

## FinPro Member Update – Edition 16, 2023

### President's Message

#### HOW BLOODY GOOD ARE THE MATALIDAS?

It has been fantastic to watch their run through the Women's World Cup and see how the country has united behind them.

I don't know about you, but it seems to me that each day there is a State or Federal Government announcement that will impact our sector. This week, amongst many things, it was a national planning reform and national housing plans! I think we will see some impacts on Councils; it's certainly an interesting 12 months ahead!

You will see in our members update we have made a submission to the government's consideration of the Valuation Averaging Mechanism - [Local Government Rates – Valuation Averaging Mechanism | Engage Victoria](#). FinPro believes that valuation averaging would be administratively complex, confusing and would lead to poorer outcomes more broadly. These issues far outweigh the possible benefit in smoothing relative annual increases or decreases.

We are also preparing a submission in regard to the Ministerial Guidelines Relating to Payment of Rates and Charges ([Ministerial Guidelines Relating to Payment of Rates and Charges | Engage Victoria](#)), and will release this to members before the closing date.

We hope these advocacy pieces impact the Governments decisions, and we hope you find them useful. Please feel free to use them, or reference them in your individual Councils submissions.



Enjoy the weekend!

**Bradley Thomas,**

**President FinPro and CEO Hepburn Shire**

### [Webinar - Preparing for the 2024/25 Budget Cycle](#)

Thinking about your 2024/25 Budget process? FinPro will run a webinar to assist members as they begin to prepare for the next budget cycle.

The webinar will be facilitated by Nathan Morsillo, CFO at the City of Greater Bendigo, and the panelists will be Fiona Rae (Finance Manager Golden Plains Shire), Kate Heissenbuttel, Manager Corporate Performance at Monash City Council, and Leah Mullins from City of Greater Bendigo. Each Council represented on the panel tried some things a bit 'differently' in preparing their budgets for 2023/2024.

The panelists will share learnings and experiences, including what they did, what they would do differently, and what they will keep.

[REGISTER HERE](#)

## [FinPro Conference – 25 – 27 October 2023 @ RACV Cape Schanck](#)

We are pleased to announce some of our Sponsors for our 2023 Conference and thank each organisation for supporting the sector and our membership.

- American Express – new sponsor
- APV Valuers & Asset Management
- Australian Payments Plus – new sponsor
- Commonwealth Bank
- CT Management
- Curve Securities
- Datacom – new sponsor
- Ibis Information Systems – new sponsor
- Imperium Markets
- LG Solutions
- Maddocks Recoveries – new sponsor
- MAGIQ Software
- Mastek Ltd – new sponsor
- National Australia Bank
- NetNet
- Perpetual
- Satori – new sponsor
- TCV
- TechnologyOne Corp
- VFMC – new sponsor
- Westpac

## Technical Updates

### Model Budget 2023-24 and Financial Statements 2022-23 available now

The following documents are [available at this link](#):

- Asset Plan Guidance 2022
- Financial Plan 2023-24 to 2032-33
- Model Budget 2023-24
- Model Financial Report 2022-23
- Annual Report Performance Reporting 2022-23
- Performance Reporting Framework 2022-23
- Performance Reporting Framework 2023-24

## Vision Super Note for year-end accounts

Employers are required to make specific superannuation disclosures in their financial statements in relation to the LASF DB in accordance with AASB 119 – Accounting for Employee Benefits. To help employers participating in LASF DB, Vision Super prepare a sample note as a guide each year. Downloadable PDF copies of these sample notes as well as other information are [available here](#).

## LGV Bulletin: Ministerial Guidelines relating to payment of rates and charges

The following information was circulated to councils on Friday 11 August 2023 and is included here for member information. FinPro previously circulated this information to members on 8 August 2023 and will also be submitting a response on behalf of our members.

