

MINISTER FOR LOCAL GOVERNMENT, AND MINISTER ASSISTING THE MINISTER FOR HEALTH (MENTAL HEALTH)

OVERVIEW

<i>Agency</i>	<i>2008-09 Budget \$m</i>	<i>2009-10 Budget \$m</i>	<i>Variation %</i>
Department of Local Government			
Total Expenses	92.0	92.7	0.8
Capital Expenditure	0.2	0.2	...
Total, Minister for Local Government, and Minister Assisting the Minister for Health (Mental Health)	92.0 0.2	92.7 0.2	0.8 ...

DEPARTMENT OF LOCAL GOVERNMENT

The Department of Local Government provides the policy and legislative framework for local government in New South Wales. The Department aims to ensure local councils are sustainable and deliver quality services to their communities. The key legislation administered by the Department is the *Local Government Act 1993* and the *Companion Animals Act 1998*.

RESULTS AND SERVICES

The Department contributes to the following results:

- ◆ A strong and sustainable local government sector that works together to meet community needs is developed.
- ◆ The Department provides pensioner concessions for council rates.
- ◆ There is responsible dog and cat ownership in the community.

34 DEPARTMENT OF LOCAL GOVERNMENT

Key services provided by the Department to contribute to these results include:

- ◆ facilitating capacity building between councils, oversight of council practice and finances, and the provision of advice for local government
- ◆ administering the pensioner rebate scheme and
- ◆ managing the companion animals register and associated programs.

The key services provided by the Department and the way in which they are expected to contribute to results are set out in the following table:

Service Groups	2009-10 Budget Expenses \$m	Results		
		Strong and sustainable local government sector that works together to meet community needs	Pensioners obtain relief from council rates	Responsible dog and cat ownership in the community
Capacity Building, Oversight and Provision of Advice for Local Government	10.5	✓		
Pensioner Rebate Scheme	76.0		✓	
Companion Animals Program	6.2			✓
Total Expenses Excluding Losses	92.7			

RECENT ACHIEVEMENTS

The Department has continued to carry out Promoting Better Practice reviews across local government to identify poor performing councils and to promote good practice. A total of 45 councillor information sessions have also recently been delivered throughout New South Wales to assist councillors elected to office in 2008 to effectively fulfil their role.

STRATEGIC DIRECTIONS

Cooperation between councils continues to be encouraged through the reforms in *A New Direction for Local Government*. This policy focuses on capacity building programs; monitoring and reviewing councils to identify areas for improvement; promoting collaboration with and between stakeholders to promote the most efficient and effective use of resources; and providing quality advice and information to facilitate effective decision making for the sector.

The development of a new integrated planning and reporting, and asset management system will also assist councils in meeting increasing community expectations of local councils.

2009-10 BUDGET INITIATIVES

Total Expenses

Total expenses in 2009-10 are estimated at \$92.7 million, including \$76 million for the pensioner council rates rebate scheme.

Capital Expenditure

In 2009-10 the Department will spend \$150,000 on the replacement of office and computer equipment.

34 DEPARTMENT OF LOCAL GOVERNMENT

RESULT INDICATORS

Strong sustainable local government sector that works together to meet community needs

	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
<u>Result Indicators:</u>						
Councils whose financial position is assessed as satisfactory ^(a)	%	80	80	80	80	80
Public inquiries into councils to investigate maladministration or corruption ^(b)	no.	1	3	2	1	2
Investigations where alleged council conduct seriously impacts the community ^(b)	no.	2	2	2	2	2

(a) This indicator shows the financial viability of council.

(b) These indicators show the effectiveness of council governance arrangements (Section 740 and 430 investigations respectively).

Pensioners obtain relief from council rates

	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
<u>Result Indicators:</u>						
Pensioner rebates paid to councils:						
General	\$m	59	57	62	58	62
Water	\$m	7	7	7	4	7
Sewerage	\$m	7	7	7	5	7

This indicator shows the amounts paid for each rating category.

RESULT INDICATORS (CONT)

Responsible dog and cat ownership in the community

	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
<u>Result Indicators:</u>						
Reported dog attacks ^(a)	no.	1,507	1,791	1,700	2,400	2,500
Seized pets reunited with owners ^(b)	%	47	47	49	49	49

(a) This indicator shows the effectiveness of the legislative provisions to companion animals. The anticipated increase in 2008-09 reflects amendments to the *Companion Animals Regulation 2008* which make reporting mandatory for councils.

(b) This indicator shows the effectiveness of the companion animals legislation - microchipping and registration of cats and dogs.

34 DEPARTMENT OF LOCAL GOVERNMENT

SERVICE GROUP STATEMENTS

34.1 Capacity Building, Oversight and Provision of Advice for Local Government

Service Description: This service group covers programs, resources, policy, guidelines and information provided to strengthen the capacity of local government to meet community needs.

Linkage to Results: This service group contributes to a strong and sustainable local government sector that works together to meet community needs by working towards a range of intermediate results that include the following:

- ◆ increased capacity of local government in delivering good governance and sustainability
- ◆ strengthened and collaborative relationships fostered between stakeholders and
- ◆ effective decision making within local government.

<u>Service Measures:</u>	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
Promoting Better Practice Program reviews undertaken	no.	14	22	12	12	12
<u>Employees:</u>	FTE	61	68	61	61	61

2008-09		2009-10
Budget \$000	Revised \$000	Budget \$000

Financial Indicators:

Total Expenses Excluding Losses	10,448	10,998	10,443
NET COST OF SERVICES	10,137	10,764	10,215
CAPITAL EXPENDITURE	150	150	150

34 DEPARTMENT OF LOCAL GOVERNMENT

SERVICE GROUP STATEMENTS (CONT)

34.2 Pensioner Rebate Scheme

Service Description: This service group covers the Pensioner Rebate Scheme, which provides rebates to local councils of up to 55 per cent of eligible pensioner council rates.

