

FinPro Member Update – Edition 12, 2024

President's Message

It's hard to believe this is our final members' update for the 2023/24 period. Time has flown by so quickly; it feels like the world is spinning faster than ever before. Best of luck to all teams as you wrap up budgets by the 30th of June, complete year-end reports, and prepare for the auditors.

Thank you to everyone who joined us last week for our Professional Development Day. The event was packed with highlights, including our Councillor and Practitioner Panels, which helped us gear up for the upcoming Council Elections. A big thank you to our attendees and to our sponsors – Davidson Business Advisory, especially Justin Henney.

Please remember that submissions to the Victorian Parliaments [Inquiry into Local Government Funding and Services](#) close on the 28 June. Copies of our [submission/report](#) are available to help you with your submission. I'm pleased to be able to announce that Nathan Morsillo (City of Greater Bendigo) and myself will be representing FinPro and appearing before the Committee next Wednesday. This is a great opportunity to speak directly to the Committee about the challenges and opportunities in relation to our sectors financial sustainability.

Gab is taking a well-deserved break to attend the Olympics (though her favorite sport remains a mystery) and visit Iceland, Norway, Denmark and Italy, and will be back on the 11th of August. In the meantime, the Executive team will ensure that FinPro continues to run smoothly. Responses may be a bit slower, and you might hear from different team members, but we'll do our best to keep supporting our members effectively.

Best regards, Bradley



Bradley Thomas,
President FinPro and CEO Hepburn Shire

Membership News

Welcome to our new members:

Angela Tan at Whitehorse City Council as Financial Accounting officer, **Greg Pinkerton** at Indigo Shire Council as Director, Planning and Corporate Services, **Hollie Jacobson** at Yarra Ranges Shire Council, **Joshua Bray** at Whitehorse City Council as Treasury and Banking Accountant, **Kathy Tufvesson** at City of Wodonga as Financial Accountant, **Laura Law** at Yarra Ranges Shire Council as Finance Analyst, **Luiz Amaro** at Hobsons Bay as Team Leader Financial Services and **Rebecca Pietrzykowski** at Maroondah City Council as Coordinator Asset Management.

Congratulations to member **Matt Jarvis** as he joins the team at City of Yarra as the Chief Financial Officer. Matt was previously at Moira Shire Council.

Professional Development

FinPro Professional Development Day - 14 June 2024

Over 240 members joined us on 14 June 2024 at the Melbourne Convention & Exhibition Centre for our in-person Professional Development and Networking Day.

We had a jam-packed agenda with many highlights, including our Councillor Panel and our Practitioner Panels, assisting us to prepare for the upcoming Council Elections.

Copies of presentations from the following speakers / sessions are now available as follows:

- Local Government – [Current State and Federal Inquiries](#) – Graeme Jarvis, The AEC Group
- AI – Governance, Policy and Practice – [Jim Herron](#), Maroondah CC and [Adil Khan](#), Monash CC
- Preparing for Council Elections Parts 2 – [Councillor Induction Practitioner Panel](#) – Navec Lorkin, Knox CC, Marc Giglio, Banyule CC and Nathan Morsillo, Greater Bendigo CC
- Closing Key Note Address – [Economic Update](#) – Keenan Jackson, Economic Consultant, .id (informed decisions)

Thanks to everyone who attended, and to our Sponsors – Davidson Business Advisory, and in particular, Justin Henney.

Justin has shared 3 documents with us that he spoke about during his short presentation on Friday:

1. [Local Government Leaders AI Conference – Noosa 10 – 12 Sept 2024](#),
2. [Davidson Advisory Capability Statement LG 2024](#), and
3. [Davidson Advisory – LG and Water – Revenue Review](#).



Dates for your diary

- **FinPro Conference – 23 – 25 October 2024 at RACV Cape Schanck**
- **FinPro AGM and end of year luncheon – 6 December 2024 at Leonda by the Yarra**

LGFP Webinar: Real Time Payments and PayTo

We share the following webinar details, provided by our friends in Queensland:

Date: Thursday, 27 June 2024

Time: 10:00 AM- 11:00 AM (Australian Eastern Standard Time - Queensland)

LGFP, Local Government Finance Professionals Qld, partners with Australian Payments Plus for their complimentary webinar for finance professionals.

