

LG302

Local Government Act 1995

## **Local Government Regulations Amendment Regulations 2023**

SL 2023/106

Made by the Governor in Executive Council.

### **Part 1 — Preliminary**

#### **1. Citation**

These regulations are the *Local Government Regulations Amendment Regulations 2023*.

#### **2. Commencement**

These regulations come into operation as follows —

- (a) Part 1 — on the day on which these regulations are published in the *Gazette* (*gazettal day*);
- (b) regulation 6 — on 1 September 2023;
- (c) the rest of the regulations — on the day after gazettal day.

### **Part 2 — *Local Government (Financial Management) Regulations 1996* amended**

#### **3. Regulations amended**

This Part amends the *Local Government (Financial Management) Regulations 1996*.

#### **4. Regulation 3 amended**

- (1) In regulation 3(1) delete the definitions of:  
*back minimum payment* or *back rate*  
*balance sheet*  
*nature or type classification*  
*operating revenue*  
*rate setting statement*  
*restricted asset*  
*total assets*

- (2) In regulation 3(1) insert in alphabetical order:

*nature classification* means a classification set out in Schedule 1 Part 2;

*statement of financial activity* means the statement referred to in regulation 22(1)(d);

*statement of financial position* means a statement of financial position (or equivalent) that meets the requirements of the AAS for a statement of financial position;

- (3) In regulation 3(1) in the definition of *interim minimum payment* or *interim rate* delete “6.39(2)(a);” and insert:

6.39(2);

- (4) In regulation 3(1) in the definition of *state of emergency declaration* delete “section 3;” and insert:

section 3.

**5. Regulation 5A amended**

In regulation 5A delete “regulation 4,” and insert:

regulations 4 and 36A,

**6. Regulation 13A inserted**

After regulation 13 insert:

**13A. Payments by employees via purchasing cards**

- (1) If a local government has authorised an employee to use a credit, debit or other purchasing card, a list of payments made using the card must be prepared each month showing the following for each payment made since the last such list was prepared —
- (a) the payee’s name;
  - (b) the amount of the payment;
  - (c) the date of the payment;
  - (d) sufficient information to identify the payment.

- (2) A list prepared under subregulation (1) must be —
  - (a) presented to the council at the next ordinary meeting of the council after the list is prepared; and
  - (b) recorded in the minutes of that meeting.

**7. Regulation 14 amended**

- (1) In regulation 14:
  - (a) delete “The information” and insert:
    - (1) The information
    - (b) delete “operating”;
    - (c) delete “or type”.
- (2) At the end of regulation 14 insert:
  - (2) If the AAS requires information to be shown according to a classification, the information in a local government’s annual budget and annual financial report must also be shown according to that classification.

Note: The heading to amended regulation 14 is to read:

**Information in annual budget and annual financial report**

**8. Regulation 15 replaced**

Delete regulation 15 and insert:

**15. Figures in annual budget and financial report must be rounded**

All figures shown in the annual budget or a financial report of a local government (other than a rate in the dollar) must be rounded off to the nearest dollar.

**9. Regulation 17 amended**

In regulation 17(2)(a) delete “27(g)” and insert:

27(g) and (ga)

Note: The heading to amended regulation 17 is to read:

**Title of reserve accounts**

**10. Regulation 22 amended**

- (1) In regulation 22(1):
- (a) delete “is to” and insert:  
  
for a financial year must
  - (b) delete paragraph (d) and insert:
  - (d) a statement of financial activity showing details of the following estimates —
    - (i) the revenue and expenditure that have been taken into account to determine the budget deficiency;
    - (ii) the amount that will be yielded by the general rate;
    - (iii) any deficit or surplus remaining after the imposition of the general rate;
    - (iv) any deficit or surplus brought forward from the previous financial year;
    - (v) any deficit or surplus to be carried forward to the next financial year;
- (2) At the end of regulation 22(1) insert:

Note for this subregulation:

In accordance with section 6.34, unless the Minister otherwise approves, the amount referred to in paragraph (d)(ii) is not to be more than 110% of the amount of the budget deficiency or be less than 90% of the amount of the budget deficiency.

