

## Circular to Councils

Subject/title	Local Government Code of Accounting Practice and Financial Reporting 2024/25
Circular Details	Circular No 25-08 / 15 April 2025 / A944963
Who should read this	General Managers / Joint Organisation (JO) Executive Officers / Financial accounting business areas
Contact	Policy Team / 4428 4100 / <a href="mailto:code@olg.nsw.gov.au">code@olg.nsw.gov.au</a>
Action required	Council / JOs to implement

### What's new or changing?

- The final Code of Accounting Practice and Financial Reporting (Code) is available to guide the preparation of councils' 2024/25 financial statements.
- A JO supplement to the Code is also available for preparing JO 2024/25 financial statements.

### What will this mean for council/JO?

- The Code must be used by councils and JOs to prepare their annual financial statements in accordance with the *Local Government Act 1993* (LG Act) and the Local Government (General) Regulation 2021.

### Key points

- The Code has been prepared in accordance with the LG Act, the Australian Accounting Standards and other requirements.
- The JO supplement to the Code supports the preparation of JO financial statements.
- Councils and JOs should carefully review the key changes in this year's Code, which are highlighted in yellow and are also detailed within the Summary of Key Changes to the Code 2024/25.
- Notable changes include:
  - A subheading separating depreciation has been included to show results prior

to depreciation, amortization and impairment on the Income Statement.

- Performance indicators have been removed from the 2024/25 Code while they are under review. Please note, OLG will continue to collect and report ratios using data from the Financial Data Return (FDR). Councils may still include these ratios in their annual reports provided they use the existing methodology. In 2025, OLG will consult with councils as part of the performance ratio review process.
- The Code has been developed in consultation with the Code Working Group, which involves key stakeholders, including a range of council representatives, Local Government NSW, the NSW Audit Office, and external auditors.

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## Expressions of interest

- Expressions of Interest are now sought from council financial professionals to join the annual Code Working Group to provide technical input on accounting issues for the 2025/26 Code update.
- The expected commitment schedule is:
  - an initial discussion session (up to 3 hours) in July to address feedback on the existing Code and discuss proposed refinements;
  - a follow-up commentary window (4-6 weeks) in September/October to provide feedback on a draft Code update; and
  - a final meeting (3 hours) in November to confirm final changes and suggestions. Please note that these dates are provisional and subject to confirmation.
- Council financial professionals interested in joining the Code Working Group and have the capacity and technical expertise to participate are encouraged to email [code@olg.nsw.gov.au](mailto:code@olg.nsw.gov.au) by **COB 30 May 2025**. Final membership of the group will be determined by OLG.

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## Where to go for further information

The 2024/25 Code is available on the Office of Local Government (OLG) website and includes the:

- General Purpose Financial Statements (Section 1)
- Joint Organisations Supplement (Section 2)
- Special Purpose Financial Statements (Section 3)
- Special Schedules (section 4)

- Appendices (Section 5)
- Summary of Key Changes to the Code 2024/25

OLG's Accounting Practice page can be found here:

<https://www.olg.nsw.gov.au/councils/council-finances/financial-reporting/local-government-code-of-accounting-practice-and-financialreporting/>.

OLG also provides a range of finance and accounting training videos, slides, template documents and guidance material on the 'Accounting Guidance' tab of the Council Portal, including webinars for a range of audience including councillors, general managers and finance staff.

A handwritten signature in blue ink, appearing to read "Brett Whitworth".

**Brett Whitworth**  
**Deputy Secretary**  
**Office of Local Government**