

# Local Government Pronouncements Guidance Note

August 2018



INSIGHTS FOR BETTER GOVERNMENT

FINANCIAL AUDIT

# contents

<b>Financial / annual reporting</b>	<b>1</b>
<b>Special purpose financial statements</b>	<b>2</b>
<b>Related parties</b>	<b>2</b>
<b>Public Private Partnership (PPP) projects</b>	<b>2</b>
<b>Capital expenditure</b>	<b>3</b>
<b>Tendering and procurement</b>	<b>3</b>
<b>Asset management</b>	<b>4</b>
<b>Formation of corporations or other entities</b>	<b>5</b>
<b>Investment and borrowing powers</b>	<b>5</b>
<b>Employment related</b>	<b>6</b>
<b>Goods and services tax / fringe benefits tax / tax equivalent regime</b>	<b>6</b>
<b>Audit and internal controls</b>	<b>7</b>
<b>Governance</b>	<b>7</b>
<b>Legislative requirements</b>	<b>8</b>
<b>Integrated planning and reporting</b>	<b>10</b>
<b>Rating and special variations</b>	<b>11</b>
<b>Council elections</b>	<b>13</b>
<b>Miscellaneous items</b>	<b>14</b>

Items	Details
<b>Financial / annual reporting</b>	
<p><a href="#">Circular 18-20 'Guidance to councils on transitioning to the new Australian Accounting Standards'</a>  <a href="#">Guidance to councils on transitioning to AASB 9, 16, 15 and 1058</a></p>	<ul style="list-style-type: none"> <li>• Advises councils that:           <ul style="list-style-type: none"> <li>– the Office of Local Government (OLG) has prepared a guidance paper which provides details of the options and policies that councils must adopt on transition to AASB 9, 16, 15 and 1058 (the new standards)</li> <li>– they cannot early adopt the new standards.</li> </ul> </li> </ul>
<p><a href="#">Circular GC 147 '2018–19 Financial Assistance Grants'</a></p>	<ul style="list-style-type: none"> <li>• Advises councils that:           <ul style="list-style-type: none"> <li>– that the Australian Government will bring forward the first two instalments of the estimated 2018–19 Financial Assistance Grants</li> <li>– the advance payment which represents approximately 50 per cent the council is entitled to, is expected to be paid to councils on 21 June 2018. Indicative advance payment amounts are included in the attachment to the circular</li> <li>– the Grant Commission is reviewing the allocation model to consider ways the General Purpose Component of the grants can be directed towards councils with the greatest relative need and to implement transition arrangements.</li> </ul> </li> </ul>
<p><a href="#">Circular 18-17 'End of Year Financial Reporting 2017–18'</a></p>	<ul style="list-style-type: none"> <li>• Updates end of year financial reporting information for 2017–18 and the Financial Data Return (FDR) for changes in the Local Government Code of Accounting Practice and Financial Reporting (Update No. 26).</li> <li>• Annexure 1 provides information to help councils prepare their 2017–18 financial statements.</li> <li>• Advises councils that:           <ul style="list-style-type: none"> <li>– the financial statements and Financial Data Return are due by 31 October 2018</li> <li>– they should be familiar with and be prepared for the introduction of the new Australian Accounting Standards</li> <li>– domestic waste reasonable cost audits will not be undertaken in 2017–18, however councils are still required to calculate these costs and retain a copy of the calculations.</li> </ul> </li> </ul>
<p><a href="#">Circular 18-10 'Final Code of Accounting Practice and Financial Reporting (update 26)'</a>  <a href="#">Local Government Code of Accounting Practice and Financial Reporting (the Code)</a></p>	<ul style="list-style-type: none"> <li>• Prescribes the format of council financial statements approved by OLG.</li> <li>• Must be used by councils to prepare their general purpose financial statements, special purpose financial statements and special schedules as required by the <i>Local Government Act 1993</i> (LG Act) and the <i>Local Government (General Regulation) 2005</i> (LG Regulation).</li> <li>• Outlines the changes to the Code from update 25.</li> </ul>
<p><a href="#">Circular 17-28 '2017–2018 Calendar of Compliance and Reporting Requirements'</a></p>	<ul style="list-style-type: none"> <li>• Provides the key 2017–18 statutory and other reporting deadlines (finance and governance) for councils.</li> </ul>

