

MINISTER FOR ROADS AND MINISTER FOR HOUSING

OVERVIEW

<i>Agency</i>	<i>Budget 2002-03 \$m</i>	<i>Budget 2003-04 \$m</i>	<i>Variation %</i>
Roads and Traffic Authority			
Total Expenses	1,542.7	1,812.0	17.5
Asset Acquisitions	1,196.4	1,208.6	1.0
Payments to Other Government Bodies Under the Control of the Minister			
Total Expenses	494.0	467.6	-5.3
Asset Acquisitions
Aboriginal Housing Office			
Total Expenses	86.8	89.9	3.6
Asset Acquisitions	13.9	9.8	-29.5
Home Purchase Assistance Fund			
Total Expenses	25.9	27.2	5.0
Asset Acquisitions
Total, Minister for Roads and Minister for Housing			
Total Expenses	2,149.4	2,396.7	11.5
Asset Acquisitions	1,210.3	1,218.4	0.7

ROADS AND TRAFFIC AUTHORITY

The Roads and Traffic Authority (RTA) is responsible for:

- ◆ testing and licensing drivers and registering and inspecting vehicles;
- ◆ managing road usage to achieve consistent travel times, particularly during peak periods, by reducing congestion delays and helping the community use the road system more effectively;
- ◆ improving road safety by encouraging better road user behaviour, ensuring compliance with regulations, improving roads and enhancing vehicle standards; and

- ◆ arterial road development, construction and maintenance, to meet community, environmental, regulatory and economic needs.

The road system comprises:

- ◆ approximately 17,600km of RTA managed major arterial roads, known as State Roads, which includes approximately 3,100 km of Commonwealth funded National Highways;
- ◆ approximately 18,400km of local council managed minor arterials, known as Regional Roads, funded primarily by the RTA;
- ◆ approximately 142,800km of local council managed access roads, funded by local rate-payers and Federal road assistance grants; and
- ◆ road and bridge infrastructure in the unincorporated area of New South Wales, managed by the RTA.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Operating expenses for 2002-03 are estimated at \$1,823.8 million and include \$502 million for depreciation of infrastructure assets. Projected capital expenditure, including asset acquisitions of \$1,245.1 million, is \$1,399.3 million. The total Capital and Maintenance Program is projected to be \$2,250.7 million.

Expenditure under the M4/M5 Cashback Scheme to reimburse tolls paid is expected to be \$65 million in 2002-03.

STRATEGIC DIRECTIONS

The RTA's strategic directions and priorities are consistent with key New South Wales Government strategic plans.

A combination of government funded and public/private sector partnerships are pursued, where appropriate, for the development and management of the road network. The RTA is currently at various stages of negotiation with the private sector for the provision of about \$3 billion worth of infrastructure.

In December 2001, the Government announced a range of revenue measures (including an increase in the Sydney Harbour Bridge toll) to fund an enhanced rebuilding program, primarily for regional and rural New South Wales. All of the \$60 million raised each year will be reinvested in the State's roads. This is additional to the Government's existing \$100 million per annum Rebuilding Country Roads Program.

In conjunction with the Attorney General's Department, the RTA is expanding the Government Access Centre network to increase access to vehicle registration, driver licensing and services for 7 other government agencies for people in rural and remote areas. A total of 45 Government Access Centres will be operating by 1 July 2003, along with 22 outreach sites that will provide periodic services to remote communities.

In the Sydney region, the Orbital Strategy will improve road links between key business and residential areas and reduce congestion and travel times. Key orbital road projects continuing in 2003-04 include:

- ◆ Western Sydney Orbital link - 39 km of divided carriageway between the M5/Hume Highway at Prestons and the M2 at west Baulkham Hills; and
- ◆ Lane Cove Tunnel – a 3.4 km long twin-tunnel between the M2 and the Gore Hill Freeway. The tunnel will complete the Sydney Orbital Motorway connecting the north-west with the CBD. It will also include bus lanes along Epping Road and transit lanes on the widened Gore Hill Freeway.

A major project for Sydney is the Cross City Tunnel – a 2.1 km tunnel between Darling Harbour and Kings Cross linking the Western and Eastern Distributors. This project will remove 95,000 car and truck trips per day from city streets and improve travel times and amenity in central Sydney.

