

**MINISTER FOR INFORMATION TECHNOLOGY,
MINISTER FOR ENERGY,
MINISTER FOR FORESTRY AND
MINISTER FOR WESTERN SYDNEY**

OVERVIEW

<i>Agency</i>	<i>Budget 2001-02 \$m</i>	<i>Budget 2002-03 \$m</i>	<i>Variation %</i>
Department of Information Technology and Management			
Total Expenses	136.3	137.8	1.1
Asset Acquisitions	2.0	22.0	n.a.
Ministry of Energy and Utilities			
Total Expenses	80.7	89.3	10.7
Asset Acquisitions	0.1	0.1	...
Sustainable Energy Development Authority			
Total Expenses	13.7	12.7	-7.4
Asset Acquisitions	0.1	0.1	...
Payments for Water and Sewerage Assistance			
Total Expenses	74.1	87.5	18.1
Asset Acquisitions
Land and Property Information New South Wales			
Total Expenses	94.0	104.4	11.2
Asset Acquisitions	11.6	14.2	22.2
Total, Minister for Information Technology, Minister for Energy, Minister for Forestry and Minister for Western Sydney			
Total Expenses	398.8	431.7	8.2
Asset Acquisitions	13.8	36.4	163.8

DEPARTMENT OF INFORMATION TECHNOLOGY AND MANAGEMENT

The Department of Information Technology and Management comprises the Office of Information Technology, the Office of Western Sydney, and the Offices of Forestry Information. Land and Property Information New South Wales, a general government non-budget dependent agency responsible for land and property information, is also incorporated within the Department of Information Technology and Management, although it provides separate financial statements.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Office of Information Technology

In 2002-03, over \$31 million will fund projects targeted at the use of information technology to improve service delivery, streamline internal government practices and reduce costs.

Those initiatives that improve service delivery to the community include \$12 million for the *connect.nsw* Program; \$8 million to establish the first online entry point for the renewal of business names and selected business licences; and \$6.4 million to enhance communication and client referral between government agencies such as the Departments of Community Services, Housing and Health, and non-government organisations.

A further \$1.4 million will be provided for the ongoing establishment of Community Technology Centres in regional New South Wales to facilitate community access to online information and services, access to information communications technology (ICT) skills training and implement a videoconferencing network; \$740,000 for coordinating implementation of the ICT Skills Program including an ICT skills awareness campaign; \$15.1 million for enhanced Government Radio Network data services; \$480,000 for market selection of replacement management services for the Government Radio Network; and \$400,000 for the Cooperative Research Centre for Smart Internet Technology.

Office of Western Sydney

In 2002-03, expenditure on the Office of Western Sydney programs and operations has increased against that in 2001-02 by \$1.1 million to \$4.2 million, which will facilitate the continuation of successful programs implemented in previous years and the expansion of new regional programs.

The Office of Western Sydney was established as the strategic regional agency to deliver initiatives to advance the interests of Western Sydney. In partnership with industry, research, government and the community, the Office has shaped a strategic regional agenda with a vision, strategies and initiatives in three key priority areas: advancing Western Sydney as a knowledge region; the environment; and social development.

In 2002-03, program expenditure will be increased by \$607,000 to enable the Office to have a major focus on strategies to position Western Sydney at the forefront of the knowledge economy, through initiatives such as the Western Sydney Biotechnology and Information Technology Clusters, the Moving Towards the Knowledge Economy Conference, the Report on the Knowledge Assets of Western Sydney and the Western Sydney Industry awards, with the majority of funding for these initiatives through sponsorship from the private sector.

The Office will also continue to build on initiatives such as the Western Sydney Environment Strategy and Corporate Partners for Change Program.

Offices of Forestry Information

The Offices of Forestry Information comprise the Forestry Policy and Structural Adjustment Units and the Office of Private Forestry. The Forestry Policy and Structural Adjustment Units facilitate implementation of the Government's forestry reforms and industry structural adjustment programs. The Office of Private Forestry facilitates the flow of private forestry services and information from the Government, and promotes plantation development and sustainable private native forestry in New South Wales.