Items	Details
<b>Special purpose financial statements</b>	
<p><a href="#">Pricing and Costing for Council Business - A Guide to Competitive Neutrality</a></p>	<ul style="list-style-type: none"> <li>• Helps councils apply the principle of competitive neutrality. The principle is part of a national competition policy, applied by government businesses at all levels throughout Australia.</li> <li>• Sets out the minimum compliance requirements and includes areas that councils are encouraged to adopt the principle.</li> <li>• Applies to council business activities (excluding non-business and non-profit activities).</li> <li>• Helps councils prepare the Special Purpose Financial Statements for Declared Business Activities required by the Code.</li> </ul>
<b>Related parties</b>	
<p><a href="#">Circular 16-36 'Financial reporting obligations - AASB 124 Related party disclosures'</a></p>	<ul style="list-style-type: none"> <li>• Advises that from 1 July 2016, AASB 124 'Related Party Disclosures' applies to local government.</li> <li>• Councils will need to: <ul style="list-style-type: none"> <li>- have systems in place to identify their related parties and capture transactions</li> <li>- identify their related parties. These are likely to include the mayor, councillors, general manager, senior manager, senior executives, their close family members and any entities controlled or jointly controlled by councils</li> <li>- identify transactions between the council and their related parties (monetary and non-monetary) and determine whether these require disclosure in their financial statements.</li> </ul> </li> <li>• disclose in their financial statements related party relationships, transactions and outstanding balances, including commitments.</li> </ul>
<p><a href="#">Webinar Slides - Understanding and implementing AASB 124 Related Party Transactions</a></p>	
<p><a href="#">Circular 16-40 '2016 Local Government Elections - Survey of Candidates and Councillors'</a></p>	<ul style="list-style-type: none"> <li>• Requires councils to complete a survey following the 2016 local government elections under section 429 of the LG Act.</li> <li>• Includes two new questions requiring candidates and councillors to state whether they are a property developer or a close associate of a property developer. This information may be useful when auditing a council's related party disclosures.</li> </ul>
<b>Public Private Partnership (PPP) projects</b>	
<p><a href="#">Circular 05-51 'Public Private Partnerships - Guidelines and legislation'</a></p>	<ul style="list-style-type: none"> <li>• Issued pursuant to the LG Act and the LG Regulations.</li> <li>• Requires councils to comply with the guidelines.</li> <li>• Requires councils to submit an assessment of the PPP project to OLG before they enter into an arrangement.</li> <li>• Requires significant or high risk projects to be reviewed by the Project Review Committee before the council enters into a PPP.</li> <li>• Requires Ministerial approval under section 358 of the LG Act before councils can enter into a PPP arrangement.</li> </ul>

Items	Details
<b>Capital expenditure</b>	
<p><a href="#">Circular 10-34 'Capital Expenditure Guidelines'</a></p> <p><a href="#">Capital Expenditure Guidelines December 2010</a></p>	<ul style="list-style-type: none"> <li>• Issued under section 23A of the LG Act.</li> <li>• Helps councils prepare and review certain capital expenditure projects.</li> <li>• Requires councils to undertake capital expenditure reviews for non-exempt projects exceeding the greater of 10 per cent of the council's ordinary rates revenue or \$1 million (GST exclusive).</li> <li>• Imposes additional requirements for non-exempt capital projects expected to exceed \$10 million (GST exclusive).</li> </ul>
<b>Tendering and procurement</b>	
<p><a href="#">Circular 18-12 'Management of unsolicited proposals received by councils'</a></p>	<ul style="list-style-type: none"> <li>• Encourages councils seeking to adopt their own unsolicited proposal guidelines to consider using the 'Unsolicited Proposals Guide for Submission and Assessment' for NSW Government agencies as the model framework.</li> </ul>
<p><a href="#">Circular 12-02 'Procurement from disability employment organisations'</a></p>	<ul style="list-style-type: none"> <li>• Informs councils of the NSW Government policy and, encourages councils to procure goods and services from disability employment organisations.</li> </ul>
<p><a href="#">Circular 11-37 'Council procurement and contract management practices - Contracts for consultancy and professional services'</a></p>	<ul style="list-style-type: none"> <li>• Informs the sector of issues identified in an investigation of a council's procurement and contract management practices for consultancy and professional services.</li> </ul>
<p><a href="#">Circular 09-39 'Tendering guidelines for NSW Local Government'</a></p> <p><a href="#">Tendering guidelines for NSW Local Government</a></p>	<ul style="list-style-type: none"> <li>• Issued under section 23A of the LG Act.</li> <li>• Does not apply to public private partnerships.</li> <li>• Encourages and supports best practice procurement within the local government sector by:                         <ul style="list-style-type: none"> <li>– ensuring procurement and disposal activities are governed by strict considerations of probity, transparency and accountability</li> <li>– helping councils apply clear policies, consistent procedures and effective risk management strategies</li> <li>– outlining key principles for councils to observe when tendering.</li> </ul> </li> </ul>
<b>Budget controls</b>	
<p><a href="#">Quarterly Budget Statement for NSW Local Government</a></p>	<ul style="list-style-type: none"> <li>• Provides the minimum requirements and sample templates to help councils meet their obligations in clause 203(3) of the LG Regulation.</li> <li>• Requires responsible accounting officers to prepare and submit a quarterly budget review statement.</li> <li>• Provides template documents containing the minimum quarterly reporting requirements.</li> </ul>