**11. Regulation 23 amended**

- (1) In regulation 23:
- (a) delete paragraph (a)(iii)(V) and insert:  
  
(V) the amount it is estimated will be imposed by way of the rate and interim rates;
  - (b) delete paragraph (c)(vii) and insert:  
  
(vii) the amount it is estimated will be imposed by way of each minimum payment and interim minimum payment; and



(c) delete paragraph (d)(vi) and insert:

- (vi) the amount it is estimated will be imposed by way of the rate and interim rates; and

(2) In regulation 23(a)(iii) after each of items (I) to (IV) insert:

and

## 12. Regulation 27 amended

In regulation 27:

(a) delete “is to include” and insert:

for a financial year must include

(b) delete paragraph (e);

(c) after paragraph (g) insert:

(ga) in relation to each reserve account, the purpose of the account and whether the purpose is —

- (i) related to a government policy or direction, a written law or an agreement; or

(ii) any other purpose;

and

(gb) in relation to all of the reserve accounts with a purpose referred to in paragraph (ga)(i), a combined total of each of the amounts referred to in paragraph (g); and

(gc) in relation to all of the reserve accounts with a purpose referred to in paragraph (ga)(ii), a combined total of each of the amounts referred to in paragraph (g); and

(d) in paragraph (k) delete “or type”.

Note: The heading to amended regulation 27 is to read:

**Notes to annual budget**

**13. Regulation 28 deleted**

Delete regulation 28.

**14. Regulation 30 amended**

In regulation 30(1):

- (a) in paragraph (c) delete “rate setting statement” and insert:

statement of financial activity

- (b) in paragraph (d) delete “regulation 27(g), 27(i)(i), 27(j), 27(k)(i), 27(k)(ii)” and insert:

regulations 27(g), (ga), (gb), (gc), (i)(i), (j) and (k)(i) and (ii)

**15. Regulation 31 amended**

In regulation 31(3)(b) delete “rate setting statement,” and insert:

statement of financial activity,

**16. Regulation 32 amended**

- (1) In regulation 32 delete “A local” and insert:

(1) A local

- (2) At the end of regulation 32 insert:

- (2) If a local government excludes an amount listed in subregulation (1) from the calculation of the budget deficiency, then a note to the calculation must be included in the annual budget setting out the excluded amount.

**17. Regulation 33 amended**

- (1) In regulation 33:

- (a) delete “A copy” and insert:

(1) A copy

- (b) delete “is to” and insert:

must

- (c) delete “30” and insert:

14

- (2) At the end of regulation 33 insert:

- (2) A copy of the minutes (confirmed or unconfirmed) of the meeting at which the annual budget is adopted must be submitted to the Departmental CEO with the annual budget.
- (3) The copy of the minutes may exclude minutes relating to motions, decisions, reasons, questions, interests and documents unrelated to the annual budget.

**18. Regulation 33A amended**

- (1) In regulation 33A(1) delete “31 March” and insert:

the last day of February

- (2) In regulation 33A(2A):

- (a) in paragraph (c) delete “budget.” and insert:

budget; and

- (b) after paragraph (c) insert:

- (d) include the following —

- (i) the annual budget adopted by the local government;
- (ii) an update of each of the estimates included in the annual budget;
- (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
- (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end-of-year amount for the item.

- (3) Delete regulation 33A(2) and insert:
  - (2) The review of an annual budget for a financial year must be submitted to the council on or before 31 March in that financial year.
- (4) In regulation 33A(4) delete “30” and insert:

14

**19. Regulation 34 amended**

- (1) In regulation 34(1):
  - (a) delete “that month” and insert:

the previous month (the *relevant month*)
  - (b) in paragraphs (b) and (c) delete “month to which the statement relates; and” and insert:

relevant month; and
  - (c) in paragraph (e) delete “month to which the statement relates.” and insert:

relevant month and a note containing a summary explaining the composition of the net current assets.
- (2) After regulation 34(1) insert:
  - (1B) The detail included under subregulation (1)(e) must be structured in the same way as the detail included in the annual budget under regulation 31(1) and (3)(a).
  - (1C) Any information relating to exclusions from the calculation of a budget deficiency that is included as part of the budget estimates referred to in subregulation (1)(a) or (b) must be structured in the same way as the corresponding information included in the annual budget.
- (3) Delete regulation 34(2)(a).
- (4) In regulation 34(3) delete “or type”.

- (5) In regulation 34(4)(a) delete “month to which the statement relates; and” and insert:

relevant month; and

**20. Regulation 36 replaced**

Delete regulation 36 and insert:

**35. Financial position statement required each month**

- (1) A local government must prepare each month a statement of financial position showing the financial position of the local government as at the last day of the previous month (the *previous month*) and —
- (a) the financial position of the local government as at the last day of the previous financial year; or
  - (b) if the previous month is June, the financial position of the local government as at the last day of the financial year before the previous financial year.
- (2) A statement of financial position must be —
- (a) presented at an ordinary meeting of the council within 2 months after the end of the previous month; and
  - (b) recorded in the minutes of the meeting at which it is presented.

