



LOCAL GOVERNMENT FINANCE PROFESSIONALS QLD

# NEWSLETTER

July 2019

## PRESIDENT'S MESSAGE

Dear Colleagues,

Welcome to the July 2019 LGFP newsletter. Time flies when you are having fun! I hope you have all successfully brought down your budgets and are now focusing on the end of year accounts (in addition to everything else finance professionals are responsible for!)

This newsletter provides some updates on items we have been working on for members over the last 3 months, including cementing our relationship with IPWEA, confirming new accounting standard treatments with the QAO, and finalising our audit survey.

Also just a reminder that the CFO forum is coming up shortly so please book your spot asap.

Cheers Tony Brett

LGFP President

Please contact Natalie Kent ([admin@lgfp.org.au](mailto:admin@lgfp.org.au)) if you have any information for future newsletters.

## KEY DATES

### 19 July 2019

CFO & Finance Managers Forum  
Brisbane Airport Convention Centre

### 19-22 November 2019

LGFP Annual Conference  
Royal Pines Gold Coast

## WASTE LEVY CHANGES

The Queensland government waste levy takes effect from 1 July and applies to 39 out of 77 local governments in Queensland. The LGFP has been actively engaging with the QAO regarding the accounting treatment of the prepayment relating to domestic waste, and can advise that the QAO will be requiring that the *prepayment be treated as a liability* as it is considered a rebate/refund to mitigate the impact on households. This is a sensible outcome for Councils.

The levy introduction has been challenging for Councils given certain aspects are still not finalised (i.e. exempt entities and exempt waste types). The LGFP recommends close liaison with your waste businesses and the LGAQ to ensure that Councils are not disadvantaged financially when administering the levy.

Councils also need to ensure that in accordance with section 73D of the *Waste Reduction and Recycling (Waste Levy) Amendment Act* rate notices issues in 2019/20 include appropriate wording regarding the levy. Should information be required on the wording please contact Natalie Kent ([admin@lgfp.org.au](mailto:admin@lgfp.org.au)) who can provide assistance.

## CFO & FINANCE MANAGERS FORUM 2019

The annual CFO Forum will be held this year at the Brisbane Airport Convention Centre (Pullman/Ibis), on the 19<sup>th</sup> July. For those flying in for the forum this change of venue will make for a walk rather than a taxi ride to the venue.

The agenda has a range of topics for CFO, Finance Managers and Finance Professionals including:

- Round Table: Budgets (Processes, Reviews, Consultation)
- Effective Management Reporting
- Industry Updates -QAO and DLG Priorities
- Asset Management
- King and Company – LG Legal Case Studies
- Fraud Prevention Council Case Studies

The forum always provides a great networking opportunity and is free to current LGFP Members (non-members \$55.00)

The [date claimer](#) can be found on our website – [www.lgfp.org.au](http://www.lgfp.org.au). Spaces are filling so be quick to register.

## 40<sup>th</sup> ANNUAL CONFERENCE & MASTERCLASS

The LGFP 40<sup>th</sup> annual conference will be held at the Royal Pines resort on the Gold Coast. It will commence on Tuesday 19 November 2019 with the masterclass, and the conference will commence from the evening of the 19<sup>th</sup> until Friday 22 November 2019.

The theme of this year's conference is:

***'Shaping the Future – Where will we be in another 40 years'***.

We are looking to continue our asset management focus for the masterclass this year in conjunction with IPWEAQ with further member participation during the session.

## LGFP SIGNS MOU WITH IPWEAQ

Following the strengthening of the relationship over the last 18 months between the LGFP and IPWEAQ we have recently executed a Memorandum of Understanding (MOU) to work collaboratively towards advancing our mutual interests in particular around effective asset management.

As part of the MOU, The LGFP and IPWEAQ will be discussing what education and training programs can be tailored to suit both our membership bases to achieve our common objectives. As part of this approach IPWEAQ have generously offered complimentary membership for any LGFP member wishing to attend an IPWEAQ course or conference to enable them to receive heavily discounted membership rates (usually \$300 on the non-member price). A link to the IPWEAQ website is provided for information below:

<https://www.ipweaq.com/>

IPWEAQ will be providing ongoing support to the LGFP through facilitating sessions at our annual CFO forum and conference masterclass, and we are starting to investigate a further joint asset management symposium that will be open to both LGFP and IPWEAQ members in 2020.

