

## FinPro Member Update – Edition 5, 2023

### President's Message

Well, its going to be a warm one this weekend, with maybe the last touch of summer – very warm for the footy kicking off.

I hope you are all looking after yourselves right now during this extremely busy time. I can imagine the challenges being felt in all our finance teams as recruitment remains a constant difficulty for almost all, and the impact of significant cost increases are really making it difficult in the development of the 2023/24 budgets and for many, the update of our 10-year financial plans.

I encourage you to reach out to your networks as they can often help, even if just a shoulder to share your challenges with. Also, remember to provide ***frank and fearless*** advice to your Executive and Councillors; this might not be what they want to hear, but it is what they need to hear.

Thank you to our wonderful members for your continued support of FinPro. We now have all 79 Councils as fully paid-up members. Thank you. We appreciate the support, and the Executive Team hopes to continue to provide you with low cost, high quality professional development, networking opportunities and technical assistance.

Enjoy the weekend, go Swans!



**Bradley Thomas,**  
**President FinPro and CEO Hepburn Shire**

### Membership News

Welcome to new member **Beau Mittner** who has joined the team at Moira Shire as Manager Finance.

Welcome to new member **Darren Barber** who has joined the team at Southern Grampians Shire as Director People & Performance.

Congratulations to **Isabelle Cancino** who has joined the team at Maroondah CC as Finance and Commercial Manager. Isabelle previously worked at Yarra Ranges Shire.

## FinPro 2023 Leadership Program

Applications are NOW OPEN for our Financial Management and Leadership Development Program 2023 – ‘Rising to the Challenge’.

**Applications close Monday 3 April 2023 at 11.59pm**



The Program provides a unique opportunity for new and emerging leaders in Financial Management to develop the extra skills they need to move from being an ‘accountant’ to be a ‘leader’ in Local Government in Victoria.

The Program is provided **free of charge** for up to 12 successful applicants. Eligibility rules apply.

Previous applicants are strongly encouraged to apply for this year’s program. Please note that only ONE application per council is to be made.

[2023 Program and Application Details](#)

[2023 Application Form](#)

## Upcoming Professional Development

### FinPro Webinar – Tuesday 4 April 2023 @ 12.30pm – Windfall Gains Tax

Is re-zoning of Council land on your horizon? Then you need to consider whether the Windfall Gains Tax (WGT) applies to your Council. The tax is already in effect.

WGT applies when Council land is rezoned, whether or not it is sold thereafter. So, if you rezone land and hold onto it, you would still be liable for the tax. You can defer payment of the tax for up to 30 years or until the land is sold if we like. It's essentially a tax on the uplift in land value created by a rezoning event, and the liability sits with the landowner at the time.

If this affects your council or you want to understand more about this topic, join us as we run a Webinar on **Tuesday 4 April @ 12.30pm** on the topic. Our main presenter for the webinar will be Chris Cantor, Partner Maddocks and Zak Gaddie, Lawyer, Maddocks.

Register now for this Free Webinar

[\*\*REGISTER NOW\*\*](#)

**SAVE THE DATE: FinPro in-person Seminar – Friday 16 June 2023 @ MCEC**

## Technical Updates

There are always a lot of issues on the table for discussion at our FinPro Executive meetings and our Committee meetings.

Our FinPro Tech Committee is currently advocating/involved in the following:

- Rating Guide & Best Practice – still awaiting further updates on advocacy piece from LGV
- Model Budget and Accounts – leading to PD Day
- Windfall Gains Tax
- Invitations to Comment on the following:
  - ITC 49 *Post-implementation Review of AASB 1059 Service Concession Arrangements: Grantors;*
  - ITC 50 *Post-implementation Review – Income of Not-for-Profit Entities;* and
  - ITC 51 *Post-implementation Review of Not-for-Profit Topics – Control, Structured Entities, Related Party Disclosures and Basis of Preparation of Special Purpose Financial Statements.*

## Model Budget 2023-24 and Financial Statements 2022-23 available now

The following documents are available at this link: [Sector guidance: planning and reporting \(localgovernment.vic.gov.au\)](https://www.localgovernment.vic.gov.au)

- Asset Plan Guidance 2022
- Financial Plan 2023-24 to 2032-33
- Model Budget 2023-24
- Model Financial Report 2022-23
- Annual Report Performance Reporting 2022-23
- Performance Reporting Framework 2022-23
- Performance Reporting Framework 2023-24

Thank-you to all the sector representatives that played an active role in preparing these documents.