**36. Content of annual financial report**

- (1) The annual financial report must —
- (a) include a statement setting out all movements of money to and from reserve accounts that has not been included in the income statement but that has been included in the statement of financial activity; and
  - (b) include the net current assets carried forward from the previous financial year for the purpose of the budget of the financial year to which the report relates; and
  - (c) include the net current assets shown in the audited annual financial report for the previous financial year; and
  - (d) include, or be accompanied by a note containing, a summary explaining the composition of the net current assets referred to in paragraphs (b) and (c); and

- (e) include, if the net current assets referred to in paragraph (b) is different from the net current assets referred to in paragraph (c), the amount of that difference; and
  - (f) include notes or statements containing the information set out in regulations 37 to 48.
- (2) The detail included under subregulation (1)(b), (c) and (d) must be structured in the same way as the detail included in the annual budget under regulation 31(1) and (3)(a).
- (3) The annual financial report must include the following —
  - (a) the statement of financial activity 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 statement of financial activity 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 budget estimate for the item;
  - (d) adjacent to each item, required by a provision of these regulations listed in the Table, that states an end-of-year amount, the original budget estimate for the item.

**Table**

|  |                          |
|--|--------------------------|
| r. 36(1)(a)                              | r. 38(1)(b), (c) and (e) |
| r. 39(a), (b)(v), (d)(iv) and (e)(v)     | r. 42(a) to (d)          |
| r. 43(a), (b) and (c)(i) and (ii)        | r. 44(a) to (c)          |
| r. 48(d)(i) and (vii) and (f)(ii) to (v) |                          |

- (4) Any information relating to exclusions from the calculation of a budget deficiency that is included in the annual financial report must be structured in the same way as the corresponding information included in the annual budget.

**36A. Class 3 or 4 local governments do not need to comply with certain AAS in annual financial report**

- (1) In this regulation —

**class 3 or 4 local government** means a local government that is a class 3 local government or a class 4 local government.

Note for this definition:

**Class 3 local government** and **class 4 local government** have the meanings given in the *Local Government (Constitution) Regulations 1998* regulations 2A and 2B.

- (2) Despite regulation 5A, the annual financial report for a class 3 or 4 local government is not required to comply with the AAS known as —

- (a) AASB 7;
- (b) AASB 16 paragraph 58;
- (c) AASB 101 paragraph 61;
- (d) AASB 107 paragraphs 43 and 45;
- (e) AASB 116 paragraph 79;
- (f) AASB 137 paragraph 85;
- (g) AASB 140 paragraph 75(f);
- (h) AASB 1052 paragraph 11;
- (i) AASB 1054 paragraph 16.

- (3) Despite the reduced compliance under subregulation (2), a class 3 or 4 local government must prepare general purpose financial statements for the purposes of the AAS.

**21. Regulation 38 amended**

- (1) In regulation 38(1):

- (a) delete “is to” and insert:

for a financial year must

- (b) delete paragraphs (f) to (h) and insert:

- (f) whether the purpose referred to in paragraph (a) is —
- (i) related to a government policy or direction, a written law or an agreement; or
  - (ii) any other purpose.

(2) Delete regulation 38(2) and insert:

(2) The annual financial report must include —

- (a) in relation to all of the reserve accounts with a purpose referred to in subregulation (1)(f)(i), a combined total of each of the amounts referred to in subregulation (1)(b), (c), (d) and (e); and
- (b) in relation to all of the reserve accounts with a purpose referred to in subregulation (1)(f)(ii), a combined total of each of the amounts referred to in subregulation (1)(b), (c), (d) and (e).

Note: The heading to amended regulation 38 is to read:

**Information about reserve accounts in annual financial report**

## **22. Regulation 39 amended**

In regulation 39:

(a) delete paragraph (b)(v) and insert:

- (v) the amount of revenue from the rate and interim rates;

(b) delete paragraph (c);

(c) delete paragraph (d)(iv) and insert:

- (iv) the amount of revenue from the minimum payment and interim minimum payments;

(d) delete paragraph (e)(ii);

(e) delete paragraph (e)(v) to (vii) and insert:

- (v) the amount of revenue from the rate and interim rates.

Note: The heading to amended regulation 39 is to read:

**Information about rates in annual financial report**



**23. Regulations 40 to 47 replaced**

Delete regulations 40 to 47 and insert:

**42. Information about discounts, incentive schemes and concessions in annual financial report**

The annual financial report must include, separately in relation to all general rates, each specified area rate and each service charge, details of —

- (a) the total amount of any discounts granted; and
- (b) the total cost to the local government of each incentive scheme (other than a scheme for discounts referred to in paragraph (a)); and
- (c) the total cost, or reduction of revenue, to the local government of any waiver or grant of a concession; and
- (d) the total amount of money written off.

