

FinPro Member Update – Edition 13, 2024

President's Message

Well, welcome to 2024/25! From the team at FinPro we hope it's a great one for you both at work and in your private lives.

Nathan Morsillo and I were thrilled to be able to represent FinPro last week at the Committee inquiry into local government funding and services, [Inquiry into Local Government funding and services \(parliament.vic.gov.au\)](https://www.parliament.vic.gov.au). It was a fantastic opportunity for FinPro to detail a more accurate picture of the financial position and performance of Local Government and discuss our report and recommendations. A transcript of the hearing will be provided in the coming weeks. We are hopeful that the Committee will make meaningful finding and recommendations for the State Government to consider – we shouldn't expect that report till late this calendar year.

This week the annual LG conference was held in Canberra and hosted by the Australian Local Government Association – a couple of reports of note were tabled, and will be of interest to our members:

- SGS Economics and Planning launched new research about local government financial sustainability in Australia at the 2024 NGA on 3 July. The report analyses long-term trends in financial sustainability of Australia's 537 councils, and was prepared to support ALGA's submission to the inquiry into local government sustainability. [Download the full report.](#)
- The 2024 National State of the Assets Report – Future proofing our communities is the 6th in a series of comprehensive reports commissioned by ALGA, based on survey data from 458 councils (about 85 per cent of local governments) across eight asset categories. [ALGA-National-State-of-the-Assets-Report-2024-final.pdf](#)

If you have any news to share, an example of a piece of work you have completed or a good podcast please send it through to us and we will include in the next member update.

I'm excited to be heading off for a month's break so Tony Rocca will be bringing you the next couple of introductions to our member update.

Good luck with your year-end processing.

Best regards, Bradley



Bradley Thomas,
President FinPro and CEO Hepburn Shire

Professional Development

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

Future Focused Financial Sustainability Summit

Be a part of the future finance leadership of the sector!

On the back of the recent advocacy work FinPro has undertaken, we will be facilitating a strategic session for senior and experienced finance leaders in the sector. The session will be the first of its kind and focussed on financial sustainability resulting in tangible outcomes for the sector in the long term. If you are interested in being a part of the leadership conversation please hold 29 August in your calendar.

Date: Thursday, 29 August 2024

Time: Workshop commences at 1.30pm followed by dinner and guest speaker at 6.30pm

Where: The Windsor, Spring Street Melbourne

What: Facilitated afternoon session in a collaborative environment. Great to have Jenny Scicluna on board to facilitate the session. Jenny brings 24 years experience in Local Government Leadership, most recently as General Manager Corporate Services & Transformation at City of Yarra.

If you would like to have a chat about the session please reach out to our Exec Member Simone Wickes on 0455 448 110

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 have shared 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 has made a submission (as prepared in conjunction with The AEC Group and included above) to the State government Inquiry – [available here](#). Full submissions (Submission 11 plus supplementary submission) are available [here](#).

Submissions to the State Inquiry has now closed and you can access all submissions [here](#).

The first public hearing was held on Wednesday 26 June. Department of Government Services, Municipal Association of Victoria, Victorian Local Governance Association, Local Government Finance Professionals (FinPro), Rural Councils Victoria and Council Watch were scheduled to appear throughout the day.

Representing FinPro at the hearing were Bradley Thomas, President FinPro and CEO Hepburn Shire, and Nathan Morsillo, FinPro Executive Member and Manager Financial Strategy, City of Greater Bendigo. A transcript of the hearing will be provided in the coming weeks.

Essential Services Commission - Annual compliance information 2024-25 requirements

The following information was distributed to Councils by Essential Services Committee on 26 June 2024 and is shared here for member information.

As the end of financial year approaches, we would like to remind councils that the annual compliance submission for 2024-25 is due on Monday 30 September 2024.

Valuations to reflect 30 June and 1 July

As a reminder, rating system reports must include:

- *Total valuations as at 30 June 2024 and 1 July 2024 for each differential category*
- *Number of rateable properties as at 30 June 2024 and 1 July 2024 for each differential category*
- *Number of municipal charge properties as at 30 June 2024 and 1 July 2024 (if this does not appear on your council's rating system reports, other supporting documentation is acceptable)*

For councils that cannot provide rating system reports, the numbers must be reconciled to the Valuer General's report of general valuation.

CEO certification and signed rating system reports

Please ensure that both the CEO certification form and valuation reports are signed by the CEO. Any changes made to the template after it is submitted will require a new certification.

Distribution of rate increases

The template now also includes a data request on the distribution of rate increases for our biennial outcomes report. We previously requested this data as a separate process. Please see page 2 of our [council fact sheets](#) to see how we use this data.

Relevant links

The guidance and annual information template can be found on our [website](#). The direct links to the documents are below:

- [Compliance Monitoring and Reporting: Guidance for Councils 2024-25](#)
- [Annual compliance information template 2024-25](#)
- [Better Practice Property & Rates Database checklist](#)
- [CEO certification statement form](#)

If you have any issues or queries about compliance with the rate cap in 2024-25, please contact us at localgovernment@esc.vic.gov.au.

Local Government Amendment Bill

On 19 June 2024, the *Local Government Amendment (Governance and Integrity) Bill 2024* was passed by Parliament. Subsequently, it received Royal Assent on 25 June 2024, turning the Bill into an Act of Parliament.

The Act makes a series of amendments to the *Local Government Act 2020* and includes reforms to strengthen council leadership, capability and councillor conduct, improve early intervention and effective dispute resolution and strengthen oversight mechanisms.

You can read and download a copy of the Act in full [here](#) and read more about the Act on the [Local Government Victoria website](#). You can also [listen to an earlier discussion](#) between LGPro and Maddocks on the highlights of the Bill as it made its way through Parliament.