The expenditure under the Forest Industry Structural Adjustment Package (FISAP) reflects continued New South Wales Government support for businesses and workers affected by forestry reforms. FISAP expenditure in 2002-03 is expected to increase from \$16.5 million to \$38.9 million. This increase in funding will provide assistance to businesses investing in value-adding and job creation in the NSW native timber industry.

In 2002-03, the Office of Private Forestry will continue to promote private investment in new plantation development in New South Wales and sustainable management of the State's extensive privately owned native forest estate.

STRATEGIC DIRECTIONS

Office of Information Technology

The Office of Information Technology's main objective is to provide leadership in the advancement and use of information and communications technology to achieve improved service delivery and efficiencies in all areas of Government operations.

Strategic priorities of the Office include:

- ◆ developing and driving whole-of-government policies and initiatives for the use and management of information communications technology (ICT) within and between Government, industry and the community;
- ◆ accelerating the range and volume of easily accessible and secure electronic Government services that are supported by efficient and customer focussed government business practices;
- ◆ facilitating improved information sharing and exchange across Government and within clusters of agencies;
- ◆ coordinating the implementation of the Government's Telecommunications Strategy;
- ◆ coordinating the implementation of the Government's ICT Skills Action Plan; and
- ◆ working with other State and Commonwealth agencies in the establishment of regulatory frameworks that foster development and growth of the online economy.

Office of Western Sydney

The Office of Western Sydney's strategic priorities are to:

- ◆ provide high level advice on Western Sydney issues and strategic leadership for the region;
- ◆ build partnerships and strategic alliances between organisations in Western Sydney and key stakeholders at a state, national and international level; and

- ◆ be a catalyst for change in the region by driving innovative regional initiatives to advance Western Sydney as a knowledge region, and enhance environmental and social development outcomes in the region.

Offices of Forestry Information

Strategic priorities of the Offices of Forestry Information are to:

- ◆ provide advice to the Minister, forestry committees, industry and other Government agencies regarding the Government's forestry policy, reform and structural adjustment programs;
- ◆ facilitate the implementation of the Government's forestry reform agenda through the provision of Forest Industry Structural Adjustment Package (FISAP) assistance to workers and businesses in the native timber industry;
- ◆ increase viability of the New South Wales native timber industry by providing assistance for marketing and development initiatives under the Native Timber Industry Marketing and Development Fund; and
- ◆ promote sustainable development of private native forestry and plantations.

2002-03 BUDGET

Total Expenses

The Department of Information Technology and Management's expenses will increase from \$136.3 million in 2001-02 to \$137.8 million in 2002-03. This includes an anticipated \$25.6 million from the Commonwealth Government for the Forest Industry Structural Adjustment Program that was delayed during 2001-02.

The departmental allocation will provide for:

- ◆ \$60.2 million for Forestry Policy and Reforms, including \$38.9 million for the Forest Industry Structural Adjustment Package, \$19.5 million in forestry related grants and subsidies and operating costs;

- ◆ \$73.4 million for the Office of Information Technology, including \$12 million for the *connect.nsw* program; \$8 million for online business licensing; \$1.4 million for the Community Technology Centres Program; \$6.4 million for enhancing client referral between government agencies and non-government organisations; \$740,000 for the ICT Skills Action Plan; \$480,000 for market selection of replacement management services for the Government Radio Network; \$400,000 for the Cooperative Research Centre for Smart Internet Technology;
- ◆ \$9.9 million for Land and Property Information to provide a number of non-commercial activities including operating the Geographic Names Board, maintaining the survey mark system, providing improved valuation services and contributing to the maintenance of the State's cadastral and topographical spatial databases; and
- ◆ \$4.2 million for the Office of Western Sydney, for projects to assist young people obtain jobs, apprenticeships and traineeships, and small and medium sized enterprises to adopt new technologies and develop entrepreneurial skills; and accelerate the growth of emerging industries including information technology and the biotechnology.

