



Jobs,  
Precincts  
and Regions

# Local Government Act 2020 - Implementation Update



# Agenda

- ▶ The last 12 months
- ▶ Act, Methodology & Working Groups
- ▶ Engage Vic Feedback & Documents
  - ▶ Financial Plan - Malcolm Lewis
  - ▶ Budget - Hannah White
  - ▶ Revenue and Rating - John Brockway
- ▶ Webinar and Questions

# The last 12 months...

- ▶ Megxit
- ▶ Brexit
- ▶ Bushfires - followed by the smoke haze
- ▶ COVID
- ▶ Change in Local Government Minister
- ▶ Local Government Act 2020 received Royal Assent

**On March 18, 2050, Tim opened the last package of toilet paper bought by his parents in 2020.**



**A new Local Government Act**



# The last 12 months - cont.

- ▶ The then department of Environment, Land, Water and Planning came to present at Finpro PD Day in February 2020 to present on the LGA Implementation Pathway.
- ▶ Finpro Members were presented with timeframes and the dedicated Stages of Implementation:



# Key Act and Regulation Considerations

- ▶ Not prescriptive, open to moulding and tailoring.
- ▶ The Act has moved to a principles based approach with five key principles:
  - ▶ Community Engagement
  - ▶ Strategic Planning
  - ▶ Financial Management
  - ▶ Public Transparency
  - ▶ Service Performance
- ▶ This is a transitional year. As communicated early in the process, Council's will adopt their own processes and common sense has to prevail in a transition year.
- ▶ The Working Groups were structured and guided with this in mind when developing the documentation.

# Adopted Methodology

- ▶ Finpro partnered up with Local Government Victoria (LGV).
- ▶ EOI Process for a Local Government Act 2020 Implementation Working Group:
  - ▶ 20 Finpro Members (volunteers) and LGV Representation, Daniel O'Shea.
- ▶ Seven meetings across five months.
- ▶ Within those meetings - formed three key subgroups - with each of them having their own subgroup lead.
- ▶ Professional consultation by finance professional, Martin Thompson - Senior Partner at Crowe.

# Working Group Composition

- ▶ The Working Group consisted of the following individuals:

Name	Council
<b>Subgroup 1: Financial Plan</b>	
Malcolm Lewis - subgroup lead	Northern Grampians
Ange Marshall	Kingston
David Filmalter	Bass Coast
Julia Kelley	Yarra Ranges
Karen Oh	Glen Eira
Mark Montague	Yarra/Whittlesea
Megan Falla	Melton/Moonee Valley
Stuart Smith	South Gippsland
<b>Subgroup 2: Budget</b>	
Hannah White - subgroup lead	Mitchell/Hepburn
Julia Blythe	Whitehorse
Luke Wheeler	Ballarat
Nathan Morsillo	Bendigo
Paul Millar	Melbourne
Shana Johnny	Gannawarra
<b>Subgroup 3: Revenue &amp; Rating Plan</b>	
John Brockway - subgroup lead	Surf Coast
Jason Clissold	Colac Otway
Jemma Wightman	Moreland
Nicola Gleeson Coopes	Wodonga
Simone Wickes	Monash/Frankston
<b>Working Group Members</b>	
Daniel O'Shea	LGV
Tony Rocca	Maroondah/Finpro

# Engage Vic - Sector Feedback

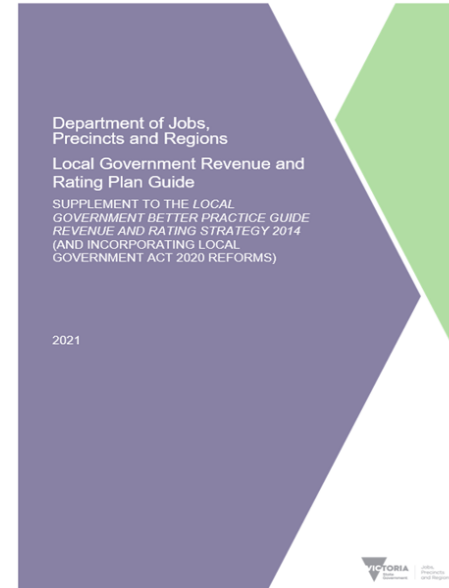
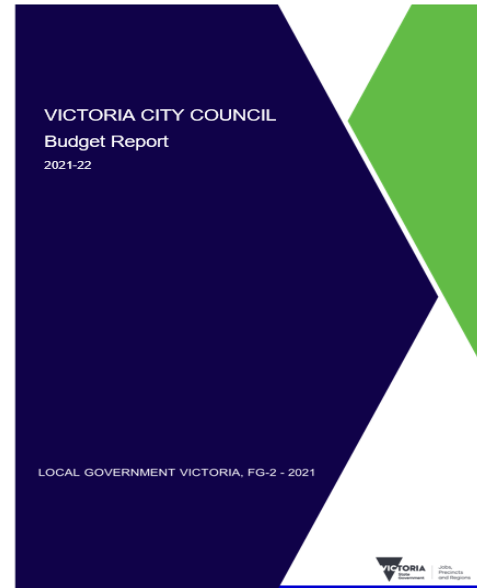
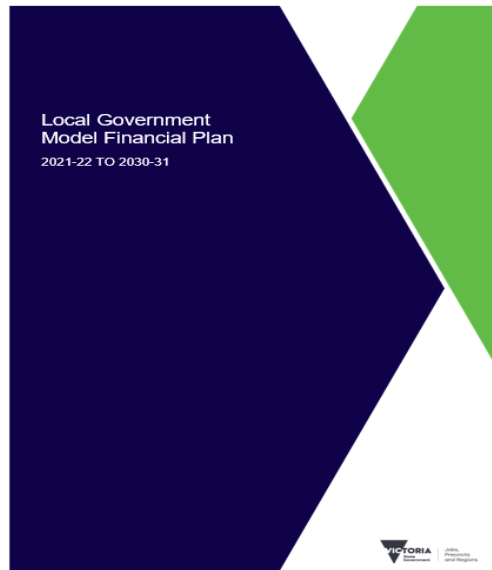
- ▶ Went on the Engage Vic website on 10 February 2021 and closed for feedback on Wednesday 17<sup>th</sup> February 2021.
- ▶ All feedback received was considered (8 submissions) and where possible, incorporated into the documents.
- ▶ General questions received and responded to along the way.
- ▶ Key Change - Revenue and Rating Plan:
  - ▶ Since it went up for engagement/consultation - it has been stripped back.
  - ▶ Continued focus on the Revenue & Rating Best Practice Guide - less on the plan.





