

FinPro Member Update – Edition 10, 2021

Hello all,

This week saw some further easing of restrictions – how awesome is that!

Having spoken to a number of finance managers recently, I am hearing from everyone that this is one of the hardest years they have experienced in putting together a budget. The impact of COVID, the uncertainty, Councillor expectations and especially the impact of a lower than forecasted rate cap is having a significant impact on the ability of a number of Councils' to 'balance' their budgets.

This is difficult not only for the council, but also difficult to manage personally as stress levels along with the pressure rises. It is more important than ever to collaborate with your colleagues within your own organisation and also within the FinPro membership. I encourage you to reach out to a colleague or a fellow member, to see how they are travelling and chat through some of your issues – sharing of our issues and frustrations might just help with an unexpected solution.

Short and sharp from me this week – I'm sure you want to get back to your budget development 😊

Cheers,

Bradley

Bradley Thomas
President FinPro
(Interim CEO Hepburn Shire)

Membership News

We welcome the following new members to FinPro:

Devin Teoh, Procurement Support Officer, Monash City Council

Thank-you to our 2021 Corporate Partners

- Commonwealth Bank
- CT Management
- MAGIQ Software
- LG Solutions
- VOTAR Partners
- Vision Super
- Westpac

Membership Renewal information [available here](#)

Corporate Partnership information [available here](#)

FinPro Online Professional Development

It has been a busy month for the Professional Development team. 6 sessions, covering a range of topics, have been delivered online. The last will be run today at 12.30 which will discuss the Revenue and Rating Plan.

Completed:

- Friday 26 February 2021 - FinPro Online Seminar & AGM – completed. [Recording available](#)
- Friday 5 March 2021 Model Budget and Model Accounts - completed. [Recording available](#)
- Wednesday 10 March - Budget Preparation Progress - completed. [Recording available](#)
- Thursday 18 March 2021 – Fraud Awareness – completed. [Recording available](#)
- Friday 19 March 2021 - Revenue and Rating Plan Webinar – completed. Recording available
 - Note too that answers to questions that were taken on notice during this session are included in this Edition of the FinPro Member Update on page 3

Updated CPD Hours - 2021

26.2.21	Half Day Webinar (Economic Outlook, LG Act Implementation Update)	2 ½ hrs
4.3.21	FCVic Councils Rates Hardship Forum - online	1 ¾ hrs
5.3.21	Model Accounts and Model Budget Webinar	1 ½ hrs
10.3.21	Budget Preparation Progress Webinar	1 hr
12.3.21	Financial Plan Webinar	1 ½ hrs
18.3.21	Fraud Awareness Webinar	1 hr
19.3.21	Revenue and Rating Plan Webinar	1 hr

Technical Update

Local Government Act Implementation Update

The new Local Government Act 2020 is the most ambitious reform to the local government sector in over 30 years. The Act will improve local government democracy, accountability and service delivery for all Victorians.

The FinPro Local Government Act 2020 Working Groups have completed their respective projects:

- Model Accounts (for year-end 30.6.21)
- Model Budget (for year-end 30.6.22)
- Long Term Financial Plan (The Financial Plan), and
- Revenue and Rating Strategy

Copies of each of the documents are available now on the LGV website – [at this link](#)

In order to keep up to date with the Implementation of the Local Government Act 2020 go to <https://engage.vic.gov.au/local-government-act-2020> for all LG Act information.

Revenue and Rating Plan – Q & A from 19.3.21 Webinar

Thanks to the webinar panel for providing these follow-up responses to questions raised at our recent webinar.

Question: Councils with administrators – what are the expectations of those councils in relation to the preparation of a Revenue and Rating Plan?

Response: In ensuring good governance, councils under administration are still expected to comply with the strategic planning requirements under the *Local Government Act 2020* (notwithstanding not having had elections in October 2020). All councils have until 30 June 2021 to prepare and adopt a Revenue and Rating Plan.

Question: Does anyone use Activity Based Costing (ABC) to determine cost recovery of fees and charges?

Response: A good question and an opportunity for any councils that do use ABC and are willing to share this to make FinPro aware. VAGO's April 2010 audit titled *Fees and Charges – cost recovery by local government* includes consideration of Activity Based Costing and is available at <https://www.audit.vic.gov.au/report/fees-and-charges-cost-recovery-local-government>.

Question: Query around obtaining a copy of the Revenue and Rating Plan Model that was developed and shared on the Engage Vic website but removed from the final version of the Revenue and Rating Plan Guide.

The Revenue and Rating Plan allows for greater transparency and accountability of councils in the rate setting process and describing the relationship with planning and budgeting strategies. An important element of this work is local consideration of rating principles and transparent justification for rating and revenue decisions by Council. If councils wish to use the Revenue and Rating Plan Model developed by the working group as a reference it is available on the FinPro website at <https://www.finpro.org.au/resource-library/>.

