

FinPro Member Update – Edition 16, 2022

President's Message

Hope everyone is doing relatively well!

It was with great excitement this week that we launched the program and opened registrations for our 2022 Conference - IMAGINE. After a rough couple of years for everyone, where work, family and social lives have been turned upside down, it will be great to see lots of people back together again at RACV Cape Schanck. The conference runs from 26-28 October and will provide an opportunity for us all to reflect, share and learn from our past experiences, using this knowledge to shape our future and IMAGINE.

The Executive Team has worked hard to put together a terrific program which we believe will appeal to everyone, offering a mix of personal development, technical learning, networking and of course, some social downtime too! The conference has often been the highlight of the FinPro year, and we hope this October to be no different. Thanks a lot to the sponsors who contribute significantly so we can keep costs to a minimum so that hopefully you will be able to send a number of staff from each Council. Make sure you see the details in this update and get in quickly to book your spot.

Our Guest speaker for the Wednesday evening will be the Hon. Melissa Horne MP, Minister for Local Government. With the conference being held only one month out from the State Election it will be very interesting to hear her insights on LG, and especially the challenges to the financial sustainability of the sector.

In the coming weeks we will launch our 2022/23 Leadership program and we encourage you and your team to think about nominating an emerging leader for this sought-after program.

This weekend sees the last round of the home and away season for AFL. The season seems to have flown, as has this year - we are nearly finished with August. Go the Swans. Enjoy!



Cheers, Bradley

Bradley Thomas
President – FinPro and CEO, Hepburn Shire

Membership News

We welcome onboard our new Corporate Partners, **CampusGuard**. Welcome to Heather and the team. We look forward to learning more about your organisation as time goes on.

We welcome new members, **David Gardner**, Business Analyst Finance Systems at Mildura Rural CC **Robert Smith**, Senior Accountant at Warrnambool City Council, and **Sadiq Mohammad**, CFO at the City of Darebin.

We farewell **Sam Dixon**, Coordinator Financial Accounting at Whitehorse CC who has decided to leave after 10 ½ years and wish him well in his next endeavours.

2022 FinPro Conference



Our conference theme is IMAGINE, and we have a fantastic line-up of speakers at the conference including [Gavin Carnegie](#), Andrew Greaves, [Bernard Salt](#), and [Wayne Schwass](#).

Invaluable insights will also be provided through 3 panels over the course of the Conference:

- Emerging Issues facing LG finance professionals,
- The Changing Workplace, and our
- CEO Panel.

The 2022 FinPro Conference will be held at [RACV Cape Schanck](#) from 26 - 28 October 2022. The event opens with Regional Networking Forums, and will be followed by a 2-day conference and sponsor exhibition. The conference concludes on Friday 28 October 2022 at 1.15pm.

We hope that you can come along, learn, network and share ideas with your peers. Full details of the program, along with booking details are [here](#). When you register you can pay immediately or request an invoice.

As with previous years, we encourage as many people as possible to take up the TWIN share option, as this assists in ensuring everyone is accommodated onsite. The venue has 203 rooms - and we hope to have 250 delegates!

Please note that the conference will not be live-streamed – however we will record the technical sessions and share with members following the conference.

[PROGRAM](#)

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**Thank-you to our amazing sponsors for supporting our conference and supporting the LG sector.
We look forward to seeing you at Cape Schanck!**

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](#)

LGV Update - New Executive Director, Local Government Victoria

We received advice this week that a new Executive Director has been appointed at LGV – Mike Goey.

Welcome Mike. We look forward to meeting with you in the near future and also having you speak at one of our future professional development days.

The following Bulletin was distributed to councils on Wednesday 20 August 2022 and is included here for member information.

BULLETIN: 41/2022

LOCAL GOVERNMENT LEGISLATION AMENDMENT (RATING AND OTHER MATTERS) ACT 2022

The Local Government Legislation Amendment (Rating and Other Matters) Act 2022 (Amendment Act) received Royal Assent on 9 August 2022.

The Amendment Act delivers the first phase of reforms arising from the 2020 Local Government Rating System Review and recommendations of the 2021 Victorian Ombudsman’s ‘Investigation into how local councils respond to ratepayers in financial hardship’.

The Act:

- *prescribes payment plans as a means by which councils can recover unpaid rates and charges - in addition to the four instalments for payment currently mandated*
- *allows the Minister for Local Government to set the maximum interest rate that may be levied by councils on unpaid rates and charges*
- *empowers the Minister for Local Government to make Ministerial Guidelines on unpaid rates and charges and hardship to ensure greater consistency across councils in how they deal with ratepayers experiencing financial hardship*
- *expands the criteria for councils to provide rate rebates and concessions for properties that provide a public benefit*
- *repeals redundant service rates and charges powers*
- *amends the power for councils to declare a service rate or charge to ensure that services relevant to modern waste management activities are covered*

- ensures the timely levying of council special rates and charges, to minimise delays between declaring special rates and charges schemes and the billing of ratepayers.

The Amendment Act make a range of miscellaneous and technical amendments to the Local Government Act 2020 and other Acts, including the processing and handling of Freedom of Information requests by councils. It will also provide for new regulation making powers under the Domestic Animal Act 1994 to facilitate reuniting lost pets and the scanning of deceased pets on council property for microchip identification and notification of pet owners.