Other continuing key road projects include the \$323 million upgrade of Old Windsor Road and Windsor Road in north-western Sydney and the upgrade of Cowpasture Road and Hoxton Park Road in south-western Sydney.

Traffic and transport management priorities include the bus only Transitway network in Western Sydney. The Liverpool to Parramatta Transitway commenced operations in 2003. Other urban bus network priority initiatives include red bus lanes, bus priority 'B' signals at traffic lights and bus lane monitoring systems using camera surveillance.

Electronic tolling is now available on all Sydney tollways and tags issued for each of the systems can be used on all of the others. The next phase in the implementation is to take further advantage of increasing toll tag usage to improve traffic flow efficiency at the Sydney Harbour Bridge and Tunnel toll plazas.

Cycling and walking priorities include expanding the cycleway network, promoting easier, safer cycling and providing pedestrian overbridge.

Road safety strategies address speed management, drink driving, seat belt usage, fatigue management, motorcyclist and cyclist safety, school and youth programs, and educational programs for repeat traffic offenders. Areas which are receiving new or increased focus include: heavy vehicle safety; road safety of pedestrians; and a rollout to other areas of the successful Operation Westsafe.

The RTA will continue to combat speeding. There are now 100 fixed digital speed cameras at high-risk locations, and a further 11 cameras in selected school 40 km/h speed zones.

Customer service delivery improvements will include expansion of the RTA's online booking system to include the Driver Qualification Test.

The RTA's community support programs include the Aboriginal Action Plan, early childhood, primary and secondary school road safety education programs, and youth road safety programs including parent support workshops for the Graduated Licensing Scheme.

2003-04 BUDGET

The RTA's 2003-04 Roads Program Budget is \$2,684 million.

Total Expenses

Total operating expenses are estimated at \$1,812 million.

Road safety programs will remain a priority. Key initiatives include:

- ◆ Driver Qualification Test;
- ◆ continuing the road safety school education programs and the Safety Around Schools Program;
- ◆ enhancing the Graduated Licensing Scheme Parent Workshops through delivery in high schools;
- ◆ an alcohol interlock program targeting serious drink drive offenders, as a whole-of-government initiative;
- ◆ an education program for repeat drink drive offenders, as a whole-of-government initiative;
- ◆ a heavy vehicle safety strategy including developing a revised fatigue management regime for heavy vehicle drivers, and increasing their seat belt wearing rates;

- ◆ *Operation Westroads*, a joint RTA/Police road safety crackdown in western New South Wales similar to a the strategy successfully used in Western Sydney;
- ◆ an integrated program to counter excessive speeding; continuing the Accident Reduction Program including the Road Blackspot Program; and
- ◆ continuing to upgrade railway level crossings with flashing lights or boom gates as part of an accelerated four year program commencing 2003-04.

Funding of \$38.3 million will be allocated to the Transport Management Centre for improving traffic incident management.

The M4/M5 Cashback Scheme payments will continue with total costs estimated at \$71 million.

Asset Acquisitions

The total Roads Program capital expenditure, including asset acquisitions of \$1,208.6 million is estimated at \$1,374 million.

The 10-year \$2.2 billion Pacific Highway Upgrade Program comprises \$1.6 billion funded by the RTA and \$600 million by the Federal Government. Major works in 2003-04 will include:

- ◆ State-funded construction of the Coopers Creek Bypass and Halfway Creek Upgrade; and
- ◆ State/Federal funded construction of Brunswick Heads to Yelgun, Karuah Bypass, Taree to Coopers Creek and Bundacree Creek to Possum Brush.

The Government will continue to invest annually an average of \$160 million in western and south-western Sydney roads. Key projects in progress include:

- ◆ completing ancillary works on the Liverpool to Parramatta Transitway;
- ◆ commencing stage one of the North West Transitway linking Parramatta, Rouse Hill and Blacktown;
- ◆ widening Windsor Road from Mile End Road to Boundary Road and from Roxborough Park Road to Showground Road;
- ◆ commencing construction of a new crossing of South Creek at Windsor; and
- ◆ continuing the Cowpasture Road upgrade and widening Hoxton Park Road.