Items	Details
<b>Asset management</b>	
<p><a href="#">Circular 17-42 'Changes to the Crown reserve management under the Crown Land Management Act 2016'</a></p>	<ul style="list-style-type: none"> <li>• Advises councils of the commencement of the <i>Crown Land Management Act 2016</i> (CLM Act) in 2018.</li> <li>• The CLM Act will introduce changes to the way Crown Reserves are managed by councils.</li> <li>• Under the new system:                             <ul style="list-style-type: none"> <li>- councils manage Crown reserves under the LG Act</li> <li>- ownership of the land will remain with the State with the Minister for Lands and Forestry retaining certain oversight functions</li> <li>- council managed Crown reserves will generally be classified as community land and categorised under the LG Act</li> <li>- the majority of council managed Crown reserves will be classified as community land, meaning councils will be required to have plans of management under the LG Act for most Crown reserves that they manage.</li> </ul> </li> <li>• The circular includes a diagram which provides an overview of the key steps for councils in the lead up to the commencement of the legislation.</li> </ul>
<p><a href="#">Circular 15-09 'Changes the land acquisition process for acquiring authorities in NSW'</a></p>	<ul style="list-style-type: none"> <li>• Requires councils to follow new guidance issued by the Office of Finance and Services C2015-01 for acquiring privately owned land by compulsory process.</li> </ul>
<p><a href="#">Circular 12-09 'Fair valuation, infrastructure, property, plant and equipment'</a></p>	<ul style="list-style-type: none"> <li>• Outlines the timing of asset revaluations under the fair value model of AASB 116 'Property Plant and Equipment'.</li> <li>• Requires councils to assess at each reporting date whether there is any indication an asset's carrying amount materially differs from its fair value.</li> </ul>
<p><a href="#">Circular 09-25 'Land under roads'</a></p>	<ul style="list-style-type: none"> <li>• Outlines the accounting requirements for land under roads acquired:                             <ul style="list-style-type: none"> <li>- Before 1 July 2008 - councils can elect to recognise or not recognise this land as an asset</li> <li>- After 1 July 2008 - accounted for under AASB 116.</li> </ul> </li> <li>• Details council actions for land under roads acquired before and after 1 July 2008.</li> </ul>
<p><a href="#">Circular 08-07 'Valuation of property, plant and equipment at fair value'</a></p>	<ul style="list-style-type: none"> <li>• Requires councils to commence valuing property, plant and equipment at fair value.</li> <li>• Provides brief guidance on the valuation methods for operational and community land, buildings, plant and equipment and other assets.</li> </ul>
<p><a href="#">Circular 06-75 'RE-ISSUE: Valuation of assets at fair value'</a></p>	<ul style="list-style-type: none"> <li>• Requires councils to value water and sewerage assets at fair value and includes information relevant to the revaluation of these assets.</li> </ul>

Items	Details
<a href="#">Practice Note No.1 - Public land management</a>	<ul style="list-style-type: none"> <li>• Helps councils manage public land under the LG Act.</li> <li>• Requires public land to be classified as either community or operational.</li> </ul>
<b>Formation of corporations or other entities</b>	
<a href="#">Circular 07-49 'Criteria for Applications Under Section 358 of the Local Government Act 1993 - Formation of Corporations or Other Entities'</a>	<ul style="list-style-type: none"> <li>• Advises that section 358 of the LG Act requires councils to receive consent from the Minister for Local Government before: <ul style="list-style-type: none"> <li>– forming or participating in the formation of a corporation or other entity</li> <li>– obtaining a controlling interest in a corporation or other entity.</li> </ul> </li> <li>• Defines 'entity' for the purposes of section 358 of the LG Act.</li> <li>• Advises council applications to OLG must demonstrate that the formation of, or the acquisition of the controlling interest in the entity is in the public interest.</li> </ul>
<b>Investment and borrowing powers</b>	
<a href="#">Circular 17-29 'Investment Policy Guidelines - Interim TCorp waiver'</a>	<ul style="list-style-type: none"> <li>• Advises councils that: <ul style="list-style-type: none"> <li>– the NSW Government has waived the requirement under section 5 of the OLG's Investment Policy Guidelines requiring councils to only seek advice from advisors licensed by the Australian Securities and Investments</li> <li>– they can now engage and seek investment advice from NSW Treasury Corporation (TCorp) as part of their financial and strategic planning process</li> <li>– the waiver only applies only to TCorp.</li> </ul> </li> </ul>
<a href="#">Circular 11-01 'Revised Ministerial Investment Order'</a>	<ul style="list-style-type: none"> <li>• Issued pursuant to section 625 of the LG Act.</li> <li>• Lists the approved types of investments where councils may invest their funds.</li> </ul>
<a href="#">Investment Order</a>	
<a href="#">Circular 10-11 'Release of Investment Policy Guidelines'</a>	<ul style="list-style-type: none"> <li>• Issued under section 23A of the LG Act.</li> <li>• Applies to all general purpose and special purpose councils.</li> <li>• The Guidelines: <ul style="list-style-type: none"> <li>– help councils invest funds in a prudent and appropriate manner</li> <li>– outline the legislation associated with the investment of surplus funds</li> <li>– help councils prepare a suitable investment policy</li> <li>– outline key issues when investing funds</li> <li>– define duties and obligations of the council and council officers</li> <li>– outline the requirements for internal control procedures</li> <li>– establish proper reporting and monitoring procedures.</li> </ul> </li> </ul>
<a href="#">Investment Policy Guidelines</a>	
<a href="#">Circular 09-21 'Revised Borrowing Order'</a>	<ul style="list-style-type: none"> <li>• Issued pursuant to section 624 of the LG Act.</li> <li>• Restricts councils from borrowing from sources outside Australia or in currencies other than Australian dollars.</li> </ul>

