

## FinPro Member Update – Edition 11, 2023

### President's Message

Well, I hope you weren't washed away this week with all the rain!

Another action-packed couple of weeks in Local Government where I have seen many budgets approved. Congratulations to all involved in the various budget processes.

Our next FinPro Professional Day is next Friday, I encourage you to register and attend with over 230 members already registered. Unfortunately, I won't see you there as I will be in Canberra attending the fifth Australian Council of Local Government (ACLG) in Canberra, hosted by the Federal Government. The ACLG showcases the important partnership the Australian Government has with local governments across Australia. I will have my fingers crossed for some positive funding announcements.

Thanks to those who attended this week's webinar, where we moved away from the numbers and considered the role of Local Government, and the role of LG in social issues - we are far from just Roads, Rates and Rubbish!

Lots of information within today's update. We hope you find it useful.

I hope you enjoy the long weekend, and are able to relax with family and friends.



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

### Membership News

#### Welcome to our new members:

**Tania Murray**, who has joined the team at Moyne Shire as Accounts Payable Officer,

**Bethany Kellett**, Revenue Officer and **Michael Riseley**, Acting Exec Manager Business Services at the City of Ballarat,

**Melissa Inskip**, Management Accountant and **Nicholas Barry**, Team Leader Financial Services, both of whom have joined the team at the City of Wodonga.

We welcome back too **Vishantri Perera** who has joined the team at Casey as Finance Business Partner.

#### Congratulations to the following members who have moved to new jobs:

**Daniel Chafer** on your new role at the City of Ballarat as Revenue Coordinator. Daniel was previously at Manningham City Council.

**Greg Partikas** on your new role at Yarra City Council as Coordinator, Financial Accounting. Greg was previously at Mitchell Shire.

## FinPro Professional Development Day – Friday 16 June 2023 at MCEC

**REGISTER HERE BY 12/6/23**

Join us at the FinPro Professional Development Day on Friday, 16 June 2023, at the Clarendon Auditorium, Melbourne Convention and Exhibition Centre. This in-person event promises valuable insights, engaging presentations, and ample networking opportunities for FinPro members and local government finance professionals.

### Full Program details

We hope you can join us for a day of professional development, collaboration, and growth.



The event will include networking opportunities and will be held in the Clarendon Auditorium, Melbourne Convention and Exhibition Centre.

We look forward to seeing you there!

## Upcoming Event:

### FinPro Conference – 25 – 27 October 2023 @ RACV Cape Schanck

EOI's are now open for sponsorship of our 2023 Conference – [more information](#)

Is there an organisation that you think would be a good 'fit' as sponsor of our 2023 Conference? We are seeking partnership by way of sponsorship from organisations wishing to support Victorian Local Government Finance Professionals to do the best work they can, through innovation, information sharing, collaboration and value-for-money resources.

Let us know and we will connect with them. – [Email gab](#) with details

## Technical Updates

### EPA Waste Levy Update

The EPA have updated the Levy detail finally, available at this link: [Waste levy | Environment Protection Authority Victoria \(epa.vic.gov.au\)](#)

<https://www.epa.vic.gov.au/waste-levy>

The actual rates are within tables in the link above, but key changes from 1 July 2021 include:

- waste levy statements must be submitted quarterly
- the statutory timeframe for payment of the waste levy is 64 business days after the end of the relevant period for which the waste levy is calculated
- priority waste that is soil is no longer an allowable rebate
- the waste recovery rebate can only be claimed for waste transferred for resource recovery within three months of the waste being received.

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

The following documents are [available at this link](#):

- 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](#):

### Local Government Performance Reporting Framework

We also note that LGV has provided councils with the Local Government Performance Reporting Framework. This was sent to all councils from [knowyourcouncil@ecodev.vic.gov.au](mailto:knowyourcouncil@ecodev.vic.gov.au) and covered:

- Updated ABS population estimates for 2022
- SEIFA 2021 released
- Submitting targets for 2023-24
- Registering for a review

If you have any questions about the information please contact the Local Government Performance Reporting Team – [knowyourcouncil@ecodev.vic.gov.au](mailto:knowyourcouncil@ecodev.vic.gov.au)

## Changes to 2015 Regulations – Rate Notice Information

**The following information was sent out to FinPro members on Wednesday 31 May and is included here in case members missed it.**

Changes to Rate Notices were recently announced by Local Government Victoria. We have received a number of queries from members in relation to these changes. To respond to member queries, we have created a short document with Frequently Asked Questions (FAQ's).

