

FinPro Member Update – Edition 23, 2022

President's Message

This week we launched our joint report with the MAV, measuring our sectors financial health. The report aims to create a better understanding of financials within the sector. Externally, the data identified four serious risks to sustainability that require immediate action. Further details are included in this Update and I encourage you to review and provide us any feedback.

We held our leadership program this week. Congratulations to those that participated or assisted with the program.

Yesterday we heard from the current Local Government Minister and the opposition spokespersons on their thoughts for the future of local government in Victoria. For those who missed the webinar, a copy of the recording of the event will be available later today on the FinPro website News Page.

Today we hold our last FinPro Executive meeting for 2022 before our AGM on 2 December (make sure you book and get a ticket to that hot event). I want to make a massive thanks to all the Executive Members who take this role on outside their 'normal' role to try and make our members lives that little bit easier. Thanks for all your work!

Take it easy this weekend and hope to see you on 2 December at Leonda by the Yarra.



Cheers, Bradley

Bradley Thomas, President FinPro and CEO Hepburn Shire

Membership News

Welcome to our new members:

- **Zechariah Soon** who has joined the team at Melbourne City Council as Senior Corporate Finance Analyst,
- **Sue Tutton**, Accounts Payable Officer, and **Rasika Nilmini**, Corporate Accountant, both recently joining the team at Strathbogie Shire,
- **Shachini Dassanayake**, Team Leader Financial Accounting, and **Manoja Veni**, Assistance Accountant, both recently joining the team at Cardinia Shire.

We farewell **Jennifer Blunt** who has left the City of Port Phillip where she has worked for the past 19 years and has been a long-time member of FinPro. We wish Jen all the best.

LOCAL GOVERNMENT FINANCE PROFESSIONALS INC.
NOTICE OF ANNUAL GENERAL MEETING
Incorporation No: A0045253V

In accordance with Rule 26 (1) of the Local Government Finance Professionals Rules of Association, the Executive Committee advise the 2022 Annual General Meeting of Local Government Finance Professionals Inc (ABN 84 588 518 150) will be held as follows:

FRIDAY 2 December 2022 At 12.30PM

Leonda by the Yarra, 2 Wallen Drive, Hawthorn.

[Documentation is available here](#)

The AGM will take place during the FinPro End of year Professional Development Day and Luncheon



The poster features a teal background with decorative elements including confetti at the top and stylized clouds and birds at the bottom. The FinPro logo is centered at the top. The main headline 'JOIN US FOR OUR END OF YEAR EVENT' is in large white letters. Below it, the event details are listed: 'FinPro Professional Development day, Luncheon and AGM', 'Guest Key Note Speaker - Dylan Alcott, 2022 Australian of the Year', and the date, time, and location. A photo of Dylan Alcott in a wheelchair is shown with a 'GUEST SPEAKER' overlay. A 'REGISTER NOW' button is provided. The Technology One logo and tagline are at the bottom, along with a rocket illustration.

**JOIN US FOR OUR
END OF YEAR EVENT**

FinPro Professional Development day, Luncheon and
AGM
Guest Key Note Speaker - **Dylan Alcott, 2022 Australian
of the Year**

**GUEST
SPEAKER**

Friday 2 December 2022 from 10.30am – 3.30pm
@ Leonda by the Yarra, 2 Wallen Rd, Hawthorn
FinPro Members: \$200
Non-members: \$250

[**REGISTER NOW**](#)

This event is proudly sponsored by Technology One
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FinPro Professional Development Day, Luncheon & AGM

Join us on Friday 2 December 2022 for a day of learning, networking and celebration.

Our guest Key Note Speaker will be Dylan Alcott, Australian of the Year 2022 and wheelchair tennis champion.

Venue: Leonda by the Yarra, 2 Wallen Rd, Hawthorn

Time: 10.30am – 3.30pm

Investment: \$200 for members, \$250 for non-members

Note: A 3 course lunch and beverages are included in the registration investment.

REGISTER NOW

PROGRAM

10.30 - 12.00pm	Professional Development morning The Financial Health of Victorian Local Government Alternative Income sources for Local Government Digital Transformation Index – presented by TechnologyOne
12.00 - 12.30pm	Pre-lunch canapes and networking
12.30 - 12.45pm	FinPro AGM
12.45 - 2.00pm	Sit-down lunch, catered by Leonda by the Yarra
2.00 - 2.45pm	Key Note Address by Dylan Alcott - former wheelchair tennis player and 2022 Australian of the Year.
2.45 - 3.30pm	Networking

This is a great way to end our FinPro year and we hope that you will join us.

This event is proudly sponsored by TechnologyOne.