We look forward to working productively with IPWEAQ to achieve real outcomes for the benefit of our communities.



## LGFP AUDIT COMMITTEE SURVEY

Earlier this year a survey was sent out seeking feedback from LGFP members on the operation of audit committees. Thirty-five responses from thirty Councils were received.

The majority of respondents were in favour of audit committees and believed that their committees were operating effectively and adding value to their council's operations.

Comments were received regarding the cost benefit of committees, skills and experience impacting committee effectiveness, and a one size fits all approach to mandating audit committees may not meet the needs of smaller councils.

A summary report on the survey is now available on our website

<http://www.lgfp.org.au/>

Members wishing to obtain further information can contact Natalie Kent ([admin@lgfp.org.au](mailto:admin@lgfp.org.au)).

## QUEENSLAND AUDIT OFFICE (QAO)

The QAO has finalised its latest performance audit relating to 'managing the cost of local government services', with draft reports now sent to the 5 participating Councils for consideration. The LGFP will monitor any recommendations arising out of the reports. Pat Flemming from the QAO will be able to provide an update at our forum next week.

### Are you aware of the QAO Blog?

The QAO has recently set up a new blog providing articles on a range of relevant accounting topics.

To access the blog go to:  
[www.qao.qld.gov.au/blog](http://www.qao.qld.gov.au/blog)

To register simply go to:  
[www.qao.qld.gov.au/subscribe](http://www.qao.qld.gov.au/subscribe)

## ACCOUNTING STANDARDS

### Prepaid Rates

Accounting standard changes impacting on how rate payments received in advance have taken effect from 1 July 2019 and will be in place for the 2019/20 financial statements. Early advice from QAO is that rates will meet the definition of a statutory charge under AASB 9. AASB 9 currently has no transitional provisions so the requirements to account for prepaid rates in 2019-20 may require retrospective application with Councils adjusting for prepaid rates and charges against equity in the comparative year rather than rates revenue in the current year as has occurred in the past. We will endeavour to provide confirmation of this treatment as soon as we can - noting that there is "plenty" of time before we prepare our 2019/20 statements!

### Leases

The accounting standard changes relating to leases (AASB 16) need to be carefully considered by Councils to determine any likely implications for financial statements and sustainability ratios. The LGFP encourages members to discuss with your auditors in the first instance for guidance. A number of articles are available for reference with some examples provided below:

<https://www.qao.qld.gov.au/blog/leases-overview-aasb-16>

<https://www.qao.qld.gov.au/blog/leases-cpi-changes>

[https://www.intheblack.com/articles/2019/07/01/the-lowdown-on-peppercorn-leases?utm\\_source=exacttarget&utm\\_medium=email&utm\\_term=All%20Subscribers&utm\\_content=NEWS+%7c+AUS+%7c+Peppercorn+leases%3a+The+lowdown+on+AASB+16+and+AASB+1058&utm\\_campaign=CPA+Update+-+Member+-+ed+26\\_9-July-2019](https://www.intheblack.com/articles/2019/07/01/the-lowdown-on-peppercorn-leases?utm_source=exacttarget&utm_medium=email&utm_term=All%20Subscribers&utm_content=NEWS+%7c+AUS+%7c+Peppercorn+leases%3a+The+lowdown+on+AASB+16+and+AASB+1058&utm_campaign=CPA+Update+-+Member+-+ed+26_9-July-2019)

## OTHER NEWS

### DLGRMA Bulletins

[02/19 Increase in the value of a penalty unit](#)

### Landfill Rehabilitation Provision Review by QAO

The QAO are continuing to investigate how landfill rehabilitation provisions are being applied (or not) by Councils. This project is ongoing with a number of complexities to be investigated. The LGFP will keep you updated once the project has commenced further.

### Your LGFP Committee:

Tony Brett	President	Cassie White	Committee	Andrew Page	Observer
Anthony Keleher	Past President	Mark Holmes	Committee	Toni Skillington	Observer
Michael Shave	Secretary	Narelle Ballini	Committee	Zala Chatur	Observer
Jo Morris	Senior Vice President	Paul Hockings	Committee		
Anthony Archie	Treasurer				