Asset Acquisitions

The 2002-03 Asset Acquisitions program includes \$21.8 million for the continuing the upgrade of the Government Radio Network.

In 2002-03, the Office of Western Sydney's \$160,000 Asset Acquisition program will include the upgrade of computer equipment to ensure staff have access to the latest information and communication technology available.

MINISTRY OF ENERGY AND UTILITIES

The Ministry of Energy and Utilities provides the Minister for Energy with strategic policy, legislative and regulatory advice in relation to the development of the State's energy sector and urban water utilities and related social programs.

Through collaboration with other government agencies, the energy industry and urban water utilities, consumer interest groups and other stakeholders, the Ministry assists the Government in choosing and implementing the best strategies for promoting the efficient, safe, reliable and ecologically sustainable supply and use of energy and urban water services. The Ministry also develops and implements appropriate frameworks to improve the performance of the energy industries.

The Ministry is currently focused on competition reform of the State's natural gas and electricity markets, the sustainable use of energy and water, energy safety and supply reliability.

In particular, the Ministry provides the following services:

- ◆ policy advice on the future directions of energy and urban water in New South Wales;
- ◆ administration of regulatory frameworks which facilitate the operation of safe, reliable, technically efficient and environmentally responsible energy networks;
- ◆ management of social programs, including pensioner energy rebates, to ensure access to electricity and gas by pensioners; and
- ◆ management of energy programs, including research and development, which support greenhouse and sustainable energy initiatives of the Government.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

The pensioner energy rebate and life support rebate schemes formerly with the Department of Community Services, were transferred to the Ministry on 1 July 2001 and 1 January 2002, respectively. The Ministry integrated the program with the new arrangements that enabled households to enter the contestable markets for both gas and electricity.

The New South Wales Government has also introduced a single pensioner energy rebate. This rebate is paid via electricity bills, but also accounts for gas. The rebate is set at \$112 per annum. Higher rates also apply to life support rebates. These changes increase the Government's total budgeted expenditure commitments on rebates for users of life support systems and pensioners to \$80.1 million in 2002-03 from \$68.1 million in 2001-02.

Energy retailers are now reimbursed monthly instead of six-monthly for the schemes. This decision has brought forward payments that would otherwise have been made after 1 July 2002. This is the primary reason for the increase in the Ministry's total budgeted expenses over 2001-02 from \$80.7 million to a projected \$107.6 million. This is a one-off timing effect and total expenses increase to an underlying level of \$89.3 million in 2002-03, taking into account the Government's new pensioner and life support energy rebates.

Other major developments in 2001-02 included:

- ◆ introduction of new energy policy to support full retail competition;
- ◆ development of the initial Statement of System Opportunities, providing information about electricity infrastructure development opportunities;
- ◆ continued leadership in the development of the electricity network safety regulatory framework and reliability reporting and the development of a new gas safety regulatory framework for improved performance outcomes;
- ◆ development of the electricity retailer greenhouse benchmark penalties scheme with significant consultation with stakeholders;
- ◆ development of an action plan to enhance implementation of the Government Energy Management Policy;
- ◆ development of the AGL Corporate Conversion Bill to allow the Australian Gas Light Company to have the same legislation platform as other companies in the energy sector;
- ◆ successfully participated in a National Electricity Market Major Emergency Exercise to test the emergency arrangements for electricity supply;
- ◆ transfer of the accreditation scheme for electrical service providers to the Ministry with the support of industry and the Government;
- ◆ introduction and implementation of a new electricity Demand Management Code of Practice;
- ◆ completion of research and technical issues reports on undergrounding of electricity cables in urban areas; and
- ◆ continuing initiatives for reducing New South Wales greenhouse gas emissions through the Government Energy Management Policy, appliance labelling and research and development.

