

MINISTER FOR LOCAL GOVERNMENT, MINISTER FOR REGIONAL DEVELOPMENT AND MINISTER FOR RURAL AFFAIRS

OVERVIEW

<i>Agency</i>	<i>Budget 1998-99 \$m</i>	<i>Budget 1999-2000 \$m</i>	<i>Variation %</i>
Department of Local Government			
Total Expenses	89.6	98.6	10.1
Asset Acquisitions	0.1	0.1	...
Total, Minister for Local Government			
Total Expenses	89.6	98.6	10.1
Asset Acquisitions	0.1	0.1	...

DEPARTMENT OF LOCAL GOVERNMENT

The Department of Local Government's main functions are:

- ◆ the provision of strategic direction to the local government sector;
- ◆ the development and oversight of the legislative and policy framework within which local councils operate;
- ◆ the examination and investigation of issues affecting local government performance and operations;
- ◆ the improvement of local government accountability to their residents and ratepayers for their performance; and
- ◆ managing the State's relationship with local government.

The 1993 Local Government Act is the principal legislation under which councils operate and is kept under regular review to meet the needs of systematic change, micro economic reform and changes in the method of regulation. The Department's present functions relate to the policy and strategic management of the local government framework, in meeting the ongoing needs of the community, as well as maintaining a direct oversight of some local council operations and responsibility for the investigation and prosecution of pecuniary interest complaints about councillors and staff.

Expenditure Trends and Recent Developments

A major focus for the Department during 1998-99 was the review of the Local Government Act, the Department's increasing role in monitoring the effectiveness of the implementation of the National Competition Policy in Local Government, and its role in establishing a system for auditing private certifiers.

A number of major legislative and regulatory amendments have resulted in changes to State of Environment reporting, conduct of open meetings and treatment of on-site sewage.

Strategic Directions

A restructure of the Department commenced in 1998-99 and will continue into 1999-2000. These new functions provide the Department with a higher level of analysis and intervention regarding local council matters, with minimal routine functions. In particular, the Department's functions will concentrate on:

- ◆ legislation and policy;
- ◆ finances of councils;
- ◆ major investigations and pecuniary interest matters;
- ◆ benchmarking and performance; and
- ◆ assisting councils with the process of structural reform.

As a result, the Building Codes and Standards Branch will be transferred to the Department of Urban Affairs and Planning. The building standards and control related issues will be transferred to the Environmental Planning and Assessment Act.

During 1998-99, the national competition policy for local councils was introduced, and the IPART report into benchmarking and the review of the Local Government Act 1993 were completed. During 1999-2000, the outcomes of those three key activities will be the focus of the implementation program for the Department.

Some refinement of the Local Government Act is expected as a result of the review of the Act in 1998, and the more focused approach of the Department. Changes for local councils will also arise through the transfer to the Integrated Approvals System of functions previously administered under the Local Government Act, and the introduction of private certification.

The Government has continued its commitment to environmental improvement in the Blue Mountains by honouring its election promise to extend the Blue Mountains Run-off Control program, with an additional \$1 million allocated over each of the next four years. This is in addition to the \$15 million previously committed which has led to significant works being undertaken to improve environmental degradation caused by urban run-off. These additional funds will boost existing works being undertaken in bush regeneration, environmental monitoring, wetland development, road sealing and drainage structures.

1999-2000 Budget

Total Expenses

The Department's current payments for 1999-2000 will increase by \$11.8 million, to \$94.8 million, primarily due to the introduction of the Companion Animals Fund. The major expenditure item is the Pensioner Concession Subsidy Scheme of \$71.3 million. Also included in the Department's Budget is the On-site Sewage Management program.

The Companion Animals Fund has been established by the Companion Animals Act 1998 and will receive funds from the registration of animals, commencing 1 July 1999. The costs of maintaining the register will be drawn from this Fund, and a substantial proportion of the income will be remitted to local councils in order to manage their companion animals' functions.

