

Welcome to the March Edition of the FinPro News

Presidents Message

Hi Everyone,

Please find following an update of information that our FinPro Executive have put together to share. Everything is a moving target at the moment and we want to try to provide as much updated information to you all. We are working as hard as we can to advocate on behalf of our members on issues too that you are raising with us.

We would also like to be able to provide resources to our members around examples of notifications, policies and procedures councils are putting in place around changes due to COVID-19 and the responding changes to the way we operate. Your council may have had the capacity to prepare these, but others may not as yet. If you have any documents you are happy to share with our membership please send them through to [gab](#) who will place them on the FinPro Website Resource Page. Examples include

- Hardship Policy for rate collection, ([example](#) on website now from Moreland)
- staff changes,
- Working from home policy
- notifications to creditors etc.

Take care everyone,

Bradley



Bradley Thomas - FinPro President

Director Community and Corporate Services – Hepburn Shire

Upcoming FinPro Events - Dates for your diary

[FinPro Seminar](#) - Friday 29 May 2020

This seminar will now be provided via an on-line service

[FinPro Conference](#) - Wednesday 21 – Friday 23 October 2020*
RACV Cape Schanck

**Subject to favourable conditions*

FinPro Executive Members

President – Bradley Thomas (Hepburn Shire Council)

Executive Officer – Gab Gordon

Vice-President: Chair Technical Committee – Tony Rocca (Maroondah City Council)

Technical Committee members:

- Danny Wain (Monash City Council)
- Kristy Stephens (Bass Coast Shire)
- Liz Rowland (Moreland City Council)
- Mark Montague (Yarra City Council)
- Nathan Morsillo (Greater Bendigo City Council)
- Vishantri Perera (Yarra Ranges Shire Council)

Vice-President: Chair Professional Development committee – Binda Gokhale (Wyndham CC)

Professional Development Committee members:

- Belinda Johnson (Southern Grampians Shire)
- Charles Nganga (Casey City Council)
- John Brockway (Surf Coast Shire) – also leads the FinPro Mentoring Program
- Kim Jaensch (Frankston City Council) – also leads the FinPro Leadership Program



New look FinPro Executive Meetings!

Local Government Act 2020 – Implementation

The Local Government Act 2020 will shortly receive Royal Assent. The Project Control group met last week and at this stage there are no changes to the implementation timeframes. Bradley (FinPro President) sits on this group and will continue to both canvas for the most practical timeframes for our sector and also keep members updated.

We encourage all members to refer to the Local Government Act 2020 Website for further information.

Items to consider in light of the current COVID-19 crisis

The FinPro Executive Group met last Friday via tele-conference. Most of the discussion was around how different councils are approaching various aspects of this quickly evolving crisis.

The group felt that it was important to keep our members updated and to share our discussions, many of which we are sure you too are having in your offices (home offices). You may have already considered all these things or maybe you have not – we feel that by sharing the information we can all help each other during these difficult times.

2020/21 Budget Preparation

We understand that each Council and each Finance Officer will have varying opinions on the timing of the Council budgets for 2020/21.

At this stage LGV are directing that the current timelines for completion and adoption of the 2020/21 Budget remain in place. We are staying in regular contact with LGV to continue to assess this and keep our members informed.

Our discussion on Friday amongst the Executive was that even though these are rapidly changing times, the sector might be best placed to continue with current timeframes for adoption of the budget. Unfortunately, with the ever-changing response to COVID-19 we are all unsure of the impacts on our budgets for 2020/21, however a delay is not likely to provide any more certainty. We believe proceeding with the best possible information each Council has is important. We are not saying this will be easy, with difficulty conducting Councillor briefings and community consultation and communications, however we believe that the Finance departments are one of the most adept at making things happen and that the sector is up to the challenge.

Obviously since Friday there have been a number of announcements from State and Federal Government, particularly in relation to the timing of their budgets. FinPro is assessing this information and working with LGV on the impacts for our sector.

We will also be writing to LGV in the coming days to also seek clarification on revised budgets (especially under a new Act) and also seeking some clarification of what will be classified as material changes and what would be appropriate to change in the budget during the public advertising timeframes prior to final adoption. We will share this insight with our members. In regards to the actual Council meeting process to adopt the budget in the current circumstances, we are waiting information from LGV as to how meetings can be held.

