1.12 billion Schools Improvement package, which will see a significant upgrade in the amenity of New South Wales public schools and deliver improved facilities for students, teachers and the community.

The Schools Improvement package, over the four years, includes:

- ◆ more than \$240 million for 23 new primary schools and 8 high schools in growth areas including the Tweed, Camden, Kellyville, the Hawkesbury, the Central Coast and the Hills District;
- ◆ more than \$70 million extra for upgrades to classrooms, libraries and security at 1,000 public schools;
- ◆ \$130 million to improve facilities for students, teachers and school staff, including \$50 million for better disabled access;
- ◆ \$80 million for new school halls;
- ◆ \$50 million extra to replace 330 demountables with permanent facilities; and
- ◆ \$45 million for landscaping, new fencing and general improvements at older schools.

TAFE

The asset acquisition program for 2001-2002 is \$86 million. The program provides for the commencement of 38 new projects in 2001-2002, including new facilities at Dubbo, Cessnock, Kurri Kurri, Miller and Ultimo campuses and major refurbishment works at Gymea, Wollongong and St George campuses. Construction will continue on major works commenced in prior years.

Further details of expenses and asset acquisitions within the education sector are contained in Budget Papers No. 3 and No. 4.

PUBLIC ORDER AND SAFETY

Overall Objective

Expenditure within the public order and safety policy area involves protecting both people and property by preventing, detecting and investigating crime, providing justice through the operation of the courts, the imposition of penalties on offenders and minimising the impact of emergency incidents.

Scope of Policy Area

The public order and safety policy area covers the cost of maintaining the State's police service, corrective services, fire fighting and emergency services as well as administration of court systems and legal processes throughout the State.

The policy area includes expenses and capital acquisitions of the Ministry for Police, Police Integrity Commission, the NSW Police Service, Crime Commission, Department of Corrective Services and Department of Juvenile Justice. Others are NSW Fire Brigades, NSW Rural Fire Service, State Emergency Service, Attorney General's Department, Judicial Commission, Legal Aid Commission and the Office of the Director of Public Prosecutions as well as the Ombudsman's Office, the Land Titles Office, the Public Trust Office and the Registry of Births, Deaths and Marriages.

Services Delivered

Services delivered within this policy area include:

- ◆ the provision of police officers serving and protecting the community from criminal activity;
- ◆ provision of accommodation for around 7,920 prisoners daily;

- ◆ dealing with over 250,000 criminal and over 32,000 civil cases annually through the courts;
- ◆ responding to over 125,000 fire incidents in metropolitan areas; and
- ◆ support for 9,000 State Emergency Service volunteers contributing 440,000 hours per year to operations and training.

Government Initiatives

In delivering the above services, the Government will undertake the following initiatives in 2001-02 Budget year.

- ◆ The third stage of the plan to increase the front-line strength of the Police Service by 2,110 in accordance with the Government's election commitment. This will be achieved by recruiting an additional 1,000 police officers over the four years to December 2003 and undertaking a range of measures to release existing police resources, including the Police civilianisation program. This program is expected to release an estimated 159 police to the front-line.

The full benefits of the Police Assistance Line are also flowing through into police operations following the commissioning of call centres at Tuggerah and Lithgow. It is estimated that the equivalent of up to 500 police officers have been released for operational duties through this initiative, in addition to the 240 new positions created at the call centres.

- ◆ An additional \$9.55 million per annum will be provided to the Department of Juvenile Justice to improve staff to detainee ratios in detention centres.
- ◆ \$3.6 million will be available to the Department of Juvenile Justice for various drug action initiatives, including diversionary counselling and group works program (\$600,000); drug rehabilitation program (\$1 million) and Youth Drug Court (\$750,000).
- ◆ An additional \$35.6 million will be provided to the Department of Juvenile Justice over five years (commencing in 2001-02) for the completion of the Department's major capital works, the first stage of which was completed in 1999-2000. This funding will be used for the construction of a young women's facility on the Minda/Minali site at Lidcombe (to replace the outdated Yasmar facility at Haberfield), the redevelopment of the Reiby facility and the provision of additional facilities at Cobham Juvenile Justice Centre.