Response: What is the impact of the Gender Equality Act 2020, which takes effect from 31 March 2021, on council strategic planning publications like the Revenue and Rating Plan?

The *Gender Equality Act 2020* (the Act) requires councils to take positive action towards achieving workplace gender equality and undertake gender impact assessments on any new or reviewed policies, programs and services that have an impact on the public. Councils will be asked to report on the number of gender impact assessments biannually. Further information is available at <https://www.genderequalitycommission.vic.gov.au/gender-impact-assessments>.

See also the separate article included below on the Gender Equality Act 2020

Question: What is the expected timing for the introduction of greater prescription around waste charges? And will councils be able to recoup waste charges over subsequent years?

Response: The Local Government Rating System Review recommended:

- ‘That the section of legislation referring to “collection and disposal of refuse” be amended to ensure that all applicable waste management activities and efficient costs that are directly related to the service provided, may be considered when setting the service rate (or charge).’ (recommendation 33); and
- ‘That “the provision of a water supply” be removed from the provisions for a service rate (or charge).’ (recommendation 34).

Both recommendations were supported in full by the Victorian Government and will be progressively implemented. The timeframes for legislative change are not yet available.

The review specifically noted the ‘material and necessary costs related to landfill remediation and other longer-term waste management costs.’ It is intended that a more contemporary definition of waste services would allow waste charges to better reflect broader waste management costs over time.

Gender Equality Act 2020 and Gender Impact Assessments

Thank you to Tracey Egan and Liz Fitzgerald, the Gender Equity team at Monash City Council, for the information about both the requirements of the Gender Equality Act 2020 and also what Monash are undertaking in this space.

The Gender Equality Act 2020 will commence on 31 March 2021. This Act requires Councils to do gender impact assessments (GIAs) on all new policies, programs and services that “directly and significantly impact the public”, as well as those up for review.

A gender impact assessment recognises that in many circumstances, men and women and gender diverse people may not have the same access to decision-making processes, resources, economic or social opportunities. Therefore policies, programs and services are likely to be experienced differently, and have different outcomes for people of different genders. This can range from the way that people access and use roads, sports grounds, or our libraries, to the way that grants are administered.

A gender impact assessment provides a way to assess the effects that a policy, program or service may have on people of different genders, and then enables opportunities to change that policy, program or service to better support people of all genders, and promote gender equality. It also encourages consideration of other factors that might impact the way people access opportunities and resources such as Aboriginality, age, disability, ethnicity, gender identity, race, religion or sexual orientation.

It is possible to conduct a gender impact assessment on any policy, program or service, large or small. Council is already beginning the process of undertaking gender impact assessments on key pieces of work that impact the public, such as the Council Vision, Council Plan, Financial Plan, Budget and Revenue and Rating Plan, Asset Plan, and Municipal Public Health and Wellbeing Plan.

There is a range of tools to support staff to undertake this work, including templates that guide the work in each of the four steps in the process. Please contact your Council’s Gender Equity staff who should be able to provide more information or assist in undertaking this process. The following link takes you to the Gender impact assessments website;

<https://www.genderequalitycommission.vic.gov.au/gender-impact-assessments>

VAGO Update – March 2021

The following information was distributed to councils on 25 March 2021 and is shared here for your information:

VAGO performance audit and other integrity bodies – [March 2021 update](#) for your reference.

VAGO tabled [Results of 2019–20 Audits: Local Government](#) on 17 March 2021:

- This report found that despite the economic impact of COVID-19, councils' financial positions remained resilient in 2019–20. Overall risk to the sector's financial sustainability is low, but the continuing impact of **COVID-19 is seen as an emerging risk**. We provided four recommendations to all Victorian councils and two recommendations to LGV.
- Along with this report, we also published a **LG data dashboard** – making publicly available all the data used to generate our analysis, benchmarking information and financial sustainability assessments.

Other matters:

- VAGO released its first transparency report. You can find it under [VAGO Corporate Publications](#)
- VAGO is finalising 2020-21 audit fee letters and expecting the process to be completed by early April 2021.

Sanchu Chummar

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Useful information - AASB 16 Leases

[HLB Mann Judd](#) recently released the following useful guide in relation to AASB 16 Leases.

AASB 16 Leases became mandatorily effective for annual reporting periods beginning on or after 1 January 2019 and brought significant change to lease accounting for lessees as most leases now need to be recognised on a lessee's balance sheet in the form of right-of-use assets with corresponding lease liabilities.

HLB Mann Judd's six-part guide focuses on some of the key aspects of the standard with helpful examples and diagrams:

- Part 1: Definition of a Lease
- Part 2: Lease Term
- Part 3: Lease Payments
- Part 4: Discount Rate
- Part 5: Transition Options
- Part 6: Reassessments and Modifications

[**DOWNLOAD THE GUIDE HERE**](#)

Specialist Local Government Watchdog Appointed

The following announcement was made earlier this week by the Victorian Government (23 March 2021)

Local government wrongdoers have been put on notice, with the appointment of Michael Stefanovic AM as Victoria's new Chief Municipal Inspector.

