

FinPro Member Update – Edition 17, 2023

President's Message

Spring officially starts today – and so too does the hype for our 2023 Conference. We focus at the conference on technology and the new world and have asked ChatGPT to write a poem about Accountants and Australian Spring.... Here you go!

*In offices down under's way,
Where numbers dance in sun's array,
Amidst Australia's vibrant spring,
Accountants work with numbers' wing.*

*As eucalyptus scents the air,
They tally figures, show their care,
With calculators as their guide,
They keep the ledgers unified.*

*Spring's warmth lights up the Southern skies,
As accountants work, their skills arise,
Just like the kangaroos at play,
They balance books in their own way.*

*Through rains and sun, in cycles twirl,
They bring the financial world to unfurl,
In Australia's land, they take their stand,
Balancing books across the sand.*



Enjoy the weekend!

Bradley Thomas,

President FinPro and CEO Hepburn Shire

Membership News

Welcome to new members from Melton City Council – **Aarti Chauhan** (Graduate Accountant), **Sujatha Kannan** (Management Accountant), **Michael Otsuka** (Finance Support & Systems Officer), **Peter Leerson** (CFO) and **Jessica McGuffie** (Developer Contributions Accountant).

Welcome to **Noel Jacobs** who has commenced at Stonnington City Council.

Welcome to **Andrew Sloan**, Coordinator Strategic Capital Management at Greater Bendigo CC.

Congratulations to **Anushka Lal** on the new role at the City of Greater Dandenong as Coordinator Financial Accounting. Anushka moved from Manningham City Council.



[Join us for the 2023 FinPro Conference and set yourself up for success](#)

We are excited to announce that stage 1 of registrations are now open for our 2023 Conference, to be held at RACV Cape Schanck from 25 – 27 October 2023.

- Stage 1: **Full Conference Registrations** only from 1 September 2023
- Stage 2: **All Conference Registrations** open from 18 September 2023.

Our conference theme is SET FOR SUCCESS, and we have a fantastic line-up of speakers to provide insights into topics including:

- Demographics,
- The Economy and what it means for LG,
- Assets, Budgets and Legal Matters,
- AI, and
- Challenges at the top - insights from LG CEO's.

CONFERENCE PROGRAM AND REGISTRATION DETAILS

The event opens with Regional Networking Forums and will be followed by a 2 day conference and sponsor exhibition.

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 on our [conference website](#).
- When you register you can pay immediately or request an invoice.
- In order to register as a member, you must be a current member.
- One member can book for a team of people by first registering themselves, then booking in others as their guest.
- The first stage of registrations is **ONLY THOSE BOOKING FOR THE FULL CONFERENCE** – other bookings will be taken from 18 September.

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 200 rooms - and we hope to have 250 delegates! Day delegates also help with this.

If you have any questions please contact [Gab](#).

Thank-you to our amazing sponsors for our 2023 Conference!



Recent Webinar - Preparing for the 2024/25 Budget Cycle

Thinking about your 2024/25 Budget process? FinPro ran a webinar to assist members as they begin to prepare for the next budget cycle on 24 August 2023.

More information and the recording [available here](#).

SAVE THE DATE

FinPro AGM and End of Year Networking Event - Friday 1 December 2023 at The Windsor Hotel Melbourne

Our Key Note Speaker will be Holly Ransom – [read more about her here](#)

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

Consultation dates extended: Guidelines for payment of rates and charges

LGV initiated public consultation regarding Ministerial Guidelines relating to the payment of rates and charges (s.181AA of the Local Government Act 1989).

Feedback was due in by 1 September, however has now been extended to 15 September 2023 – it can be accessed here: <https://engage.vic.gov.au/local-government-rates-ministerial-guidelines-relating-to-payment-of-rates-and-charges>

As per our previous Member Update, FinPro will be providing feedback to LGV. This feedback will be finalised and submitted by **Monday 11 September**, and will also be shared with FinPro Members on that date via a special note to members, should councils wish to review the feedback or use it as a guidance for their own councils submission on the guidelines.

Vision Super VBI Update

The following information was distribution to councils on 22 August, and an extract is shared here for member information:

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

The 30 June 2023 VBI results have been finalised as follows:

As at	30 Jun 2021 (actual)	30 Jun 2022 (actual)	30 Sep 2022 (est.)	31 Dec 2022 (est.)	31 Mar 2023 (est.)	30 Jun 2023 (est.)
LASF DB	109.7%	102.2%	101.5%	101.7%	104.2%	104.1%

The 30 June 2023 VBI has remained largely static compared to that at 31 March 2023. This is mainly due to:

Positive investment returns for the quarter which have increased the asset pool supporting the defined benefit liabilities of the sub-plan.

