

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

OVERVIEW

<i>Agency</i>	<i>Budget 2000-01 \$m</i>	<i>Budget 2001-02 \$m</i>	<i>Variation %</i>
Department of Local Government			
Total Expenses	88.7	86.7	- 2.2
Asset Acquisitions	0.1	...	- 2.0
Total, Minister for Local Government, Minister for Regional Development and Minister for Rural Affairs			
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DEPARTMENT OF LOCAL GOVERNMENT

The Department of Local Government's main functions are to:

- ◆ provide strategic direction to the local government sector;
- ◆ develop and oversight the legislative and policy framework within which local councils operate;
- ◆ examine and investigate issues affecting local government performance and operations;
- ◆ improve local government accountability to their residents and ratepayers for their performance; and
- ◆ manage the State's relationship with local government.

The *Local Government Act 1993* 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 focus of current functions relates 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

During the last five years, total operating expenses have reduced by \$2.7 million per annum, from \$11.9 million to \$9.2 million, from refocussing the organisation and transferring the Building Codes and Standards Branch to the Department of Urban Affairs and Planning in 1999.

Following the establishment of the Companion Animals Fund in 1998, expenditures increased by \$2.5 million in 1999-2000 and by \$5.6 million in 2000-01 for payments made from the Fund. Fees from the registration of animals are paid into the Fund and the costs of maintaining the register and administering the Scheme are drawn from the Fund. The balance is distributed to local councils to manage their companion animals functions.

STRATEGIC DIRECTIONS

The Department provides a high analytical and intervention capacity, 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 Department continues to promote the structural reform of councils. The voluntary amalgamation process commenced by the Government during 1999 has resulted in the merging of ten councils. A major inquiry into the structure of local government in eight council areas in inner Sydney was completed. The Department will continue to encourage councils to review their circumstances so that they are able to better meet the needs of current and future communities.

As part of the State Government's commitment to shift jobs to regional New South Wales, the Department will move to Nowra. The Department will be a tenant in a new multiple occupancy building planned for construction during 2001 and 2002.

2001-02 BUDGET

Total Expenses

The Department's expenses for 2001-02 are estimated at \$86.7 million, a decrease of \$0.9 million over the projected total expenses for 2000-01 of \$87.6 million. This decrease is attributed to the reduced payments from the Companion Animals Fund.

The Department's 2001-02 Budget includes:

- ◆ \$72 million for the pensioner council rates rebate scheme;
- ◆ \$1.1 million for the On-site Sewage Management Program;
- ◆ \$0.3 million to investigate and assist councils that are poorly managed or in financial difficulties; and
- ◆ \$0.1 million for preliminary costs of the relocation to Nowra.

The Companion Animals budget is \$4.4 million.

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 used in meeting the Department's corporate objectives.