# Where are we now?

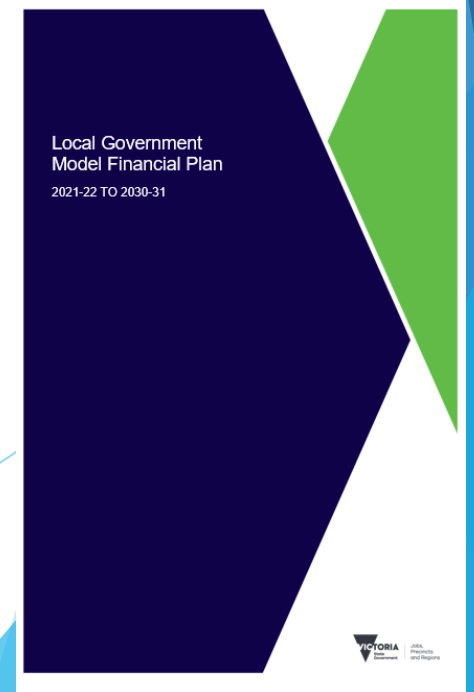
- ▶ In the midst of implementing some of the core requirements of Stage 3b
- ▶ Stage 3b consists of majority of the finance related documentation:



- ▶ Final Documents can be found:  
<https://www.localgovernment.vic.gov.au/strengthening-councils/sector-guidance-planning-and-reporting>

# Financial Plan

- ▶ The 2 documents:
  1. Better Practice Guide and Financial Plan template - MS word with template for completion and adoption by Council.
  2. Model LTFP - MS Excel template to prepare the 10-year financial plan statements and other statements and strategies.
  
- ▶ The 3 things to remember:
  - ▶ Primarily a strategic document - presents a financial framework that reports a series of key financial strategies and Council priorities.
    1. Reports the financial resources to fund the Council Plan and achieve the Community Vision.
    2. Mandatory sections - address the legislative and regulatory requirements.



# Budget

## ▶ The 2 documents:

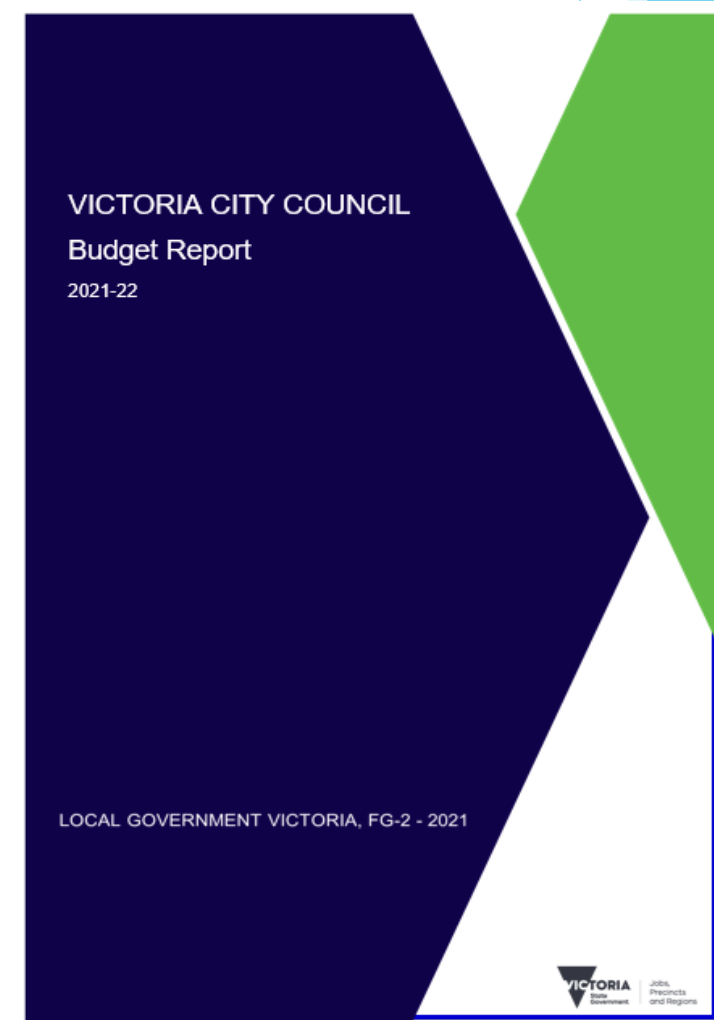
1. Model Budget - Excel template to prepare the 4-year budget
2. Model Budget Better Practice Guide - the regulatory requirements plus a series of guidance notes, building on last years BPG

