

LG302\*

Local Government Act 1995

## Local Government (Financial Management) Amendment Regulations 2008

Made by the Lieutenant-Governor and deputy of the Governor in Executive Council.

### 1. Citation

These regulations are the *Local Government (Financial Management) Amendment Regulations 2008*.

### 2. Commencement

These regulations come into operation as follows:

- (a) regulations 1 and 2 — on the day on which these regulations are published in the *Gazette*;
- (b) the rest of the regulations — on the day after that day or on 1 July 2008, whichever is the later.

### 3. The regulations amended

The amendments in these regulations are to the *Local Government (Financial Management) Regulations 1996*.

### 4. Regulation 3 amended

(1) Regulation 3(1) is amended as follows:

- (a) by deleting the following definitions —

“AAS 5”

“AAS 27”

“Australian Accounting Standard”

“material”

“non-current asset”

“operating revenue”

“operating statement”

“statement of cash flows”

“statement of financial position”;

- (b) by inserting in the appropriate alphabetical positions —

“

“AAS” means the Australian Accounting Standards made and amended from time to time by the Australian Accounting Standards Board;

“**Australian Accounting Standards Board**” means the body corporate of that name continued by the *Australian Securities and Investments Commission Act 2001* (Commonwealth);

“**balance sheet**” means a balance sheet (or equivalent) that meets the requirements of the AAS for balance sheets;

“**cash flow statement**” means a cash flow statement (or equivalent) that meets the requirements of the AAS for cash flow statements;

“**Form**”, if followed by a number, means the form of that number in Schedule 2;

“**income statement**” means an income statement (or equivalent) that meets the requirements of the AAS for income statements;

“**material variance**” means a variance that is material for the purposes of the AAS;

“**non-current asset**” means an asset that is not a current asset for the purposes of the AAS;

“**operating revenue**” means revenue that is operating revenue for the purposes of the AAS;

“**restricted asset**”, of a local government, means an asset the use of which is restricted, wholly or partly, by a law made or a requirement imposed outside of the control of the local government, where the restriction is relevant to assessing the performance, financial position or financing and investment of the local government;

”;

(c) by deleting the semicolon after the definition of “section” and inserting instead a full stop.

(2) Regulation 3(2) is repealed and the following subregulation is inserted instead —

“

(2) If a term is given a meaning in the AAS, it has the same meaning in these regulations unless the contrary intention appears.

”.

(3) Regulation 3(3) is repealed.

## 5. Regulation 4 replaced

Regulation 4 is repealed and the following regulation is inserted instead —

“

### 4. Effect of AAS

(1) These regulations are in addition to and not in derogation of the requirements of the AAS.

- (2) If a provision of the AAS is inconsistent with a provision of these regulations, the provision of these regulations prevails to the extent of the inconsistency.
- (3) All words in the Act or these regulations that import revenue or expenditure are to be interpreted to permit compliance with the requirements of the AAS.

”.

**6. Regulation 5A inserted**

After the heading to Part 2 the following regulation is inserted —

“

**5A. Local governments to comply with AAS**

Subject to regulation 4, the annual budget, annual financial report and other financial reports of a local government must comply with the AAS.

”.

**7. Regulation 14 replaced**

Regulation 14 is repealed and the following regulation is inserted instead —

“

**14. Disclosure requirements for operating revenue and expenses**

If the AAS require operating revenue or expenses to be disclosed by nature or type classification, disclosure in accordance with those standards must be by means of notes to, or a separate statement accompanying, the annual budget and the annual financial report.

”.

**8. Regulation 22 amended**

(1) Regulation 22(1) is amended as follows:

- (a) by inserting after “includes” —  
“ the following ”;
- (b) by deleting paragraphs (a) and (b) and inserting instead —

“

- (a) an income statement;
- (b) a cash flow statement;

”;

(c) by deleting paragraph (d)(i) and inserting instead —

“

- (i) the revenue and expenditure that have been taken into account to determine the budget deficiency; and

”;

(d) by deleting “and” after paragraph (h).

