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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 2009-10 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 Chief Executive, Local Government – see below under ‘submitting reports’ for further information about lodgement).

The *Local Government Amendment (Planning and Reporting) Act 2009* commenced on 1 October 2009. However, it does not apply to a council until such time as that council commences under the new Integrated Planning and Reporting (IP&R) framework. As no councils had commenced under the new framework for the 2009-10 year, **all previous legislative requirements remain applicable**. This applies to both the Annual Report requirement and the supplementary State of the Environment Report requirement.

Similarly, although the *Government Information (Public Access) Act 2009* has commenced, councils are reminded that they need to report in their annual reports on Freedom of Information applications received prior to 30 June 2010.

Councils are encouraged to take the opportunity to use the work that is done to meet these requirements to assist and inform their transition to the IP&R framework.

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

Annual reporting requirements

Councils’ annual reporting requirements are set out in the historical version of the *Local Government Act 1993* (the Act) (section 428) and the Local Government (General) Regulation 2005 (the Regulation) (Part 9, Division 7). To refer to the legislation, go to the ‘historical version’ prior to 1 October 2009, <http://www.legislation.nsw.gov.au/maintop/view/inforce/act+30+1993+cd+0+N>.

The legislative requirements for annual reporting are also included in the Division of Local Government's 'Annual Report Checklist' available under 'Program Tools' on the 'Local Government Reform Program – Promoting Better Practice' page of the Division's website (www.dlg.nsw.gov.au).

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 reports

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). These reports may be included in either the body of the report or as an appendix to the annual 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 (historical version).

Special variations

Councils that received a special variation in 2009-10 (or a previous year that still applies in 2009-10) 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 (historical version).

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

State of the Environment reporting requirements

All councils are required to prepare a supplementary State of the Environment report (SoE) for 2009-10 and submit this to the Division by 30 November 2010 [see section 428(2)(c) and clause 217(2) (historical version)].

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.

The supplementary State of the Environment Report that is due by 30 November 2010 should be used as an opportunity to identify how the information currently being collected and reported may inform council's future planning and reporting for environmental issues. The collection and reporting of this information may need to be modified to meet Council's need to establish indicators to enable monitoring, evaluation and reporting on environmental objectives that are identified as part of its Community Strategic Plan development process, or for Group 1 councils, that have been identified in their Community Strategic Plans.

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 and accessible. 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 full 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 2010). In practice, this means sending the report to the Chief Executive, Division of Local Government, Department of Premier and Cabinet.

It is 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 dlg@dlg.nsw.gov.au.

Retention of reports

Councils are encouraged to keep their annual reports that are in an electronic format available on their website on an ongoing basis.



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