

## FinPro Member Update – Edition 15, 2022

### President's Message

I hope you have had a great couple of weeks! For me there have been a few late nights, not so much because of work 😊 but watching the Commonwealth Games! Not only is it incredible to witness world records and medals awarded, but also athletes achieving personal best times and in particular, athletes from smaller nations as well as para-athletes make it to the games. The last few years have been incredibly challenging for everyone, and I imagine it would not have been easy to have the motivation to continue to train at an elite level over that time - I tip my hat to them!

Interest rate rises, massive increases in construction prices and general inflation pressure are all issues with us right now. I know many of you will be thinking about Councils budget and how do we deliver big capital works budgets, while keeping the lights on for the day-to-day functions. It's important to ensure you have having early conversations with your Executive and Councillors to detail the challenges, and no matter what the ultimate decision made is, it's vital to remember your frank and fearless financial advice will be appreciated and is needed!

I know it's a busy time for many with the preparation of annual account and audits 😊 but it's an important process to show accountability and transparency across the sector. It is important right now to think about that team lunch, or celebratory drink you have planned (or plan it today) when you finally get through this year end audit cycle.

Enjoy your weekend



Cheers, Bradley

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

### Membership News

Congratulations to [Peter Liu](#) who has been recently appointed to the position of CFO at Port Phillip City Council. Peter was previously their Head of Management Accounting and Financial Analysis.

### Looking for a speaker for our conference – handy tech tips and tricks!



We have almost finalised the agenda for the upcoming Conference in October. We know much everyone LOVES a handy tech tip or trick, so we are looking for an amazing speaker to take us through their favourites.

If anyone knows of such a person, could you please forward their details to [Gab](#).

Keep an eye out for your invites soon for our conference – 26 – 28 October 2022.

## Technical Updates

### Local Government Act Implementation Update

The new Local Government Act 2020 is the most ambitious reform to the local government sector in over 30 years. The Act will improve local government democracy, accountability, and service delivery for all Victorians. [Link to LGV Local Government Act 2020 Website](#)

### Development of Policies

As part of helping our members, FinPro has pulled together some draft policies. Some of these are examples from specific Council's – and others have been collated specifically by FinPro Exec members. As these are prepared, we will include them on our website – on the [Resources page](#).

**Reserves Policy:** Our team have finalised details for establishing a Reserves Policy: [Reserves policy, procedure and guidelines](#). This one has some suggested inclusions – or a working draft – of a Reserves policy.

### Development Contributions – Possible FinPro Special Interest Group

Development Contribution Plans (DCP) allow councils to obtain funds from developers to assist in the delivery of local infrastructure. Development contributions are payments or in-kind works provided by developers towards the supply of infrastructure including roads, drains, pathways as well as sporting facilities and community projects.

We are aware that approximately 30 councils have Development Contribution plans and that many of the council finance staff working with these plans would be interested in collaborating with other councils about how they operate, the systems they use and how they administer the plans.

FinPro are considering setting up a Finance Support Group for finance staff who work with Development Contributions. We are working through the details of how the group would operate, but at this stage we would be interested to hear from you if you would be interested in finding out more.

Email [gab](#) if you are interested.

### Other Finance Special Interest Groups

We are also considering establishing some other FinPro Special Interest Groups.

Do you have any suggestions for specific groups you would like to see us establish? If so, let us know by emailing [gab](#).

## LGV Update – Bulletin 40/2022: Sections of Borrowing and Investment Powers Act now apply to Councils

The following Bulletin was distributed to councils on Friday 29 July 2022 and is included here for member information.

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*The Treasury Corporation of Victoria (TCV) loans framework now provides Victorian local governments with ongoing access to TCV loans to fund infrastructure and general working capital requirements.*

*On 15 June 2022 the State Taxation and Treasury Legislation Amendment Act 2022 received Royal Assent. As a result, this Act amended the Borrowing and Investment Powers Act 1987 (BIP Act). New regulations created under the BIP Act specify local councils as authorities to which certain BIP Act powers apply.*

*These amendments will make the process of lending to councils more administratively efficient and ensure permanent legislative provisions for councils to access TCV lending and overdraft services. These changes confirm the Victorian Government's commitment to supporting better financial management by local governments.*

