

FinPro Member Update – Edition 6, 2023

President's Message

Well, that's the first quarter of 2023 over and done with!

I hope your budget is coming along. I'm sure most of you have been out planting an extra money tree to deal with all the increasing costs. It was pleasing to see some downward (although slight) trend in the release of CPI figures this week.

Our leadership program closes on Monday – why wouldn't you want to apply for some free, professional development??? It's a program we are very proud of!

Last week Gab and I had the privilege of attending the Western Australia LG Financial Professionals conference in sunny and hot Perth. Currently, there are 137 local governments in Western Australia, and they certainly vary greatly in their characteristics.

- The size of local governments ranges from less than 1.5 to over 370,000 square kilometres.
- The populations of local government districts range from just over 100 to more than 220,000.
- The number of staff employed in each local government varies from less than 10 to over 1000.
- In 2019-20 total revenue for local governments in Western Australia ranged from just over \$2 million to just over \$225 million.

They too are going through a lot of change and last week major changes to their LG Act passed.

Enjoy your weekend!



Bradley Thomas,
President FinPro and CEO Hepburn Shire

Membership News

Welcome to new member **Darren Schultz** who has joined the team at the City of Greater Geelong as Chief Financial Officer.

We also welcome:

- **Iain Griffiths**, Team Leader Revenue Management at Mornington Peninsula Shire,
- **Jade Kim**, Payroll Analyst with Banyule City Council,
- **Fred Liu**, Senior Corporate Finance Analyst with the City of Melbourne, and
- **Peter Schnorrenberg**, Asset Accountant with Yarriambiack Shire.

FinPro 2023 Leadership Program

Applications close Monday 3 April 2023 at 11.59pm

The Program provides a unique opportunity for new and emerging leaders in Financial Management to develop the extra skills they need to move from being an 'accountant' to be a 'leader' in Local Government in Victoria.



The Program is provided **free of charge** for up to 12 successful applicants. Eligibility rules apply.

Previous applicants are strongly encouraged to apply for this year's program. Please note that only ONE application per council is to be made.

[2023 Program and Application Details](#)

[2023 Application Form](#)

Upcoming Professional Development

FinPro Webinar – DATE CHANGE: Thursday 18 May 2023 @ 12.30pm – Windfall Gains Tax

Is re-zoning of Council land on your horizon? Then you need to consider whether the Windfall Gains Tax (WGT) applies to your Council. The tax is already in effect.

WGT applies when Council land is rezoned, whether or not it is sold thereafter. So, if you rezone land and hold onto it, you would still be liable for the tax. You can defer payment of the tax for up to 30 years or until the land is sold if we like. It's essentially a tax on the uplift in land value created by a rezoning event, and the liability sits with the landowner at the time.

If this affects your council or you want to understand more about this topic, join us as we run a Webinar on **Thursday 18 May 2023 @ 12.30pm** on the topic. Our main presenter for the webinar will be Chris Cantor, Partner Maddocks and Zak Gaddie, Lawyer, Maddocks.

Register now for this Free Webinar

[**REGISTER NOW**](#)

SAVE THE DATE: FinPro in-person Seminar – Friday 16 June 2023 @ MCEC

SAVE THE DATE: FinPro Conference – 25 – 27 October 2025 @ RACV Cape Schanck

Technical Updates

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

The following documents are available at this link: [Sector guidance: planning and reporting \(localgovernment.vic.gov.au\)](https://www.localgovernment.vic.gov.au/sector-guidance/sector-guidance-planning-and-reporting)

- 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

Thank-you to all the sector representatives that played an active role in preparing these documents. LGV launched the Models at the FinPro Seminar on Friday 24 February 2023. A copy of the presentation slides is available here: [Presentation Model Budget and Financial Statement Launch – LGV](#)

Development Contributions Finance Special Group (FSG) Update

Thank you to everyone for supporting our emerging development contributions program designed to support finance professionals. To date we have 50 members, plus some non-members, on our mailing list, they represent 22 Victorian councils required to manage DCP's. As you may be aware, the management and reporting of development contributions is one of the key financial sustainability issues facing the Local Government sector.