As we approach significant changes in the Australian payments landscape, local government finance professionals need to be prepared for the upcoming transitions.

This webinar will explore:

- The planned phase-out of Bulk Electronic Clearing System (BECS) Direct Debit by June 2030 and the introduction of PayTo as the new solution for direct debit processes
- The New Payments Platform (NPP) and how PayTo fits into this real-time payments framework
- Practical case studies demonstrating the capabilities and advantages of PayTo for local government operations

The webinar will be followed by a Q&A opportunity. [Register](#) here.

Technical Updates

FinPro Advocacy: Inquiry into LG funding and services

The Victorian State Government, via the Legislative Council Economy and Infrastructure Committee, is currently holding an Inquiry into **Local Government Funding and Service Delivery in Victoria**.

[Inquiry into Local Government funding and services \(parliament.vic.gov.au\)](https://parliament.vic.gov.au)

Submissions have been sought by the Committee and FinPro has sought the expertise of The AEC Group to assist in the preparation of a detailed report to support our submission to the Inquiry.

We note that FinPro aims to collaborate with the sector and State Government to benefit our communities, and we recognise that Councils play a crucial role and are part of the solutions in ensuring the financial sustainability of the sector.

A copy of the report ([Full](#) and [Summary](#)) is available here and we share these with members so that they may use them as is suitable as part of their own council submission to both the Federal and State Inquiries.

FinPro has made a submission to the Federal Inquiry – [available here](#).

FinPro's submission to the State Inquiry will be our report as prepared in conjunction with The AEC Group and included above.

Submissions to the State Inquiry are closing on 28 June 2024. Bradley Thomas and Nathan Morsillo will be representing FinPro at the State Inquiry Hearing on Wednesday 26 June 2024. We encourage you to watch it [online](#).

VAGO Status Report – June 2024

VAGO distributed their June 2024 report earlier today. A copy of the full report is [available here](#).

The report contains information regarding:

- An Audit Committee Chairs forum that VAGO is hosting
- VAGO's annual plan for 2024-25
- the council care-taker period.

Improving Governance and Integrity in Local Councils – Media Release

The following information was distributed to Councils by the Hon. Melissa Horne, Minister for Local Government today and is shared here for member information.

The Allan Labor Government has passed legislation to improve council governance and integrity standards, so Victorians can have confidence in the local governments that serve them.

The reform of the Local Government Act 2020, passed through Parliament this week, will elevate governance and integrity standards in Victoria's 79 councils – and will be in place for the new council term following the local government elections this October.

Since the last council elections in 2020, 56 councillors have resigned and 12 councils have had municipal monitors appointed, with one council suspended and one dismissed as a result of governance issues.

Following the local government elections in October this year, councils will have a uniform councillor code of conduct to create consistent standards of behaviour and increase accountability. A program of mandatory training will also be introduced for councillors and mayors, including annual professional development.

The reforms introduce stronger sanctions for councillor misconduct and improved processes to resolve conduct matters earlier. The Minister for Local Government will also have strengthened powers to deal with councillors that are found to have created a serious risk to health and safety or are preventing their council from performing its functions.

Good governance is critical to ensure councils make sound decisions and deliver the services their communities need, and the expanded powers to address councillor misconduct will discourage poor behaviour.

The reforms have been developed in response to reports and recommendations of IBAC, the Chief Municipal Inspector and other interventions which highlighted the need for stronger processes and powers to resolve conduct issues, and better training so councillors can perform their roles effectively.

These reforms will improve council accountability, governance and standards of behaviour across Victoria as new councils take office following the October elections.

For further information about the Model Councillor Code of Conduct and to contribute to the code design consultation visit engage.vic.gov.au.

Further information about the reforms is available at localgovernment.vic.gov.au/council-governance.

Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB) - Vested Benefit Index (VBI) update and contribution rate reminder

The following information was distributed to Councils by Vision Super earlier this month and is shared here for member information.

Increase to mandatory LASF Defined Benefit scheme employer contribution rate

Effective 1 July 2024 the mandatory employer contribution rate for the LASF Defined Benefit scheme will increase from 11% to 11.5%.

