

## FinPro Member Update – Edition 14, 2022

### President's Message

Hope you all doing well, and staying warm!

I'm sure there are a few of you who have been away for a nice break, good on you, and important for us too all remember to rest and recharge the batteries. Or if you aren't on holidays, no doubt you are deep into audit work and finalization of the yearly statement. Good luck with that.

This morning the FinPro Executive is meeting for our regular discussion – lots on the agenda including meeting with Travis Derricott, VAGO Local Government Sector Director, finalization of the October conference, and updates on key advocacy pieces of work (Financial Sustainability, Rating Legislation, Beneficial enterprises) with updates to be provided over the coming months.

We are also pleased to be able to announce we have spoken to Chartered Accountants Australia, and Local Government can participate in the upcoming CA Achiever Program (more details in the update). I would strongly consider you taking this offer up (you don't have to have a CA in the Finance Team).

Having completed the CA program myself, it really provided me with a range of skills and experiences to assist me in my career from a young, naive graduate auditor, to LG Finance Manager to CEO - this will be a great opportunity to give someone starting out in their career a leg up!

Enjoy your weekend



Cheers, Bradley

**Bradley Thomas**

**President – FinPro and CEO, Hepburn Shire**

### Upcoming FinPro Webinar – Assets and ED320 – Today from 2pm – 4pm

Presented by David Edgerton, Director APV, this free webinar for all FinPro members will provide further detail on ED320 and is a must for all finance professionals responsible for accounting for assets.

[More information here](#)

### Membership News

Congratulations to **David Harrington** who has recently commenced work at Corangamite Shire as Director Corporate and Community Services. David was previously the Manager Financial Services at Warrnambool City Council.

Congratulations to **Marjorie Crompton** who has joined the team at Banyule City Council as a Senior Accountant, after 18 years at Casey City Council.

## Technical Updates

### 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. [Link to LGV Local Government Act 2020 Website](#)

Councils will have recently adopted their Asset Plans (required by 30 June 2022). This was the last piece in the puzzle in implementing the Local Government Act 2020. Earlier this year FinPro ran a webinar in partnership with IPWEA to discuss the Asset Plan. During that session Jonathon Merrett from Whitehorse City Council spoke about his council's methodology in putting together their Asset Plan. The plan is now finalised and available on the council website – and [here for your convenience](#).

### LGV Update – Bulletin 38/2022: Approval of Investments with VFMC

**The following Bulletin was distributed to councils on Monday 18 July 2022 and is included her for member information.**

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#### *APPROVAL OF INVESTMENTS WITH VICTORIAN FUNDS MANAGEMENT CORPORATION*

*On 21 June 2022, the previous Minister for Local Government approved investments with the Victorian Funds Management Corporation (VFMC) as an authorised manner of investment for all Victorian councils.*

*The approval to invest with the VFMC was made under section 103(f) of the Local Government Act 2020 and is subject to conditions, including that councils have appropriate financial policies and risk management arrangements in place.*

*A copy of the approval instrument is available on the Local Government Victoria website at <https://www.localgovernment.vic.gov.au/council-innovation-and-performance/financial-and-asset-management>.*

*Councils wishing to consider VFMC's investment options should contact VFMC directly on [clientservices@vfmc.vic.gov.au](mailto:clientservices@vfmc.vic.gov.au) or (03) 9207 2900.*

#### *About the Victorian Funds Management Corporation (VFMC)*

*The VFMC manages \$75 billion of funds for 31 Victorian public authorities and related organisations. The VFMC is entrusted with managing the State of Victoria's financial assets centrally, with oversight by the Department of Treasury and Finance, to assist the State to manage its balance sheet of assets and liabilities as efficiently as possible.*

VPMC offers pooled investment funds to eligible investors, including Victorian councils. This provides the benefits of scale and access to institutional investment management expertise that may not otherwise be available at a competitive cost. VPMC's funds meet a range of medium to long term investment objectives.

Councils seeking to diversify their portfolio and enhance returns to meet their investment objectives may consider the option of investing with the VPMC.

Regards

**Colin Morrison**

**Acting Executive Director, Local Government Victoria**

**Rating Reform Working Group**

## VAGO Sector Report – July 2022

VAGO issued their July Status Report earlier today, and a copy is [attached here](#) for member information. They also issued a Fraud Alert which is [attached here](#).