LGV launched the Models at the FinPro Seminar on Friday 24 February 2023. A copy of the presentation slides is available here: [Presentation Model Budget and Financial Statement Launch – LGV](#)

## Statutory Obligations and Compliance Schedule

Statutory Obligations are imposed upon Council, Councillors and Council Officers under the Local Government Act 1989 (LGA 1989), Local Government Act 2020 (LGA 2020) and other legislation.

It is very useful to have a schedule which covers Council's obligations under the Local Government Acts. Even if it is not exhaustive of requirements under other legislation, it is a great starting point for every organisation.

To assist members who may not have a schedule or who would like to check their own schedule off against another council, Golden Plains Shire have agreed to share their Schedule.

[Schedule available on our website](#) – second item at the top under Quick Links.

This is only a guide and we hope that FinPro members find it useful.

## Statement from the Minister for Local Government: Moira Shire

It was sad for the sector to read the deeply concerning report from the Commission of Inquiry into Moira Shire Council and the sacking of the Council by the Minister Local Government. Our thoughts are with the fantastic staff that work hard every day to deliver important services for the Moira community. We encourage you to read the report (it's a tough read) so we learn from a number of the governance concerns –

[Read the report here](#)

## VAGO Status Report – March 2023

**The following information was sent to councils from VAGO on Thursday 16 March 2023 and is shared here for member information:**

The VAGO status report for [March 2023 is available now.](#)

The status report has also been provided to my key contacts at FinPro and Local Government Victoria (LGV). As a result, it is possible that some of the individuals receiving this email will also have access to this status report via communication out of FinPro and LGV.

VAGO tabled two reports in Parliament during February 2023 that specifically related to local government sector, they are:

- Regulating private pool and spa safety  
Results of 2021-22 Audits: Local Government

Please take a moment to have a read of each report as they contain some interesting insights and recommendations for all councils to action.

**Travis Derricott,**

**Sector Director, Financial Audit**

## RCV Webinar – Alternative Sources of Income



Last week RCV (Rural Councils Victoria) ran a webinar to discuss the work they recently had done by SGS on Alternative Income Sources for Local Government.

The recording of the webinar is available here:

<https://www.youtube.com/watch?v=x9E6rE26tOw>

RCV media release regarding the SGS Work:

<https://ruralcouncilsvictoria.org.au/international-review-finds-governments-must-fund-councils/>

A copy of the [full report](#) is available [here](#).

## TCV Loan Rates as at 14 March 2023

Maturity	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	3.9017	3.9187	3.9500	3.9800	0.2469	0.0657
3 year	3.8545	3.8703	3.8550	3.8750	0.2528	0.0781
5 year	3.9685	3.9854	3.8850	3.9050	0.2995	0.1379
7 year	4.1929	4.2119	3.9900	4.0150	0.3780	0.2374
10 year	4.5808	4.6037	4.2150	4.2450	0.6048	0.4929
12 year	4.7607	4.7856	4.3650	4.3950	0.7021	0.6002
15 year	4.9860	5.0135	4.5750	4.6050	0.8720	0.7760
11am (at Call)	3.9150				BBSW	
30 day	3.7950				1 Month	3.5723
60 day	3.8350				3 Month	3.6380
90 day	3.8650				6 Month	3.8550
180 day	4.0750					

### TCV Investment Rates

Cash	3.5500		4 Month	3.7050
1 Month	3.5623		5 Month	3.7750
2 Month	3.5990		6 Month	3.8450
3 Month	3.6280		1 Year	3.5937

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.