We are aiming to schedule our future Finance Support Group (FSG) meetings on a monthly basis with the next meeting scheduled for Thursday 6 April at 10am. At this meeting we will be discussing cashflow reporting and the emerging funding gap issues. A key objective is to develop a suite of financial reports and templates that can translate existing DCP information into standardised accounting statements.

We will also be scheduling a number of DCP training sessions given there are members with limited or no previous exposure to the management of development contributions. These training sessions will build on our initial training last February that applied some case study scenarios faced by Victorian councils.

Please contact either myself or [Gab](#) if you would like to join the FinPro Development Contributions mailing list. All members on the mailing list will be invited to attend both the FSG meetings and the training sessions.

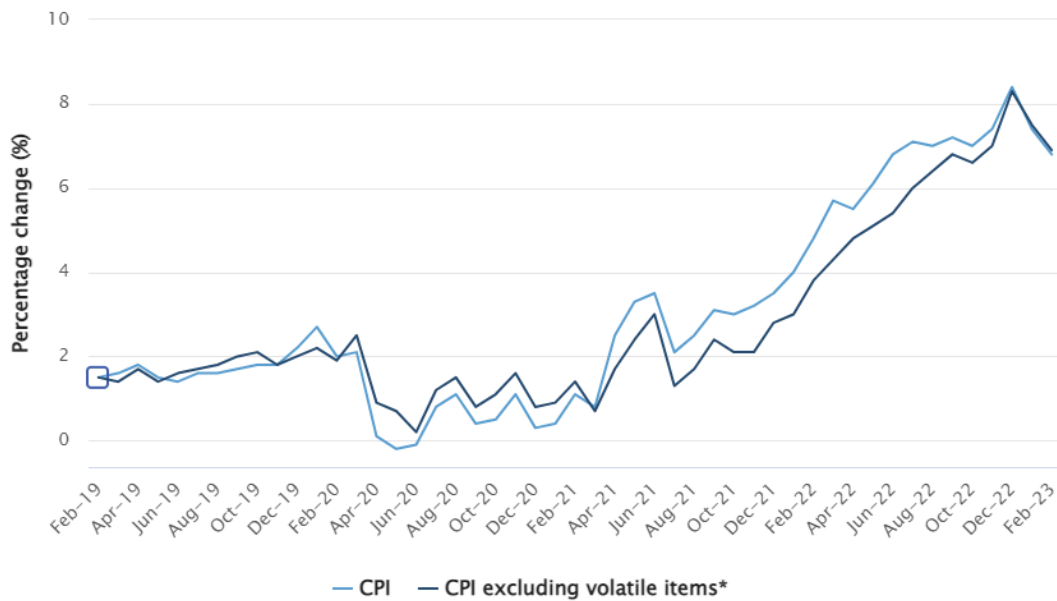
Many thanks, Malcolm (Email: malcolmlewis@lgcg.com.au)

CPI Update

The Australian Bureau of Statistics released their monthly CPI this week -

- The monthly CPI indicator rose 6.8% in the twelve months to February.
- The most significant price rises were Housing (+9.9%), Food and non-alcoholic beverages (+8.0%) and Transport (+5.6%).

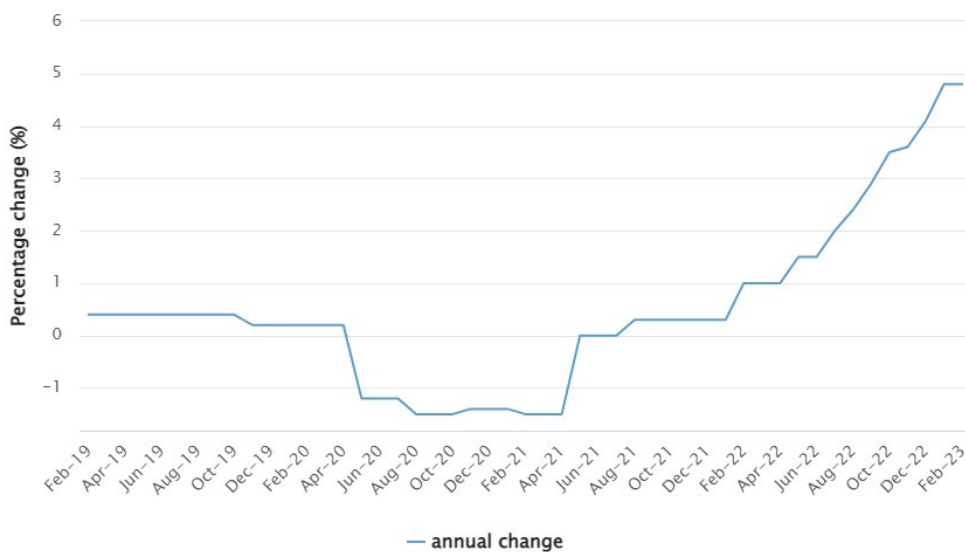
All groups Monthly CPI indicator, Australia, annual movement (%)



