

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

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**OVERVIEW**

<i>Agency</i>	<i>Budget 1999-2000 \$m</i>	<i>Budget 2000-01 \$m</i>	<i>Variation %</i>
<b>Department of Local Government</b>			
Total Expenses	98.6	88.7	(-) 10.1
Asset Acquisitions	0.1	0.1	...
<b>Total, Minister for Local Government, Minister for Regional Development and Minister for Rural Affairs</b>			
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**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 piece of legislation under which councils operate, and is regularly reviewed to address systematic change, microeconomic 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.

The Department will complete its move to Nowra in 2002.

## **EXPENDITURE TRENDS AND RECENT DEVELOPMENTS**

The Department's 1999-2000 included \$2.8 million for the Blue Mountains Stormwater Run-Off program. This program has been transferred to the Environment Protection Authority. Furthermore, the Budget for the Companion Animals Fund expenses in 2000-01 is \$6.3 million, a decrease of \$6 million on the 1999-2000 Budget of \$12.3 million.

The Department's recurrent costs have reduced in line with the restructure that occurred in 1999, as detailed below.

## **STRATEGIC DIRECTIONS**

The Department was restructured in 1999 to provide a high analytical and intervention capacity and a minimisation of routine functions, concentrating 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.

The building standards and control related issues are being transferred from the *Local Government Act 1993* to the *Environmental Planning and Assessment Amendment Act 1997* and the Building Codes and Standards Branch was transferred to the Department of Urban Affairs and Planning.

As part of the State Government's commitment to shift jobs to regional NSW, the Department is scheduled to move to Nowra and is now in the planning phase of that process. It is expected that the Department will be a tenant in a multiple occupancy building. The Department of Public Works and Services has been engaged to manage the process.

## **2000-01 BUDGET**

### **Total Expenses**

The Department's expenses for 2000-01 are \$88.7 million, an increase of \$0.1 million over the projected total expenses for 1999-2000 of \$88.6 million. The Department's 2000-01 Budget includes \$0.1 million to establish the Western Division Improvement Fund to enable grants to local government organisations in the Western Division of New South Wales. Funding of \$0.1 million per annum will also be provided in 2001-02 and 2002-03 for this purpose.

The principal element of the Department's Budget is the pensioner council rates rebate scheme of \$71.3 million. The Department has two other major Budget items viz the Companion Animals Fund and the On-site Sewage Management program.

The Companion Animals Fund was established by the Companion Animals Act 1998 and receives funds from the registration of animals, commencing from 1 July 1999. The costs of maintaining the register are drawn from this Fund, and a substantial proportion of the income is 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 2000-01. The program provides a mixture of grant and project funding for councils and other bodies to upgrade the quality of on-site sewage management.

### **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.