Other major works within the Sydney area include:

- ◆ the Bangor Bypass; and
- ◆ a pedestrian overbridge at Leichhardt.

A 12-year \$460 million program to upgrade the Penrith to Orange route will continue by:

- ◆ widening the Great Western Highway to four lanes with divided carriageways between Leura and Katoomba;
- ◆ widening and realignment at Shell Corner west of Katoomba;
- ◆ improving the Great Western Highway from Hazelbrook to Lawson; and
- ◆ realignment and a new railway overbridge at Medlow Bath.

The RTA will continue the Hawkesbury Nepean Flood Plain Management Strategy co-ordinated by the Department of Infrastructure, Planning and Natural Resources.

In the Hunter and Central Coast, work will continue on:

- ◆ The Entrance Road, Terrigal Drive intersection improvements;
- ◆ The Entrance Road, Avoca Drive intersection upgrade;
- ◆ upgrading Avoca Drive at Empire Bay Road; and
- ◆ a pedestrian overbridge at East Gosford.

In the Illawarra, South Coast and Southern Highlands work will include:

- ◆ continuing the Government's ten year Princes Highway upgrade; including constructing the North Kiama Bypass and a Milton to Ulladulla overtaking lane;
- ◆ intersection improvements at the Princes Highway and O'Brien's Road, Figtree;
- ◆ the Queanbeyan northern upgrade for heavy vehicles, and
- ◆ continuing the Main Road 92 upgrade between Nowra and Nerriga.

Capital expenditure on traffic management improvements will target principal transport routes, including intersection improvements, upgrading and enhancing the co-ordinated traffic signal system and providing a range of bus priority initiatives.

Cycleway expansion will include the Homebush Bay to Fairfield, Prospect to Blacktown and Parramatta to Windsor routes.

Work will continue on the National Highways system, including:

- ◆ widening the F3 north of the Hawkesbury River;
- ◆ Hume Highway remediation at Mittagong; and
- ◆ Devils Pinch on the New England Highway.

With Federal funding, planning and property acquisition will continue for the Western Sydney Orbital and Hume Highway at Albury-Wodonga.

PAYMENTS TO OTHER GOVERNMENT BODIES UNDER THE CONTROL OF THE MINISTER

In 2003-04, a total of \$642.9 million from the Commonwealth, State and other sources will assist an estimated 500,000 people on low incomes in housing need. The Department of Housing will receive \$565.5 million and the Aboriginal Housing Office \$77.4 million. Housing assistance in 2003-04 will provide support to:

- ◆ approximately 350,000 people accommodated in Government-subsidised housing managed by public, community or Aboriginal housing providers;
- ◆ around 4,100 places available in crisis accommodation for nearly 60,000 people; and
- ◆ financial help to around 76,000 private renters and home buyers.

STRATEGIC DIRECTIONS

The Commonwealth and New South Wales have negotiated a new five-year multilateral Commonwealth-State Housing Agreement (the Agreement), commencing in 2003-04, and it is expected that negotiations will conclude on a new bilateral agreement by October 2003. The bilateral agreement will underpin the strategic priorities of the Department of Housing over the next five years. These priorities will build on the existing directions to:

- ◆ continue to assist those with priority needs, including the homeless, those in housing crisis or with support needs;
- ◆ build successful communities, in particular, to continue the emphasis on renewing the most disadvantaged communities. A key focus is improving the social amenity and physical environment of estates and improving older social housing stock; and
- ◆ increase the diversity and improve the viability of housing assistance services provided by the public, community and Aboriginal housing sectors.

2003-04 BUDGET

In 2003-04, total expenditure of \$642.9 million on housing assistance is funded by \$467.6 million from the Consolidated Fund, consisting of \$295.5 million from the Commonwealth and \$172.1 million from the State and \$175.3 million which is predominantly internal sources of the Department of Housing.

This expenditure is broadly applied in three areas: asset management for existing dwellings, housing supply and other housing assistance for people on low incomes.

Asset Management

Continuing the Government's emphasis on improving older stock, allocations of \$244.7 million, \$6.5 million and \$25 million will respectively be given to public, community (including crisis) and Aboriginal housing, for improvements to approximately 61,000 dwellings. This includes improvements ranging from painting to major upgrading works and will bring properties up to agreed standards. It also contributes to the community renewal of public housing estates.