*Volatile items are Fruit and vegetables and Automotive fuel

Rent prices remain high - Rent prices increased 4.8% in the year to February, reflecting low vacancy rates and a tight rental market.

Rents, Australia, annual movement (%)



TCV Loan Rates as at 29 March 2023

| Maturity | Fixed Rate (Interest Only) | | Fixed Rate (Principal and Interest)* | | Floating Rate (margin to BBSW) | |
|-----------------------|-------------------------------|--------|-----------------------------------------|--------|-----------------------------------|--------|
| | Quarterly | Semi | Quarterly | Semi | Quarterly | Semi |
| 1 year | 3.7924 | 3.8081 | 3.8700 | 3.8800 | 0.2279 | 0.0792 |
| 3 year | 3.6858 | 3.7001 | 3.6950 | 3.7100 | 0.2924 | 0.1421 |
| 5 year | 3.8025 | 3.8178 | 3.7300 | 3.7500 | 0.3483 | 0.2174 |
| 7 year | 4.0290 | 4.0464 | 3.8300 | 3.8550 | 0.4119 | 0.2981 |
| 10 year | 4.3812 | 4.4020 | 4.0450 | 4.0700 | 0.5841 | 0.4922 |
| 12 year | 4.5869 | 4.6098 | 4.1900 | 4.2200 | 0.7047 | 0.6241 |
| 15 year | 4.7907 | 4.8159 | 4.3950 | 4.4250 | 0.8501 | 0.7763 |
| 11am (at Call) | 3.9150 | | | | BBSW | |
| 30 day | 3.8450 | | | | 1 Month | 3.6300 |
| 60 day | 3.8850 | | | | 3 Month | 3.7044 |
| 90 day | 3.9250 | | | | 6 Month | 3.7810 |
| 180 day | 3.9950 | | | | | |

TCV Investment rates

| | | | | |
|----------------|--------|--|----------------|--------|
| Cash | 3.5500 | | 4 Month | 3.7200 |
| 1 Month | 3.6200 | | 5 Month | 3.7400 |
| 2 Month | 3.6654 | | 6 Month | 3.7710 |
| 3 Month | 3.6944 | | 1 Year | 3.4831 |

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.

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 and 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.

FinPro – Current finance jobs available in the sector

| | | | |
|--------------------------------------|--------------------------|---------------------------------|---------------|
| Management Accountant | Warrnambool City Council | Council Website | 31 March 2023 |
| Coordinator Revenue | Bass Coast Shire | Council Website | 2 April 2023 |
| Finance Coordinator – Revenue | Southern Grampians Shire | Council Website | 7 April 2023 |

Thank-you to our 2022 FinPro Conference Sponsors

- [APV Valuers & Asset Management](#)
- [Commonwealth Bank](#)
- [CT Management Group](#)
- [Curve](#)
- [Insightsoftware](#)
- [Imperium Markets](#)
- [ITVision](#)
- [Lygon](#)
- [LG Solutions](#)
- [Laminar Capital / Perpetual](#)
- [MAGIQ Software](#)
- [National Australia Bank](#)
- [Nelnet International](#)
- [Promaster](#)
- [Satori](#)
- [TCV](#)
- [TechnologyOne](#)
- [Westpac](#)
- [Zipform](#)

Thank-you to the sponsors of our Feb 24, 2023 seminar.

- [Payble](#)

FinPro Executive Team 2023

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

FinPro Contact Details

Email: gabrielle@finpro.org.au

Mobile: 0400 114 015

Web: www.finpro.org.au