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### **BULLETIN: 16/2023 MINISTERIAL GUIDELINES RELATING TO PAYMENT OF RATES AND CHARGES – ENGAGE.VIC. CONSULTATION**

*Councils are advised that Local Government Victoria has initiated public consultation regarding Ministerial Guidelines relating to the payment of rates and charges (s.181AA of the Local Government Act 1989).*

*Draft Ministerial Guidelines have been prepared and are available for review and feedback.*

*The Ministerial Guidelines will focus on:*

- *Defining hardship for the purpose of section 170*
- *Defining financial hardship for the purpose of sections 171, 171A, and 172A*
- *Outlining the content of hardship policies and financial hardship policies*
- *Specifying the circumstances in which a Council may apply the hardship policies and financial hardship policies*
- *Establishing the process for applying for a payment plan*
- *Addressing the waiver of interest on unpaid rates or charges under sections 171, 171A, and 172*
- *Covering any other matters encompassed by sections 170, 171, 171A, 171B, 172, 180, and 181.*

*Local Government Victoria will evaluate feedback received during consultation. The findings will be presented to the Minister for Local Government for final determination.*

*Consultation will remain open until 1 September 2023 and can be accessed at <https://engage.vic.gov.au/local-government-rates-ministerial-guidelines-relating-to-payment-of-rates-and-charges>*

*Regards*

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

## VAGO Status Report – August 2023

The VAGO status report for August 2023 was distributed to councils on 17 August 2023 and a [copy is included on our website](#) for member information.

Travis Derricott, Sector Director, Financial Audit at VAGO, highlighted in particular the following content as having potential interest:

- Page 5 ... three performance audits involving councils or a selection of councils, and
- Page 9 ... VAGO tabled a report relating to Cyber security: Cloud Computing Products with insights that we consider relevant to any sector, noting there was one council that was an in-scope agency.

## Valuation Averaging Mechanism

FinPro have drafted up a response to this, which members are welcome to utilise if it assists them. A section of the response is included here:

*[excerpt from submission] ...Being the body representing the local government sector, FinPro is supportive of the concepts of promoting a system that can be explained to ratepayers, is cost-effective to administer and promote equity in the manner the system is applied to ratepayers.*

*At a high level, FinPro believes that valuation averaging would be administratively complex, confusing and would lead to poorer outcomes more broadly. These issues far outweigh the possible benefit in smoothing relative annual increases or decreases.*

A copy of the FinPro submission is [available here](#)

## VLGGC Circular 5 – Statewide Information Sessions 2023

The following information was distributed to councils in early August, and is shared here for member information:

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*The Victorian Local Government Grants Commission allocates Financial Assistance Grants to support councils in delivering services to their communities.*

*In 2023-24, Victorian councils will receive an estimated \$747.37 million in financial assistance grants, comprising:*

- \$550.164 million in general purpose grants
- \$197.213 million in local roads grants.

*These funds are provided annually by the Australian Government. All of this funding is “untied” – that is, councils can use the grants at their discretion. Grants are paid in quarterly instalments.*

*For more information on the Commission, visit the [website](#)*

*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 advanced payment was made by the Commonwealth, the factors impacting the 2023-24 grant outcomes and data issues.*

*Councils will receive advice about their 2023-24 grant outcomes in mid-August 2023.*

*Following the release of that advice, two information sessions will be conducted on 29 August and 8 September 2023.*

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

*Please complete and return completed form to Nada - [nada.bagaric@dgs.vic.gov.au](mailto:nada.bagaric@dgs.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***

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**Note Session Details:**

**Session 1: Tuesday 29 August 2023 from 2.00 – 3.30pm via Microsoft teams**

**Session 2: Friday 8 September 2023 from 10.00 – 11.30am via Microsoft teams**

Contact [Nada](#) for details on how to register.