- (2) Regulation 22(2) by deleting “statement of cash flows,” and inserting instead —

“ cash flow statement, ”.

**9. Regulation 27 amended**

Regulation 27 is amended as follows:

- (a) in paragraph (i)(i) by deleting “operating” and inserting instead —

“ income ”;

- (b) in paragraph (j) by deleting “operating” and inserting instead —

“ income ”;

- (c) in paragraph (n) by deleting “operating statement.” and inserting instead —

“ income statement. ”.

**10. Regulation 30 amended**

Regulation 30(1) is amended as follows:

- (a) in paragraph (a) by deleting “operating” and inserting instead —

“ income ”;

- (b) by inserting after paragraph (a) —

“ and ”.

**11. Regulation 33 amended**

Regulation 33 is amended by deleting “Executive Director” and inserting instead —

“ Departmental CEO ”.

**12. Regulation 33A amended**

- (1) Regulation 33A(1) is amended by inserting after “each” —

“ financial ”.

- (2) After regulation 33A(1) the following subregulation is inserted —

“

- (2A) The review of an annual budget for a financial year must —

- (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and

- (b) consider the local government’s financial position as at the date of the review; and

- (c) review the outcomes for the end of that financial year that are forecast in the budget.

”.

### 13. Regulation 34 amended

- (1) Regulation 34 is amended by inserting before subregulation (1) —

“

- (1A) In this regulation —

“**committed assets**” means revenue unspent but set aside under the annual budget for a specific purpose.

”.

- (2) Regulation 34(1) is amended by deleting “sources and applications of funds,” and inserting instead —

“ revenue and expenditure, ”.

- (3) Regulation 34(3) is amended by inserting after paragraph (a) —

“ or ”.

- (4) Regulation 34(4)(a) and “and” after it are deleted and the following is inserted instead —

“

- (a) presented at an ordinary meeting of the council within 2 months after the end of the month to which the statement relates; and

”.

- (5) Regulation 34(5) is amended by deleting “AAS 5,” and inserting instead —

“ the AAS, ”.

- (6) Regulation 34(6) is repealed.

### 14. Regulation 36 amended

- (1) Regulation 36(1)(a) is amended by deleting “operating” and inserting instead —

“ income ”.

- (2) Regulation 36(2) and the Table to it are repealed and the following is inserted instead —

“

- (2) The annual financial report is to include the following —

- (a) the rate setting statement included under regulation 22(1)(d) in the annual budget for the year to which the report relates;

- (b) adjacent to each item in that rate setting statement that states an amount, the end-of-year amount for the item;
- (c) adjacent to each item in the income statement that states an end-of-year amount, the original or amended budget estimate for the item;
- (d) adjacent to each item that states an end-of-year amount required by a provision of these regulations listed in the Table to this subregulation, the original or amended budget estimate for the item.

**Table**

| <b>Provision</b> | <b>Provision</b> | <b>Provision</b> |
|------------------|------------------|------------------|
| r. 36(1)(a)      | r. 36(1)(e)      | r. 38(1)(b)      |
| r. 38(1)(c)      | r. 38(1)(e)      | r. 39(a)         |
| r. 39(b)(v)      | r. 39(d)(iv)     | r. 39(e)(vi)     |
| r. 39(e)(vii)    | r. 40(d)         | r. 40(e)         |
| r. 42(2)         | r. 43(a)(ii)     | r. 43(b)(ii)     |
| r. 43(c)(iv)     | r. 44(b)         | r. 45(a)(i)      |
| r. 45(b)         | r. 46(a)         | r. 48(d)(i)      |
| r. 48(d)(vii)    | r. 48(f)(ii)-(v) | r. 49            |

”.

