

## FinPro Member Update – Edition 18, 2022

### President's Message

Hello all,

Oh, how tough is year end!!!! I'm sure we are all trying to tie loose ends up, finalise the audit and move on to budgets 😊😊

Make sure you register to attend the FinPro conference, it's a great opportunity to get together with lots of learnings and hitting the dance floor.

Watch out too for the launch of our Leadership Program later this week. We are really excited to be able to provide this amazing opportunity to emerging leaders from within our FinPro family. If you, or another member of your team is interested in finding out more about how to lead in LG Finance, take a look at the details when we launch the program.

Go the Swans!

Cheers, Bradley



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



### 2022 FinPro Conference

26 – 28 October 2022 @ RACV Cape Schanck

[Full details available here – register now!](#)

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

## Membership News

We welcome the following new members to FinPro:

**Lisa Jolliffe**, Management Accounting Coordinator at Mildura Rural City Council, Graduate Accountants, **Rose Njoroge and Shahraz Mirza**, at Greater Shepparton CC, **Rachael Frith**, Developer Contributions Accountant at Ballarat CC, **Stephen Mittell**, Chief Financial Officer at Campaspe SC,

We welcome back the following FinPro members:

**Karen Milner**, Strategic Asset Systems Coordinator. And **Kevin Leddin** who has taken up a temporary role at Southern Grampians SC as Acting Finance Manager.

We congratulate member **Chris Molyneaux** who has recently been appointed as Finance Manager at Greater Shepparton City Council. Chris previously held the role of Financial Controller.

We farewell **Stephen Mortensen** who is retiring from the sector after over 30 years in LG, and nearly 20 at Murrindindi Shire, including a significant time there working hard to ensure that the council and the community kept going after the Black Saturday fires in 2009. Have lots of fun Stephen and thanks for being a great member and supporter of FinPro and of the sector.

## Technical Updates

### Local Government Legislation Amendment (Rating and Other Matters) Act 2022

FinPro is liaising with Local Government Victoria (LGV), seeking information on the greater details of the Local Government Legislative Amendment (Rating and Other Matters) Act 2022.

We are planning on running a webinar on the Amendment in early October, to keep members updated on the practicalities of the changes.

The Act received Royal Assent in August 2022 and makes changes to the arrangements for unpaid rates and charges, consideration of ratepayers facing financial hardship, service rates and charges and special rates and charges. The Act also introduces a new public benefit criteria for councils to offer rate rebates and concessions.

In the meantime, LGV have prepared fact sheets on the Act and can be viewed with this link.

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

The RMA (Revenue Managers Association) are including a discussion about the Amendment in their AGM on 15 September 2022, and we will follow this up with the finalisation of further information sharing for our members after this event.

## Model Working Groups Update

On Tuesday 13 September 2022 the Model Working Groups for both the Financial Statements and the Budget met for the first time in 2022/23.

This first meeting will form the basis of the next meetings, changes/improvements to models as well as publication of the models.

It was agreed that some further work be undertaken to refine a survey, as per every year, that is issued to our members to obtain feedback on the models.

The survey is intended to be issued by the end of September 2022, for about a two-week window, at which point the working groups will meet again to consider the feedback.

The Models at this stage look to be worked on, refined and presented at the PD Day in February 2023.

The groups have met earlier than in previous years so that they can receive and action any feedback from the sector early, whilst it is still fresh in people's minds, as members are completing year-end processes and working on 2023/24 Budget.

## LGV Update

**The following Bulletin was distributed to councils on Wednesday September 7, 2022 and is included here for member information.**

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### ***BULLETIN: 45/2022 STATE ELECTION AND IMPACT ON COUNCILS***

The Victorian State election will be held on Saturday 26 November 2022.

Please note that the caretaker period for the 2022 Victorian election will commence at **6.00 pm on Tuesday, 1 November 2022**, unless the Legislative Assembly is dissolved before this date. It will continue until the election result is clear, or a new government is commissioned. More information can be found at: <https://www.vic.gov.au/guidelines-caretaker-conventions>.

#### **Councils to continue to perform their statutory obligations**

The limitations and requirements during the State Government caretaker period only apply to the State Government.