We now enter a new period of consultation on the associated regulations. Consultations will occur over two stages and are open to anyone.

The first stage through [EngageVic](#) is a survey on:

- the scope of the Model Councillor Code of Conduct
- the training syllabus to inform the drafting of the Regulations.

A [consultation paper](#) has been developed which outlines what is currently contained in the councillor codes of conduct and the types of training councillors currently undertake.

To provide your feedback on what you think should be included please complete the [surveys](#), which will close on 15 July 2024.

Based on this feedback, Local Government Victoria will prepare a draft Model Councillor Code of Conduct and training outline with input from the Steering Committee. This will be released for a second stage of feedback and submissions will be invited. This currently looks to be slated for July.

Carbon accounting in local government

[Sustainability Victoria](#) has updated its [Organisational Carbon Accounting for Local Governments Learner Guide](#) providing a valuable resource for councils developing a carbon inventory.

Local governments are encouraged to build and regularly update their carbon inventories in accordance with the latest standards and guidance. Sustainability Victoria's Learner Guide seeks to deliver the most relevant and up-to-date carbon accounting and reporting skills and knowledge to local government staff.

First published in August 2018 with the goal of empowering local government staff to report on the greenhouse gas emissions (GHG) associated with their council's operations, the updated Guide is reflective of the current carbon accounting landscape and ensures that

local government staff have the information they need for best practice GHG emissions reporting.

Specifically, the Learner Guide provides local government staff with the knowledge required to develop an operational GHG inventory and use the outcomes for management purposes including:

- measurement and monitoring of GHG emissions and energy use for all activities of the organisation
- GHG reporting to assist councils in developing and executing an emissions reduction strategy.

Further information can be found [here](#).

Annual Adjustment to Mayoral, Deputy Mayoral and Councillor Allowances

The Victorian Independent Remuneration Tribunal has made a Determination providing for an annual adjustment to the values of the allowances payable to Mayors, Deputy Mayors, and Councillors.

The Tribunal has determined to increase the value of base allowances by 3.5 per cent with effect from **1 July 2024**. The base allowance values for each allowance category are set out on the Tribunal's [website](#).

A 3.5 per cent increase has also been applied to the base allowance values for Mayors and Deputy Mayors which will apply from:

- 18 December 2024
- 18 December 2025.

Note that these values are inclusive of any Superannuation Guarantee Contribution amount, or equivalent, that may be payable under Commonwealth law.

The Tribunal has also adjusted the value of the remote area travel allowance by 3.5 per cent. From 1 July 2024, the remote area travel allowance will be \$47.50 per day for eligible Mayors, Deputy Mayors and Councillors, up to a maximum of \$5,937.50 per annum.

The Determination and accompanying Statement of Reasons, which contain the new allowance values, are available on the Tribunal's [website](#).

TCV Loan and Investment Rates as at 3 July 2024

| Maturity | Fixed Rate (Interest Only) | | Fixed Rate (Principal and Interest)* | | Floating Rate (margin to BBSW) | |
|-----------------------|-------------------------------|--------|---|--------|-----------------------------------|--------|
| | Quarterly | Semi | Quarterly | Semi | Quarterly | Semi |
| 1 year | 4.8403 | 4.8665 | 4.8600 | 4.9050 | 0.3414 | 0.1371 |
| 3 year | 4.8186 | 4.8443 | 4.8150 | 4.8450 | 0.5370 | 0.3704 |
| 5 year | 4.9375 | 4.9645 | 4.8550 | 4.8900 | 0.6779 | 0.5368 |
| 7 year | 5.1798 | 5.2098 | 4.9650 | 5.0050 | 0.8377 | 0.7177 |
| 10 year | 5.5190 | 5.5532 | 5.1850 | 5.2250 | 1.0449 | 0.9491 |
| 12 year | 5.7275 | 5.7645 | 5.3350 | 5.3750 | 1.1811 | 1.0974 |
| 15 year | 5.9600 | 6.0001 | 5.5400 | 5.5850 | 1.3547 | 1.2759 |
| 11am (at Call) | 4.6650 | | | | BBSW | |
| 30 day | 4.4950 | | | | 1 Month | 4.3025 |
| 60 day | 4.5850 | | | | 3 Month | 4.4596 |
| 90 day | 4.6550 | | | | 6 Month | 4.7549 |
| 180 day | 4.9450 | | | | | |

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 | 4.5476 |
| 1 Month | 4.2925 | | 5 Month | 4.6525 |
| 2 Month | 4.3779 | | 6 Month | 4.7449 |
| 3 Month | 4.4496 | | 1 Year | 4.5415 |

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.

TCV accepts no responsibility or liability for any direct or indirect loss, damage, cost or expense whatsoever incurred by the Client or any other person as a result of any error, omission or misrepresentation (whether arising from negligence or otherwise) in the rates information or in connection with or relating in any way whatsoever to the rates information.

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

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

General Information

Latest Blog from .id

[Australia's population growth hits another record but may be slowing](#) - Population figures to December 2023 show another record growth, but include signs that Australia's recent unprecedented growth may be slowing. Glenn breaks down the latest trends for growth across the states and territories.

[Navigating the housing crisis: insights from the front line](#) - Housing consultant Crystal McDonald has a long career in the housing space. She's also a mum who spent most of last year searching for a home. In this blog, Crystal connects the housing data many of us...

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

[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

[Senior Financial Analyst](#) – City of Greater Geelong Applications close 9 July 2024

[Senior Accountant](#) – Mornington Peninsula Shire Applications close 14 July 2024

[Lead Capital Program Accountant](#) – City of Casey Applications close 18 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 and the 2024 sponsors will be announced shortly.

FinPro Executive Team 2024

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|---|---|
| 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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