Some Councils will have a different approach to the timing of budget adoption and we certainly understand that. FinPro will continue to monitor comments from members as well as monitor announcements from Government and will provide further information to the sector as we are able.

Council meetings

The following information was circulated last week from LGV and this is the best information we have at the moment on meetings. Obviously, this may change and we will share any new information we have with members.

BULLETIN: 9/2020 COUNCIL MEETINGS

A number of councils have been enquiring about contingencies they are considering relating to council meetings, in response to the challenges raised by COVID-19.

The following information is provided to assist councils to determine the most appropriate response for their circumstances.

Meetings open to the public

The Local Government Act 1989 (section 89(1)) requires all council and special committee meetings to be open to the public, unless the reason for closure meets one of the listed criteria in section 89(2) of the Act. The Act does not provide an opportunity to exempt this requirement.

Those councils that currently stream council meetings are encouraged to promote the availability of this medium as an alternative to attendance in person whilst social distancing is being encouraged.

Clause 66(1) of the Local Government Bill 2019 continues the requirement for council meetings to be open to the public, unless a circumstance in clause 66(2) applies. Clause 66(2) states those circumstances are:

- a. The meeting is to consider confidential information; or
- b. Security reasons; or
- c. It is necessary to close the meeting to enable the meeting to proceed in an orderly manner.

A council may close a meeting under b) or c) above, provided it enables the meeting to be viewed by the public e.g. streamed on the internet. The term "security" is not defined in the Bill, but would be broad enough to apply in the current circumstances relating to COVID-19. This clause is expected to be proclaimed on 1 May.

Councillor attendance at meetings

Both the Local Government Act 1989 and the Local Government Bill 2019 provide that voting at council meetings is undertaken by councillors present at the meeting. 'Present' means physically present in the room where the decision making is taking place. There is no provision that allows a council to be exempted from this requirement, e.g. allowing presence by electronic means.

It is recommended that attendance at meetings have regard to the Commonwealth government's guidance on social distancing and hygiene.

Cancelling or postponing meetings

If a council wishes to cancel or postpone a council or special committee meeting – for example because a quorum cannot be formed due to the absence of councillors - it should give as much public notice as is practicable. Again, there is no capacity to exempt or vary quorum requirements under the Act.

Delegation

To enable continued council operations, councils may wish to consider the need to increase the exercise of delegated decisions to the council's chief executive officer and staff. Section 98 of the Act sets out the requirements for delegating council powers, duties and functions. Councils are encouraged to review their delegations to maximise the opportunity for business continuity.

The management of the COVID-19 pandemic is evolving and dynamic. Local government Victoria understands the important role councils are playing and is committed to keeping you informed and supported.

Regards

Graeme Emonson
Executive Director
Local Government Victoria

Authorised by Graeme Emonson, Executive Director, Local Government Victoria
 Department of Environment, Land, Water and Planning, Level 35, 2 Lonsdale Street, Melbourne

Staffing

Most councils are completely changing the way their staff are working right now. Councils are rapidly preparing policies and procedures for staff to work from home, take council equipment home and how they manage casuals.

Some councils – particularly the smaller ones – may have difficulty with the number of off-site staff they can have accessing central systems, as well as home internet provision may not be adequate. If you're thinking you might need to work from home in the future, it would be best to start discussing within your organization now.

Another sensible solution which was posed was to split your teams to separate locations – particularly payroll staff. Whilst this might be difficult with small teams, the inconvenience is far outweighed should one of a small team be out of action. Losing ½ a team is much more palatable than losing the whole team and the function not being able to be carried out!

Rate Collection

Most Councils have fairly well-developed hardship policies. An approach taken by one council has been to leave their base policy as is, but develop a specific policy which deals with COVID-19 specifically. This has a two-fold benefit whereby the adopted policy is not touched and when the situation subsides, there is no requirement to review the policy again.