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Technical Updates

Local Government Legislation Amendment (Rating and Other Matters) Act 2022

The Act received Royal Assent in August 2022 and makes changes to the arrangements for unpaid rates and charges, consideration of ratepayers facing financial hardship, service rates and charges and special rates and charges. The Act also introduces a new public benefit criteria for councils to offer rate rebates and concessions.

LGV have prepared fact sheets on the Act and can be [viewed here](#).

FinPro has been made aware that there is further work happening on the 'next steps' of the Rating review, and there are likely to be announcements and details from LGV over coming months.

Sample Council Policies

As part of the LG Inspectorate's role, they sought copies of policies from councils across Victoria.

They have now included some of these on their website – and this can, alongside FinPro's online policies – be a great resource for your finance or governance teams.

Here's what they have on the website, and here's the link: [Sample council policies | Local Government Inspectorate \(lgi.vic.gov.au\)](#)

We hope to help the local government sector improve its practices.

A governance examination in 2022 reviewed council policies that were created or updated under the 2020 Act. We checked more than 1,000 documents from the 79 councils. We then asked some councils if we could share some of their policies so that other councils can self-assess their documentation. All documents are shared with the permission of the relevant council.

Local Government Victoria has other governance guidelines and best-practice policy examples on the [Local Government Act 2020 Governance Resources page](#).

VAGO Report – November 2022

The VAGO Status Report for November 2022 was circulated to councils by VAGO on Wednesday 31 August, and is [included here](#) for member information.

Sections included within the report are:

- Caretake conventions
- VAGO news
- VAGO Financial Audit – Update
- VAGO Performance Audit – proposed engagements
- VAGO Performance Audit – engagements in progress
- VAGO recently tabled Parliamentary reports

Managing our Financial Health – a joint MAV / FinPro Report

The Municipal Association of Victoria (MAV), in partnership with FinPro, and in collaboration with our members and State Government, has developed a dataset that can be used to demonstrate the financial sustainability of Victorian councils.

This project, which was recently discussed with our members at the FinPro conference. Again, thanks to all of you who have been instrumental in providing the data which enables the analysis.

[FinPro MAV – State of Local Government Finances – Introductory Notes October 2022](#)

[FinPro MAV – State of Local Government Finances Report October 2022](#)

[Sustainability Gap Summary – FinPro MAV November 2022](#)

[Recording of Financial Sustainability Presentation – FinPro Conference 2022](#)

The report aims to create a better understanding of financials within the sector and externally, the data identified four serious risks to sustainability that require immediate action:

- Deteriorating underlying surplus across local government
- A significant asset renewal gap
- The compounding effect of a rate cap which has consistently been set below the cost increases experienced by councils – FinPro continues to call for a full review of the rate cap mechanism
- A limited and reducing unrestricted cash position of many councils

As finance professions in the local government, we have always acknowledged that there is room to improve practice within the sector, but many of the challenges faced by councils are driven by external factors or have significant constraints imposed on us by other levels of government. It is fair to say that there are now financial challenges being faced by all Councils that need to be reviewed, and the status quo cannot continue.

This is compounded by a relatively poor understanding of council operations, asset management and finance among parliamentarians, departments, and agencies and there is a great need for a greater understanding of the financial challenges faced by us by our State and Federal Government. This challenge has been felt by many of our members and has been the topic of discussion within our regional groups and also a theme which has resonated through our other forums. The changes in inflation and construction costs subsequent to this report's data set will exacerbate all of the issues raised.

We join with the MAV in advocating for a more nuanced consideration of the impacts on councils and their local communities in their policy development, and for governments to work with us on solutions.

Essential Services Commission (ESC) Update

The following information was sent to councils last Friday, 11 November 2022 and is shared here for member information.

Dear Councils

Release of updated Guidance for councils applying for a higher cap 2023-24

The commission has released the Guidance for councils applying for a higher cap 2023–24. This is now available on our [website](#).

Upcoming webinar with councils

We will be holding a webinar on 9 December 2022 from 10:30am to midday. This webinar is an opportunity for council staff and councillors to learn more about the Fair Go Rates system and the commission's role and processes. It is also an opportunity to ask any questions you may have about complying with the rate cap or applying for a higher cap.

The webinar will cover:

1. Complying with the rate capping framework
 - Timelines and process for the 2023-24 rating year
 - How we assess compliance
2. Reporting on the outcomes of rate capping
 - An overview of our outcomes reporting function
 - Upcoming data requests and report timeline relating to our 2023 outcomes report
3. Applying for a higher cap
 - Timelines and process
 - Application requirements

If you would like to attend this webinar, please click on the button below to register. This will also give you a chance to provide us with any questions regarding the topics listed above. Once registered, you will receive an email the day before with a link to join the webinar.