STRATEGIC DIRECTIONS

New South Wales has led the way in implementing the reforms in the energy market. The Ministry will continue monitoring the new arrangements and refine them as necessary. Specifically the Ministry will:

- ◆ monitor full retail competition effectiveness for gas and electricity, and implement policy changes where necessary to ensure ongoing consumer protection;

- ◆ strengthen the safety and reliability framework for gas and electricity networks through ongoing development of the network management planning arrangements;
- ◆ enhance the Government's and the private sector's understanding of the State's electricity reserves, demand and supply balance into the future, and system development opportunities through the Statement of System Opportunities;
- ◆ actively contribute to the Energy Market Review and the Ministerial Council on Energy sponsored by the Council of Australian Governments;
- ◆ advise the Minister on ways to address and resolve various policy issues raised at the National Electricity Market Ministers' Forum;
- ◆ develop a policy position for the Government on undergrounding of electricity cables in urban areas;
- ◆ advise the Minister on strategic and emerging issues such as vegetation management near electricity networks; and
- ◆ implement the electricity retailer greenhouse benchmark penalties scheme.

The Ministry will also continue to monitor and report on a number of National Greenhouse Strategy measures.

2002-03 BUDGET

Total Expenses

The Ministry's expenditure for 2002-03 is expected to be \$89.3 million. The principal items of above expenditure are:

- ◆ Pensioner energy and life support rebate schemes (\$80.1 million);
- ◆ Statement of System Opportunities (\$0.4 million);
- ◆ Utility Consumer Advocacy Program (\$0.2 million); and
- ◆ Gas Network Safety and Reliability Regime (\$0.4 million).

With the implementation of full retail contestability in the gas market from 1 January 2002, the Ministry's facilitation role will be wound back.

ASSET ACQUISITIONS

The Ministry will undertake minor capital works of \$75,000 in 2002-03 to maintain its information technology capabilities and to purchase office equipment.

SUSTAINABLE ENERGY DEVELOPMENT AUTHORITY

The Sustainable Energy Development Authority (SEDA) was established in 1996 to reduce greenhouse gas emissions in New South Wales by promoting the commercialisation and use of energy efficiency and renewable energy technologies.

SEDA aims to increase business competitiveness through more efficient energy use, to foster new employment and investment in New South Wales through the development of the sustainable energy industry, to inform policy makers and contribute to market reform through on-the-ground replicable experience and to provide a vision of Australia's energy future.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Estimated expenditure in 2001-02 is \$13.0 million. Highlights of SEDA's activities over this period included:

- ◆ \$2.3 million to improve commercial and industrial energy efficiency. Over 170 businesses have signed agreements under the Energy Smart Business Program and are now saving in excess of 280 tonnes of carbon dioxide and \$17 million in energy costs per annum. In addition, New South Wales government agency savings from participating in the Energy Smart Government Program amount to more than \$3.8 million per annum. The Building Greenhouse Rating Scheme has expanded nationally and continues to transform the market for energy efficiency in the commercial building sector. This program is also being expanded to include other high-energy-use commercial building types such as hotels;
- ◆ \$2.2 million on programs to encourage efficient energy use in New South Wales homes. Seventy-one local councils have now committed to the program and 40 councils have fully adopted the Energy Smart Homes Policy. As a result, over 60 percent of development applications for new homes and major renovations are now subject to home energy performance standards;

- ◆ SEDA continued a state-wide Energy Smart communications program to industry and the community to highlight the economic and environmental benefits of sustainable energy technologies and increase uptake of these technologies;
- ◆ \$4.2 million on Sustainable Energy Supply programs. Through the Renewables Investment Program, \$3.8 million of financial support was allocated to projects that will result in an estimated \$31 million of investment in New South Wales. SEDA also administered \$1.8 million in renewable energy grants on behalf of the Australian Greenhouse Office; and
- ◆ the Green Power Accreditation Program, which has been extended to Victoria, Queensland, South Australia, the Australian Capital Territory and Western Australia, has stimulated the commitment of more than \$170 million in renewable energy investments in New South Wales since commencement.

STRATEGIC DIRECTIONS

SEDA's three key strategies are:

- ◆ continual improvement in existing programs;
- ◆ to explore shifting existing programs, where appropriate, onto a more self-sustaining basis; and
- ◆ to create value in SEDA through developing and servicing new markets.

