



LOCAL GOVERNMENT FINANCE PROFESSIONALS QLD

NEWSLETTER

September 2019

PRESIDENT'S MESSAGE

Dear Colleagues,

Welcome to the September 2019 LGFP newsletter. Well all the planning has been done by our hard working committee and I can announce that registrations are now open for our 40th anniversary conference. If you are looking for the registration form feel free to find a copy on our website, or one of our social media channels (Facebook or LinkedIn) as we look forward to you joining us for the celebration.

The LGFP committee continues to work for its members with committee representatives meeting with a number of stakeholders in recent months, including the Department, IPWEAQ and also continuing working with the QAO on its landfill rehabilitation provisions review. Whilst keeping very busy we are mindful that we need to continue to be relevant for our members and to secure good common sense outcomes for our communities.

Cheers for now
Tony Brett
LGFP President

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

KEY DATES

19-22 November 2019

LGFP Annual Conference & Masterclass
RACV Resort Royal Pines Gold Coast

2019 40th CONFERENCE & MASTERCLASS

The LGFP 2019 40th Conference Program has been finalised and circulated. If you haven't yet received or seen a copy, it can be downloaded from our [LGFP website](#). The location again this year is the RACV Royal Pines Resort on the Gold Coast, commencing Wednesday 20 November. The theme of the Conference is: *Shaping the Future: Where will we be in another 40 Years?* And is themed around our 40th anniversary celebration.

Our 2019 Annual Masterclass topic is *Aligning Asset Valuation and Asset Management Processes*, continues our focus on asset management given the challenges councils and finance professionals, engineers and asset management specialists continue to face in this space will be held from midday on Tuesday 19 November and will again be presented in conjunction with our strategic partner IPWEAQ. We encourage all Council staff (including our engineering colleagues) with a specific interest in asset management to attend this session.

CFO & FINANCE MANAGERS FORUM RECAP

Our fifth CFO forum was held in July at the Brisbane Airport Conference Centre (a new venue for the forum this year).

Once again we had a good turnout with a record 65 registrations, with excellent feedback once again received from our members regarding the forum topics and also delivery of presentations (but there is always room for improvement - and we will take on comments received in the survey for planning for next year's forum).

Presentations made at the forum are available on the LGFP website for member reference [here](#).

CLARITY REGARDING BUDGET REVIEWS

Section 170(3) of the *Local Government Regulation 2012* outlines that a local government may amend its budget at any time during a financial year. This provision has been in place for a number of years and councils currently adopt a number of different approaches to budget reviews (i.e. quarterly, once or twice a year, three time a year etc.)

It is important to consider the cost benefit of undertaking budget reviews and the value it brings to your council and community, given the effort required to communicate, collate and publish revised budget financials, perform financial system adjustments including budget phasing and so on. Materiality is always a good barometer of whether the budget needs to be changed to ensure effective financial management by budget owners.

LGFP & IPWEA COLLABORATION

Members of the LGFP committee recently held a workshop with IPWEA to plan the 2019 masterclass *Aligning Asset Valuation and Asset Management Processes*. The workshop was extremely productive with a number of great ideas regarding the masterclass content in addition to further discussions regarding ongoing training opportunities for both finance professionals and IPWEA members. This included further discussion regarding a joint asset management symposium likely to occur in April 2020.

IPWEA have also kindly offered a range of incentives for members in the spirit of the cooperative arrangement in place with the LGFP. The 2 current incentives being offered to members include:

- A **20% discount** to LGFP members to attend the **2019 IPWEAQ Annual Conference** to be held in Brisbane on 22-24 October. If you are interested in attending the event please use the discount code: LGFP20 when [registering online](#).
- Complimentary **IPWEAQ membership** as per the IPWEAQ and LGFP MOU agreement. The discount code to use on the 'Join IPWEAQ' [online site](#) is **LGFPAGREEMENT**. Alternatively contact Johanna at IPWEAQ directly on 07 3632 6703 or Johanna.Vanling@ipweaq.com who can assist.

LEGISLATION CHANGES

In August 2019 the LGFP sent out a survey to its membership base seeking feedback on the discussion papers circulated by the Department in relation to proposed finance related changes to the LG Regulation. Fifteen responses were received from a range of local governments from large SEQ Councils to small rural Councils.

Responses were generally in support of the changes proposed to ensure greater transparency, with the exception of the proposal to require future public consultation on the council budget, where opinions were divided on the proposed change.

The [LGFP submission](#) to the department providing feedback on the survey responses can be found on the LGFP website.

It is expected that the Department will provide an update on the reforms in the near future.

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

QUEENSLAND AUDIT OFFICE (QAO) BLOG

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

To register simply go to: www.qao.qld.gov.au/subscribe

QAO LANDFILL REHABILITATION PROVISION REVIEW

The QAO is slowly progressing its review of landfill rehabilitation issues for Qld councils. Currently a number of issues have been identified by the working group that need to be further investigated. Some of these issues include how to retrospectively recognise landfill rehabilitation assets (when liabilities are already recognised), in addition to ensuring consistency in what discount rates and indexation rates are being applied to determine future landfill rehabilitation liabilities across the industry.

A further issue identified as part of the review relates to what councils are including when capitalisation landfill construction and cell capping costs. [AASB116](#) provides guidance on what can be capitalised which includes planning, design and initial site development costs which are often overlooked due to timing issues.

The QAO have noted that 17 councils in Queensland still have not recognised any liability for future landfill rehabilitation. The QAO has previously communicated to these Councils that a provision is required by June 2019 if applicable and material. This issue will be discussed individually with each council as part of the 2018/19 audit to assess and determine the impact on the audit opinion.

GRANTS REVIEW UPDATE

Essential services

Roads & transport

Resilient communities

Economic development

Natural resources

Community wellbeing

The Local Government Minister has announced the commencement of the Government's new Grants to Local Government model following the finalisation of the grants review. The Minister has advised that for Councils the new model will provide a range of benefits including:

- a single web page for grants to Local Government;
- reducing the number of State agencies that Councils deal with to five;
- more time for Councils to deliver projects (minimum two years);
- alignment of program timeframes with Council budget cycles wherever possible;
- a single head funding agreement between the State and Local Governments;
- consistent and standard templates for guidelines, applications, progress reporting;
- more streamlined quarterly reporting and/or project milestone reporting;
- inclusion of funding for non-capital activities within infrastructure programs;
- improved early stakeholder involvement; and
- better training and support.

Governance of the Model will be the responsibility of the Department of Local Government and includes a Local Government Grants Executive. The LGFP will be one of three Local Government industry bodies to be represented on the Grants Executive which is much appreciated and will ensure that our members views can be communicated through this forum over time.

The Department has updated its website with information about the new model and supporting resources — including governance arrangements, program streams and guidance material. These resources and the new Grants to Local Government Web Landing Page can be accessed at <http://www.dlgrma.qld.gov.au/local-government/grants/model>.

OTHER NEWS

DLGRMA Bulletins

[03/19 Submission of Local Government Financial Forecasts](#)

Legal Advice Regarding Performance Bond Refunds

The LGAQ recently through King and Co issued some advice regarding returning bond payments under 2 scenarios where a council holds cash bonds, each comprising a security for the performance of development obligations, and it is unsure of who is entitled to the refunds upon discharge of the secured obligation/s. The advice can be found on the LGAQ website [here](#) (note you need a login to access). Members wishing to obtain further information can contact Natalie Kent (admin@lgfp.org.au).

Your LGFP Committee (<http://www.lgfp.org.au/lgfp-governance>):

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				