[Rates regulation changes May 2023 - FinPro FAQ's Final.pdf](#)

This document is for members and is based on discussions to date – noting we have not had a legal opinion, but provide these to assist our members. **Please take this as general advice and a guide only on how to deal with these changes.**

As noted in previous member updates, FinPro has written to LGV and the Minister and followed up over the past few weeks. We have sought more detail on some of the changes.

Once further communication has been received, we will seek legal advice as required – in particular around any privacy or practical issues around accuracy of ownership information on the notice. However, it also looks like there won't be any changes made to regulations over coming weeks – so to assist, these FAQs have been drafted.

## Workcover Premium Changes

Each Council would have received from their WorkSafe Account Manager, estimates for their 2023/24 Workcover premium changes.

That advice should have included lots of data particular to their claims experience and opportunities to take advantage of discounts for early premium payment.

The Average Industry Rate across the Victorian WorkCover Scheme had been 1.272% for 8 years.

The Average Industry Rate has been increased to 1.800% next financial year, with different industry sector rates varying between 0.36% and 18.00% and year-on-year rate capping increased to 75% (attached). The increase was a State Government budget decision but will have significant financial impacts on the sector.

[Attachment – Premium Changes Allianz](#)

## Payments to the Treasurer – Fee increase (Dog and cat registrations)

The following information was sent to council CEOs on 6 June 2023 and is shared here for member information.

As you will be aware, under section 69 of the *Domestic Animals Act 1994* (DA Act), each council is required to pay the Treasurer a fee for each registration fee collected for the registration or renewal of registration of a domestic animal business, cat or dog. Each year, the fee amount for dog and cat registrations is subject to an increase based on the rate approved by the Treasurer in relation to indexing fees and penalties.

The Treasurer has set the approved [annual rate](#) for increasing fees in 2023-24 at 4.00%. This means the Treasurer payments for dog and cat registration fees collected for the 2023-24 financial year will increase from \$4.23 to \$4.39 per registration.

The Department of Energy, Environment and Climate Action (the department) is informing councils of this fee increase to allow time to update any dog and cat registration forms or information ahead of 1 July 2023, which is when the new fee comes into effect.

### Payments collected between 1 July 2022 and 30 June 2023

Cats	\$4.23
Dogs	\$4.23
Domestic Animal Businesses	\$20

### Payments collected between 1 July 2023 and 30 June 2024

Cats	\$4.39
Dogs	\$4.39
Domestic Animal Businesses	\$20

The department collects these payments from councils on behalf of the State Treasurer. This email is not a request for payment of fees. The department will send a separate email to council CEOs about payments to the Treasurer for the 2022-23 financial year in early July 2023.

Please email the Domestic Animals Policy team at [da.lglo@agriculture.vic.gov.au](mailto:da.lglo@agriculture.vic.gov.au) if you have any questions.

**Domestic Animals Policy team**

## Vision Super VBI Update

The following information was sent out by Vision Super to councils on 30 May 2023 and is shared here for Member Information.

### *Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB) - Vested Benefit Index (VBI) update*

*The 31 March 2023 VBI results have been finalised as follows:*

As at	30 Jun 2020 (actual)	30 Jun 2021 (actual)	30 Jun 2022 (actual)	30 Sept 2022 (est.)	31 Dec 2022 (est.)	31 Mar 2023 (est.)
LASF DB	104.6%	109.7%	102.2%	101.5%	101.7%	104.2%

*The 31 March 2023 VBI has increased compared to that at 31 December 2022. This is mainly due to:*

- *Positive investment returns for the quarter of 4.45% which have increased the asset pool supporting the defined benefit liabilities of the sub-plan, and*
- *Salary increases of 1.37% advised to Vision Super during the quarter, which have increased the value of the active member benefit liabilities.*

*The VBI of 104.2% as at 31 March 2023 satisfies APRA's Superannuation Prudential Standard 160 (SPS 160).*

*Vision Super is closely monitoring the investment markets to identify potential threats/opportunities that we may be able to avoid/take advantage of to improve the funding position of the sub-plan. Shortfall limit*

*Under the superannuation prudential standards, VBIs must generally be kept above a fund's nominated shortfall threshold, currently 97%. When an actuarial review/investigation is in progress, a fund's VBI must be at least 100%. The 31 March 2023 VBI calculation of 104.2% exceeded the applicable 97% shortfall limit.*