The On-site Sewage Management program was established during 1998-99, and will continue throughout 1999-2000 and into the following financial year. The program provides for grants and project funding for councils and other bodies to upgrade the quality of on-site sewage management.

The Budget includes a total of \$2.8 million for the Blue Mountains Run-off Control program.

Asset Acquisitions

The Department's asset acquisition program covers the replacement cost of computers and related equipment to ensure that technology continues to be effectively utilised in meeting the Department's corporate objectives.

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	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
OPERATING STATEMENT			
Expenses -			
Operating expenses -			
Employee related	8,635	8,384	5,322
Other operating expenses	3,624	4,104	16,108
Maintenance	46	46	45
Depreciation and amortisation	345	321	237
Grants and subsidies	76,900	75,798	76,897
Total Expenses	89,550	88,653	98,609
Less:			
Retained Revenue -			
Sales of goods and services	48	60	23
Investment income	185	90	73
Retained taxes, fees and fines	...	...	12,628
Total Retained Revenue	233	150	12,724
NET COST OF SERVICES	89,317	88,503	85,885

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	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
CASH FLOW STATEMENT			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee Related	7,561	7,386	4,810
Grants and subsidies	76,900	75,798	76,897
Other	3,819	4,231	16,159
Total Payments	88,280	87,415	97,866
Receipts			
Sale of goods and services	48	60	23
Other	185	110	12,731
Total Receipts	233	170	12,754
NET CASH FLOWS FROM OPERATING ACTIVITIES	(88,047)	(87,245)	(85,112)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment	...	33	...
Purchases of property, plant and equipment	(70)	(146)	(50)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(70)	(113)	(50)
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriation	87,386	86,491	84,970
Capital appropriation	70	70	50
Cash reimbursements from the Consolidated Fund Entity	91	91	49
NET CASH FLOWS FROM GOVERNMENT	87,547	86,652	85,069
NET INCREASE/(DECREASE) IN CASH	(570)	(706)	(93)
Opening Cash and Cash Equivalents	1,068	1,719	1,013
CLOSING CASH AND CASH EQUIVALENTS	498	1,013	920
CASH FLOW RECONCILIATION			
Net cost of services	(89,317)	(88,503)	(85,885)
Non cash items added back	1,226	1,202	696
Change in operating assets and liabilities	44	56	77
Net cash flow from operating activities	(88,047)	(87,245)	(85,112)

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	1998-99		1999-2000
	Budget \$000	Revised \$000	Budget \$000
STATEMENT OF FINANCIAL POSITION			
ASSETS -			
Current Assets -			
Cash	498	1,013	920
Receivables	70	75	45
Total Current Assets	568	1,088	965
Non Current Assets -			
Property, plant and equipment -			
Cost/valuation	2,461	2,545	2,595
Accumulated depreciation	(1,958)	(1,950)	(2,187)
Total Non Current Assets	503	595	408
Total Assets	1,071	1,683	1,373
LIABILITIES -			
Current Liabilities -			
Accounts payable	313	310	313
Employee entitlements	847	847	891
Total Current Liabilities	1,160	1,157	1,204
Total Liabilities	1,160	1,157	1,204
NET ASSETS	(89)	526	169
EQUITY			
Accumulated funds	(89)	526	169
TOTAL EQUITY	(89)	526	169

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55 DEPARTMENT OF LOCAL GOVERNMENT

55.1 Development, Oversight and Assistance to Local Government

55.1.1 Development, Oversight of and Assistance to Local Government

Program Objective(s): To provide a clear legislative, policy and performance framework for local government which encourages and reinforces an improving quality of service from local government in New South Wales to the citizens of the State. To monitor actual performance and take remedial action as required.

Program Description: Development of a framework for local government that promotes the achievement of best practice across all services to the community. Monitoring the activities of local government to ensure compliance with legislative requirements and undertaking of related investigations and mediatory activities.