Items	Details
<b>Employment related</b>	
<a href="#">Circular 18-18 '2018–19 Determination of the Local Government Remuneration Tribunal'</a>	<ul style="list-style-type: none"> <li>• Advises councils that the Local Government Remuneration Tribunal increased mayoral and councillor fees by 2.5 per cent for the 2018–19 financial year, effective 1 July 2018. No changes were made to the criteria or the allocation of councils into categories.</li> </ul>
<a href="#">Circular 17-08 '2017–18 Determination of the Local Government Remuneration Tribunal'</a>	<ul style="list-style-type: none"> <li>• Advises councils:                             <ul style="list-style-type: none"> <li>– of the changes in the categories of councils and mayoral offices arising from the review of categories pursuant to section 239 of LG Act</li> <li>– the Local Government Remuneration Tribunal increased mayoral and councillor fees by 2.5 per cent for the 2017–18 financial year, effective 1 July 2017.</li> </ul> </li> </ul>
<a href="#">Circular 11-14 'Guidelines for the appointment and oversight of the general managers'</a>	<ul style="list-style-type: none"> <li>• Issued under section 23A of the LG Act.</li> <li>• Summarises the essential matters councils must address when recruiting, appointing, re-appointing and managing the performance of general managers.</li> </ul>
<a href="#">Guidelines for the Appointment and Oversight of General Managers</a>	
<a href="#">Circular 06-52 'Standard Contract of Employment of Senior Staff (other than General Managers) in Force from 1 September 2006 and Publication of Interactive Versions of the Standard Contracts'</a>	<ul style="list-style-type: none"> <li>• Issued under section 338(4) of the LG Act.</li> <li>• Provides the standard documentation general managers must use when appointing senior staff.</li> <li>• Ensures consistency and certainty in employment relationships at the management level including reflecting community expectations by providing greater transparency and accountability.</li> </ul>
<a href="#">Standard Contract of Employment for Senior Staff (other than General Managers) of Local Councils in NSW</a>	
<a href="#">Standard Contract of Employment for General Managers of Local Councils in NSW</a>	
<b>Goods and services tax / fringe benefits tax / tax equivalent regime</b>	
<a href="#">Circular 11-23 'GST Certificate - Revised Requirements'</a>	<ul style="list-style-type: none"> <li>• Helps councils comply with section 114 of the Commonwealth Constitution.</li> <li>• Changes the date that councils must submit GST certificates to OLG from 1 June to 31 July.</li> <li>• Reduces red tape by allowing the certificate to be signed by the General Manager and Responsible Accounting Officer, removing the requirement for submission to council.</li> </ul>

Items	Details
<b>Audit and internal controls</b>	
<a href="#">Circular 10-22 'Revised Internal Audit Guidelines'</a>	<ul style="list-style-type: none"> <li>• Issued under section 23A of the LG Act.</li> <li>• Helps local councils and county councils develop and implement internal audit and risk management frameworks to build community confidence in their managerial performance.</li> <li>• The revised guidelines:                             <ul style="list-style-type: none"> <li>- provide additional requirements for independent audit committees</li> <li>- expand the conflict of interest provisions</li> <li>- clarify the role of the general manager in the internal audit function.</li> </ul> </li> </ul>
<a href="#">Internal Audit Guidelines</a>	
<a href="#">Circular 09-03 'Internal Audit Committees'</a>	<ul style="list-style-type: none"> <li>• Highlights essential components of an effective internal audit function.</li> </ul>
<b>Governance</b>	
<a href="#">Circular 17-30 'Consultation on drafts of the new Model Code of Conduct for Local Councils in NSW and associated Procedures'</a>	<ul style="list-style-type: none"> <li>• Advises OLG has released a draft Model Code of Conduct for review with submissions to be made before Monday 4 December 2017.</li> </ul>
<a href="#">Model Code of Conduct</a>	<ul style="list-style-type: none"> <li>• Details the expected standards of behaviour for council officials and staff. Sets different Codes of Conduct for different council positions.</li> <li>• The Code:                             <ul style="list-style-type: none"> <li>- provides councils with greater flexibility to informally resolve less serious matters</li> <li>- introduces greater fairness for complaints management</li> <li>- introduces stronger sanctions to help deter ongoing disruptive behaviour and serious misconduct.</li> </ul> </li> </ul>
<a href="#">Circular 10-26 'Misuse of council resources'</a>	<ul style="list-style-type: none"> <li>• Reminds council officials of their obligations for the proper use of council resources.</li> </ul>
<a href="#">Pecuniary Interest Guidelines</a>	<ul style="list-style-type: none"> <li>• Advises councillors, council delegates, council staff and other persons of their respective roles and the requirements of the pecuniary interest provisions.</li> <li>• Provides guidance on lodging disclosure of interest returns and written declarations; and disclosing pecuniary interests at council and council committee meetings.</li> </ul>
<a href="#">Circular 12-38 'Disclosure of Interests Returns'</a>	<ul style="list-style-type: none"> <li>• Reminds councillors of their obligations under section 449(3) of the LG Act to lodge the 'Disclosures by Councillors and Designated Persons Return'.</li> <li>• Requires:                             <ul style="list-style-type: none"> <li>- procedures to be in place to record the lodgement of returns</li> <li>- General Managers to ensure returns are tabled in accordance with section 450 of the LG Act</li> <li>- General Managers to provide councillors with a copy of the circular.</li> </ul> </li> </ul>