*The Borrowing and Investment Powers (Authority) Regulations 2022 came into effect on 1 July 2022 and are available at <https://www.legislation.vic.gov.au/in-force/statutory-rules/borrowing-and-investment-powers-authority-regulations-2022/001>*

*More information on the TCV loans framework is available at <https://www.localgovernment.vic.gov.au/council-innovation-and-performance/treasury-corporation-of-victoria-loans>*

*For further information please contact Daniel O'Shea, Program Manager Finance and Reporting, on [daniel.oshea@ecodev.vic.gov.au](mailto:daniel.oshea@ecodev.vic.gov.au)*

**Colin Morrison**

**Acting Executive Director, Local Government Victoria  
Rating Reform Working Group**

## Vision Super Note

Vision Super have now finalised the sample note for the Annual Accounts – both a short form and a long form. Both are available on the Vision Super Website under the heading: Sample employer superannuation note for financial statements - <https://www.visionsuper.com.au/employers/db/> and are also available on the [FinPro resources page](#).

## VLGGC Statewide Information Sessions – 23 and 31 August 2022

The following Information was distributed to councils on Tuesday 2 August 2022 and is included here for member information.

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### 2022 VLGGC Information Sessions

*As part of its annual consultation program, the Victorian Local Government Grants Commission holds a series of information sessions. These are open to Councillors and staff of all Victorian councils. In accordance with the requirements of the Local Government (Financial Assistance) Act 1995, these meetings are also open to the public.*

*These sessions provide an opportunity for the Commission to provide an update on its recommendations to the Commonwealth Government for the allocation of the Financial Assistance Grants and to discuss current issues and our upcoming work program.*

*This year's sessions will also provide further information on how the determination of the recent brought forward payment was made by the Commonwealth, the factors impacting the 2022-23 grant outcomes and data issues.*

*Councils will receive advice about their 2022-23 grant outcomes in mid-August 2022. Following the release of that advice, two information sessions will be conducted on 23 and 31 August 2022.*

*The online sessions will be conducted via Microsoft Teams, and you are asked to ensure that you provide the email addresses of all intending participants in order to receive the meeting invitation.*

*Please complete and return completed form ([email Gab for the form](#)) to Nada - [nada.bagaric@ecodev.vic.gov.au](mailto:nada.bagaric@ecodev.vic.gov.au)*

*Financial Assistance Grants are a vital component of revenue for Victorian councils and I strongly encourage your council to be represented at one of these sessions. I look forward to meeting with you at these sessions.*

**John Watson**  
**Chair, Victorian Local Government Grants Commission**

## TCV Loan Interest rates and Margins as at 4 August 2022

Maturity	Fixed Rate % (Interest only)		Fixed Rate % (Principal and Interest*)		Term Floating Rate (Basis point margin to BBSW)	
	Fixed Rate (quarterly)	Fixed Rate (semi)	Fixed Rate (quarterly)	Floating Rate (semi)	Floating Rate (quarterly)	Floating Rate (semi)
1 year	3.1760	3.1877	3.0050	3.1100	0.0810	-0.0733
3 year	3.4517	3.4646	3.3250	3.3550	0.2450	0.0980
5 year	3.6017	3.6156	3.4650	3.4850	0.3569	0.2210
7 year	3.7723	3.7877	3.5850	3.6050	0.4186	0.2972
10 year	4.0163	4.0338	3.7550	3.7800	0.5445	0.4407
12 year	4.1796	4.1986	3.8700	3.8950	0.6487	0.5508
15 year	4.3698	4.3907	4.0350	4.0600	0.8102	0.7128
					<b>BBSW</b>	
11am (at call)	2.1650				3 Month	2.1791
30 days	1.9000				6 Month	2.8274
60 days	2.0800		<b>TCV Investment Rates %</b>			
90 days	2.2800		Cash	1.8000	4 months	2.4100
180 days	2.9300		1 month	1.7852	5 months	2.6167
			2 months	1.9667	6 months	2.8174
			3 months	2.1691	1 year	2.8627

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. TCV Investment Rates are indicative only and current as at time of calculation.

