

Circular No. 09-30
Date 24 August 2009
Doc ID. A189196

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ANNUAL REPORTING AND STATE OF THE ENVIRONMENT REPORTING REQUIREMENTS OF LOCAL COUNCILS

This circular advises local councils of current annual reporting and state of the environment reporting requirements for the 2008-09 year. Councils are reminded that these are reports to the community, with a copy being made available to the Minister for Local Government (through the Deputy Director General (Local Government) – see below under ‘submitting reports’ for further information about lodgement).

The *Local Government Amendment (Planning and Reporting) Bill 2009* has been introduced into Parliament and is expected to be debated in the forthcoming Spring session. Until such time as it passes through Parliament, all current legislative requirements remain in force.

Subject to the Bill being passed, the new planning and reporting framework will be phased in over a three year period with councils being asked to nominate the implementation group they would like to be in at that time. All councils will be operating under the new system from the commencement of the next local government electoral term in September 2012.

Councils are encouraged to take the opportunity to use the work that is done to meet the current requirements to assist and inform the transition to the new system. For example, the comprehensive State of the Environment Report that is due by 30 November 2009 should be used as an opportunity to identify environmental issues that are important to the community and that are within council’s area of influence so that the findings from the report can be used to inform the development of Council’s community strategic plan.

Councils are reminded there are no specific provisions under the Act for granting extensions to individual councils for submitting plans and reports after the due date.

Annual reporting requirements

Councils’ annual reporting requirements are set out in the *Local Government Act 1993* (the Act) (section 428) and the *Local Government (General) Regulation 2005* (the Regulation) (clauses 132, 217 and 224).

Current legislative requirements for annual reporting are also included in the Division of Local Government 'Annual Report Checklist' available under 'Program Tools' on the 'Local Government Reform Program – Promoting Better Practice' page of the Division's website.

Principal activities

This section of the annual report is intended as a measure of how well councils achieve the outcomes anticipated in their management plans. It should align closely with the management plan's key activities and measures. It must provide sufficient information and be presented in such a way that it is meaningful to the community, and provides explanations about how council did or did not achieve the outcomes it intended.

Financial statements

The legislation requires a copy of the council's full audited financial reports, including the general purpose financial reports (plus notes) and the special purpose financial reports (plus notes) to be included. These statements may be included in either the body of the report or as an appendix to the report.

Senior staff

The General Manager is automatically classified as a senior staff member. According to section 332 of the Act, staff who are primarily responsible for the strategic direction of the council and currently receive a total remuneration package equal to or more than SES Level 1 are to be considered as senior staff.

The annual reporting requirements relating to the General Manager and senior staff are outlined in section 428 (2)(g) of the Act, and clause 217 (1)(b) of the Regulation.

Special variations

Councils that received a special variation in 2008-09 (or a previous year that still applies in 2008-09) are reminded that there may be a condition attached to the approval requiring a specific report on projects being funded from the additional rate revenue raised. This information should be clearly identified in the annual report and include details of the outcomes of, and expenditures on, each relevant project.

Councillor expenses and facilities

Reporting requirements regarding councillor expenses and facilities are included in section 428 (2)(f) of the Act and clause 217 of the Regulation.

Councils are required to report on the total cost of all expenses and facilities, and the total cost of each of the following types of expenses and facilities:

- dedicated office equipment
- telephone calls
- attendance at conferences and seminars
- councillor training
- interstate visits
- overseas visits
- spouse/partner expenses
- carer expenses.

Whether these are reported for each councillor or all councillors as a group is a matter for councils to determine. However, councils should be mindful of community expectations in regard to accountability and transparency when determining the best format for reporting.

Publishing options

A number of councils have adopted the practice of providing a summary annual report to ratepayers, for example, via a brochure included with rates notices. While this format provides a useful overview of activities for residents, it does not replace the annual report, nor absolve councils from their reporting obligations under the legislation.

The required information must still be available to the public in a form that is clearly identifiable. However, there is no specific requirement for the information to be published in hard copy format as a single document. It may, for example, take the form of a series of reports grouped together under the heading of "Annual Report" on a council's website. If this format is adopted, the council must ensure that it is possible for people who do not have access to the Internet to view the report at the council offices. It must also be possible to provide a printed copy of the annual report, or sections of it, to a member of the public upon request.

Submitting reports

Councils are required to provide a copy of their annual report to the Minister for Local Government within five months of the end of the financial year (i.e. by 30 November). In practice, this means sending the report to the Deputy Director General, Division of Local Government, Department of Premier and Cabinet.

With changes in technology, it is now acceptable to provide an electronic copy by publishing the annual report on the council website. Where this option is chosen, the council must formally advise the Minister by letter or email that the report has been published and specify the URL for the document. Emails may be sent to dlq@dlq.nsw.gov.au. The report must remain available on a council's website at least until superseded by the following year's report.

State of the Environment reporting requirements

Under current legislative provisions, councils are required to prepare a comprehensive State of the Environment report (SoE) for 2008-09 and submit this to the Department by 30 November this year.

SoE guidelines are available from the 'Publications' page on the Division's website. A checklist for the preparation of SoEs is also available on the website under the 'Local Government Reform Program – Promoting Better Practice' page.

A handwritten signature in black ink, appearing to read "Ross Woodward". The signature is written in a cursive, flowing style.

Ross Woodward
Deputy Director General (Local Government)
Department of Premier and Cabinet