Items	Details
<p><a href="#">Circular 08-71 Self-help guide to complete section 449 Returns of Interests'</a></p> <p><a href="#">Self-help guide for the completion of returns disclosing interest of councillors and designated persons required under section 449 of the <i>Local Government Act 1993</i></a></p> <p><a href="#">Circular 06-62 'Applying for pecuniary interest exemptions under section 458 of the <i>Local Government Act 1993</i>'</a></p>	<ul style="list-style-type: none"> <li>• Helps council officials complete their section 449 return required by the LG Act and LG Regulations.</li> <li>• Contains plain English explanations of each section within the form.</li> <li>• Informs councillors of the process for seeking pecuniary interest exemptions under section 458 of the LG Act.</li> </ul>
<b>Legislative requirements</b>	
<p><a href="#">Circular 18-19 Changes relating to the publication of notices</a></p>	<ul style="list-style-type: none"> <li>• Advises councils that the <i>Statute Law (Miscellaneous Provisions) Act 2018</i> amends certain provisions in the LG Act relating to the publication of notices.</li> <li>• The amendments enhance efficiency and flexibility for councils by:             <ul style="list-style-type: none"> <li>- removing the requirement for certain notices to be published in newspapers</li> <li>- allowing the council to determine the publication method they will use to best bring a notice to the public's attention.</li> </ul> </li> <li>• The changes are effective from 1 August 2018.</li> </ul>
<p><a href="#">Circular 18-05 'Commencement of the biodiversity offset scheme across most of NSW'</a></p>	<ul style="list-style-type: none"> <li>• Advises councils that OLG is working in partnership with the Office of Environment and Heritage and the Department of Planning and Environment to support the commencement of the Biodiversity Offset Scheme.</li> <li>• Provides an overview of:             <ul style="list-style-type: none"> <li>- the councils classified as interim designated areas, effective dates and transitional arrangements</li> <li>- the applications for development consent that are subject to the <i>Biodiversity Conservation Act 2016</i></li> <li>- decisions that will need to be made when the biodiversity offset scheme applies</li> <li>- the strategy to support councils implement the new requirements.</li> </ul> </li> </ul>
<p><a href="#">Circular 18-02 'Supporting Joint Organisation success - Consultation on regulations and extension to the nomination'</a></p>	<ul style="list-style-type: none"> <li>• Advises:             <ul style="list-style-type: none"> <li>- regional and rural councils they have until 23 March 2018 to resolve to join a Joint Organisation (JO) and submit their nominations to the Minister for Local Government</li> <li>- that the draft regulations to support JOs and Consultation Guide have been released for council to consider and provide feedback by 16 March 2018.</li> </ul> </li> </ul>

Items	Details
<p><a href="#"><u>Circular 17-38 'Update on implementation of the Biodiversity Conservation Act 2016'</u></a></p>	<ul style="list-style-type: none"> <li>• Advises councils that:                             <ul style="list-style-type: none"> <li>- to support transition to the <i>Biodiversity Conservation Act 2016</i> (the BC Act), the Minister for the Environment has agreed to amend the Biodiversity Conservation (Savings and Transitional) Regulation 2017 Regulation (BC Regulation) to extend to six months the period for which former planning provisions apply to local developments across the State</li> <li>- new development applications or modifications to an approved development under Part 4 of the <i>Environmental Planning and Assessment Act 1979</i> will continue to be assessed under former planning provisions until 25 February 2018</li> <li>- in response to concerns around the status of some existing biodiversity impact arrangements, an amendment to the BC Regulation is proposed to confirm the intended policy that biodiversity impacts are only offset once.</li> </ul> </li> </ul>
<p><a href="#"><u>Circular 17-34 'GIPA Contracts Register'</u></a></p>	<ul style="list-style-type: none"> <li>• Advises councils:                             <ul style="list-style-type: none"> <li>- of their obligation to maintain a register of government contracts under Division 5 of the <i>Government Information (Public Access) Act 2009</i></li> <li>- to ensure relevant staff are aware of the e-learning resource provided by the NSW Information and Privacy Commission to assist all regulated entities in understanding how to comply with the contracts register requirement.</li> </ul> </li> </ul>
<p><a href="#"><u>Circular 17-33 'GIPA Annual Reporting Obligations'</u></a></p>	<ul style="list-style-type: none"> <li>• Reminds councils to submit their annual report on their obligations under the <i>Government Information (Public Access) Act 2009</i> to the NSW Information and Privacy Commission by 31 October 2017.</li> </ul>
<p><a href="#"><u>Circular 17-06 'Commencement of Phase 1 Amendments - An Overview'</u></a></p>	<ul style="list-style-type: none"> <li>• Outlines the commencement dates of each Phase 1 amendment made to the LG Act by the <i>Local Government Amendment (Governance and Planning) Act 2016</i> (the Phase 1 Amendments).</li> <li>• Councils will be advised of the commencement date of unproclaimed provisions via circulars.</li> </ul>