## ▶ Key Changes:

1. Update of language
2. Update of terminology
3. Removal of the term “annual budget”
4. "Summary of Planned Human Resource Expenditure”
5. "Summary of Planned Capital Works Expenditure”

## ▶ Optional Extras

1. CFO / Executive Summary
2. Budget Influences
3. Economic Assumptions
4. Notes to the financial statements - four year tables



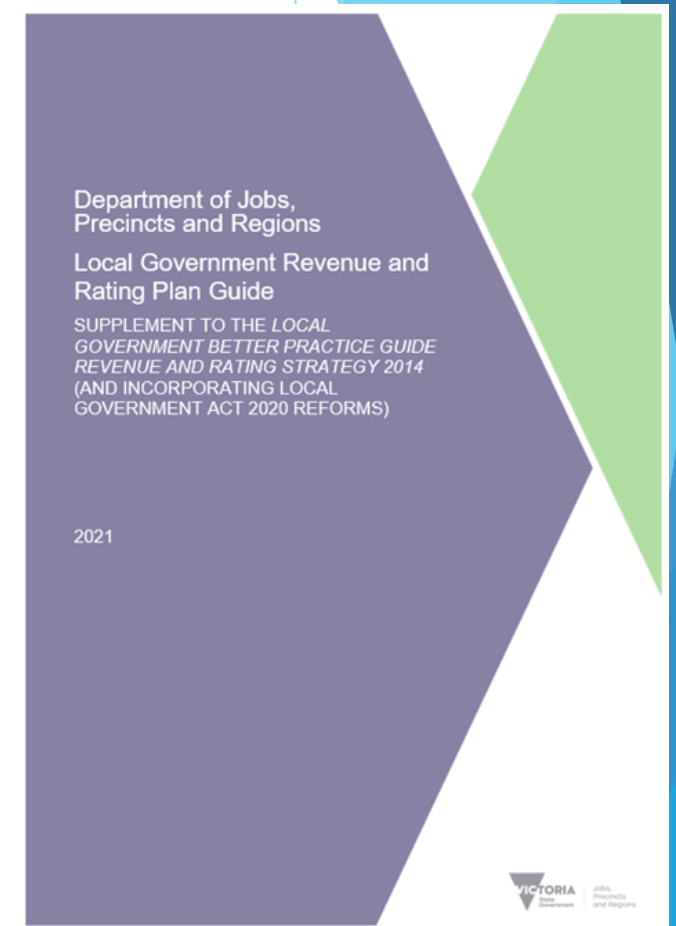
# Revenue and Rating Plan

## ▶ Better Practice Guide:

1. Builds on 2014 Better Practice Guide.
2. Focus on the discussion justifying your Council's approach to raising revenue.

## ▶ The 3 things to remember:

1. Each Council applies rates and charges differently.
2. Add additional data or delete sections that do not apply to your Council.
3. Rating provisions of the 1989 LG act are still in force and are referenced in the model.
4. The model will evolve as the legislation is updated
5. Mandatory sections - addresses the legislative and regulatory requirements.



# Webinars

- ▶ Proposed Upcoming Webinars (all 12:30pm - 2pm) and will be recorded:
  - ▶ **Friday 5 March 2021: Model Accounts and Model Budget**
  - ▶ **Friday 12 March 2021: Financial Plan**
  - ▶ **Friday 19 March 2021: Revenue and Rating Plan**
- ▶ Registration Details will be provided via email/Finpro Members Update
- ▶ **Questions** -any questions can be emailed directly to [tony.rocca@Maroondah.vic.gov.au](mailto:tony.rocca@Maroondah.vic.gov.au) for future response.
- ▶ Final Documents can be found: <https://www.localgovernment.vic.gov.au/strengthening-councils/sector-guidance-planning-and-reporting>