During the caretaker period for the State election, the expectation remains on councils to continue to perform their statutory duties under the *Local Government Act 2020* (the Act) and to continue to provide good governance to their communities.

For example, the requirements related to the office and election of Mayor (and Deputy Mayor) will continue to apply during the caretaker period for the State election.

#### **Considerations for Councillors standing at State election**

Councillors who choose to stand for the State election must ensure that their candidacy and campaigning does not interfere with performing their public duties as a Councillor.

Councillors considering standing for election must ensure that they continue to comply with the requirements of the Act. Councillors who are candidates should exercise a high level of awareness about:

- biases and conflicts;
- confidential information;
- councillor standards and codes of conduct;
- misuse of position.

Local Government Victoria has resources available to help Councillors consider these matters:

- [Conflict-of-interest-manual.pdf](#)
- [Conflict-of-interest-guide.pdf](#)

The Act does not require Councillors who are candidates to stand aside during their period of candidacy. It is a matter for affected councillors to determine how they will approach their councillor role during this time. Councillors should give due consideration to their ability to be able to perform their duties as outlined above.

If a Councillor is elected to the State Parliament, section 34 of the Act provides that they can no longer continue to be a Councillor. Continuing to act as a Councillor after being elected to the Parliament is an offence and may result in serious penalties.

### **Caretaker conventions and interactions**

During the caretaker period Ministers continue to hold their position as Minister and should be addressed as such until they resign, or a new Ministry is sworn in.

The State Government observes caretaker conventions, which direct how government business will be conducted during the caretaker period. The key objectives of the caretaker conventions are to:

- preserve the autonomy of an incoming government (in the event that the incumbent government is not returned);
- ensure the State's resources are used appropriately and not to the unfair advantage of the incumbent government; and
- protect the political neutrality of the Victorian public sector.

Although the caretaker conventions are not legally binding on Ministers and members of the government, they have normative force given that they derive from constitutional practice and custom. For Ministers and members of the government, adherence is ultimately the responsibility of the Premier and government collectively to ensure the government avoids:

- making or implementing major policy decisions that are likely to commit an incoming government;
- making significant appointments;
- entering into major contracts or undertakings.

The caretaker conventions also help ensure that the public sector remains, and is perceived to remain, apolitical. More information can be found at: <https://www.vic.gov.au/guidelines-caretaker-conventions>.

Please contact Michael Concas, Senior Manager Local Government Victoria, at [michael.concas@ecodev.vic.gov.au](mailto:michael.concas@ecodev.vic.gov.au) if you have any queries.

**Mike Goey**  
Executive Director, Local Government Victoria

## FinPro Finance Support Group Now up and running - Development Contributions

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 has established a Finance Support Group for finance staff who work with Development Contributions. There are currently 22 members who have joined the group and met for the first time online last Thursday. The next step is setting up an online forum platform for the group to share thoughts and collaborate. Watch this space.....

## FinPro Advocacy – Rate Cap

We understand that our members are concerned about what the rate cap will be for 2022/23 given the MASSIVE price increases and increase pressure on Councils finances.

We have written to the ESC this week to request a meeting to discuss and influence the advice that will be provided to the Minister Local Government in their determination of the next rate cap.

We are also working with the MAV to prepare a paper on the financial sustainability of the sector and plan to have this finalised in the next month, in the lead up to the Victorian State Elections in November 2022. Members of the FinPro Executive team will speak to this paper as part of the FinPro Conference in October at RACV Cape Schanck.