- ◆ An additional \$2.2 million per annum will be provided to the Legal Aid Commission for the implementation of the *Children and Young Persons (Care and Protection) Act 1998*. This funding will enable the Commission to provide high quality legal representation in both court processes and alternative dispute resolution for children and young people who are at risk.
- ◆ Funding for the Legal Aid Commission's Criminal Law program will be increased by an additional \$4.7 million to compensate for the withdrawal of Commonwealth funds under the four year agreement signed in July 2000. Under the previous agreement, the Commission was permitted to utilise part of the Commonwealth allocation for State criminal law matters. The new agreement has withdrawn this provision.
- ◆ \$633,000 has been provided to the Office of the Director of Public Prosecutions for the technology infrastructure project. This will allow the Office to better support business goals by providing cost efficient conduct of prosecutions, high quality service, accountability, staff development and criminal justice system improvements.
- ◆ Completion of a refurbishment of the King Street Courts Complex to conserve and upgrade the site (\$2.7 million).
- ◆ Commencement of construction of a new Children's Courts complex at Parramatta (estimated total cost \$17.3 million) and a new Children's Court in the Hunter District at Worimi (estimated total cost \$6.5 million). The courts at Parramatta will provide discrete care and criminal courts, with holding areas and other necessary facilities, whilst the court in the Hunter will provide for children's care and criminal matters and have two courtrooms and associated facilities for the delivery of children's court services.
- ◆ Extension of the Attorney General's Department's video conferencing capability as part of a justice agencies' project. Recurrent funding of \$3.2 million has been provided to meet expenses associated with video conferencing enabling video links between courts, correctional facilities and various related facilities.
- ◆ \$500,000 to expand the Safer Communities Development Program assisting local councils and community groups undertake crime prevention activities.
- ◆ \$1 million per annum to implement the Attorney General's Department's Indigenous Justice Strategy involving initiatives to improve outcomes for indigenous people who come into contact with the criminal justice system.

- ◆ \$2.1 million for the establishment of a Revenue Division of the Administrative Decisions Tribunal. The Revenue Division has been given jurisdiction by legislative amendment to review certain decisions of the Chief Commissioner of Taxation of State Revenue as set out in the *Taxation Administration Act 1996*.
- ◆ An additional \$100,000 per annum has been provided to the Judicial Commission to update and maintain the Criminal Trial Courts Bench Book used by Judges of the Supreme and District Courts, when directing juries on the law.
- ◆ \$190,000 has been provided to the Judicial Commission for the hosting on the internet and enhancement of the user interface of the Judicial Information Research System. This will allow a wider legal audience access to sentencing information and statistical data.
- ◆ A total amount of \$8.3 million has been provided in 2001-02 for the continuing development and operation of the Police Complaints Case Management System (PCCM). The Police Service, the Police Integrity Commission and the Ombudsman, under the management of the Premier's Department, are jointly undertaking this project. The PCCM will provide a system of oversight for complaints made against police officers in accordance with Royal Commission recommendations.
- ◆ Funding of \$6 million has been provided for improvements to the Police Service's Country Radio Communications Network, while \$20.8 million has been allocated for the continuing development of various information technology applications within the Service. This includes \$6.2 million for enhancement of the Computerised Operational Policing and Investigation Management systems and \$7.1 million for the upgrade of technology for the Infringement Processing Bureau.
- ◆ An amount of \$2 million has been provided to the Department of Corrective Services to meet costs of training additional staff to fill current vacancies.
- ◆ \$1.6 million has been provided to the Department of Corrective Services to meet the full year operating costs of court security and regional inmate transport activities taken over from the Police Service.
- ◆ Expenditure of almost \$59 million will occur in respect of the three new gaols that are under construction at Kempsey, Parklea and South Windsor.
- ◆ \$18 million has been provided to the NSW Fire Brigades to purchase fire pumps, aerial appliances and special appliances.

- ◆ \$156,000 has been provided in 2001-02 and \$121,000 per annum thereafter to the State Emergency Service for the employment of two additional permanent part time Divisional Controllers for rural and regional New South Wales.
- ◆ \$1.8 million has been provided to the State Emergency Service for the purchase of communications equipment. This includes an election commitment of \$200,000 for radio equipment for the Far West Division of New South Wales.
- ◆ \$1.2 million has been provided to the State Emergency Service for the purchase of rescue equipment.
- ◆ \$250,000 has been provided for the second year of a three-year election commitment to provide computers to State Emergency Service volunteer units.
- ◆ \$100,000 has been provided to the State Emergency Service for sand bagging machines as part of an election commitment.
- ◆ \$5 million has been provided to continue a three-year program to refit Rural Fire Service vehicles with more sophisticated protection systems and fireproof blankets. In addition, \$19.2 million will be spent on improvements to the management arrangements of the Service, resulting in the transfer of the employment of fire control officers from local councils to the State Government.