### Commentary

The past fortnight has been characterised by a lowering of term rates, as markets weigh up the rising interest rate cycle and its slowing economic consequences. The RBA raised its cash rate by 50bps, taking the cash rate to 1.85%, the fourth, and not last, hike this cycle. The RBA's increase lifted very short dated yields, but the prospect of lower economic growth over coming years is pushing longer dated yields lower. The biggest fall was in 5-year yields, closely followed by the 7 and then 10 year. Australian yields have also been pulled lower by lower US yields, which are facing a similar outlook. It is also the US summer, which brings less market participation, and often greater market volatility. This may also account for the very sharp moves in the longer dated yields.

Over the fortnight, the Australian inflation print, the CPI, came in a little lower than expected but still at a high 6.1%yoy. This means the RBA must continue to raise interest rates, in order to slow inflationary pressure, which erodes incomes and reduces standards of living. The consequences of reduced real incomes, and higher interest rates are showing through the lowering of the housing indicators, from house prices to demand for new home loans. For now, household consumption is holding up, but confidence is down sharply, signalling a decline ahead.

### Disclaimer

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## Upcoming external events

### AASB13 Valuation Workshops

David Edgerton, Director at APV Valuer and Asset Management, recently ran a webinar for us on Assets and ED320.

He will also be running, through his own organisation, a webinar on AASB13 Valuation Workshop. The Melbourne workshop will be held on 20 September. For further information about this session please contact David Edgerton @ [dave@apv.net](mailto:dave@apv.net)

Registrations can also be made [here](#).

Please note: the recording of the FinPro webinar David ran on Friday 22 July – Assets and ED320 is available on the [FinPro Website](#).

## e-Invoicing – gaining momentum in the LG Sector

Although e-invoicing isn't mandatory for the LG sector at the moment (it is mandatory for State and Federal Government), there is an increasing discussion about its application in LG.

Following conversations with both the ATO and also providers, we will be running a webinar on e-invoicing later this year. In the meantime you may be interested in the following information sessions run by the Victorian Small Business Commission:

### [eInvoicing for Government](#)

*The Australian Government is committed to delivering Peppol eInvoicing.*

*Peppol is an international standard and network adopted by the Australian Government for electronic exchange of eInvoicing and other procurement documents.*

*With over 1.2 billion invoices exchanged in Australia annually, savings to our economy are estimated to be \$28 billion over 10 years.*

*Consultation on options for mandatory adoption of eInvoicing across all levels of government and by businesses is ongoing.*

*The ATO has engaged with all local government organisations and their associations across the country, raising awareness of eInvoicing and its benefits. We're working with their software providers to make eInvoicing options easily available.*

*Vic Small Business Commission are running a workshop on Wednesday 17 August 2022 at 10am Find out more by emailing [alice.bradshaw@vsbc.vic.gov.au](mailto:alice.bradshaw@vsbc.vic.gov.au).*

## Current positions advertised on the FinPro Website

### Management Accountant

- City of Ballarat
- [More information](#)
- Applications close Thursday 18 August 2022 at 5pm

### Manager Strategy, Governance and Operations

- Local Government Inspectorate
- [More information](#)
- Applications close 7 August 2022

### Audit and Risk Committee – Independent Chair & Member vacancies

- MAV (Municipal Association of Victoria)
- [More information](#)
- Applications close 11 August 2022 at 5pm

### Property & Revenue Coordinator

- Rural City of Wangaratta
- [More information](#)
- Applications close Monday 8 August 2022 at 3pm

### Graduate Accountant

- Bass Coast Shire Council
- [More Information](#)
- Applications close Sunday 14 August 2022

## Other information

### Australian Census information

The Australian National Census (officially the Census of Population and Housing) is the largest statistical collection in Australia, covering many demographic characteristics for the Australian population. Australia's Census is conducted every 5 years, with the most recent Census taking place in August 2021.

Interested, personally or professionally, in what the data from the Australian Census 2021 tells us - .id informed decisions share a lot of information about their analysis of the data – [look here](#) for more information.

## 2022 FinPro Conference – 26 – 28 October 2022 Sponsors

- APV Valuers and Asset Management
- Curve Securities
- Imperium Markets
- Inlogik
- Insightsoftware
- IT Vision
- LG Solutions
- Lygon
- National Australia Bank
- Satori Assured
- TechnologyOne
- TCV
- Zipform
- Commonwealth Bank
- CT Management
- Laminar Capital
- MAGIQ
- NelNet,
- Westpac

## FinPro Executive Team 2022

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

## FinPro Contact Details

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