Linkage to Results: This service group contributes to providing pensioners with relief from council rates.

<u>Service Measures:</u>	Units	2006-07 Actual	2007-08 Actual	2008-09 Forecast	2008-09 Revised	2009-10 Forecast
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Rebate claims processed	no.	314	320	332	156	166
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The anticipated decrease in 2008-09 reflects changes to processing rebate claims, which are now processed once a year instead of every four months.

<u>Employees:</u>	FTE	1	1	1	1	1
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2008-09		2009-10
Budget \$000	Revised \$000	Budget \$000

Financial Indicators:

Total Expenses Excluding Losses	76,000	76,000	76,000
NET COST OF SERVICES	76,000	76,000	76,000

34 DEPARTMENT OF LOCAL GOVERNMENT

SERVICE GROUP STATEMENTS (CONT)

34.3 Companion Animals Program

Service Description: This service group covers the Companion Animals Program. This program regulates the ownership, care and management of companion animals, by maintaining a record of registered cats and dogs and promoting the appropriate care and management of companion animals.

Linkage to Results: This service group contributes to responsible dog and cat ownership in the community.

		2006-07	2007-08	2008-09	2008-09	2009-10
	Units	Actual	Actual	Forecast	Revised	Forecast
<u>Service Measures:</u>						
Companion Animal Registrations	no.	97,605	99,172	100,000	100,000	100,000
<u>Employees:</u>	FTE	4	4	4	4	4

2008-09		2009-10
Budget	Revised	Budget
\$000	\$000	\$000

Financial Indicators:

Total Expenses Excluding Losses		5,600	5,643	6,223
NET COST OF SERVICES		...	41	623

34 DEPARTMENT OF LOCAL GOVERNMENT

	2008-09		2009-10
	Budget	Revised	Budget
	\$000	\$000	\$000
OPERATING STATEMENT			
Expenses Excluding Losses			
Operating expenses -			
Employee related	7,005	7,037	7,356
Other operating expenses	7,258	7,806	7,706
Depreciation and amortisation	285	283	89
Grants and subsidies	77,500	77,515	77,515
Total Expenses Excluding Losses	92,048	92,641	92,666
Less:			
Retained Revenue			
Sales of goods and services	21
Investment income	360	306	316
Retained taxes, fees and fines	5,500	5,500	5,500
Other revenue	30	30	12
Total Retained Revenue	5,911	5,836	5,828
NET COST OF SERVICES	86,137	86,805	86,838
RECURRENT FUNDING STATEMENT			
Net Cost of Services	86,137	86,805	86,838
Recurrent Services Appropriation	85,667	86,261	85,765
CAPITAL EXPENDITURE STATEMENT			
Capital Expenditure	150	150	150
Capital Works and Services Appropriation	150	150	150

34 DEPARTMENT OF LOCAL GOVERNMENT

	2008-09		2009-10 Budget \$000
	Budget \$000	Revised \$000	
BALANCE SHEET			
ASSETS			
Current Assets			
Cash assets	6,395	5,743	5,211
Receivables	1,246	1,235	1,275
Total Current Assets	7,641	6,978	6,486
Non Current Assets			
Property, plant and equipment - Plant and equipment	381	434	515
Intangibles	78	32	12
Total Non Current Assets	459	466	527
Total Assets	8,100	7,444	7,013
LIABILITIES			
Current Liabilities			
Payables	1,821	1,660	1,867
Provisions	980	999	999
Total Current Liabilities	2,801	2,659	2,866
Non Current Liabilities			
Provisions	8	9	9
Total Non Current Liabilities	8	9	9
Total Liabilities	2,809	2,668	2,875
NET ASSETS	5,291	4,776	4,138
EQUITY			
Accumulated funds	5,291	4,776	4,138
TOTAL EQUITY	5,291	4,776	4,138

34 DEPARTMENT OF LOCAL GOVERNMENT

	2008-09		2009-10
	Budget \$000	Revised \$000	Budget \$000
CASH FLOW STATEMENT			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee related	6,665	6,721	7,071
Grants and subsidies	77,500	77,515	77,515
Other	7,518	8,193	7,739
Total Payments	91,683	92,429	92,325
Receipts			
Sale of goods and services	21
Interest	360	317	276
Other	5,771	5,755	5,752
Total Receipts	6,152	6,072	6,028
NET CASH FLOWS FROM OPERATING ACTIVITIES	(85,531)	(86,357)	(86,297)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(150)	(150)	(150)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(150)	(150)	(150)
CASH FLOWS FROM GOVERNMENT			
Recurrent appropriation	85,667	86,261	85,765
Capital appropriation	150	150	150
NET CASH FLOWS FROM GOVERNMENT	85,817	86,411	85,915
NET INCREASE/(DECREASE) IN CASH	136	(96)	(532)
Opening Cash and Cash Equivalents	6,259	5,839	5,743
CLOSING CASH AND CASH EQUIVALENTS	6,395	5,743	5,211
CASH FLOW RECONCILIATION			
Net cost of services	(86,137)	(86,805)	(86,838)
Non cash items added back	625	599	374
Change in operating assets and liabilities	(19)	(151)	167
Net cash flow from operating activities	(85,531)	(86,357)	(86,297)