In 2001-02, expenses in the Public Order and Safety policy area are expected to total \$6,705 million while asset acquisitions of \$364 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

TRANSPORT

Overall Objective

The provision of efficient, accessible and integrated transport infrastructure and services, that in turn supports both the growth of the State's economy and the improvement in the quality of life of its residents.

Scope of Policy Area

The major components of the Transport policy area are:

- ◆ the management of the State's road and rail systems;

- ◆ the operation of public transport, including passenger rail services and Sydney and Newcastle ferries and buses;
- ◆ the management of NSW waterways and deep water ports at Sydney, Newcastle and Port Kembla; and
- ◆ the provision of rail freight services.

The policy area predominantly includes expenses and asset acquisitions of the Department of Transport, Waterways Authority and the Roads and Traffic Authority. The Department of Transport, in turn, provides funding to the State Transit Authority, the State Rail Authority, the Rail Infrastructure Corporation and Freight Rail Corporation.

Services Delivered

The Government's Transport policy will deliver:

- ◆ implementation of a long term, fully funded integrated plan for the growth of the State's Public Transport and Road Infrastructure – based upon *Action for Transport 2010*;
- ◆ a road network of around 20,600 kilometres for around 4 million vehicles that is continually improved to deliver both increased safety and reduced congestion;
- ◆ a rail network of 8,700 kms, including 1,700 kms of electrified track, carrying freight and passenger traffic;
- ◆ safe, reliable and convenient public transport services, including State operated services that will carry in excess of 500 million passenger journeys annually; and
- ◆ four major ports that collectively will export in excess of 70 million tonnes of coal and 2 million tonnes of grain, delivered to port predominantly by a State operated rail freight business.

Government Initiatives

In delivering the above services the Government will undertake the following initiatives:

- ◆ a major step up in the level of rail funding of in excess of \$1 billion over the next 4 years (\$300 million more in 2001-02). Major initiatives announced by the Premier and the Minister for Transport include:
 - \$50 million for new passenger cars for the Newcastle and the Hunter region;
 - \$270 million for an additional 60 Millennium passenger carriages (in addition to 81 already under construction) and 40 new inter-urban cars;
 - accelerating train maintenance (\$38 million in 2001-02 and \$122 million over 4 years);
 - increasing track maintenance (\$320 million over 4 years);
 - \$147 million over 4 years on new signalling and other safety works; and
 - \$41 million specifically for additional tracks within the Sydney network.
- ◆ the commencement of construction of the Parramatta Rail Link (approximately \$145 million will be spent in 2001-02);
- ◆ the provision of \$90 million in 2001-02 for 81 Millennium carriages presently under construction;
- ◆ a major upgrade of facilities, passenger information systems and security at stations across the rail network, with funding of \$28.7 million in 2001-02;
- ◆ \$31.5 million in 2001-02 to continue the program to provide easy access to railway stations;
- ◆ upgrading of the XPT fleet at a cost of \$4 million in 2001-02;
- ◆ spending of \$6 million for the electrification of the Dapto to Kiama rail line;
- ◆ the construction, at a total cost in excess of \$200 million, of the Parramatta to Liverpool Bus only transit way (\$44 million in 2001-02);
- ◆ major upgrades for commuter parking and interchange facilities at a total cost of \$29 million in 2001-02;

- ◆ major upgrading of Windsor/Old Windsor Roads to provide four lanes to Windsor by 2006 at a cost of \$323 million over five years (\$47 million in 2001-02);
- ◆ \$160 million for upgrading works on the Pacific Highway including duplication at Cooperbrook and Tandys Lane, and jointly with the Commonwealth, duplication between Yelgun and Chinderah and between Taree and Cooperbrook;
- ◆ completion of the M5 East to provide continuous motorway conditions between South Western Sydney and Sydney Airport and the City (\$116 million in 2001-02);
- ◆ construction of the North Kiama Bypass (\$25.5 million in 2001-02); and
- ◆ construction of the West Charlestown Bypass (\$23.2 million in 2001-02).