*In the event the VBI falls below the shortfall threshold, the fund's Trustee is required under the superannuation prudential standards (SPS 160) to formulate a restoration plan to restore the VBI to 100% within three years.*

### **Next update**

*The next VBI review is scheduled as at 30 June 2023, with results expected to be distributed to employers around mid-August 2023.*

### **The estimated monthly VBI at 30 April 2023**

*Usually, Vision Super monitors the sub-plan's VBI on a quarterly basis. However, during periods of high market volatility,*

*Vision Super monitors the VBI more frequently.*

*As the investment markets have continued to be volatile, we are currently monitoring the VBI more frequently. The estimated VBI as at 30 April 2023 was 105.6% which reflects the investment markets performance during the month.*

**Action required (if any)**

*At this stage, no action is required by you.*

**Stephen Rowe, Chief Executive Officer, Vision Super**

## **Valuation Averaging Mechanism – [engage.vic.gov.au](https://engage.vic.gov.au)**

**The following information was sent to councils on Friday 2 June 2023, and is shared here for member information.**

FinPro will be reviewing the discussion paper, however on the surface the introduction of a valuation averaging mechanism would appear to us to be adding further confusion to the rate process without adding any substantial value. We will reach out to our members shortly for further feedback.

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### **VALUATION AVERAGING MECHANISM – ENGAGE.VIC CONSULTATION**

*Stakeholders are advised that Local Government Victoria has initiated a public consultation regarding the implementation of a Valuation Averaging Mechanism. This consultation aligns with the endorsed recommendations from the 2020 Local Government Rating System Review Final Report and the Government's response, both which were published in 2020 and can be found [here](#). Recommendation 7 of the Final Report was that the Victorian Government examine the merits of a valuation averaging mechanism to reduce the impact of large changes in valuations on rates.*

*As part of this consultation process, a Discussion Paper has been prepared, including modelling of the potential impacts of a Valuation Averaging Mechanism. This paper aims to facilitate public understanding and solicit feedback to determine the desirability of such a mechanism.*

*The Local Government Rating Reform Project will gather, analyse and evaluate the feedback received in response to the questions provided through the "Participate" link. The findings will be presented to the Minister for Local Government for consideration later this year.*

*The survey will remain open until 31 August 2023, and can be accessed at <https://engage.vic.gov.au/local-government-rates-valuation-averaging-mechanism>.*

### **Local Government Victoria**

**We note that the above information was also circulated to councils on Tuesday 26 June via LGV Bulletin: 09/2023 Valuation Averaging Mechanism – Engage Vic Consultation**

## **Grants Commission – Indicative Financial Assistance Grants 2023-24**

The following information was circulated to council 29 May 2023, and each council will have received indicative estimates for their individual council as part of this information. We include the general information here for our members:

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**Circular 3 – 29 May 2023 Indicative Financial Assistance Grants 2023-24**

*Further to the Federal Budget advice (Circular 2 - 11 May 2023), the Victorian Local Government Grants Commission has now finalised its preliminary recommendations for the allocation of general purpose grants and local roads grants for 2023-24.*

*Indicative estimates of the grants for your council are attached for your information.*

*Please note: The grant information provided is indicative only and is based on the estimates provided in the Federal Budget. Your council's actual grants for 2023-24 are subject to the final allocation to Victoria and the approval of the Federal Minister for Regional Development, Local Government and Territories. It is anticipated that your council will be advised of the actual amount of your 2023-24 grants in August 2023.*

*The attached estimated allocations are provided on an 'in-confidence' basis and should only be used for budgeting purposes. Each council has only been provided with its own estimates and no consolidated list of estimated grants can be made available at this time. In accordance with the Commission's understanding with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts which enables us to release these estimates prior to the recommendations being approved, I ask that councils do not publicise these figures or make media comment on them at this time.*

### **Factors Affecting the 2023-24 Allocations**

*In preparing its estimates of grant outcomes, the Commission has made several changes to the allocation methodology which reflect input from councils through submissions and meetings, and the Commission's own research.*

*All data used by the Commission in allocating general purpose grants has been updated where possible.*

*Major inputs for the 2023-24 allocation include Australian Bureau of Statistics' population estimates, Census 2021 data, valuations data and the most recent information on council expenditure and revenue.*

### **Advance Payment**

*The Federal Budget papers indicated that an 'advanced payment' of 75 per cent of the funding for 2023-24 under the Financial Assistance Grants Program will be made. The date for this early payment has not yet been determined.*