Mr Stefanovic will protect the integrity of local governments by monitoring and investigating complaints about council operations, elections and prosecuting anyone in breach of the Local Government Act 2020.

Playing an important role within the Local Government Inspectorate, Mr Stefanovic will make sure Victorian councils play by the rules, while encouraging transparency and accountability across the sector.

Mr Stefanovic has 35 years of experience, undertaking complex investigations in high-risk environments both within Australia and abroad.

An expert in his field, having led teams specialising in fraud, corruption and misconduct investigations with the World Bank in Washington DC, he also served as the Director of the Investigations Division at the United Nations in New York.

Since November 2020, he has been the Director for Compliance Operations with COVID-19 Quarantine Victoria. Prior to this, Mr Stefanovic was the Director of Investigations for the Royal Commission into the Management of Police Informants.

His experience extends to post-conflict environments, having served as a United Nations war crimes investigator in The Hague, Chief Resident Investigator in UN peacekeeping missions and a member of specialist teams engaged by the US State Department to investigate crimes against humanity in Myanmar (2018) and Darfur (2004).

In 2018, he was made a Member of the Order of Australia, following significant services to international relations. Mr Stefanovic began his career in the Victoria Police ranks, which included time with the Homicide and Drug Squads. [Link to media release](#)

External Training Opportunities

Scholarships for women's leadership - applications extended to March 31

FinPro is pleased to be able to support Women & Leadership Australia in promoting their leadership development courses.

Scholarships are still available through Women & Leadership Australia to support the development of female leaders across Australia's local government sector.

Scholarships of \$1,000 to \$5,000 enable participation in one of three leadership development courses designed for emerging through to senior leaders. All scholarships must be allocated by the end of March and it is unsure when these scholarships will be available again.

Register your interest by completing the Expression of Interest form

<https://www.wla.edu.au/localgovernment.html>

MAV IT Conference

FinPro is pleased to be able to support the MAV in advertising their upcoming IT Conference.

Details as follows:

MAV Technology is proud to offer this important and careful step in our collective recovery:

- a COVIDSafe opportunity to catch-up with colleagues
- view the latest offerings from more than 50 state-of-the-art technology and service providers
- be inspired by expert speakers as we discuss transforming government for the digital era
- networking evening with curated tours at ACMI (Australian Centre for the Moving Image)
- participate in Masterclasses or a walking tour of Melbourne's Innovation Districts
- Welcome Reception on the boundary line at Marvel Stadium
- musical celebration of achievements at our famous Awards for Excellence Dinner

[More information and tickets available here.](#)

Photo of the week



Benalla Rural City Council –

This photo was taken at the Goorambat Silo and is part of the Benalla Silo Art Trail.

The Art Work features three huge Clydesdale Horses on the 'pub side of the silos.

You really can't miss it!

Thanks to Cathy Fitzpatrick, Manager Finance at Benalla RCC for sharing this gorgeous photo.

If you are free over the Easter Break – maybe take a drive to the region and visit this, and other amazing art pieces.

This is an opportunity to showcase your municipality, your local area, your region. If you have a photo of 'your local' please send it through and we can share it with all the FinPro members. Our state is wonderful – let's see what is out there. Email [gab](#) with your photo.

Current positions advertised on the FinPro Website

- **Director Corporate Performance**
- Alpine Shire Council
- <https://www.alpineshire.vic.gov.au/council/careers/current-vacancies/director-corporate-performance>
- For any enquiries, please contact Charlie Bird on 0428 392 554
- Applications close 28 March 2021

- **Asset and Systems Accountant**
- Baw Baw Shire Council
- <http://asset%20and%20systems%20accountant%20%7C%20baw%20baw%20shire%20council%20%28ap%20plynow.net.au%29/>
- For any enquiries, please contact Colleen McNeil on 5624 2512
- Applications close 4 April 2021

FinPro Executive Team 2021

President	Bradley Thomas (Hepburn SC)
Vice-President – Chair Professional Development	Binda Gokhale (Wyndham CC)
Vice-President – Chair Technical	Tony Rocca (Maroondah CC)
Secretary / Treasurer	Gabrielle Gordon
PD Committee Members	Alan Wilson (Melbourne CC) Belinda Johnson (Southern Grampians SC) Charles Nganga (Casey CC) John Brockway (Surf Coast SC) Melissa Baker (South Gippsland SC)
Technical Committee Members	Danny Wain (Monash CC) Fiona Rae (Golden Plains SC) Mark Montague (Whittlesea CC) Nathan Morsillo (Greater Bendigo CC) Simone Wickes (Frankston CC) Wei Chen (Yarra CC)

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