## Commentary

It has been a volatile few weeks in markets, with first a surge in interest rates due to rising inflation pressure and promised by the US Federal Reserve to raise interest rates more than the market expects and hold them for longer. The RBA raised the policy rate again, to 3.6% but because a little less adamant that they would continue to do so. However, it was the second largest collapse of a US bank, Silicon Valley bank, on 9th March which generated the greatest moves, and drove interest rates lower. Markets are worried about a GFC style contagion and sent expectations for further monetary policy plummeting. The US regulators have stepped in to stem the jitters, and markets have calmed in the last day. Central banks still have to tackle their inflation problem, and we are likely to continue to see policy tightening, and higher interest rates in the short term. Longer term interest rates are starting to moderate with the prospects of recession, or economic slowing at the least, rising. We saw the largest drop in yields in the one-to-5-year tenor, while there were more modest drops in the 10 year. Interest rates of less than one year reflect the RBA tightening, and some prospect of another hike in coming months.

### Disclaimer

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## External learning opportunities

### CPA Australia – pathways to support becoming a CPA

CPA Australia offers a number of pathways to support becoming a CPA, ensuring that we attract the best candidates. The Experience-Based Pathway is a CPA Australia membership pathway that recognises the expertise and experience of business professionals from non-accounting backgrounds. We consider your job responsibilities, career progression, and level of decision-making authority in the roles you have performed to assess your eligibility. This assessment helps us to determine your entry pathway into the CPA Program and bespoke study plan.

To be eligible for the Experience-Based Pathway you must:

- Have a [degree level qualification](#) or equivalent as recognised by CPA Australia
- Have a minimum of five years' work experience in a relevant accounting, finance, or business role(s) that demonstrate you have achieved [core competencies](#)
- Have a current role in accounting, finance, or a relevant business area
- Successfully meet CPA Australia's admission requirements

Click [this link](#) to find out more and apply.

## Non-Executive Director Opportunity - Incorporated NFP with connections to local government

MannaCare is an incorporated, not-for-profit aged care business offering residential care and a diverse range of community support services for older citizens and NDIS clients – predominantly in the Manningham LGA.

The Board of MannaCare is seeking new Directors to drive positive change in its profile, skills and diversity. Key among those being sought is a Director/s with specific accounting qualifications and preferably, experience in corporate governance and related disciplines.

*Why ask FinPro members?* MannaCare Inc. was established some 38 years ago by Manningham City Council but now operates independent of Council. The current Board Chair is John Bennie who recently retired after 48 years in local government – the last 16 as CEO at Greater Dandenong City Council.

John considers that the requisite skills and experience can be found in experienced local government personnel and that FinPro members would be well placed to meet MannaCare's needs.

There is scope for an appropriately qualified and experienced accountant to be appointed to the role of Board Treasurer and to make an important contribution to the sustainability of this critical aged care business. Directors serve on the MannaCare Board voluntarily but Board experience; NED training; valued NFP exposure; and the personal fulfilment gained from assisting older people in need are all considered rewarding for the reasonable time and input required.

MannaCare would be pleased to hear from any experienced FinPro member. Please call John Bennie on 0408 409 331 or email [john.bennie@icloud.com](mailto:john.bennie@icloud.com) to discuss any interest you may have. Also refer to <https://mannacare.org.au> for further background. All enquiries will be treated with respect and confidentiality.

## FinPro – Current finance jobs available in the sector

<b>Senior Finance Business Partner</b>	Mornington Peninsula Shire	<a href="#">Council Website</a>	17 March 2023
<b>Management Accountant</b>	Warrnambool City Council	<a href="#">Council Website</a>	31 March 2023
<b>Coordinator Revenue</b>	Bass Coast Shire	<a href="#">Council Website</a>	2 April 2023

## Thank-you to our 2022 FinPro Conference Sponsors

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## Thank-you to the sponsors of our Feb 24, 2023 seminar

- [Payble](#)

## FinPro Executive Team 2023

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

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