Items	Details
<p><a href="#">Circular 16-51 'Further Phase 1 amendments to the Local Government Act commence and amending regulation made'</a></p>	<ul style="list-style-type: none"> <li>• Outlines the impact on councils for changes under the LG Act, <i>Local Government Amendment (Governance and Planning) Act 2016</i>, Local Government (General) Regulations 2005 and the Local Government (General) Amendment (Performance Management) Regulation 2016.</li> <li>• Advises the following Phase 1 amendments have been commenced by proclamation and are now in force:                         <ul style="list-style-type: none"> <li>- the power of the Minister to appoint a financial controller in association with a performance improvement order and the functions and powers of a financial adviser</li> <li>- clarification of the process for appointing a temporary advisor</li> <li>- regulation-making powers to prescribe criteria for the Minister to consider when determining whether to appoint a financial controller and/or temporary advisor.</li> </ul> </li> <li>• The Local Government (General) Regulation now prescribes that the Minister must consider in their opinion whether:                         <ul style="list-style-type: none"> <li>- the appointment of a financial controller will contribute to improving the financial operations of a council or contribute to mitigating a financial risk facing the council</li> <li>- an appointment of a temporary adviser will help the council to comply with (or implement actions under) a performance improvement order as a separate criterion.</li> </ul> </li> </ul>
<p><a href="#">Circular 16-35 'More Phase 1 amendments to the Local Government Act commenced by proclamation'</a></p>	<ul style="list-style-type: none"> <li>• Outlines the changes under the LG Act and the <i>Local Government Amendment (Governance and Planning) Act 2016</i> and the impact on councils.</li> </ul>
<p><b>Integrated planning and reporting</b></p>	
<p><a href="#">Circular 17-16 'Transition from Administration to the Integrated Planning and Reporting framework for merged councils'</a></p>	<ul style="list-style-type: none"> <li>• Provides guidance to the 20 councils with deferred elections on the requirements for Integrated Planning and Reporting (IP&amp;R) in the lead-up to the first local government elections.</li> <li>• Lists the activities the Administrator must perform prior to the election to ensure the newly elected councils will be able to comply with the reporting requirements.</li> <li>• Advises that the annual report:                         <ul style="list-style-type: none"> <li>- finalisation is the responsibility of the newly elected council</li> <li>- preparation is undertaken by the Administrator</li> <li>- must be submitted within five months of financial year end (i.e. the statutory date)</li> <li>- does not need to include a state of the environment report and an outline of its achievements in implementing its Community Strategic Plan (CSP) (sections 428 and 428A of the LG Act).</li> </ul> </li> </ul>
<p><a href="#">Circular 16-50 'Integrated Planning and Reporting requirements for councils with deferred elections'</a></p>	<ul style="list-style-type: none"> <li>• Advises councils with deferred elections on their Integrated Planning and Reporting requirements until the next local government elections.</li> <li>• Lists the 25 councils with deferred elections.</li> </ul>

Items	Details
<a href="#">Integrated Planning and Reporting Framework (the Framework)</a>	<ul style="list-style-type: none"> <li>• Issued pursuant to the LG Act and the LG Regulation.</li> <li>• Requires councils to plan and report activities in accordance with the LG Act and the LG Regulations, including having:                             <ul style="list-style-type: none"> <li>– a community strategic plan</li> <li>– a resourcing strategy</li> <li>– a delivery program</li> <li>– an operational plan.</li> </ul> </li> <li>• The Framework allows councils to draw various plans and policies together, understand how they interact and get the maximum leverage from their efforts by planning holistically and sustainably for the future.</li> <li>• The Guidelines list all the mandatory requirements from the LG Act, LG Regulations and the essential elements councils must follow when undertaking their planning and reporting activities.</li> </ul>
<a href="#">Integrated Planning and Reporting Guidelines (the Guidelines)</a>	
<b>Rating and special variations</b>	
<a href="#">Circular 18-08 'Information about Rating 2018–19'</a>	<ul style="list-style-type: none"> <li>• Outlines changes to the following rates for 2018–19:                             <ul style="list-style-type: none"> <li>– maximum weekly tariffs on accommodation provided by boarding houses or lodging houses and the maximum interest rates chargeable on overdue rates and charges</li> <li>– section 603 Certificate fee</li> <li>– statutory limits on the maximum amount of minimum ordinary and special rate (section 548 of the LG Act)</li> </ul> </li> <li>• Requires councils to incorporate these determinations into their 2018–19 rating structures and Operational Plan Statement of Revenue Policies.</li> </ul>
<a href="#">Circular 17-35 'Special Variation and Minimum Rate Variation Guidelines and Process for 2018–19'</a>	<ul style="list-style-type: none"> <li>• Informs councils of the release of the Guidelines for Special Variation and Minimum Rate Variation for the 2018–19 rating year.</li> </ul>
<a href="#">Guidelines for the Preparation of an Application for a Special Variation to General Income for 2018–2019</a>	<ul style="list-style-type: none"> <li>• Establishes guidelines for councils applying for special variations.</li> <li>• Sets the assessment criteria for applications and provides information on how and when to apply.</li> <li>• Changes from 2017–18 Guidelines include:                             <ul style="list-style-type: none"> <li>– removal of fit for the future information</li> <li>– new section outlining the councils that can apply for a special variation</li> <li>– advises that new councils (except Mid-Coast Council) are not permitted to apply for a special or minimum rate variation until at least the 2020–21 rating year</li> <li>– application timetable and dates reflect the current period.</li> </ul> </li> </ul>