While maintaining its commitment to long-term market transformation through existing programs, SEDA's commercial evolution will increasingly focus on new activities on a cost recovery or fee-for-service basis.

Elements of the commercial evolution that SEDA will pursue in 2002-03 and beyond include:

- ◆ the expansion of the Energy Smart Business Program to encompass fee-paying partners;
- ◆ further extension of the scope, nationally, of the Building Greenhouse Rating scheme through fee-for-service income and accreditation of rating assessors nationally;
- ◆ facilitation of financing options for sustainable energy for both business and consumers, such as energy performance contracts and pooled investment vehicles;

- ◆ assisting New South Wales and Australian sustainable energy businesses to tap into burgeoning export markets, particularly in the Asia Pacific region;
- ◆ developing new services and restructuring existing programs to assist electricity retailers to meet the proposed greenhouse gas emissions benchmarks introduced by the Government; and
- ◆ continued cooperation with key authorities to facilitate effective regulation, where appropriate. This includes application of the Energy Smart Homes Policy, development of efficiency standards for appliances and clarification of electricity retailers' environmental guidelines.

SEDA will also engage in strategic communication initiatives such as participating in the Government's sustainability education.

2002-03 BUDGET

Total Expenses

Total expenses in 2002-03 are estimated at \$12.7 million and include:

- ◆ Program Delivery – approximately \$3.8 million will be spent on program delivery, which includes the Energy Smart programs that ensure forecast energy savings are achieved and partnership commitments are met; and
- ◆ Grants - SEDA will allocate over \$2.2 million in grants to improve the sustainable energy supply.

Investments

SEDA will make investments worth around \$1 million in sustainable energy technologies to commercialise their use in the market place in 2002-03.

PAYMENTS FOR WATER AND SEWERAGE ASSISTANCE

Payments for Water and Sewerage Assistance provides social program funding, totalling \$87.5 million, to Sydney and Hunter Water Corporations for:

- ◆ concessions granted to pensioners on water and sewerage rates (\$73.3 million in 2002-03);
- ◆ concessions granted to properties exempt from water and sewerage rates (\$9.6 million in 2002-03);

- ◆ the connection of selected un-sewered areas to the sewerage network, based on public health and environmental priorities (\$3.9 million in 2002-03); and
- ◆ the Blue Mountains septic pump-out service (\$684,000 in 2002-03).

LAND AND PROPERTY INFORMATION NEW SOUTH WALES

Following the merger of the Land Information Centre, the Land Titles Office and the Valuer General's Office, Land and Property Information (LPI) was formed as a Government business on 1 July 2000. LPI's role is to operate the State's land and property information services and to create value through the integration of land and property information.

LPI operates from two main locations, Sydney and Bathurst, and has offices throughout New South Wales. LPI offers customer convenience irrespective of location through the innovative use of information and communications technology.

LPI has an advisory group, chaired by the Director-General of the Department of Information Technology and Management, which includes the Valuer General and members from the private sector.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

LPI's business activity continues to grow in line with the State economy generally and the level of housing activity in particular. As a result of investing heavily in new technology, LPI is becoming more capital intensive, which will allow it to provide higher quality services at lower unit costs.

STRATEGIC DIRECTIONS

LPI has made significant progress in merging the corporate support functions of the three entities. In 2002-03, LPI will consolidate gains made in 2001-02 by concentrating on its core activities. Its major focus will include continuing to integrate spatial data with all LPI information sets and developing a common cadastre aimed at reducing duplication.

LPI's goals are to provide shareholder value, improve the accuracy and quality of our information and meet the expectations of our customers.

2002-03 BUDGET

Total Expenses

Total expenses for 2002-03 are estimated to be \$104 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 2002-03 Budget for asset acquisitions is \$14.2 million. The program for LPI includes consolidating, expanding 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 integrating the databases, developing a common cadastre, replacing the spatial maintenance engine, increasing web access to information, replacing the large format printer and maintaining current computer systems and built assets.