	Units	1996-97	1997-98	1998-99	1999-2000
<u>Outputs:</u>					
Number of new and simplified amendments to legislation and regulations introduced	no.	10	15	9	9
Explanatory publications available	no.	93	108	125	82
Participation in education activities	no.	154	273	258	120
Building and caravan advisory enquiries handled	no.	7,600	9,225	6,620	n.a.
Complaints processed	no.	1,307	1,370	1,400	200
Regulatory determinations made	no.	412	314	600	70
<u>Average Staffing:</u>	EFT	124	123	122	68

—————1998-99—————		1999-2000
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related	8,580	8,320	5,135
Other operating expenses	3,624	4,104	3,840
Maintenance	46	46	45
Depreciation and amortisation	345	321	237

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55.1 Development, Oversight and Assistance to Local Government

**55.1.1 Development, Oversight of and Assistance to Local Government
(cont)**

OPERATING STATEMENT (cont)

Grants and subsidies			
Blue Mountains Stormwater Run-Off Program	5,643	3,898	2,790
On-Site Sewage Management Program	...	643	2,857
Payments for guarantee and credit rating fees	7	7	...
Total Expenses	18,245	17,339	14,904
Less:			
Retained Revenue -			
Sales of goods and services			
Minor sales of goods and services	48	60	23
Investment income	185	90	60
Retained taxes, fees and fines	...	...	250
Total Retained Revenue	233	150	333
NET COST OF SERVICES	18,012	17,189	14,571
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ASSET ACQUISITIONS	70	146	50

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55.2 Rate Rebates for Pensioners

55.2.1 Rate Rebates for Pensioners

Program Objective(s): To grant relief from shire and municipal rates to certain classes of pensioners.

Program Description: The distribution of subsidies to shires and municipalities to reimburse local government a major portion of rebates given to pensioners as a reduction in rates up to 50 per cent.

<u>Outcomes:</u>	Units	1996-97	1997-98	1998-99	1999-2000
Pensioner households assisted across the rating categories					
General	thous	394.7	401.4	408.2	415.1
Water	thous	125.7	127.8	130.0	132.2
Sewerage	thous	116.4	118.4	120.4	122.4

Outputs:

Council pensioner rebate claims processed	no.	410	420	388	400
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<u>Average Staffing:</u>	EFT	1	1	1	1
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1998-99		1999-2000
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT

Expenses -

Operating expenses -			
Employee related		55	64
Grants and subsidies			
Pensioner rate rebates		71,250	71,250
Total Expenses		71,305	71,314
NET COST OF SERVICES		71,305	71,314

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55.3 Companion Animals

55.3.1 Companion Animals

Program Objective(s): To promote responsible pet ownership, improve animal welfare for companion animals and address the environmental impact of companion animals.

Program Description: Regulation of ownership of companion animals through the implementation of the Community Education Program under the Companion Animals Act 1998. Provision of a statewide record of registered cats and dogs for enforcement purposes. Promotion of best practice in the care and management of companion animals. Prevention of dog attacks and promotion of other issues relevant to urban animal management.

<u>Outcomes:</u>	Units	1996-97	1997-98	1998-99	1999-2000
Number of animals registered	thous	n.a.	n.a.	n.a.	279
Participation in education activities	no.	n.a.	n.a.	n.a.	40
 <u>Average Staffing:</u>	 EFT	 n.a	 n.a.	 n.a	 2

1998-99		1999-2000
Budget	Revised	Budget
\$000	\$000	\$000

OPERATING STATEMENT

Expenses -			
Operating expenses -			
Employee related	...	...	123
Other operating expenses	...	...	12,268
Total Expenses	...	...	12,391
Less:			
Retained Revenue -			
Investment income	...	...	13
Retained taxes, fees and fines	...	...	12,378
Total Retained Revenue	...	...	12,391
NET COST OF SERVICES	...	...	...

