



New South Wales

Local Government (General) Amendment (Annual Reports) Regulation 1998

under the
Local Government Act 1993

His Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Local Government Act 1993*.

ERNIE PAGE, M.P.,
Minister for Local Government

Explanatory note

The *Competition Principles Agreement* between the Commonwealth, the States and the Territories signed at the Council of Australian Governments meeting in April 1995 requires the New South Wales Government to apply the principles of the National Competition Policy, including the principles of competitive neutrality, to local government and to publish an annual report on the implementation of those principles.

The object of this Regulation is to amend the *Local Government(General) Regulation 1993* to require local government councils to include in their annual reports a summary of, and other information relating to, the councils' implementation of competitive neutrality principles.

The Regulation will also require local government councils to include in their annual reports for the financial years ending on 30 June 1998 and 1999, a statement detailing the action being taken and the expenses being incurred to minimise and rectify problems arising from the Year 2000 computer problem, also known as the Millennium Bug.

This Regulation is made under the *Local Government Act 1993*, including sections 428 (2) (r) and 738 (the general regulation-making power), in particular section 748 (5).

1998 No 330

Clause 1 Local Government (General) Amendment (Annual Reports) Regulation 1998

**Local Government (General) Amendment
(Annual Reports) Regulation 1998**

1 Name of Regulation

This Regulation is the *Local Government (General) Amendment (Annual Reports) Regulation 1998*.

2 Amendment of Local Government (General) Regulation 1993

The *Local Government (General) Regulation 1993* is amended as set out in Schedule 1.

3 Notes

The explanatory note does not form part of this Regulation.

Schedule 1 Amendments

(Clause 2)

[1] Clause 3 Definitions

Insert in alphabetical order in clause 3 (1):

Category 1 business activity has the same meaning as in the Guidelines.

Category 2 business activity has the same meaning as in the Guidelines.

Guidelines means the document entitled *Pricing & Costing for Council Businesses—A Guide to Competitive Neutrality* issued by the Department in July 1997 as amended from time to time.

principles of competitive neutrality has the same meaning as in the Guidelines.

Year 2000 computer problem means the computer programming malfunction identified in *The Year 2000 Business Risk Analysis Handbook* issued by the NSW Government on 3 February 1998.

[2] Clause 7A Additional information for inclusion in annual report

Insert at the end of clause 7A (1):

(e) for any year that ends on or after 30 June 1998:

- a list of the Category 1 business activities of the council, and
- a statement of expenses, revenues and assets in relation to each Category 1 business activity, and
- a summary of the progress of the council in implementing the principles of competitive neutrality, and

- a statement regarding the establishment of a complaints handling mechanism for competitive neutrality complaints, and as to the manner in which the council publicises and makes the mechanism known to the public, and
- a summary of competitive neutrality complaints that have been made against the council during the year (including details of the number of complaints received and the subject matter or nature of the complaints) and a statement as to the outcome of those complaints (including details as to the number of complaints disposed of during the year and the number still outstanding at the end of the year),

(f) in addition to the information required by paragraph (e), for any year that ends on or after 30 June 1999:

- a statement as to whether the competitive neutrality pricing requirements have or have not been applied to each Category 1 business activity of the council, and
- a list of the Category 2 business activities of the council, and
- a comparison of the actual performance of each Category 1 business activity of the council (measured in accordance with the criteria set out in the relevant management plan) with its projected performance (outlined in the management plan relating to the year concerned), together with a statement of the reasons for any difference between them,

(g) for any year that ends on or after 30 June 1998, but before 1 January 2000—a statement detailing:

- the action taken to minimise the risk of the Year 2000 computer problem affecting council services and systems, and

- the methodology used to complete any risk assessments of the Year 2000 computer problem undertaken by the council, and
- the services and systems that have been included in any such risk assessments, and
- the budget of any rectification process for the Year 2000 computer problem and any project milestones of such a process, and
- a summary of any contingency plans developed by the council to deal with the Year 2000 computer problem.

[3] Clause 7A (3)

Insert after clause 7A (2):

(3) In this clause:

competitive neutrality pricing requirements means the requirements, outlined in the Guidelines, that a council's business activities:

- if the council has provided or intends to provide loan funds to the business activity, include the payment of debt guarantee fees to the council, and
- factor into costs an appropriate return on capital invested, and
- include Taxation Equivalent Regime payments to the council.

Taxation Equivalent Regime payments has the same meaning as in the Guidelines.