Items	Details
<a href="#"><u>Guidelines for the Preparation of an Application to Increase Minimum Rates above the Statutory Limit 2018–2019</u></a>	<ul style="list-style-type: none"> <li>• Issued pursuant to section 548 of the LG Act.</li> <li>• Advises that:                             <ul style="list-style-type: none"> <li>– IPART will assess and determine special variation applications by councils</li> <li>– when councils resolve to adopt a minimum amount of a rate, the size of the minimum amount must not exceed the relevant permissible limits provided in section 548(3) of the LG Act and clause 126 of the LG Regulation.</li> </ul> </li> <li>• Changes from 2017–18 Guidelines include:                             <ul style="list-style-type: none"> <li>– removing the requirement that councils subject to merger proposals will be ineligible for a minimum rate variation for the 2017–18 rating year</li> <li>– advises that new councils (except Mid-Coast Council) are not permitted to apply for a special or minimum rate variation until at least the 2020–21 rating year</li> <li>– application timetable and dates reflect the current period.</li> </ul> </li> </ul>
<a href="#"><u>Circular 17-21 'Reporting of Rates Permissible Income for 2017–18'</u></a>	<ul style="list-style-type: none"> <li>• Notifies councils:                             <ul style="list-style-type: none"> <li>– of the release of the Special Schedule 8 Permissible income workpapers</li> <li>– of the 1.5 per cent rate-peg limit for 2017–18 set by IPART</li> <li>– that General Managers will need to sign the Statement of Compliance prior to giving the workpapers to the auditor.</li> </ul> </li> <li>• Helps councils calculate the annual permissible income included in 'Special Schedule No 8 Permissible Income Calculation'.</li> </ul>
<a href="#"><u>Special Schedule 8 Permissible Income workpapers 2017–18</u></a>	<ul style="list-style-type: none"> <li>• Helps councils calculate the annual permissible income included in 'Special Schedule No 8 Permissible Income Calculation'.</li> </ul>
<a href="#"><u>Circular 17-09 'Information about Rating 2017–18'</u></a>	<ul style="list-style-type: none"> <li>• Outlines changes to the following rates for 2017–18:                             <ul style="list-style-type: none"> <li>– maximum weekly tariffs on accommodation provided by boarding houses or lodging houses and the maximum interest rates chargeable on overdue rates and charges</li> <li>– section 603 certificate fee</li> <li>– statutory limits on the maximum amount of minimum ordinary rate and special rate (section 548 of the LG Act).</li> </ul> </li> <li>• Requires councils to incorporate these determinations into their 2017–18 rating structures and Operational Plan Statement of Revenue Policies.</li> </ul>
<a href="#"><u>Guidelines for the Preparation of an Application for a Special Variation to General Income for 2017–2018</u></a>	<ul style="list-style-type: none"> <li>• Establishes guidelines for councils applying for special variations.</li> <li>• Sets the assessment criteria for applications and provides information on how and when to apply.</li> <li>• Changes from 2016–17 Guidelines include:                             <ul style="list-style-type: none"> <li>– updated to reflect fit for the future has taken place</li> <li>– application timetable and dates reflect the current period</li> <li>– addition of a special rate minimum paragraph in attachment 4.</li> </ul> </li> </ul>
<a href="#"><u>Addendum to the Special Variation Guidelines 2017/18</u></a>	<ul style="list-style-type: none"> <li>• Advises that councils subject to a merger proposal will be ineligible for a special variation for the 2017–18 rating year.</li> </ul>

Items	Details
<a href="#">Guidelines for the Preparation of an Application to Increase Minimum Rates above the Statutory Limit 2017–2018</a>	<ul style="list-style-type: none"> <li>• Issued pursuant to section 548 of the LG Act.</li> <li>• Advises that:                             <ul style="list-style-type: none"> <li>– IPART will assess and determine special variation applications by councils</li> <li>– when councils resolve to adopt a minimum amount of a rate, the size of the minimum amount must not exceed the relevant permissible limits provided in section 548(3) of the LG Act and clause 126 of the LG Regulation.</li> </ul> </li> <li>• Councils subject to merger proposals will be ineligible for a minimum rate variation for the 2017–18 rating year.</li> <li>• Minimal changes compared to 2016–17 Guidelines.</li> </ul>
<a href="#">Pensioner concession Factsheet 2011</a>	<ul style="list-style-type: none"> <li>• Briefly outlines the pensioner concessions on ordinary council rates and domestic waste management services charges, concessional amounts and eligibility.</li> </ul>
<a href="#">Circular 08-49 'Amendment to the Local Government Act 1993 - Rating of Land Partially Subject to a Conservation Agreement'</a>	<ul style="list-style-type: none"> <li>• Advises councils that the amendment to section 555(3) of the LG Act provides for the continued proportional rating of lands that include a Conservation Agreement established under section 69A-KA of the <i>National Parks and Wildlife Act 1974</i>.</li> </ul>
<a href="#">Circular 06-47 'Stormwater Management Services Charge Guidelines'</a>	<ul style="list-style-type: none"> <li>• Issued under section 23A of the LG Act.</li> <li>• Details the requirements for levying the stormwater management services charge.</li> </ul>
<a href="#">Council Rating and Revenue Raising Manual</a>	<ul style="list-style-type: none"> <li>• Outlines the main sources of council income under the LG Act.</li> <li>• Provides a comprehensive overview of rates including: categories of rates, rate structures, charges for domestic waste services, rate exemptions, levying and payment of rates and charges, concessions and fees.</li> </ul>
<b>Council elections</b>	
<a href="#">Circular 17-12 'Electoral matter' and use of council resources prior to local government elections'</a>	<ul style="list-style-type: none"> <li>• Reminds councils that under the Model Code of Conduct the following cannot be used to assist an election campaign:                             <ul style="list-style-type: none"> <li>– the use of the council's resources, property and facilities unless it is lawfully authorised and proper payment is made (where applicable)</li> <li>– council letterhead, council crests and other information that may be perceived as official council material.</li> </ul> </li> <li>• Advises councils to consider whether their publications in the 40 days preceding the election could amount to an 'electoral matter'. An electoral matter includes any matter that is intended or likely to affect voting at the election.</li> <li>• Breaches of the Model Code of Conduct may result in disciplinary action.</li> </ul>