**43. Information about interest in annual financial report**

The annual financial report must include —

- (a) the amount of revenue from the imposition of interest charged for the late payment of a rate or service charge; and
- (b) the amount of revenue from the imposition of interest under section 6.13 for the late payment of any amount of money; and
- (c) in relation to the instalment options of the local government under section 6.45 —
  - (i) the amount of revenue from the imposition of the additional charge; and
  - (ii) the amount of revenue from the imposition of the interest included in the additional charge.

**44. Information about fees, expenses and allowances in annual financial report**

The annual financial report must include the following —

- (a) the total amount or value of each class of fee, expense or allowance paid to the mayor or president;
- (b) the total amount or value of each class of fee, expense or allowance paid to the deputy mayor or deputy president;

- (c) the total amount or value of each class of fee, expense or allowance paid to all other council members.

**24. Regulation 48 amended**

In regulation 48:

- (a) in paragraph (f) delete “details, by program,” and insert:

details

- (b) in paragraph (f)(v) delete “charges.” and insert:

charges;

- (c) after paragraph (f) insert:

and

- (g) in relation to any money borrowed that has not been fully repaid as at 30 June, the date on or before which the money must be fully repaid.

Note: The heading to amended regulation 48 is to read:

**Information about borrowings in annual financial report**

**25. Regulation 49 deleted**

Delete regulation 49.

**26. Regulation 51 amended**

Delete regulation 51(2).

Note: The heading to amended regulation 51 is to read:

**Annual financial report declaration to be signed by CEO**

**27. Regulation 81 inserted**

At the end of Part 6 insert:

**81. Transitional provision for *Local Government Regulations Amendment Regulations 2023***

The list of payments under regulation 13A(1) prepared in September 2023 must show the information referred to in regulation 13A(1)(a) to (d) for each payment made since 1 September 2023.

**28. Schedule 1 Part 2 heading amended**

In the heading to Schedule 1 Part 2 delete “or type”.

**29. Schedule 1 Part 2 amended**

In Schedule 1 Part 2:

- (a) under the heading “**Revenue**” delete:

Operating grants, subsidies and contributions

Non-operating grants, subsidies and contributions

and insert:

Capital grants, subsidies and contributions

Grants, subsidies and contributions (other than capital grants, subsidies and contributions)

- (b) under the heading “**Expenditure**” delete “Interest expenses” and insert:

Finance costs

**30. Schedule 2 Form 1 amended**

In Schedule 2 Form 1:

- (a) delete the passage that begins with “The attached financial report” and ends with “20.....” and insert:

The accompanying financial report of the <sup>(1)</sup> Shire/Town/City of <sup>(2)</sup>..... has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June <sup>(3)</sup> ..... and the financial position as at 30 June <sup>(4)</sup>.....

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the <sup>(5)</sup>..... day of ....., 20.....

- (b) delete note (4) and insert:

(4) insert year

(5) insert date

**31. Various references to “set forth” amended**

In the provisions listed in the Table delete “set forth” (each occurrence) and insert:

set out

**Table**

|                                    |          |
|------------------------------------|----------|
| r. 3(1) def. of <i>program</i>     | r. 8(2)  |
| r. 22(1)(e), (f), (g), (h) and (i) | r. 23(b) |
| r. 27(f)                           | r. 48(e) |
| r. 56(4)(b)                        | r. 60    |
| r. 61                              | r. 62(2) |

### **Part 3 — *Local Government (Administration) Regulations 1996* amended**

#### **32. Regulations amended**

This Part amends the *Local Government (Administration) Regulations 1996*.

#### **33. Regulations 19BB to 19BE inserted**

After regulation 19B insert:

#### **19BB. Information about trading undertakings to be included in annual report (Act s. 5.53(2)(i))**

- (1) In this regulation —
  - income statement* has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 3(1);
  - major trading undertaking* has the meaning given in section 3.59(1);
  - statement of financial position* has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 3(1);
  - trading undertaking* has the meaning given in section 3.59(1).
- (2) For the purposes of section 5.53(2)(i), the annual report for a financial year beginning on or after 1 July 2022 must include the following —
  - (a) separately, in relation to each trading undertaking carried on during the financial year —
    - (i) an income statement; and
    - (ii) a statement of financial position; and
    - (iii) any other information that is necessary to provide full and complete information on the undertaking;

- (b) in relation to each major trading undertaking, in addition to the information required under paragraph (a), a statement setting out all other revenue and expenditure that is not included in the income statement referred to in paragraph (a)(i) but that has been used in the pricing structure for goods or services to be provided by the undertaking.