In 2001-02, expenses in the Transport policy area are expected to total \$2,936 million while asset acquisitions of \$1,047 million are projected. Full details of various initiatives are shown in Budget Papers No. 3 and No. 4.

HOUSING AND WATER

Overall Objective

The key objectives of this policy area are to:

- ◆ meet community needs for housing, urban development and water and sewerage;
- ◆ improve investor and community confidence in the urban planning and assessment system; and
- ◆ advance sustainable economic development in relation to the provision of housing and local area infrastructure.

Scope of Policy Area

This policy area covers Payments to Other Government Bodies for Housing, the Aboriginal Housing Office, the First Home Owner Grant Scheme, the Department of Aboriginal Affairs, housing-related consumer protection functions of the Department of Fair Trading, land development funds and urban development policy programs of the Department of Urban Affairs and Planning.

Some small non-budget dependent General Government agencies are also included in this policy area, including the Home Purchase Assistance Authority, Home Purchase Assistance Fund and Honeysuckle Development Corporation.

Services Delivered

Examples of the services provided within this policy area in 2001-02 include:

- ◆ housing support to an estimated 479,000 people as part of the Government's \$502.1 million Housing Assistance Program. This includes 326,000 people accommodated in Government subsidised housing managed by public, community or Aboriginal housing providers and around 84,000 private renters and home buyers;
- ◆ grants of \$337.4 million under the First Home Owner Grant Scheme;
- ◆ \$32.6 million in funding for the Aboriginal Communities Development Program to address major deficiencies in housing and essential infrastructure experienced by a number of Aboriginal communities;
- ◆ activities to improve the social and physical amenity of housing estates and older housing stock;
- ◆ construction and / or completion of 91 water supply and sewerage projects (\$66.8 million in 2001-02) under the Country Towns Water Supply and Sewerage Scheme; and
- ◆ the management of 91,500 water licences.

Government Initiatives

In delivering these services, the Government will undertake the following key initiatives in the 2001-02 Budget year:

- ◆ fund \$192.6 million, \$8.9 million and \$18.6 million in improvements to older housing stock in the public, community (including crisis) and Aboriginal housing sectors, respectively. This will involve more than 60,000 dwellings;
- ◆ maintain a supply program of \$242.9 million to fund public, community (including crisis) and Aboriginal housing works-in-progress, new capital works and existing and new leased dwellings from the private market;
- ◆ provide \$26.6 million for maintenance and fire safety on public housing properties, as well as Aboriginal Housing Office property upgrades;

- ◆ implement *Plan First* reforms – utilising a whole-of-government approach, in partnership with local government, to State, regional and local planning;
- ◆ provide \$10.7 million for the redevelopment of the Festival Development Corporation site at Mount Penang;
- ◆ provide \$5 million to meet the Honeysuckle Development Corporation’s community service obligations;
- ◆ provide \$66.8 million to meet commitments in delivering projects in backlog water supply and sewerage schemes in country towns. This includes enhanced funding of \$15 million in 2001-02 as part of a commitment to an additional \$60 million over the next four years. An additional \$20 million will be spent over five years in bringing forward projects in the Sydney catchment area; and
- ◆ provide \$7.7 million for Irrigation Areas Land and Water Management Plans.

In 2001-02, expenses in the Housing and Water policy area are expected to total \$1,084 million (which includes grants for asset acquisitions by Housing agencies) while other asset acquisitions of \$22 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

AGRICULTURE, FORESTRY AND FISHING

Overall Objective

The objectives of this policy area are to:

- ◆ assist the agriculture, forestry and fishing sectors to be economically and environmentally sustainable;
- ◆ develop and implement major reform priorities in water, land, vegetation and fishery management;
- ◆ provide research, advice, education and regulation for landholders and industry to improve catchment management planning, agricultural systems and fisheries management; and
- ◆ provide advice and assistance in relation to the Government’s forestry policy reform and structural adjustment program.

Scope of Policy Area

The functions underlying this policy area are carried out primarily by NSW Agriculture, the Department of Land and Water Conservation, NSW Fisheries, the Rural Assistance Authority and the forestry policy and reforms program of the Department of Information Technology and Management.