Items	Details
<b>Miscellaneous items</b>	
<a href="#"><u>Circular 18-01 'Establishment of a Council Engagement Team'</u></a>	<ul style="list-style-type: none"> <li>• Advises councils that OLG is changing the way it engages with councils. A key step is the establishment of a Council Engagement Team.</li> <li>• The Council Engagement Team will include six new Council Engagement Manager positions, whose role will be to:                             <ul style="list-style-type: none"> <li>- develop and build relationships with councils and Joint Organisations</li> <li>- determine and identify emerging issues affecting councils and those that are likely to eventuate; and identify solutions and initiatives to respond</li> <li>- provide information and assistance to councils on State Government policy priorities</li> <li>- facilitate effective working relationships between State and local government agencies and improve collaboration and support</li> <li>- develop and deliver programs to support councils.</li> </ul> </li> </ul>
<a href="#"><u>Circular 17-32 '2017 edition of the Councillor Handbook'</u></a>	<ul style="list-style-type: none"> <li>• The Councillor Handbook is designed to help new and returning councillors be effective in their role.</li> <li>• The handbook outlines how councillors can meet the wide range of obligations and is a key resource for all councillors during their electoral term.</li> </ul>
<a href="#"><u>Circular 17-25 'Container Deposit Scheme and waste management contracts'</u></a>	<ul style="list-style-type: none"> <li>• Advises councils:                             <ul style="list-style-type: none"> <li>- of the commencement of the NSW Container Deposit Scheme (the Scheme) on 1 December 2017, with a 10 cent refund claimable on eligible containers</li> <li>- that under the Scheme, operators of Material Recovery Facilities (MRFs) will be able to claim a portion of the refund on containers collected from kerbside recycling using the MRF Protocol.</li> </ul> </li> </ul>
<a href="#"><u>Circular 17-17 'Councillors Expenses and Facilities Policy Template'</u></a>	<ul style="list-style-type: none"> <li>• Advises councils:                             <ul style="list-style-type: none"> <li>- of the new better practice councillor expenses and facilities policy template councils can use to prepare their own policies</li> <li>- their Councillors Expenses and Facilities policy must be adopted within 12 months of the commencement of the new council term (section 252 LG Act) and be made publicly available on their website.</li> </ul> </li> </ul>
<a href="#"><u>Circular 16-49 'Fit for the Future Improvement Plans and Integrated Planning and Reporting'</u></a>	<ul style="list-style-type: none"> <li>• Recommends councils reflect their 'Fit for the Future Plans' (prepared by councils back in 2015) in their next cycle of Integrated Planning and Reporting in the Delivery Program and Resourcing Strategy.</li> <li>• Reminds councils that OLG will monitor councils' performance against the 'Fit for Future' benchmarks over time.</li> </ul>
<a href="#"><u>Circular 11-27 'Findings from Review of Councillor Expenses and Facilities Policies'</u></a>	<ul style="list-style-type: none"> <li>• Discusses the findings and recommendations arising from of a sample of council's Councillor Expenses and Facilities Policies.</li> </ul>

Items	Details
<p><a href="#"><u>Circular 09-36 'Release of revised Councillor Expenses and Facilities Guidelines'</u></a></p> <p><a href="#"><u>Councillor Expenses and Facilities Guidelines</u></a></p>	<ul style="list-style-type: none"><li>• Advises councils of the release of the revised guidelines.</li><li>• The guidelines help councils develop, implement and review their policies on the payment of expenses and the provision of facilities to mayors and councillors.</li></ul>
<p><a href="#"><u>Circular 06-32 'Provision of Financial Assistance under Section 356 of the Local Government Act 1993 - Developing a Financial Assistance Policy'</u></a></p>	<ul style="list-style-type: none"><li>• Provides guidance for council's providing financial assistance to others (including charitable, community and sporting organisations and private individuals) under section 356 of the LG Act.</li></ul>

## OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

## OUR MISSION

To help parliament hold government accountable for its use of public resources.

## OUR VALUES

**Purpose** – we have an impact, are accountable, and work as a team.

**People** – we trust and respect others and have a balanced approach to work.

**Professionalism** – we are recognised for our independence and integrity and the value we deliver.

Level 15, 1 Margaret Street  
Sydney NSW 2000 Australia

**PHONE** +61 2 9275 7100

**FAX** +61 2 9275 7200

[mail@audit.nsw.gov.au](mailto:mail@audit.nsw.gov.au)

Office hours: 8.30am-5.00pm,  
Monday to Friday.