Salary increases advised to Vision Super during the quarter and pension indexation which have increased the value of the active member benefit liabilities and have largely offset the positive investment returns.

There have been changes to the actuarial assumptions used for the 30 June 2023 VBI calculations as outlined in the 2023 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 104.1% as at 30 June 2023 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.

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 2023 VBI calculation of 104.1% was an actuarial review and exceeded 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 2023 sample employer superannuation notes

As indicated above, the Fund Actuary has changed the financial assumptions used for his 30 June 2023 VBI calculations. We have updated our 2023 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".

Next update

The next VBI review is scheduled as at 30 September 2023, with results expected to be distributed to employers around mid-November 2023.

If you have any queries or need assistance, please contact the Employer Services team on 1300 304 947 or employerservices@visionsuper.com.au.

Stephen Rowe, Chief Executive Officer, Vision Super

VLGGC Statewide Information Sessions 2023

As members will be aware, Victorian Local Government Grants Commission allocates Financial Assistance Grants to support councils in delivering services to their communities.

As part of its annual consultation program, the VLGGC is holding 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.

The first of these sessions has already been held, and the second will be on Friday 8 September via Microsoft team.

[A copy of the presentation slides from the first session is available here for member information.](#)

Contact [Nada](#) for details on how to register if you would like to attend the session on 8 September 2023, from 10 – 11.30am

General Information

Latest from .id – The High Impact of ‘Affordable Decent Housing’ has on liveability

Australia is suffering a housing appropriateness and affordability crisis. In [this article](#) we use the 2023 National Liveability Survey to explain how Australians selected ‘affordable decent housing’ as the single biggest inhibitor – and opportunity – to advancing quality of life across the Nation.

The National Liveability Survey is used as spatial benchmarking for councils and other organisations who subscribe to our [Living in Place community survey](#).

Grant Application guide

Looking for some hints and tricks when applying for a grant?

Here are [some ideas](#) courtesy of .id

TCV Loan and Investment Rates as 30 August 2023

Maturity	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	4.4944	4.5166	4.4950	4.5350	0.2258	0.0638
3 year	4.4145	4.4356	4.4400	4.4650	0.3472	0.1971
5 year	4.4953	4.5174	4.4500	4.4750	0.4430	0.3069
7 year	4.6914	4.7156	4.5250	4.5550	0.5200	0.4012
10 year	5.0368	5.0649	4.7250	4.7550	0.7080	0.6115
12 year	5.2077	5.2378	4.8600	4.8950	0.8026	0.7149
15 year	5.4051	5.4376	5.0450	5.0800	0.9516	0.8670
11am (at Call)	4.4150				BBSW	
30 day	4.2450				1 Month	4.0550
60 day	4.2750				3 Month	4.1303
90 day	4.3250				6 Month	4.3942
180 day	4.5850					

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.

Cash	4.0500		4 Month	4.2100
1 Month	4.0450		5 Month	4.3000
2 Month	4.0700		6 Month	4.3842
3 Month	4.1203		1 Year	4.1916

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.

Market activity has been mixed over the last fortnight, as a bond selloff on strong US data and "higher for longer" sentiment reached a crescendo following US Fed Chair Jay Powell's speech at Jackson Hole, with 5-year Treasury notes breaking 5%. But this sentiment has unwound over recent days, following a series of softer US data prints, lessening the odds of another Fed hike. While we see the Fed as at the terminal rate, it is harder and harder to see multiple cuts in 2024.

Australian data has been on the softer side, with unemployment above expectations and wage growth and monthly CPI below expectations. Building approvals have likewise been soft. That said retail sales was unexpectedly strong. We see little prospect of a September RBA rate hike, although November is live. Our central case forecasts continue to have the RBA on hold at 4.1% for the next year.

Disclaimer

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Current jobs in the sector

[Finance Business Partner](#) – Cardinia Shire Council Applications close 3.9.23

[Finance Manager](#) – Rural City of Wangaratta Applications close 4.9.23

[Asset Management Analyst](#) – Cardinia Shire Council Applications close 10.9.23

[EOI Audit & Risk Committee](#) – Borough of Queenscliffe Applications close 22.9.23

FinPro Executive Team 2023

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Wei Chen (Yarra CC)

Secretary / Treasurer

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