**15. Regulation 38 amended**

- (1) Regulation 38(1)(f) is amended by deleting “statement of financial position —” and inserting instead —  
“ balance sheet ”.
- (2) Regulation 38(2) is amended by deleting “AAS 27” and inserting instead —  
“ the AAS, ”.

**16. Regulation 45 amended**

Regulation 45 is amended as follows:

- (a) by inserting after “include” —  
“ the following ”;
- (b) by deleting paragraph (a)(i) and (ii) and “and” after subparagraph (ii) and inserting instead —  
“  
(i) an income statement;  
(ii) a balance sheet;  
”;
- (c) by deleting “and” after paragraph (a);
- (d) in paragraph (b) by deleting “operating” and inserting instead —  
“ income ”.

**17. Regulation 46 amended**

Regulation 46 is amended as follows:

- (a) in paragraph (d) by deleting “principal activities,” and inserting instead —  
“ the future, ”;
- (b) by inserting after each of paragraphs (a) and (b) —  
“ and ”.

**18. Regulation 50 amended**

Regulation 50(2) is amended as follows:

- (a) by deleting the following definitions —  
“current assets”  
“current liabilities”  
“restricted assets”  
“total assets”  
“total liabilities”  
“total revenue”;
- (b) by inserting in the appropriate alphabetical positions —  
“  
“**current assets**” means the total current assets as shown in the balance sheet;  
“**current liabilities**” means the total current liabilities as shown in the balance sheet;  
“**total assets**” means all current and non-current assets as shown in the balance sheet;  
“**total liabilities**” means all current and non-current liabilities as shown in the balance sheet;  
“**total revenue**” means the total operating revenue excluding all specific purpose grants, contributions and donations that are used for asset development and acquisition;  
”.

**19. Regulation 51 amended**

Regulation 51(2) is amended as follows:

- (a) by deleting “Executive Director” and inserting instead —  
“ Departmental CEO ”;
- (b) by inserting before “CEO” —  
“ local government’s ”.

**20. Regulation 54 amended**

Regulation 54(b) is deleted.

**21. Part 6 replaced**

Part 6 is repealed and the following Part is inserted instead —

“

**Part 6 — Transitional matters****79. Local Government (Financial Management) Amendment Regulations 2008, provisions for**

(1) In this regulation —

“**amending regulations**” means the *Local Government (Financial Management) Amendment Regulations 2008*, other than regulations 1 and 2 of those regulations;

“**new law**” means these regulations as in force after the amending regulations come into operation;

“**old law**” means these regulations as in force immediately before the amending regulations come into operation.

(2) This regulation does not affect the operation of the *Interpretation Act 1984* Part V unless the contrary intention appears.

(3) Despite the amending regulations, the old law applies to and in respect of the financial reports required for, and other matters relating to, the financial year ending on 30 June 2008.

(4) If a budget for the financial year beginning on 1 July 2008 is adopted under section 6.2 before that date, it need not be revised to be in accordance with the new law.

”.

**22. Schedule 1 amended**

Schedule 1 Part 2 is repealed and the following Part is inserted instead —

“

**Part 2 — Nature or type classifications****Revenue**

Rates

Operating grants, subsidies and contributions

Non-operating grants, subsidies and contributions

Profit on asset disposals

Fees and charges

Service charges

Interest earnings

Other revenue



**Expenditure**

Employee costs  
Material and contracts  
Utility charges (electricity, gas, water etc.)  
Depreciation on non-current assets  
Loss on asset disposal  
Interest expenses  
Insurance expenses  
Other expenditure

”.

**23. Schedule 2 amended**

Schedule 2 is amended in Form 1 by deleting “(except to the extent that these have been varied in the Statement of Accounting Policies required by Australian Accounting Standard AAS 6 “Accounting Policies” and the accompanying notes to the annual financial report)”.

By Command of the Lieutenant-Governor and deputy of the Governor,

G. M. PIKE, Clerk of the Executive Council.