For funding and solvency, the LASF DB scheme requires a minimum level of contributions which must be paid by each employer. From 1 July 2024, the Superannuation Guarantee (SG) rate is scheduled to increase from 11% to 11.5%, and then planned to increase by half a percent each year until it reaches 12% in 2025. Consequently, as previously advised the mandatory LASF employer rate will align with any increases in the SG rate.

You will notice the new employer rate of 11.5% on your next quarterly DB invoice for the period 01/07/2024 to 30/09/2024 to be released on 01/07/2024.

The mandatory member 6% contribution rate will remain unchanged.

VBI results update

The 31 March 2024 VBI results have been finalised as follows:

As at	30 Jun 2021 (actual)	30 Jun 2022 (actual)	30 Jun 2023 (actual)	30 Sept 2023 (est.)	31 Dec 2023 (est.)	31 Mar 2024 (est.)
LASF DB	109.7%	102.2%	104.1%	102.3%	103.8%	106.3%

The 31 March 2024 VBI has increased compared to that at 31 December 2023. This is mainly due to positive investment returns for the quarter of 4.21% which have increased the asset pool supporting the defined benefit liabilities of the sub-plan. This increase was then offset by average salary increases of 0.89% for the quarter.

The VBI of 106.3% as at 31 March 2024 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 2024 VBI calculation of 106.3% 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.

The next VBI review is scheduled as at 30 June 2024, with results expected to be distributed to employers around mid-August 2024.

At this stage, no action is required by you.

VBI update Event

Please save the date to hear the latest VBI update for the 30 June 2024 quarter from Stephen Rowe (CEO) and Michael Wyrsh (Chief Investment Officer) followed by a Q&A. Invite to follow in the coming weeks.

Date: Thursday, 8 August 2024

Time: 12:00 PM- 2:00 PM

Location: Online and in person (The Cluster, Level 20, 31 Queen Street, Melbourne)

Year-End Strategies 2023/24

HLB Mann Judd has kindly prepared the [Year-End Strategies 2023/24](#) – their yearly newsletter which addresses topics relating to end of year business planning and 2023/24 tax savings. In this edition they explore:

- Legal considerations to take into the new year
- Know your super: a critical guide to the EOFY
- Your end of financial year checklist
- Streamlining year-end business record-keeping: a vital guide
- Increase to super guarantee from 1 July 2024
- Maximising tax efficiency: strategic considerations by 30 June
- Stage 3 tax cuts come into effect 1 July 2024

Upcoming FinPro Executive Committee Meetings

The FinPro Executive Committee formally meet every 4 – 6 weeks and discuss both technical issues and professional development opportunities.

If you have any questions or areas of interest / concern that you would like the Executive team to discuss, please contact our Executive Officer, [Gab Gordon](#) and let her know, and she will include on the agenda.

Following meetings for the year are:

- Friday 26 July (online)
- Friday 30 August (in person)
- Friday 20 September (online)
- Friday 29 November (in person)
- Friday 6 December 2024 – AGM and end of year luncheon

TCV Loan and Investment Rates as at 18 June 2024

Maturity	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	4.7037	4.7282	4.7200	4.7600	0.3889	0.1942
3 year	4.5365	4.5589	4.5850	4.6050	0.5102	0.3495
5 year	4.6777	4.7018	4.5950	4.6250	0.6818	0.5433
7 year	4.9422	4.9692	4.7150	4.7500	0.8588	0.7412
10 year	5.2789	5.3100	4.9400	4.9750	1.0549	0.9626
12 year	5.5000	5.5339	5.0900	5.1300	1.2037	1.1222
15 year	5.7418	5.7788	5.3050	5.3450	1.3840	1.3088
11am (at Call)	4.6650				BBSW	
30 day	4.4950				1 Month	4.3012
60 day	4.5250				3 Month	4.3714
90 day	4.5650				6 Month	4.6090
180 day	4.8050					

TCV Investment rates

TCV note the current TCV 11am/At Call deposit rate has recently increased to 4.30%. 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.

TCV Investment rates

Cash	4.3000		4 Month	4.4557
1 Month	4.2912		5 Month	4.5398
2 Month	4.3221		6 Month	4.5990
3 Month	4.3614		1 Year	4.4032

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.