**19BC. Information about land transactions to be included in annual report (Act s. 5.53(2)(i))**

- (1) In this regulation —  
*major land transaction* has the meaning given in section 3.59(1);  
*nature classification* has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 3(1).
- (2) For the purposes of section 5.53(2)(i), the annual report for a financial year beginning on or after 1 July 2022 must include the following, separately in relation to each major land transaction (according to nature classification) —
  - (a) all income and expenditure for the transaction received or expended during the financial year;
  - (b) details of assets and liabilities at 30 June;
  - (c) any other information that is necessary to provide full and complete information on the transaction;
  - (d) if the transaction is to span more than 1 financial year, a brief statement showing the cash flows expected during the lesser of the following periods —
    - (i) the term of the transaction;
    - (ii) the period covered by the corporate business plan.
- (3) For the purposes of section 5.53(2)(i), if a major land transaction has spanned more than 1 financial year and it is completed during a financial year beginning on or after 1 July 2022, the annual report for that financial year must —
  - (a) disclose —
    - (i) details of the total income and expenditure for the transaction from the date of commencement to the date of completion; and

- (ii) details of the amount or value of any surplus of money or assets distributed to the local government or a person other than the local government; and
  - (iii) the amount or value of any loss and the resources used to cover the loss;
- and
- (b) include —
  - (i) a comparison of the outcomes over the life of the transaction with expected outcomes in the business plan prepared for the transaction; and
  - (ii) an explanation of the benefits of the transaction to the local government and the community.

**19BD. Information about fees, expenses and allowances to be included in annual report (Act s. 5.53(2)(i))**

For the purposes of section 5.53(2)(i), the annual report for a financial year beginning on or after 1 July 2022 must include, in relation to fees, expenses or allowances paid during the financial year to council members, the mayor or the president, for each person —

- (a) the nature of the fee, expense or allowance; and
- (b) the total amount or value of each class of fee, expense or allowance.

**19BE. Information about capital grants, subsidies and contributions to be included in annual report (Act s. 5.53(2)(i))**

- (1) In this regulation —

*renew*, in relation to an asset, means to return the asset to its original state by rebuilding, repairing or restoring the asset;

*replace*, in relation to an asset, does not include to upgrade the asset or to replace the asset with a different version of the asset.

- (2) For the purposes of section 5.53(2)(i), the annual report for a financial year beginning on or after 1 July 2022 must include the amount of all capital grants, subsidies and contributions, for replacing and renewing assets, that were received by the local government during —
- (a) the financial year; and
  - (b) the 2 financial years before the financial year.

**Part 4 — *Local Government (Regional Subsidiaries)*  
Regulations 2017 amended**

**34. Regulations amended**

This Part amends the *Local Government (Regional Subsidiaries) Regulations 2017*.

**35. Regulation 11A inserted**

At the end of Part 2 insert:

**11A. Annual budget must be given to participants**

A copy of the annual budget of a regional subsidiary must be given to each participant within 30 days after its adoption by the regional subsidiary.

**36. Regulation 18 amended**

In regulation 18(7) delete “regulation 19B(2)(a), (b) and (e)” and insert:

regulations 19B(2)(a), (b) and (e) and 19BD

**37. Regulation 19 amended**

- (1) In regulation 19(1) delete the Table and insert:

**Table**

|                   |              |
|-------------------|--------------|
| r. 5A to 6        | r. 11        |
| r. 14 to 17A      | r. 19        |
| r. 22             | r. 25 to 32  |
| r. 33A            | r. 35 and 36 |
| r. 36A(2) and (3) | r. 44        |
| r. 48             | r. 51        |

- (2) In regulation 19(3) delete “(d),”.

- (3) In regulation 19(5) after “(g),” insert:

(ga), (gb), (gc),

- (4) Delete regulation 19(10).
- (5) In regulation 19(12) delete “paragraphs (a) and (f).” and insert:  
  
paragraph (f).
- (6) In regulation 19(13) and (14) delete “36(2)” and insert:  
  
36(3)
- (7) Delete regulation 19(15) and insert:  
  
(15) Regulation 36A(2) and (3) of the listed provisions is amended so that any reference to a class 3 or 4 local government is a reference to a regional subsidiary.
- (8) Delete regulation 19(18).

K. COLLERAN, Clerk of the Executive Council.