Housing Supply Program

The supply program of \$221.4 million will fund works-in-progress, new capital works and existing and new leased dwellings as follows:

- ◆ \$85.7 million to public housing to acquire 298 new dwellings, provide subsidies for 2,617 existing leases and to lease a further 40 dwellings from the private market;
- ◆ \$103.7 million to community housing (excluding crisis accommodation) to acquire 266 new dwellings, provide subsidies for 5,651 existing leases and to lease a further 40 dwellings from the private market;
- ◆ \$22 million to the Aboriginal Housing Office (AHO), with \$9.6 million available to acquire 42 new dwellings and complete works-in-progress of AHO properties and \$12.4 million available to acquire 40 new dwellings and complete works-in-progress for community-owned properties under the Housing for Aboriginal Communities Program; and
- ◆ \$10 million from the Crisis Accommodation Program to acquire 25 new dwellings, provide subsidies for 173 existing leases and to lease a further 15 dwellings from the private market to support homeless people and those in crisis.

In total 766 new dwellings will be available, of which 671 dwellings will be purchased or constructed and 95 dwellings will be leased from the private market.

Other Assistance

The Government also helps disadvantaged and lower income people rent in the private rental market. In 2003-04, \$25.8 million will be provided to fund Rentstart, a program that provides financial assistance such as payment of bond for private renters. The Government will also provide \$10.9 million to fund special assistance subsidies to eligible people with disabilities and people living with HIV/AIDS to enable them to access the private rental market, and \$1 million to help home owners maintain their mortgage in times of financial crisis.

Other programs for public and community housing funded in this budget (total \$77.1 million) include:

- ◆ \$25.8 million for new products and service initiatives such as intensive tenancy management on high need estates, tenant employment and training programs and new programs for homeless people;
- ◆ \$22 million for loan repayments to the Commonwealth;

- ◆ \$10.4 million for contributions to Department of Housing operating costs;
- ◆ \$4.9 million for affordable housing;
- ◆ \$3 million for research and services provided by peak and resourcing bodies;
- ◆ \$2 million for the Social Housing Subsidy Program;
- ◆ \$1.8 million for tenant participation initiatives such as regional tenant resource services and public tenant representative councils;
- ◆ \$1.5 million for programs under the Partnerships Against Homelessness;
- ◆ \$0.9 million for the Housing Appeals Committee;
- ◆ \$0.3 million for the Local Government Housing Initiatives Program;
- ◆ \$0.2 million for boarding house upgrades; and
- ◆ other assistance of \$4.3 million.

The Aboriginal Housing Office will allocate \$11.5 million to fund other non asset related programs and \$19 million will be provided for the Aboriginal Communities Development Program.

Information on the planned asset acquisition program of each housing agency is in Budget Paper No. 4.

ABORIGINAL HOUSING OFFICE

The Aboriginal Housing Office (AHO) is a statutory authority established in 1998 pursuant to the *Aboriginal Housing Act 1998*. The AHO plans and administers the policies, programs and asset base for Aboriginal housing in New South Wales. This includes resource allocation, sector-wide policy, strategic planning and monitoring outcomes and performance in the Aboriginal housing sector.

The AHO manages and coordinates a substantial annual capital works program, and develops and implements a range of financial and resourcing strategies. In addition, the AHO has an important role in facilitating and improving training and employment opportunities for Aboriginal people.

In carrying out its functions, the AHO is guided by the principles of self-determination and self-management by Aboriginal people. The AHO aims to maximise the involvement of Aboriginal housing providers and the Aboriginal community (including tenants and housing applicants) in the development of housing policy and standards and the delivery of housing programs.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

Significant policy developments that will impact on AHO's expenditure and activities in 2003-04 include:

- ◆ renewal of the bilateral agreement between the New South Wales Government, Commonwealth Government and Aboriginal and Torres Strait Islanders Commission (ATSIC) on the provision and management of housing and housing-related infrastructure for Aboriginal and Torres Strait Islander people in New South Wales. This agreement achieves a single point of planning and program delivery by pooling ATSIC funds from the Community Housing and Infrastructure Program with Aboriginal Housing Program funds;
- ◆ continuation of the strategy to achieve viability of community housing providers and the stock they manage. Funds and support are provided to the relevant Registered Aboriginal Housing Organisations to improve their management skills, trial new management arrangements such as engaging a single administrator for several providers, and repair and maintain community-owned assets; and
- ◆ introduction of the AHO Home Ownership Program to enhance the existing Home Ownership Program (HOP) of ATSIC by pooling and matching additional funding in partnership. The program will target Aboriginal people who are currently residing in AHO homes and who meet the HOP criteria and wish to purchase their homes.