## TCV loan rates as at 20 July 2022

	Fixed Rate (Interest only)		Fixed Rate (Principal and Interest*)		Term Floating Rate (Margin to BBSW)	
Maturity	Fixed Rate (quarterly)	Fixed Rate (semi)	Fixed Rate (quarterly)	Floating Rate (semi)	Floating Rate (quarterly)	Floating Rate (semi)
1 year	3.4263	3.4403	3.2450	3.3700	-0.0034	-0.1333
3 year	3.8412	3.8576	3.6250	3.6700	0.1789	0.0779
5 year	4.0714	4.0895	3.8700	3.9000	0.3370	0.2356
7 year	4.2253	4.2448	4.0150	4.0450	0.3857	0.3016
10 year	4.4425	4.4642	4.1900	4.2200	0.5122	0.4493
12 year	4.6061	4.6295	4.3050	4.3350	0.6328	0.5550
15 year	4.7524	4.7773	4.4600	4.4900	0.7752	0.6978
11am (at call)	1.6650%		TCV Investment Rates			
30 days	1.7050%		Cash	1.30%	4 months	2.54%
60 days	2.0050%		1 month	1.59%	5 months	2.82%
90 days	2.3250%		2 months	1.89%	6 months	3.08%
180 days	2.6550%		3 months	2.21%	1 year	3.12%

These loan interest rates and margins are indicative only and current as at the time of calculation. The rates and margins indicated include the TCV administration fee of 0.115%, the DTF Guarantee Fee of 0.15% and Execution of 0.05%.

\*Fixed rate (Principal and Interest) assumes principal balance is reduced to zero over equal instalments until maturity.

TCV Investment Rates are indicative only and current as at time of calculation.

## Commentary

Markets have been a little calmer over the past few weeks, with little major news flow and the start of the Northern Hemisphere summer season which often slows markets down. This has been a welcome relief from the extreme volatility seen prior to that.

The RBA has raised interest rates a further 50bps, to 1.35%, and more is expected. Yields are higher across the board on the fortnight, with an increased expectation of an accelerated RBA cycle, and rising inflation risks. This has been driven by RBA commentary, warning of the need to raise interest rates from extremely low levels and of the inflation dangers.

The economic data has been supportive of these moves with the Australian unemployment rate hitting a multi decade low of 3.5%. Global factors have also driven yields a little higher, with many countries reporting higher inflation, and central banks lifting interest rates. Australia tends to follow these moves closely. The international geopolitical situation also impacts markets and prices. Russia's war on Ukraine is raising gas prices, even while oil prices have moderated somewhat. This keeps energy prices high. The next week is particularly important for the yield outlook as Australia's quarterly inflation print is released.

### Disclaimer

Treasury Corporation of Victoria (TCV) provides indicative borrowing rates information to its Clients for general information purposes only, based on facts and data available to TCV at the time of preparation. Rates, market values, yields and outcomes will be subject to variations due to fluctuations and changed market conditions. TCV therefore does not warrant or represent that these rates will be complete, accurate or suitable for use for any Client purposes. The information provided is not to be taken as indicative of the actual trading price at which TCV, or a third party, is or would be prepared to execute a new transaction or to liquidate or unwind and existing transactions.

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The indicative rates information provided by TCV is not, without TCV's prior written consent, to be disclosed to any other person.

## Survey Exploring Alternative Income Sources for Rural Local Governments

### - Calling on all VIC Councils to assist

FinPro are assisting Rural Councils Victoria with some work they are undertaking on behalf of the sector around identifying alternative income sources. Though this work is directed at Rural Councils, in the long run, all councils, regardless of size, will benefit from this study.

We therefore are asking for your assistance by completing a short survey. This survey would best be completed by Council's Chief Financial Officer or other staff member with detailed knowledge of Council's own-source income streams. Only one response is required per council.

Details are as follows:

Rural councils face specific funding challenges in meeting the needs of their communities. These challenges stem from their smaller dispersed populations, lower rates base and larger geographic service areas. Rural councils rely heavily on federal and state government grants to service the needs of their ratepayers and to remain financially viable, with little access to substantial or helpful levels of 'own source' income.

Rural Councils Victoria (RCV) has engaged consulting firm SGS Economics and Planning to undertake research in depth exploring this issue and to identify alternative income sources for rural councils.

As part of this research, SGS is conducting a survey of all councils across Australia (incl. metropolitan, regional and rural) to help identify the range of own-source income options (beyond rating, fines, fees, grants and contributions) currently in use or which have identified as opportunities to support the ongoing financial sustainability local government.

You can access the survey via this link: [SURVEY HERE](#)

This survey would best be completed by Council's Chief Financial Officer or other staff member with detailed knowledge of Council's own-source income streams. Only one response is required per council.

If you would prefer to speak directly with the research team, or have further questions about this project, please contact Tom Milverton of SGS Economics and Planning at [TMilverton@sgsep.com.au](mailto:TMilverton@sgsep.com.au) or via phone at +613 8616 0331.

Thank you very much for taking the time to participate in this research."

Emily Hobbs (she/her)  
*Senior Consultant & Partner, SGS Economics and Planning*  
T: 03 8616 0331

### **Building your finance team? Take a look at the CA Achiever programme!**

All Councils have been struggling in recent years to recruit staff for their finance teams, and it seems to be getting tougher. Indeed there is a significant skills shortage across a number of sectors and professions.

One way Council's can help in the long term to build solid finance teams is to start at the ground level with accounting graduates, through schemes such as the Chartered Accountants ANZX Achieve Programme. Details are included here on how to register your council as an employer within this Programme. Please note that registrations have been extended for Local Government until Friday 29 July, 2022.

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The Chartered Accountants Australia and New Zealand (ANZ) Achiever programme has been designed to help match your organisation with penultimate or final year tertiary students who aspire to pursue a career in accounting and gain work experience.