Rates have eased recently, in line with a slew of data from the US suggesting growth is moderating and inflation is coming under control. The situation here is more complicated – headline economic data are weaker, but inflation is less well controlled. But yields have followed the US lower, nonetheless. The ECB and Bank of Canada cut rates this month, but we see the Fed on hold until later this year.

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

Latest Blog from .id

[Living in Australia 2024: key insights report](#) - Download key findings from our nationally representative, annual Living in Australia 2024: National Community Views Survey, created in support of the Community Views Service.

[Local realities for the national economic outlook](#) - In this article .id Chief Economist, Rob Hall, looks at two 'hot topics' for Australia's economic outlook – unemployment and housing affordability - and explores how national level trends translate into local realities.

[Will the budget ease the housing crisis?](#) Analysis of the measures in the federal budget aimed at relieving housing issues across Australia. Which of these measures were new and which were pre-existing commitments?

[Case Study | State of the Environment](#) - they recently undertook a consulting project to develop an up-to-date evidence base covering a range of environmental and sustainability issues to inform Council's Strategic Plan.

The population forecast for Australia – join their panel of independent experts on Monday 22 July 2024, as they present their latest population forecasts for Australia. [Register here.](#)

Current Job Vacancies

[Senior Finance Business Partner](#) – Yarra City Council Applications close 23 June 2024

[Finance Coordinator](#) – Glenelg Shire Council Applications close 26 June 2024

[Asset Accountant](#) – City of Ballarat Applications close 30 June 2024

[Financial Accountant](#) – Loddon Shire Council Applications close 8 July 2024

[Procurement Officer \(parental leave coverage\)](#) – Loddon Shire Council Applications close 8 July 2024

[Revenue Coordinator](#) – Loddon Shire Council Applications close 8 July 2024

Thank-you to our 2023 Conference sponsors

- American Express – www.amex.com.au
- APV Valuers & Asset Management – [APV Case Study – October 2022](#)
- Australian Payments Plus – www.auspayplus.com.au
- Commonwealth Bank – www.cba.com.au
- CT Management – www.ctman.com.au
- Curve Securities – [2023 FinPro Conference – Curve Case Study](#)
- Datacom – www.datacom.co.nz
- Ibis Information Systems – www.ibisinfosys.com.au
- Imperium Markets – www.imperium.markets
- Laminar Capital – [2023 FinPro Conference – Case Study Laminar Capital Perpetual](#)
- LG Solutions – [2023 FinPro Conference – Cloud Year End Case Study – Corangamite & LG solutions](#)
- Lighthouse Group – [2023 FinPro Conference – Lighthouse Local Government Case Study](#)
- MAGIQ Software – www.magiqsoftware.com
- Mastek Ltd – [2023 FinPro Conference – Mastek Case Study 1 – Ipswich Council](#) and [2023 FinPro Conference – Mastek Case Study 2 – Moonee Valley City Council](#)
- National Australia Bank – www.nab.com.au
- NetNet International – www.xetta.com
- Satori – www.satoriassured.com
- TCV – www.tcv.vic.gov.au
- VFMC – [2023 FinPro Conference – Case Study VFMC](#)
- Westpac – www.westpac.com.au
- Maddocks Recoveries – www.maddocksrecoveries.com.au
- TechnologyOne Corp – www.technologyonecorp.com

The 2024 FinPro Conference will run from 23 – 25 October 2024 at RACV Cape Schanck.

EOI's for conference sponsorship have now closed (as at 5.6.24) and the 2024 sponsors will be announced shortly.

FinPro Executive Team 2024

President	Bradley Thomas (Hepburn SC)
Vice-President – Chair PD PD Committee Members	Belinda Johnson (Horsham Rural CC) Alan Wilson (Melbourne CC) Melissa Baker (Casey CC) Nathan Kearsley (Latrobe CC) Aaron Gerrard (Whittlesea CC) John Brockway (Warrnambool CC)
Vice-President – Chair Technical Technical Committee Members	Tony Rocca (Maroondah CC) Binda Gokhale (Contractor) Fiona Rae (Golden Plains SC) Nathan Morsillo (Greater Bendigo CC) Simone Wickes (Monash CC) Wei Chen (Yarra CC) Navec Lorkin (Knox CC)
Secretary / Treasurer	Gabrielle Gordon

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