STRATEGIC DIRECTIONS

The *NSW Aboriginal Housing Office Strategic Plan 2001-02 to 2003-04* outlines the strategic directions for Aboriginal housing and housing-related assistance administered by the AHO. The four key strategic areas are:

- ◆ developing a sustainable Aboriginal housing sector;
- ◆ increased focus on asset management;

- ◆ increased access to safe, affordable, culturally appropriate housing; and
- ◆ promoting employment opportunities for Aboriginal people.

The Strategic Plan was developed in consultation with Aboriginal people and Aboriginal Housing Organisations as well as other key stakeholders. The Strategic Plan has been endorsed by the Board of the Aboriginal Housing Office, New South Wales Minister for Housing, the Chair of ATSIC and the Commonwealth Minister of Family and Community Services.

The strategic directions in the Strategic Plan are linked to:

- ◆ the *Aboriginal Housing Act 1998*;
- ◆ the Housing Ministers' *Building a Better Future: Indigenous Housing to 2010*; and
- ◆ the Commonwealth/State Bilateral Agreement.

2003-04 BUDGET

Total Expenses

In addition to AHO operating costs and rental property expenses for AHO properties, total expenses of \$89.9 million include:

- ◆ grants of \$12.4 million to Aboriginal communities for the acquisition of community-owned dwellings, with an expected commencement of 40 units;
- ◆ repairs and maintenance backlog expenditure on stock owned by AHO (\$10.9 million) and Aboriginal community-owned properties (\$11.2 million);
- ◆ housing component of the Aboriginal Communities Development Program (\$19 million); and
- ◆ resourcing community organisations, sector support and training.

The AHO will receive grant funding of \$43.8 million under the Commonwealth-State Housing Agreement, State funding of \$19 million for housing under the Aboriginal Communities Development Program and \$12.6 million from the ATSIC under its Community Housing and Infrastructure Program. The remainder of the AHO's funds are derived from asset sales, interest income and net rental income after rental expenses.

Asset Acquisitions

The AHO housing program provides public rental housing for Aboriginal people. In 2003-04, asset acquisitions total \$9.8 million with \$9.6 million provided for the commencement of 42 units of accommodation. These units are in addition to those financed by grants to Aboriginal communities referred to above.

HOME PURCHASE ASSISTANCE FUND

The Home Purchase Assistance Fund was established by Trust Deed in 1989 to support and administer government home purchase assistance programs. Income earned by the Fund's investments is used to meet shortfalls in the HomeFund Scheme and other programs supporting home purchase. The Department of Housing oversees the management of the Fund.

EXPENDITURE TRENDS AND RECENT DEVELOPMENTS

There was a significant, further reduction in HomeFund Scheme costs in 2002-03. This was due to the refinancing of some FANMAC Trusts at lower cost and the contraction in the size of the underlying mortgage portfolio. Overall, the costs of the restructured HomeFund Scheme have been maintained broadly in line with original projections.

In early 2002, the Government approved new lending of \$75 million for the Government Guaranteed Load Scheme. The scheme provides commercial banks with a guarantee to encourage lending to housing societies for on-lending to retail customers.

STRATEGIC DIRECTIONS

Management is focused on risk containment, prudent asset investment, cost minimisation and the careful administration of borrowings. Within this structure, the Fund's key objective is to maintain sufficient levels of capital to meet its HomeFund support obligations.

2003-04 BUDGET

Total expenses are budgeted at \$27.2 million in 2003-04 with major components being interest on borrowings (\$16.3 million) and funding of FANMAC Trust shortfalls (\$6.9 million).