Animal Notices

- FinPro has confirmed that Animal Registration notices must be sent in accordance with Section 10 – 1 & 2 of the Domestic Animals Act 1994. Notices are due by the 10 April as per the Act (We have confirmed this with the Department and this date is non-negotiable and has to be stated on the notice.
- However, we understand that many Councils will include communication, either with the notice or separately saying something like "Given the current situation with COVID-19, extended payment dates have been offered, with a new due date of xxx".
- We believe most Councils don't charge interest on overdue Animal Notices currently – if you do, this might be something you consider waiving.
- It will also be important to consider when/if you send a reminder for outstanding debts.

Delegations of authority

We are aware that a number of Councils have already put in place to hold a Special Meeting of Council to increase the delegations to CEO, in particular the delegation to enter into contracts above their usual delegations. This obviously means the contract doesn't need to be presented at a Council meeting, or allows for the meetings to not occur. You may consider something similar.

Managing Cash Flows

Cash flows are changing by the minute. Councils are adopting their own methods to ensure cash flows in their own communities through speedier payment of invoices etc. Councils are also considering the way they follow up on overdue accounts and using discretion in which ones they decide to chase.

Valuations

We will be writing to the Valuer General to ensure that any impacts of COVID-19 are shared with our member as soon as possible, and will share this information with you.

Vision Super

Vision Super distributed the follow email last week. FinPro will be liaising with Vision Super to ask that they continue discussions with us around any possible future information distributions so that we can keep our members updated.

It is worth noting that the hedging Vision Super has undertaken has protected the fund to date, but that is used up and any further drops are likely to impact the VBI more significantly.

Information as distributed by Vision Super Friday 20 March 2020

Good afternoon,

Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB) - Vested Benefit Index (VBI) update

Our last LASF DB VBI update was distributed on 17 March 2020. Since that date, the global spread and responses to COVID-19 have had significant impact on the investment markets.

However, while LASF DB's estimated VBI has fluctuated in the intervening period, there has only been an overall drop of approximately 1% in the estimated VBI from 12 March 2020 to 18 March 2020 as follows:

	30 Jun 2019 (actual)	30 Sep 2019 (est.)	31 Dec 2019 (est.)	31 Jan 2020	28 Feb 2020	12 Mar 2020	18 Mar 2020
LASF DB	107.1%	107.3%	107.7%	approx. 109%	approx. 107%	approx. 101%	approx. 100%

The LASF DB fund is estimated to be at approximately 100% despite recent and ongoing equity market movements, primarily due to:

- *Strategic exposure to equities of 44.5% and actual exposure of 35% in early March 2020. This allows for offsetting returns from other asset classes including bonds, infrastructure and cash, and*
- *Payoff returns from the implementation of the tail risk hedge insurance have contributed to the LASF DB investment return for the month to date ending 18 March 2020. This has partly offset equity market falls. However, please note the tail risk hedge has now been fully realised and it will provide no further cover.*

Action required (if any)

At this stage, no action is required by you. We will continue to monitor the situation and provide further updates.

If you have any queries, please contact the Employer Services team on 1300 304 947 or

employerservices@visionsuper.com.au

Yours sincerely,

Stephen Rowe

Chief Executive Officer

Capturing data around COVID-19 related costs

Councils are encouraged to put into place immediately systems to capture the data around the costs related to COVID-19.

Credit Card Limits for Refunds

Organisations usually have quite low daily merchant limits for refunds which may be an issue as many parts of the organisation are being required to provide refunds. If councils haven't already done this, they will need to put through a request to their bank to increase the limit. The CBA sent out documentation about this earlier last week and it is assumed other banks have also done this. If you have any issues, we encourage you to contact your banking representative.

Other Information:

Further details of the Government's economic stimulus measures

HLB Mann Judd issued a tax alert today giving a summary of the Federal Government's additional economic stimulus measures: [See details](#)

Need Help?? Try these resources:

Yammer - Please don't forget about Yammer. Now is not the time to go it alone!!! If you need any sort of policy, process, wording etc – go there first. 9 times out of 10, some else will have already done it and be happy to share with you. Email gab to get set up.

Website – Have a look at the resources page – what you're looking for just might be there.

Regional Groups – These exist as a support network for you. If you don't know who's in your group – the contact name for each group is available in this newsletter.

FinPro Exec – Exec members may take a little while to get back to you, but should be able to connect you with someone who can help.

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