Services Delivered

Examples of the services and activities provided within this policy area in 2001-02 include:

- ◆ skills workshops for 11,200 farmers;
- ◆ 26,000 home study and short course enrolments through the State's agricultural colleges;
- ◆ 18 educational courses on farm and land management sustainability issues;
- ◆ administration of the Natural Disaster Relief Scheme on behalf of the State;
- ◆ business planning and skills training for up to 7,000 farmers under the joint State / Commonwealth funded FarmBis program;
- ◆ provision of financial support for water use efficiency schemes under the Government's \$25 million, five-year Water Reform Structural Adjustment Package;
- ◆ an allocation of \$38.2 million for Natural Heritage Trust programs administered by the Department of Land and Water Conservation;
- ◆ assistance to 35 forestry businesses to invest in value adding employment creation;
- ◆ provision of retraining for 1,850 forestry workers affected by forestry policy reforms; and
- ◆ implementation of ten fisheries Management Plans, protection of 26 fish species and various initiatives supporting the State's \$46 million aquaculture industry.

Government Initiatives

In delivering these services, the Government will undertake the following key initiatives in the 2001-02 Budget year:

- ◆ provide a new allocation of \$13.1 million, spread across several agencies, to fund service delivery costs associated with implementing the second phase of the Government's water reform initiatives as embodied in the *Water Management Act 2000*. These reforms will ensure the sustainable and integrated management of the State's water for the benefit of present and future generations. A total allocation of \$64.7 million program over four years has been provided for these reforms;
- ◆ expend around \$13 million under the *NSW Salinity Strategy* – part of a total \$52 million program over four years, spread across several agencies. Specific initiatives include the establishment of an Environmental Services Investment Fund to facilitate sustainable investment in salinity remediation actions; creation of specialist salt action teams to provide landholders with up-to-date scientific and land management advice; upgrade of information data and analytical tools to underpin effective on-ground action; additional investment in scientific research and development; and implementation of salinity targets, catchment planning systems and an effective regulatory framework;
- ◆ provide up to \$7.4 million over the next three years (including around \$3 million in 2001-02) to continue combating the problem of soil acidity, including acid sulfate soils. Expenditure will be in the form of grants and operating funds for community projects and education, and research to prevent, manage and find solutions to soil acidity problems;
- ◆ provide \$6.9 million in grants to local government authorities to improve the delivery of noxious weed control programs across New South Wales by developing and implementing coordinated regional plans, controlling weeds on road sides, inspecting private properties and introducing appropriate control measures;
- ◆ provide \$2.3 million to assist the sheep industry combat the debilitating Ovine Johne's disease through the monitoring and control of the diseases further spread as well as providing personalised service to approximately 500 owners of currently infected flocks;
- ◆ commence a new FarmBis program – Skilling Farmers for the Future Program – from 1 July 2001, with \$26.8 million in joint State / Commonwealth funding being provided over three years;

- ◆ provide \$5 million for the Native Vegetation Management Fund (as part of a total program of \$18.5 million over four years) to protect, maintain and rehabilitate native vegetation by promoting on-farm conservation;
- ◆ build a \$1.5 million joint office facility for the Marine Parks Authority, New South Wales Fisheries and the National Parks and Wildlife Service at Huskisson, Jervis Bay;
- ◆ provide an additional \$178,000 to assist in the conservation of marine biodiversity through the creation of marine parks;
- ◆ re-invest the \$8.5 million expected to be raised by the general recreational fishing fee back into improving recreational fishing across New South Wales; for example, through the creation of recreational fishing areas, restocking initiatives, research and conservation; and
- ◆ provide \$73.3 million for forest industry reforms, including \$48.9 million in support for expenditure incurred under the joint State / Commonwealth Forest Industry Structural Adjustment Package.

In 2001-02, expenses in the Agriculture, Forestry and Fishing policy area are expected to total \$582 million while asset acquisitions of \$41 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

ENVIRONMENT PROTECTION

Overall Objective

The key objectives of this policy area are to:

- ◆ protect, maintain and restore the quality of the environment, having regard to the need to maintain ecologically sustainable development;
- ◆ conserve, protect and manage the State's natural and cultural heritage;
- ◆ achieve a balanced mix of social, economic and environmental outcomes in the management of natural resources;
- ◆ promote education and research into environmental problems; and
- ◆ implement a range of initiatives to improve the quality of the State's waterways.