Webinar registration

Please share the link to the registration form with council colleagues who might also be interested in understanding more about the Fair Go Rates system and the commission's role in administering it.

If you are having difficulty accessing the form or submitting your registration, please email localgovernment@esc.vic.gov.au.

Local Government Team

Price monitoring and regulation , Essential Services Commission

Disaster Recovery Funding Arrangements

Recently we worked with the team at Yarra Ranges Shire on a webinar where they shared their experience in dealing with the response and recovery to natural disasters, from a councils finance perspective.

Full details of this webinar are [available here](#).

Following from that webinar, Yarra Ranges have compiled a 'cheat sheet' of details in relation to DRFA. This document is available now on our [website](#) and also included below:

DRFA Cheat Sheet – as provided by Yarra Ranges SC

Category A – Relief and recovery for residents

Category B – Emergency and reconstruction works for Essential Public Assets (Roads, bridges etc.)

Clear annotation of invoices and photos is essential. Use Adobe Acrobat to annotate photos and invoices. Manual annotation can be hard to read and is time consuming.

Create a spreadsheet for each invoice where some costs on an invoice are not being claimed (such as being ineligible or Cat A and B costs on one invoice), prepare a spreadsheet for that invoice alone showing how the amount claimed is being calculated. Show how estimates, such as betterment, are calculated to make the Assessor's job easier.

Keep your own spreadsheet of claims submitted. DRFA claims are given random codes like MC93CD4E. We (very imaginatively) started at 1 and went on from there so it was easy to identify the claims internally, and our spreadsheet showed which DRFA claim code was relevant to each claim. For example Claim 1 \$445,000 MC93CD4E

Submit regular claims up to \$500,000 as it shows you are making progress and keeping on top of claims.

Submit Cat A and Cat B claims separately for ease of assessment – do everything you can to make the assessor's job easier.

Keep a reconciliation of all costs associated with the event, including those which are not being claimed. The reasons might be no evidence; work might have been done in a park etc. Don't claim things you know aren't eligible – this just wastes the assessor's time. There may be other sources of funding (outside DRFA) that will require these records.

Maintain regular contact with the Assessor – that relationship is key to a successful claims process

Keep track of your claims progress and your progress in reviewing invoices.

Document your processes so when the next event comes around the lessons learnt are not lost because staff have moved on.

TCV Loan rates as at 16th of November 2022

	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
Maturity	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	3.7252	3.7410	3.7000	3.7550	0.0959	0.1019
3 year	3.9798	3.9969	3.8750	3.9050	0.1828	0.0122
5 year	4.2178	4.2370	4.0350	4.0650	0.3263	0.1825
7 year	4.4254	4.4467	4.1850	4.2150	0.3645	0.2412
10 year	4.7553	4.7800	4.4100	4.4400	0.5245	0.4231
12 year	4.9172	4.9437	4.5500	4.5850	0.5976	0.5072
15 year	5.1128	5.1415	4.7450	4.7750	0.7324	0.6486
11am (at Call)	3.1650				BBSW	
30 day	3.1250				1 Month	2.8587
60 day	3.2450				3 Month	3.0497
90 day	3.3150				6 Month	3.5300
180 day	3.8050					

TCV Investment rates

Cash	2.8000		4 Month	3.1926
1 Month	2.8487		5 Month	3.3700
2 Month	2.9668		6 Month	3.5200
3 Month	3.0397		1 Year	3.4160

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.

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.

Current positions advertised on the FinPro Website

Role	Council	Web Link	Closing Date
Manager Financial Strategy	Buloke Shire	See here	Until filled
Financial Systems Accountant	Bass Coast Shire	See here	20 November 2022
Senior Accountant	Mornington Peninsula Shire	See here	22 November 2022
Senior Procurement Partner	Merri-bek City Council	See here	24 November 2022
Procurement Specialist	Hepburn Shire	See here	25 November 2022
Financial Accountant	Surf Coast Shire	See here	27 November 2022
Asset Management Advisor	Greater Bendigo Shire	See here	30 November 2022
Team Leader Revenue Services	Merri-bek City Council	See here	30 November 2022
Senior Accountant	Hepburn Shire	See here	5 December 2022
Manager Finance	Kingston City Council	See here	5 December 2022

Thank-you to our 2022 FinPro Conference Sponsors

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- [CT Management Group](#)
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- [Lygon](#)
- [LG Solutions](#)
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And our Conference Sector Partners

- [LGV](#)
- [VAGO](#)

FinPro Executive Team 2022

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

FinPro Contact Details

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