*It should be noted that, due to the method in which the 'advanced payments' are likely to be apportioned between councils by the Commonwealth, the payment to your council may represent either significantly more, or significantly less, than 75% of your council's total estimated grants for 2023-24.*

### **Natural Disaster claims**

*The Commission has decided to discontinue its practice of recommending specific payments to councils of up to \$35,000 in relation to natural disaster events. This will apply to any event occurring on or after 1 July 2023. However, payments to councils in relation to previous events or events occurring up to and including 30 June 2023 will continue to be made. This decision brings the Victorian Commission into line with our counterparts in the other states and the Northern Territory.*

### **Further Information**

*If you have any queries in relation to the matters raised, please contact the Commission's Executive Officer, Colin Morrison, by email at [colin.morrison@dgs.vic.gov.au](mailto:colin.morrison@dgs.vic.gov.au)*

**John Watson**

**Chair, Victorian Local Government Grants Commission**

## TCV Loan and Investment Rates as at 7 June 2023

	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
Maturity	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	4.5634	4.5863	4.5750	4.6100	0.1817	0.0471
3 year	4.3522	4.3727	4.4300	4.4450	0.3246	0.1895
5 year	4.3694	4.3901	4.3750	4.3950	0.4281	0.3068
7 year	4.5268	4.5491	4.4150	4.4400	0.4948	0.3906
10 year	4.8582	4.8842	4.5750	4.6050	0.6836	0.5993
12 year	5.0530	5.0812	4.7050	4.7400	0.7971	0.7204
15 year	5.2477	5.2782	4.8850	4.9200	0.9310	0.8547
11am (at Call)	4.4150				BBSW	
30 day	4.2750				1 Month	4.0501
60 day	4.3450				3 Month	4.1793
90 day	4.4050				6 Month	4.4150
180 day	4.6450					

### TCV Investment rates

TCV note the current TCV 11am/At Call deposit rate has recently increased to 4.05%. The 11am deposit can be easily utilised for council's daily working capital requirements. Instructions to invest/withdraw funds are requested prior to 3pm for transactions to be processed on the same day. We encourage councils to review the rates currently paid on their at-call accounts with their transactional bank and consider this facility to maximise returns on any surplus cash balances.

Cash	4.0500		4 Month	4.2550
1 Month	4.0401		5 Month	4.3450
2 Month	4.1100		6 Month	4.4050
3 Month	4.1693		1 Year	4.2613

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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## General Information

### CPA Australia Courses

CPA Australia provide a lot of opportunities for learning, and some of these are free for CPA members, others require payment. There are discounts on most online courses from 22 May to 7 July 2023 – [further information here](#).

Some of their upcoming courses are:

- Activity based costing using excel (111146149) - Recorded Webinar
- Advanced Excel Formulas and Functions (119569563) - Online
- Advanced financial modelling techniques using Excel (111146142) - Recorded webinar
- An introduction to big data and business analytics using Excel (59941978) - Recorded webinar
- Analysing and managing data using Excel (111144802) - Recorded webinar
- Bottom-up budgeting with Excel (111051179) - Recorded webinar
- Essential Excel formulas for the finance professional (52397462) - Recorded webinar
- Governance essentials: the finance professional's role in supporting performance (83255986) – Online

Finance for the non-finance manager (114940671) – Online (10 hours).

### Latest .id blog – The top 50 largest cities and towns in Australia, 2022 edition

Is your town or city in the list? What does it mean for these please?



[Read more here](#)

### Current jobs in the sector

[Finance Business Partner](#) – Rural City of Wangaratta – Closes 9 June 2023

[Financial Accountant](#) – Mount Alexander Shire – Closes 12 June 2023

[Senior Accountant](#) – Bass Coast Shire – Closes 14 June 2023

[Coordinator Strategic Capital Management](#) – Greater Bendigo CC – Closes 14 June 2023

## Thank-you to our 2022 FinPro Conference Sponsors

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### Vice-President – Chair PD

### PD Committee Members

### Vice-President – Chair Technical

### Technical Committee Members

### Secretary / Treasurer

Bradley Thomas (Hepburn SC)

Belinda Johnson (Southern Grampians SC)

Alan Wilson (Melbourne CC)

Melissa Baker (South Gippsland SC)

Nathan Kearsley (Latrobe CC)

Aaron Gerrard (Whittlesea CC)

Tony Rocca (Maroondah CC)

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)

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