Scope of Policy Area

The natural resources aspects of this policy area are carried out by the Department of Land and Water Conservation, National Parks and Wildlife Service, Environment Protection Authority, Waste Planning and Management Fund, Stormwater Trust and the Environmental Trust.

Expenditure related to the acquisition and improvement of regionally significant and open space lands under the Sydney Region Development Fund is also included.

Services Delivered

Examples of the services and activities provided within this policy area include:

- ◆ development of the strategic policy framework and programs for the sustainable management of the State's key natural resources;
- ◆ provision of 146 national parks, 302 nature reserves, 19 State recreation areas and seven regional parks as part of the 5.1 million hectares reserved in New South Wales under the *National Parks and Wildlife Act 1974*;
- ◆ grants to the Zoological Parks Board for asset maintenance and as a contribution towards the operating costs of the zoos;
- ◆ the conservation, protection and management of the State's natural and cultural heritage and recreational opportunities through the network of national and regional parks. Since 1995-96, the Government has declared over 250 new national parks and reserves, including additions to existing reserves. More than 700,000 hectares of State Forest in the north-east and south-east of New South Wales has also been transferred to the National Parks and Wildlife Service as a result of the Government's forestry reform process;
- ◆ development of waste minimisation and air and noise emission control initiatives by the Environment Protection Authority; and
- ◆ funding of programs under the Stormwater Trust (\$80 million over the four-year period 1997-98 to 2001-02) to plan for and control stormwater discharges and reduce the impact from sewerage systems.

Government Initiatives

In delivering these services, the Government will undertake the following key initiatives in the 2001-02 Budget year:

- ◆ contribute \$22.1 million to the Zoological Parks Board for various purposes, including a major program of rebuilding and modernisation of facilities and exhibits, and for research and public education;
- ◆ spend \$56.7 million on waste minimisation and management initiatives, including an amount of \$47.4 million to support the Waste Planning and Management Fund;
- ◆ extend Stormwater Trust funding by \$20 million;
- ◆ implement the new *Protection of the Environment (Operations) Act 2000* and other new legislation;
- ◆ provide a total of \$44.9 million for capital works by the National Parks and Wildlife Service to acquire additional lands with high conservation values, with a particular focus on suitable parcels of land in western New South Wales. These funds will also be used to significantly extend and upgrade sewerage infrastructure and public amenities in a number of parks across the State, and develop and upgrade recreational facilities in regional and metropolitan parks in western Sydney;
- ◆ provide \$0.9 million for the establishment and management of the proposed Stockton Bight National Park;
- ◆ provide \$5.4 million (\$4.7 million per annum from 2002-03) for the management of newly established parks in south-eastern New South Wales following the Southern Comprehensive Regional Assessment;
- ◆ allocate \$1.8 million (with a further \$1 million in 2002-03) for a further stage of the State Biodiversity Strategy. Funding will be used to undertake assessments, develop plans and improve public access to information in respect of flora and fauna that are important to the conservation of specific bio-regions;
- ◆ provide \$0.9 million as a capital grant to the Jenolan Caves Reserve Trust for remediation works, including the upgrade of sewerage systems at Wombeyan and Jenolan Caves and flood mitigation at Abercrombie Caves;

- ◆ develop markets and investment strategies that encourage public and private participation in activities producing environmental benefits;
- ◆ expend \$35.9 million on regionally significant and open space lands, either acquired or improved through funding provided by the Sydney Region Development Fund; and
- ◆ provide new funding of \$2 million (as part of a two-year, \$4 million commitment) to expedite the construction of a levee bank at Lismore - part of the State's contribution (\$13.9 million) towards floodplain management.

In 2001-02, expenses in the Environment Protection policy area are expected to total \$83 million while asset acquisitions of \$22 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

RECREATION AND CULTURE

Overall Objective

The objectives of the Recreation and Culture policy area are to provide a range of recreational, sporting and cultural amenities for the use and enjoyment of the people of New South Wales, and to ensure the proper conduct and balanced development of the gaming, racing, charity and liquor industries.