## TCV Loan rates as at 12 September 2022

### TCV Loan rates as at 12th of September 2022

Maturity	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
<b>1 year</b>	3.5126	3.5263	3.3900	3.4650	0.1133	-0.0126
<b>3 year</b>	3.8269	3.8428	3.6650	3.7000	0.2288	0.0829
<b>5 year</b>	4.0320	4.0495	3.8550	3.8800	0.3534	0.2086
<b>7 year</b>	4.2393	4.2588	4.0000	4.0250	0.4205	0.2890
<b>10 year</b>	4.5145	4.5367	4.2100	4.2350	0.5488	0.4337
<b>12 year</b>	4.6961	4.7203	4.3400	4.3700	0.6585	0.5497
<b>15 year</b>	4.8707	4.8968	4.5200	4.5500	0.7869	0.6771
<b>11am (at Call)</b>	2.6650				<b>BBSW</b>	
<b>30 day</b>	2.6000				<b>1 Month</b>	2.3250
<b>60 day</b>	2.7900				<b>3 Month</b>	2.6729
<b>90 day</b>	2.9400				<b>6 Month</b>	3.0904
<b>180 day</b>	3.3600					

### TCV Investment rates

<b>Cash</b>	2.3000		<b>4 Month</b>	2.8100
<b>1 Month</b>	2.3150		<b>5 Month</b>	2.9538
<b>2 Month</b>	2.5147		<b>6 Month</b>	3.0804
<b>3 Month</b>	2.6629		<b>1 Year</b>	3.2013

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.

The RBA raised interest rates 50bps since the last update, which has raised the short dated yields, started at 50bps for the overnight rates, to around 8bps for 180 day yields. There was a much more mixed picture for the term yields, which ranged from -4bps at the 3 year, to +6bps at one year. This is due to very mixed and very little new economic data to guide markets, and comes after a big move higher in yields. There has been a little bit of a breather in markets.

The focus has been on the RBA and the other central bank tightening cycles. The RBA promised to keep fighting inflation and raise rates, but that the speed and timing is data dependent. The US Federal Reserve has been very vocal in its need to get inflation lower, and expectations are for a faster interest rate tightening cycle. This was similar in the euro area and other central banks. That has raised the near term 12 Sept rate expectations but allowed longer dated yields to hold steady, in the belief that inflation will be under control over time.

#### Disclaimer

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

## Other information

The VLGA (Victorian Local Government Association) are running a series of online sessions in the lead up to the State Elections in November. These may be of interest to members.

Details are as follows: The *VLGA Connect* State Election series will comprise of a number of live panel discussions and pre-recorded interviews with key local government stakeholders as we head closer to the Victorian state election.

Upcoming *State Election* series interviews and registration details are listed below.

- Live Q&A Discussion – The Hon. Melissa Horne MP, Minister for Local Government  
Friday 16 September, 2.30pm – 3.30pm – Online via Zoom  
VLGA Members: Free | Non-Members: \$50 + GST  
Registrations are essential to receive the Zoom link – [book now](#)
- Friday 2nd September, 2:30pm - 3:00pm  
Pre-recorded Interview - Dr Jonathan Spear, Chief Executive Officer, Infrastructure Victoria
- Live Panel - Chair of Rural Councils Victoria, Cr Mary-Ann Brown; Chair of Interface Councils, Lydia Wilson; Chair of Regional Cities Victoria, Mayor Cr. Metcalf; Chair of Peri-Urban Councils, Cr Moira Berry  
VLGA Members: Free | Non-Members: \$50 + GST  
Registrations are essential to receive the Zoom link - [book now](#)

For more information about the VLGA please visit [www.vlga.org.au](http://www.vlga.org.au) or contact them at [vlga@vlga.org.au](mailto:vlga@vlga.org.au).

## Current positions advertised on the FinPro Website

Role	Council	Web Link	Closing Date
<b>Senior Finance Business Partner – Projects</b>	Mornington Peninsula SC	<a href="#">See here</a>	14 September 2022
<b>Asset Accountant</b>	Yarriambiack SC	<a href="#">See here</a>	16 September 2022
<b>Procurement Specialist</b>	Rural City of Wangaratta	<a href="#">See here</a>	19 September 2022
<b>Coordinator Senior Accountant</b>	Murrindindi SC	<a href="#">See here</a>	19 September 2022
<b>Coordinator Rates and Valuations</b>	Horsham Rural City Council	<a href="#">See Here</a>	29 September 2022

## Thank-you to our 2022 FinPro Conference Sponsors

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## And our Conference Sector Partners

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## FinPro Executive Team 2022

<b>President</b>	Bradley Thomas (Hepburn SC)
<b>Vice-President – Chair PD</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

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