This programme aims to bridge the gap between promising accounting students and organisations that can offer a paid internship placement over the break.

The summer placements will run between November 2022 to February 2023.

### Why should your Council participate?

By participating in the programme, your Council will:

- save time and resources – by allowing us to assist with talent sourcing for a paid internship placement;
- identify and engage with promising talent;
- establish a pipeline for your graduate programme.

### Snapshot of the Achiever Programme in FY22

The FY22 Achiever Programme received over **2,400** applications from accounting students and over **220** employer registrations across Australia and New Zealand.

Students go through a rigorous selection process and face-to-face interviews to ensure the best fit for both students and employers during the matching stage.

In FY22, **200 students** were successful in securing an internship placement with participating employers that include small-to-medium practices, Big 4, NFP, corporate and government.

**Registration for employers is open now until Friday 29 July 2022 and must be submitted via [our website](#). Please note that the advertised closing date for registrations is 22 July, however FinPro Member Councils have an extension until 29 July 2022.**

Attached to this email is an onboarding document with more detailed information about the programme and what is involved.

Please note Chartered Accountants have a placement fee for all successful placements made in your organisation. If you wish to welcome several interns in the same cohort, an additional reduced fee will be charged for each placement secured.

	Participation fee + 1 placement	Per each additional placement
Australia	\$750 + GST	\$250 + GST
New Zealand	\$750 + GST	\$250 + GST

If you have any queries about the registration process or if there is anything else we can help you with, please don't hesitate to contact me. Otherwise, you can register for the Achiever programme on [our website](#).

## Current positions advertised on the FinPro Website

### Management Accounting Coordinator

- Moreland City Council
- [More Information](#)
- Applications close 25 July 2022

### Manager Financial Services

- Corangamite Shire Council
- [More information](#)
- Applications close Monday 1 August 2022 at 5pm

### Assistant Business Partner

- City of Melbourne
- [More information](#)
- Applications close 27 July 2022 at 11.45pm

### Manager Strategy, Governance and Operations

- Local Government Inspectorate
- [More information](#)
- Applications close 7 August 2022

### Audit and Risk Committee – Independent Chair & Member vacancies

- MAV (Municipal Association of Victoria)
- [More information](#)
- Applications close 11 August 2022 at 5pm

## Other information

### Victorian Ombudsman's Office

The Victorian Ombudsman, Deborah Glass, completes a range of investigations each year. Some relate to Local Government, whilst others relate to other sectors. Generally there is information within these investigations which is of interest and value for our members.

The Victorian Ombudsman's Office this week tabled a special report they did jointly with The Independent Broad-based Anti-corruption Commission (IBAC). The report was a joint investigation into allegations of serious corrupt conduct involving Victorian public officers, including Members of Parliament.

The joint investigation examined a range of matters including allegations of misuse of electorate offices, ministerial office staff and resources for branch stacking and other party-related activities.

The Full Media Release is [available here](#).

## 2022 FinPro Conference – 26 – 28 October 2022

We are excited to be preparing for our first conference since 2019. The program should be finalised by early August and information as well as registration details will be sent to all members then. In the meantime, we welcome on board the following organisations who have signed up to sponsor this fantastic event:

- APV Valuers and Asset Management
- Curve Securities
- Imperium Markets
- Inlogik
- Insightsoftware
- IT Vision
- LG Solutions
- Lygon
- National Australia Bank
- Satori Assured
- TechnologyOne
- TCV, and
- Zipform

These organisations join a group of sponsors who had already committed to support our postponed February Conference:

- Commonwealth Bank
- CT Management
- Laminar Capital
- MAGIQ
- NelNet, and
- Westpac, along with
- Sector Partners LGV and
- VAGO

### Thank-you to our 2022 Corporate Partners

- \* APV Valuers and Asset Management
- \* Commonwealth Bank
- \* CT Management
- \* .id informed decisions
- \* Ibis Information Systems
- \* MAGIQ Software
- \* LG Solutions
- \* Maia Financial
- \* New Era Management
- \* Treasury Corporation of Victoria
- \* VOTAR Partners
- \* Westpac



## FinPro Executive Team 2022

<b>President</b>	Bradley Thomas (Hepburn SC)
<b>Vice-President – Chair Professional Development</b>	Belinda Johnson (Southern Grampians SC)
<b>PD Committee Members</b>	Alan Wilson (Melbourne CC) Charles Nganga (Casey CC) Melissa Baker (South Gippsland SC) Aaron Gerrard (Whittlesea CC)
<b>Vice-President – Chair Technical</b>	Tony Rocca (Maroondah CC)
<b>Technical Committee Members</b>	Danny Wain (Monash CC) Fiona Rae (Golden Plains SC) Nathan Morsillo (Greater Bendigo CC) Simone Wickes (Frankston CC) Wei Chen (Yarra CC)
<b>Chair Advocacy and Vision</b>	Binda Gokhale (Contractor)
<b>Secretary / Treasurer</b>	Gabrielle Gordon

## FinPro Contact Details

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