

4.3.21 MINISTER FOR URBAN AFFAIRS AND PLANNING AND MINISTER FOR HOUSING

OVERVIEW

Agency	Forecast 1995-96	Estimate 1996-97	Variation
	\$m	\$m	%
Department of Urban Affairs and Planning			
Current Payments	111.1	123.6	11.3
Capital Payments	446.6	429.8	(-) 3.8
Payments to other Government Bodies under the Control of the Minister			
Current Payments	77.8	84.8	9.0
Capital Payments	86.3	15.6	(-) 81.9
Total, Minister for Urban Affairs and Planning and Minister for Housing	721.8	653.8	(-) 9.4

The increase in current payments in 1996-97 for the Department of Urban Affairs and Planning is primarily due to an increase in housing initiatives, an increase in financial assistance to community projects and the establishment of the Office of Community Housing.

The variation in capital payments for the Department of Urban Affairs and Planning reflects revised Commonwealth/State Housing funding levels and the reclassification of capital payments to current payments including the expenses associated with the Office of Housing Policy and the Office of Community Housing.

The increase in current payments to other Government bodies under the control of the Minister reflects the increase in pensioners eligible to receive rate rebates from Sydney Water and the Hunter Water Corporation and the move to usage pricing.

The decrease in capital payments to other Government bodies under the control of the Minister (Citywest Development and Honeysuckle Development Corporations) reflects the winding down of projects under the Building Better Cities program. This is expected to be completed in 1996-97.

DEPARTMENT OF URBAN AFFAIRS AND PLANNING

The Department is primarily involved in planning and planning related issues. It promotes proper management, development and conservation of resources and heritage items in the planning of land use within the State. In addition, it funds and implements projects that impact on urban development. The major expenditure area for the program is the administration of payments for public and community housing.

Expenditure Trends and Recent Developments

Recent developments include -

- the transfer on 1 July 1995 of the Resource and Conservation Assessment Council from the Cabinet Office. It is responsible for the implementation of the Government's forestry and conservation policies and associated reforms;
- the publication of the Housing Policy Green Paper on the future direction of Housing for public consultation; and
- the establishment of the Sydney West Airport Development Corporation to co-ordinate development in the Sydney West Airport growth area.

Strategic Directions

The Department undertakes programs to fulfil its role in developing plans and policies for environmental management, developing and monitoring housing policy and promoting initiatives in urban development.

Major features of the Department's strategic direction are -

- promotion of a whole of government approach to housing and urban planning policy to ensure that the Greater Metropolitan region is planned in accordance with broader government objectives for managing urban growth and for improving service planning and co-ordination;
- delivery of a quality planning and environmental impact assessment framework to help achieve ecologically sustainable development in accordance with the State Government's economic development and environmental mandates;
- continued development of guidelines and planning policy statements which are consistent with the Government's coastal policy;
- the provision of high level advice on forestry issues including extensive consultation with environmental and industry groups;

- the study, promotion and conservation of the State's built and natural heritage and the establishment of a new Heritage Office; and
- the encouragement of a more diversified housing assistance system, improving access to housing assistance for disadvantaged groups and influencing housing affordability and choice in the private market.

1996-97 Budget

Current Payments

Current payments include -

- \$36.6 million planned for the promotion, implementation and co-ordination of Government policies in the program areas of metropolitan planning (\$18.9 million), State and regional planning (\$13.7 million) and heritage assessment and resources (\$4 million);
- \$5 million for the finalisation of the interim forestry assessment program and the commencement of the comprehensive regional assessment process, under the direction of the Resource and Conservation Assessment Council;
- \$2.1 million for planning and associated strategic studies as part of the Better Cities II program;
- \$7.2 million for the provision of funding to community projects under the Area Assistance Schemes;
- \$7.5 million for the administration of the Office of Housing Policy and the Office of Community Housing;
- \$700,000 for the operating and strategic planning expenses following the establishment of the Sydney West Airport Development Corporation and the Sydney South Development Corporation; and
- expenditure to support heritage projects from the interest generated from a \$30 million heritage fund established to enhance the protection of the State's heritage assets. Those funds are to be raised from a \$5 million allocation from the sale of the State Office Block and \$25 million over 3 years from the disposal of land held by Landcom.

Housing Assistance Program

The Housing Assistance program uses resources provided principally under the Commonwealth/State Housing Agreement to provide housing assistance to low income households unable to access or maintain adequate and appropriate housing. The programs are delivered by the Office of Housing Policy, the Office of Community Housing, the Department of Housing and the Home Purchase Assistance Authority.

In 1996-97, \$490.1 million (current and capital) will be allocated under the Commonwealth/State Housing Agreement, with the State Government contributing \$142.4 million and the Commonwealth contributing \$347.7 million. In addition, \$41.9 million will be made available from the Department of Housing's internal funds, mainly resulting from sales of housing stock. An amount of \$42.6 million will also be provided through borrowings under the Social Housing Subsidy Program.

Specific State funding of \$5.3 million will be provided for the Mental Health Supported Housing program (\$3 million) and other housing initiatives.

In addition to ongoing programs for new dwellings, financial assistance, crisis accommodation, supported housing initiatives and housing stock improvements, the 1996-97 program reflects the Government's strategies of diversifying housing assistance programs, supporting broader government strategies, particularly urban consolidation.

This is reflected in -

- the housing assistance program which will provide approximately 16,400 lettings to tenants in the social housing system, financial assistance for 39,000 lettings to private renters and homeowners, and 2,415 crisis accommodation places;
- a new supply of 2,732 dwellings which were under the capital program and a further 1,800 dwellings which will be achieved through private sector investment in social housing;
- continued emphasis on urban consolidation. In 1996-97, 42 per cent of the Department of Housing's supply of new dwellings will be through redevelopment (the proportion rises to over 55 per cent in the metropolitan region);
- community housing programs which will expend \$102 million and yield 1,377 new units of accommodation, while additional resources of \$24 million will be invested in Aboriginal housing programs, providing 122 new dwellings, mainly through community based providers; and
- substantial increase in the level of funding for improvements to the housing stock, with \$62 million for capital upgrading (including \$9 million for fire safety works) and \$25 million to support the systematic expansion of the neighbourhood improvement strategy for large estates.

Capital Payments

The Department's program consists primarily of funding for the acquisition of coastal land, designated as such by the Coastal Lands Protection Scheme, which is part of the overall framework for the planning and development of the State's unique coastal areas.

This year, \$1.5 million will be available for various land acquisitions identified under the Scheme. This will enable the Department to fulfil its role in encouraging proper management, development and conservation of coastal land within the State.

Minor works funding of \$100,000 is provided for the purchase of plant and equipment.

PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

City West Development Corporation and Honeysuckle Development Corporation

The Department of Urban Affairs and Planning administers payments made as part of the Better Cities program. In 1996-97 the Department will administer capital grants totalling \$15.6 million, comprising allocations of \$8.6 million to the City West Development Corporation for the Ultimo-Pyrmont and the Eveleigh Area strategies and \$7 million to the Honeysuckle Development Corporation for the Honeysuckle (Newcastle) and Environs Area Strategy.

Payments for Water and Sewerage Assistance

Current payments of \$84.8 million in 1996-97 comprise -

- \$57 million for water and sewerage rate rebates for pensioners provided by Sydney Water and the Hunter Water Corporation;
- \$14.5 million for transitional water rebates associated with the move to usage pricing;
- contributions to environmental trusts by Sydney Water of \$13 million; and
- \$332,000 for the Blue Mountains septic pumpout service.