## TCV Loan and Investment Rates as 16 August 2023

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>	4.5627	4.5860	4.5850	4.6300	0.2335	0.0425
<b>3 year</b>	4.5132	4.5356	4.5400	4.5650	0.3516	0.1965
<b>5 year</b>	4.5731	4.5962	4.5300	4.5600	0.4152	0.2799
<b>7 year</b>	4.7940	4.8196	4.6150	4.6500	0.5108	0.3956
<b>10 year</b>	5.1561	5.1859	4.8300	4.8650	0.7105	0.6192
<b>12 year</b>	5.3454	5.3776	4.9700	5.0100	0.8198	0.7376
<b>15 year</b>	5.5342	5.5688	5.1650	5.2050	0.9565	0.8748
<b>11am (at Call)</b>	4.4150				<b>BBSW</b>	
<b>30 day</b>	4.2450				<b>1 Month</b>	4.0550
<b>60 day</b>	4.2950				<b>3 Month</b>	4.1543
<b>90 day</b>	4.3450				<b>6 Month</b>	4.4888
<b>180 day</b>	4.6850					

### TCV Investment rates

TCV note the current TCV 11am/At Call deposit rate has recently increased to 4.05%. 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.

<b>Cash</b>	4.0500		<b>4 Month</b>	4.2617
<b>1 Month</b>	4.0450		<b>5 Month</b>	4.3786
<b>2 Month</b>	4.0900		<b>6 Month</b>	4.4788
<b>3 Month</b>	4.1443		<b>1 Year</b>	4.2610

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.

We are now at or near the terminal rate in both the US and Australia. This has created additional uncertainty in markets and sees big reactions to small data points. Long-dated yields have been driven higher recently as markets assess the prospect that while rates may be at or near peak, they are likely to stay higher for longer.

While our forecasts show the RBA at the peak for this rates cycle at 4.1%, Q3 inflation includes upside risks around rents, electricity, gas and now petrol and diesel. We do not expect the RBA to cut in the next year.

Recent Chinese economic data have been extremely weak across the board, with deflation, falling house prices, higher unemployment and lower industrial production all weighing on sentiment. The PBOC has made a surprise rate cut but it is unlikely to materially improve the economy. Meanwhile, the beleaguered property sector continues to unravel. This presents an emerging risk for the Australian economy as China is our largest trading partner.

### 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 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.

## General Information

### VLGA Connect Live Panel

Members are advised that the VLGA are running a webinar on Friday 18 August from 12.30 – 2.00pm which might be of interest to you about the possible planning changes: VLGA Connect Live Panel: Removing the politics from significant planning proposals or an erosion of local planning powers? Lessons from NSW and beyond.

[Details here](#)

### Essential Eight Maturity Model

**Cyber security readiness is an important issue that councils, and in fact all organisations, are working to keep up to date with. The Essential Eight Maturity Model is now considered the benchmark for cyber security readiness. We therefore include the following for member information:**

The Australian Cyber Security Centre (ACSC) has developed prioritised mitigation strategies, in the form of the [Strategies to Mitigate Cyber Security Incidents](#), to help organisations protect themselves against various cyber threats. The most effective of these mitigation strategies are the Essential Eight.

The Essential Eight has been designed to protect Microsoft Windows-based internet-connected networks. While the principles behind the Essential Eight may be applied to cloud services and enterprise mobility, or other operating systems, it was not primarily designed for such purposes and alternative mitigation strategies may be more appropriate to mitigate unique cyber threats to these environments. In such cases, organisations should consider alternative guidance provided by the ACSC.

### Local Government Podcasts

Enjoy listening to podcasts? For information and examples of LG related podcasts we refer you to a list compiled by Chris Eddy, former Council CEO and avid podcaster: [LINK HERE](#)

### Current jobs in the sector

[Coordinator Procurement](#) Central Goldfields Shire - Applications close 28 August 2023

[EOI Audit and Risk Committee Members](#) Hepburn Shire Council-Applications close 28 August 2023

[Rates and Revenue Coordinator](#) Strathbogie Shire Council - Applications close 30 August 2023

## FinPro Executive Team 2023

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

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