

MINISTER FOR PUBLIC WORKS AND SERVICES

OVERVIEW

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Office of the Minister for Public Works and Services			
Total Expenses	41.8	39.2	- 6.2
Asset Acquisitions
Department of Public Works and Services			
Total Expenses	362.7	373.7	3.0
Asset Acquisitions	18.1	9.6	- 47.0
Total, Minister for Public Works and Services			
Total Expenses	404.5	412.9	2.1
Asset Acquisitions	18.1	9.6	- 47.0

OFFICE OF THE MINISTER FOR PUBLIC WORKS AND SERVICES

The Office of the Minister for Public Works and Services provides for the development of operational policy and risk management frameworks for Government to ensure the effective utilisation of resources and reduce Government's risk exposure across its total procurement activities.

The services include advice and policy development for procurement, risk management, total asset management, management of Government-wide contracts and maintenance services for key heritage buildings.

These services are purchased from the Department of Public Works and Services.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Compared to 1998-99, savings of \$6.5 million have been achieved in the activities of the Office of the Minister for Public Works and Services. A further \$1 million saving is anticipated in 2001-02 over 2000-01. This will be achieved through efficiency gains and direct charging arrangements.

STRATEGIC DIRECTIONS

The Office of the Minister for Public Works and Services has an advisory role to Government and develops whole-of-government policies and activities to:

- ◆ develop a whole-of-government approach to total asset management policy, procedures and standards;
- ◆ provide leadership in the reform of the building and construction industry;
- ◆ consolidate the Government's purchasing power to maximise the benefits and cost savings to Government and clients;
- ◆ consolidate the Government's contracting to maximise benefits of the risk management process across all procurement functions;
- ◆ provide information to the public on Government initiatives and activities through various communication media and the provision of the Government Gazette; and
- ◆ provide impartial advice and professional expertise on business services and infrastructure to the New South Wales Government in areas including environment and energy management, natural disasters relief and heritage conservation.

2001-02 BUDGET

Total Expenses

Total expenses of \$39.2 million include:

- ◆ \$9.1 million to complete the CBD core accommodation strategy;
- ◆ \$5.8 million allocated to procurement, risk management and total asset management activities in 2001-02 to reduce risks in contracting for capital works and make optimal use of Government assets through effective planning, acquisition, management and disposal strategies;
- ◆ \$4.9 million for specialist policy advice, investigations and regulatory compliance;

- ◆ \$4.7 million for stonework and heritage maintenance projects and \$0.6 million for the purchase of sandstone. Restoration work will be carried out on Sydney Observatory, Art Gallery, Australian Museum, Government House, East Sydney College, State Library and Supreme Court;
- ◆ \$3.3 million for ongoing construction industry development;
- ◆ \$3.1 million for maintenance of Parliament House and Government House; and
- ◆ \$2.3m for the provision of Government-wide procurement and purchasing policies which pass on savings to agencies through the bulk purchasing power of the Government.

Asset Acquisitions

The office of the Minister for Public Works and Services has a minor asset requisition program of \$29,000 for computer equipment.

DEPARTMENT OF PUBLIC WORKS AND SERVICES

The Department of Public Works and Services (DPWS) provides a range of services including procurement, asset management, project management, property disposal, engineering and valuation services. DPWS brings together a wide range of technical, managerial and specialist skills which, together with an intimate knowledge of Government, ensures clients are provided with innovative and practical solutions to all their asset related needs. As a commercially focused service delivery organisation, the work of the Department is broad and diverse, ranging from providing leadership in developing and implementing whole-of-government policies to providing commercial business services.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

As the Department's major client base is the public sector, changes in Government policies and directions have a direct impact on its financial performance. Savings in Government spending, restructure of agencies, new policy initiatives and redirection of funding to specific portfolios have the capacity to open up new markets or conversely restrict other markets with a resultant impact on performance.

The Department's expenditure and revenue have been around \$360-\$370 million for the previous two financial years, and are anticipated to increase marginally in 2001-02.

STRATEGIC DIRECTIONS

The Department is continuing with its business improvement programs to ensure it remains competitive in the current and future economic climate.

A new focus for DPWS is in the developing area of e-Commerce. In response to the Premier's intention for technology to be dominant within New South Wales, DPWS has undertaken a substantial number of innovative projects including Electronic Tendering, the development of Jobs-on-Line and Project Web. The most significant development is the implementation of an Electronic Marketplace to facilitate procurement within the New South Wales public sector. This will have a measurable benefit although it will involve considerable investment within DPWS and from participating agencies and suppliers.

The implementation of the shared business support model, a major strategy to reduce corporate overheads, has completed its initial stage of consolidating and standardising the shared corporate and business services within DPWS. During 2001-02, the Department will focus on re-engineering a number of administrative and support activities to improve service quality and lower service delivery costs.

Another major initiative is the implementation of the Integrated Management System, with the major benefits to be realised from 2001-02.

DPWS has recently implemented a Portfolio Diagnosis Review to improve the performance of the Department. The Portfolio Diagnosis process reviews performance of business units and identifies key factors affecting performance. After completing the review, the Department developed an improvement program for the Business Units and corporate areas. The program focuses on the areas within DPWS requiring significant improvement to ensure the Department's improved service delivery.

2001-02 BUDGET

Total Expenses

Total expenses for 2001-02 are estimated to be \$374 million, an increase of 4.6 percent over 2000-01. The increase mainly reflects increased net superannuation expenses and award salary increases. These are partly offset by savings associated with the Shared Business Support and Integrated Management Systems.

Asset Acquisitions

Total capital expenditure for 2001-02 is estimated to be \$9.6 million. Major expenditure includes the Information Management and Technology System Upgrade (\$2.9 million), Information Technology Infrastructure (\$2.4 million), plant and equipment (\$1.4 million) and Information System Enhancements (\$1 million). The lower expenditure in 2001-02 compared to 2000-01 is due to significant expenditure incurred in 2000-01, mainly on the Integrated Management System and IT related projects, which will not be incurred in 2001-02.