Scope of Policy Area

The Recreation and Culture policy area is diverse and includes the major functions of the Olympic Co-ordination Authority (OCA), Department of Sport and Recreation, Department of Gaming and Racing, Casino Control Authority, Royal Botanic Gardens and Domain Trust, Centennial Park and Moore Park Trust, Ministry for the Arts and the State's cultural institutions including the Historic Houses Trust, Film and Television Office, Museum of Applied Arts and Sciences, State Library, Australian Museum and the Art Gallery of New South Wales.

Services Delivered

The Recreation and Culture policy area includes:

- ◆ a cultural grants program and other funding to support the development of the arts and cultural sector. This includes supporting the activities of a range of individuals and organisations and promoting the development of the film and television industry;

- ◆ museum, information, performing arts, education and exhibition services provided by the cultural institutions for over 7 million on-site visitors and 500,000 regional participants;
- ◆ maintenance and improvement of high-use community areas such as parklands, gardens and leisure facilities. This is a complex task requiring the balancing of conflicting demands for recreational use of facilities, protection of the environment, financial sustainability and equity of access;
- ◆ support for sport and recreation services at the State and regional levels, including provision of 450 participant days at eleven Sport and Recreation Centres and Academies, assisting the development of 467 local and 22 regional sports facilities, and supporting the operations of the NSW Institute of Sport, Sydney Aquatic and Athletic Centres and the State Sports Centre; and
- ◆ overseeing the operations of the liquor, gaming, racing and charity industries and ensuring the minimisation of harm from liquor and gambling activities.

Government Initiatives

Key initiatives for 2001-02 include:

- ◆ \$1.8 million over three years to implement an industry assistance package for the performing arts sector, which will help to ensure the ongoing financial viability of the major companies based in New South Wales, provide incentives for the companies to work with festivals and young performers, and enhance marketing initiatives and training;
- ◆ \$0.5 million per annum from 2001-02 to assist in the development of essential arts infrastructure in Western Sydney such as studio, rehearsal, performance and office space;
- ◆ \$0.75 million per annum from 2001-02 rising to \$0.95 million per annum from 2003-04 to provide regional audiences access to performances by the State's leading theatre and music companies and to renew and enhance arts activities in targeted regional centres;
- ◆ \$1.5 million to the Sydney Opera House Trust in 2001-02 for a detailed study of the Opera Theatre. This project will evaluate options to address acoustic deficiencies of the pit and occupational health and safety concerns, as well as provide for subsequent planning and design;

- ◆ \$5.2 million over four years to promote New South Wales as a filming location and to strengthen script and project development;
- ◆ \$13.8 million over four years to conserve the historic industrial buildings behind The Mint in Macquarie Street and relocate the head office of the Historic Houses Trust;
- ◆ \$3.4 million over three years to integrate and digitise the Australian Museum's collections databases and develop the Museum's Internet site to provide greater access to collections and resources online; and
- ◆ \$1.2 million to the Department of Sport and Recreation to improve water safety in New South Wales.

In 2001-02, expenses in the Recreation and Culture policy area are expected to total \$594 million while asset acquisitions of \$87 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

OTHER ECONOMIC SERVICES, MINING, ENERGY AND CONSTRUCTION

Scope of Policy Area

This policy area includes a broad range of functions, activities and expenditures incurred by the Department of State and Regional Development, Industrial Relations Commission, Department of Industrial Relations, Compensation Court of the Attorney-General's Department, Office of Information Technology, Independent Pricing and Regulatory Tribunal, Department of Fair Trading, Tourism New South Wales, Department of Mineral Resources, Coal Compensation Board, Ministry of Energy and Utilities, Sustainable Energy Development Authority, vocational educational programs administered by the Department of Education and Training and expenditure by the Market Implementation Group within NSW Treasury.

Some of the larger non-budget dependent General Government agencies are also included in this policy area: for example, the New South Wales Insurance Ministerial Corporation, WorkCover Authority, Building and Construction Industry Long Service Payments Corporation and Workers' Compensation (Dust Diseases) Board.