Local Government Victoria (LGV) will now work with the Essential Services Commission to develop Ministerial Guidelines on unpaid rates and charges. This will include consultation with the Local Government Rating Reform sector working group that includes representation from the Municipal Association of Victoria, Revenue Management Association and FinPro.

LGV will also provide a sector briefing on the Act and its provisions in the coming weeks.

Further information about the Amendment Act can be found at:

<https://www.localgovernment.vic.gov.au/council-innovation-and-performance/council-rates-and-charges>.

The Act is available at <https://www.legislation.vic.gov.au/as-made/acts/local-government-legislation-amendment-rating-and-other-matters-act-2022>.

For further information, please contact Leighton Vivian, Senior Manager, Local Government Victoria via leighton.vivian@ecodev.vic.gov.au for any queries.

Colin Morrison
Acting Executive Director, Local Government Victoria

Mental Health Levy – Does it apply to Local Government?

A member contacted us last week to check whether the Mental Health Surcharge was payable by Local Government.

We have contacted VAGO to have confirmation and can confirm the following:

- The mental health and wellbeing surcharge (surcharge) is a payroll tax surcharge that is intended to provide additional funding for Victoria’s mental health system.
- You must pay the surcharge if you pay Victorian taxable wages
- Wages that are subject to Victorian payroll tax will also be subject to the surcharge and any wages exempt from payroll tax (such as wages paid or payable to an employee who is taking primary or secondary caregiver leave or who is absent from work to volunteer as a firefighter or respond to other emergencies) will also be exempt from the surcharge.
- Municipalities are specifically listed as being exempt from paying payroll tax

Accordingly, the surcharge is not applicable to Local Government.

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.

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](#).

We note too that Vision Super sent out their News Update on 17 August 2022 – Local Authorities Superannuation Fund Defined Benefit Plan (LASF DB) – Vested Benefit Index (VBI) and it is included here for member information:

Good afternoon,

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

Since our 31 March 2022 update on 11 May 2022, equity markets have declined and have finished the financial year in a weaker position relative to the prior financial year end.

The 30 June 2022 VBI results have been finalised as follows:

As at	30 Jun 2021 (actual)	30 Sept 2021 (est)	31 Dec 2021 (est)	30 March 2022 (est.)	30 June 2022 (actual)
LASF DB	109.7%	109.9%	111.2%	108.5%	102.2%

The 30 June 2022 VBI has decreased compared to that at 31 March 2022. This is mainly due to:

- Negative investment returns for the quarter of -6.06% which have decreased the asset pool supporting the defined benefit liabilities of the sub-plan, and
- Salary increases of 0.4% advised to Vision Super during the quarter, which have increased the value of the active member benefit liabilities.

There have been changes to the actuarial assumptions used for the 30 June 2022 VBI calculations as outlined in the 2022 sample employer superannuation notes on our website (refer below). However, these changes have had minimal impact on the movement of the VBI.

The VBI of 102.2% as at 30 June 2022 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.

[Watch this video](#) to hear from Michael Wyrsh, our Chief Investment Officer and Deputy CEO, talk about the factors currently affecting investment markets and what to expect in the months ahead.

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 30 June 2022 VBI of 102.2% was calculated as part of an actuarial review and exceeds the applicable 100% 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 2022 sample employer superannuation notes

As indicated above, the Fund Actuary has changed the financial assumptions used for his 30 June 2022 VBI calculations. We have updated our 2022 sample notes to reflect these changes. The sample notes can be found at www.visionsuper.com.au/employers/db/ under the heading "Sample employer superannuation notes for financial statements".

Other information

New on the .id blog: The health of a nation

The 2021 Census included a new question regarding long-term health conditions. Nenad looks at the national and state stories this new dataset tells us, and digs into how the data can inform local government decisions to improve their communities outcomes. [Read more here](#)

Current positions advertised on the FinPro Website

Role	Council	Web Link	Closing Date
Management Accountant	City of Ballarat	See here	18 August 2022
Accounts Payable Officer	Maribyrnong City Council	See here	21 August 2022
Financial Services Accountant	Maribyrnong City Council	See here	21 August 2022
Finance Officer	Maribyrnong City Council	See here	21 August 2022
Payroll Analyst	Banyule City Council	See here	21 August 2022
Manager Financial Integrated Planning	Frankston City Council	See here	21 August 2022
Financial Controller	Rural City of Wangaratta	See here	22 August 2022
Senior Finance Business Partner	Yarra City Council	See here	25 August 2022
Coordinator – Finance Operations	Mornington Peninsula SC	See here	26 August 2022
Finance and Revenue Officer	Hepburn Shire Council	See here	29 August 2022
Payroll Officer	Manningham City Council	See here	30 August 2022
Strategic Procurement Coordinator	Banyule City Council	See here	31 August 2022
Team Leader – Finance Business Partner	Mornington Peninsula SC	See here	1 September 2022
Coordinator Financial Accounting Operations	Yarra City Council	See here	2 September 2022
Team Leader Revenue Services	Maroondah City Council	See here	4 September 2022
Assistant Accountant (2 roles)	Mornington Peninsula SC	See here	9 September 2022

Thank-you to our 2022 FinPro Conference Sponsors

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FinPro Executive Team 2022

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Chair Advocacy and Vision	Binda Gokhale (Contractor)
Secretary / Treasurer	Gabrielle Gordon

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