Services Delivered

Examples of the services and activities provided within this broad policy area in 2001-02 include:

- ◆ expenditure of \$17.5 million to provide a comprehensive information framework on the State's geological, mineral and energy resources;
- ◆ the seven-year \$30 million "Exploration NSW" initiative aimed at attracting exploration investment to the State. Estimated outcomes in 2001-02 include: private mineral and petroleum exploration expenditure of \$82 million, investment in new mines and expansions of \$1,000 million and an annual value of mineral production of \$7,300 million;
- ◆ funding of \$46.3 million to promote New South Wales as a tourist destination;
- ◆ provision of an industry-based, portable long-service benefit scheme for workers in the building and construction industry;
- ◆ ongoing development and implementation of the Government's energy reform initiatives; and
- ◆ funding for resolution of worker' compensation disputes, including funding of the Compensation Court of New South Wales and the Workers' Compensation Resolution Service.

Government Initiatives

In delivering the above services, the Government will undertake the following key initiatives in the 2001-02 Budget year:

- ◆ undertake a natural gas and electricity market retail contestability communication campaign (\$3 million);
- ◆ transfer the electricity pensioner rebate scheme (\$67.5 million) to the Ministry of Energy and Utilities from 1 July 2001. This transfer will ensure the scheme is integrated with arrangements for households being able to enter the contestable market for both gas and electricity as from 1 January 2002;
- ◆ facilitate the development of financing options for sustainable energy for both business and consumers such as energy performance contracts and pooled investment vehicles;

- ◆ initiation of a series of measures (\$1.5 million) under the Outworker project aimed at protecting clothing outworkers from industrial exploitation and enhancing the long-term viability of the New South Wales clothing industry;
- ◆ provide funding of \$12 million under the *connect.nsw* program;
- ◆ provide \$8 million for the online business licensing project coordinated by the Office of Information Technology;
- ◆ establish a post Olympics Business Program within the Department of State and Regional Development aimed at maximising the investment attraction and trade potential of the State; and
- ◆ establish a new service for technology start-up companies as part of the Small Business Expansion Program, taking account of the special challenges faced in areas such as biotechnology and information technology.

In 2001-02, expenses in the Other Economic Services policy area are expected to total \$1,867 million while asset acquisitions of \$52 million are projected. Further details are provided in Budget Papers No. 3 and No. 4.

OTHER PURPOSES

Overall Objective

The objective of this policy area is to effectively and efficiently meet the machinery of Government activities, including the Legislature and central agencies, and meet superannuation and debt servicing costs of the whole General Government Sector.

Scope of Policy Area

The Other Purposes policy area covers a range of activities including:

- ◆ interest payments of the General Government Sector including the RTA and other transactions such as long service leave and superannuation which cannot be specifically allocated to other policy areas;
- ◆ legislative services including The Legislature and the Parliamentary Counsel's Office;
- ◆ the majority of the operations of the central agencies, namely Treasury, Cabinet Office and Premier's Department;

- ◆ State Electoral Office, Ombudsman's Office, Independent Commission Against Corruption and State Records Authority;
- ◆ operations of the Department of Local Government and the policy, development and compliance functions of the Department of Gaming and Racing; and
- ◆ funding provided to the Department of Public Works and Services for the administration and co-ordination of community and General Government services and maintenance of certain Crown assets.

Services Delivered

Around \$4 billion will be spent in the Other Purposes Policy Area in 2001-02. The major components of total expenses in this policy area are \$1.7 billion for superannuation, \$300 million for long service leave and \$885 million for finance costs across the whole General Government Sector. Other significant services in this policy area include:

- ◆ \$340 million for services of the Department of Public Works and Services, including procurement, asset and project management, property disposal, engineering and valuation services;
- ◆ \$139 million for the operations of the Premier's Department, Cabinet Office, and Treasury, including all the revenue collection functions of the Office of State Revenue;
- ◆ \$74 million for legislative services;
- ◆ \$15 million to be invested in water saving projects to increase water flow in the Snowy River. This is part of a NSW Government contribution of \$150 million towards a ten years \$375 million program funded by NSW, Victoria and the Commonwealth Governments to increase water flows in the Snowy River to an average 21 percent of the original level prior to the construction of the Snowy Scheme; and
- ◆ \$250 million for the Treasurer's Recurrent Advance, which is a contingency item that provides for unforeseen recurrent expenditure by the General Government Sector.

The major components of asset acquisitions in this policy are plant and equipment and the development and implementation of information technology systems, which are necessary for the administrative support.

Also included within this policy area is the Treasurer's Capital Advance of \$40 million, which is a contingency item that provides for unforeseen asset acquisition expenditure by the General Government Sector.

Further details are provided in Budget Papers No. 3 and No. 4.