

FinPro Member Update – Edition 7, 2023

President's Message



Today Bradley has provided his message via a video
We hope you enjoy.

[Just click here](#) and you should be good to go!

Enjoy your weekend!

Bradley Thomas,
President FinPro and CEO Hepburn Shire

Membership News

Welcome to new member **Abbas Mehr** who joined West Wimmera SC as CFO this week. Abbas replaces Melania Jordan who has moved to South Australia.

Congratulations to member **David Rae**, on being appointed to the role of CEO at Corangamite Shire. David will move to Corangamite Shire from Moyne Shire where he is currently the Director Corporate and Community Services.

Congratulations to **Romi Fernando** who has moved to Baw Baw Shire as Coordinator Financial Accounting Services. Romi was previously at Cardinia Shire.

2023 FinPro Leadership Program

We had a fantastic response to our recent call for applications for the 2023 FinPro Leadership Program, receiving 25 applications in total. Applications were limited to one per council.

Our assessment team are currently reviewing all the applications and we hope to announce the final list of attendees for our program in the next week, giving them ample time to prepare to attend the program which will run from 7 – 10 May 2023 at CountryPlace Kalorama.

Thank-you to everyone who applied.

Launch of the 2023 FinPro Mentoring Program

The FinPro Mentoring Program is an initiative that has been developed over the past 6 years to provide ongoing support to members who participate in the 'FinPro Leadership Program'.

In the Program, a mentor is paired with a mentee (participant in the Leadership Program). Over a period of 12 months, the paired mentor and mentee meet in person or virtually each month, providing them with the opportunity to develop the concepts learnt during the Leadership Program workshop (7-10 May 2023).

The Program also provides an opportunity for additional ongoing guidance, support and feedback to help develop local governments' future leaders.

We have developed a [2023 FinPro Mentoring Program. A best practice guide](#) to assist mentors and mentees to achieve the most they can from our program.

[Apply now](#) to be a Mentor for our 2023 Program - EOI's close Wednesday 3 May 2023.

Seeking mentors – [apply now](#)

- We are seeking EOI's from within our FinPro membership from anyone interested in taking on a role as a mentor. No previous experience in mentoring is necessary.
- We will provide both training and resources, however you must have at least 8 years' experience in finance, including at least 3 in a leadership role in the LG sector, along with a desire to support the growth and development of others in the sector.
- All FinPro Members who seek to be a mentor must complete the [EOI](#).
- Mentor EOI's are open now and close on Wednesday 3 May 2023 to allow our team time to match our mentees with our mentors.
- The FinPro Mentoring Assessment Group will review all applications and allocate mentors to mentees according to a set criterion of location, suitability and experience.
- Matched pairs will be notified on Wednesday 10 May 2023 when the Mentoring Program officially commences, and a digital function introducing the program will be held shortly after.



Upcoming Professional Development

FinPro Webinar: 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 \(localgovernment.vic.gov.au\)](#)

- 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](#)

Digital Transformation Programs – Do you have some learnings to share?

We hear from members that one of their key areas of frustrations is the implementation of new systems and transformation programs that Councils undertake. We use our finance systems on a daily basis, they are an integral part of what we do and how we do it, and things are certainly changing with the introduction of the likes of zoom meetings and ChatGPT in recent years.

At our next Professional Development Day in Melbourne on 16 June 2023 we plan to host a panel discussion about practical learnings from new system implementation, especially with a financial lense. To make this session really informative and focused we are asking you, our members, if you would like to share your learnings and experiences on the panel.

If you are interested in speaking please reach out to Gab gabrielle@finpro.org.au to discuss. We are keen to hear from all angles – small, medium or big councils, regardless of the success or other of your implementation. All learnings are useful for us all!

Audit and Risk Committees (ARC)

Earlier this week we sent an email to the most senior person at each council with the following information. If your council hasn't as yet completed the quick survey, we would really appreciate a response.

We know that you are really busy right now with many things, including the preparation of your council budget, but we were hoping that you could take a few moments to assist us.

We have received numerous queries recently about Audit and Risk Committees (ARC), so thought that it would be beneficial for our members to conduct a quick survey about these Committees, and then share the collated results back to you.

The survey relates to ARC remuneration and meeting regularity and there are 7 very quick questions - [Audit and Risk Committee \(office.com\)](#)

Only one response is required per council is required.

Advocacy for Rates Concession for Pensioners

It is noted that Moonee Valley City Council have sent letters to the Minister Local Government, the Hon. Melissa Horne MP, The Premier, The Hon Daniel Andrews MP and all councils advocating for Rate Concessions for Pensioners. [Read more](#)

Vision Super Update

The following information was distributed to councils earlier this month and is shared here for member information.

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

The 31 December 2022 VBI results have been finalised as follows:

As at	30 Jun 2020 (actual)	30 Jun 2021 (actual)	30 Jun 2022 (actual)	30 Sept 2022 (est.)	31 Dec 2022 (est.)
LASF DB	104.6%	109.7%	102.2%	101.5%	101.7%

The 31 December 2022 VBI has increased slightly compared to that at 30 September 2022. This is mainly due to:

- Positive investment returns for the quarter of 3.49% which have increased the asset pool supporting the defined benefit liabilities of the sub-plan
- Salary increases of 0.36% advised to Vision Super during the quarter, which have increased the value of the active member benefit liabilities, and
- Pension indexation of 3.96% for the half year which has increased the value of the pension member benefit liabilities and impacted the VBI negatively.

The VBI of 101.7% as at 31 December 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.

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 31 December 2022 VBI calculation of 101.7% exceeded the applicable 97% 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.

Next quarterly update

The next quarterly VBI review is scheduled as at 31 March 2023, with results expected to be distributed to employers around mid-May 2023.

The estimated monthly VBI at 31 January 2023

As the investment markets have continued to be volatile, we have been monitoring the VBI more frequently. The estimated VBI as at 31 January 2023 was 104.2% which reflects the investment markets performance during the month.

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

HLB Judd – FBT reminder: Electric cars exemption

The following information was included in the recent Tax Alert issued by HLB Mann Judd earlier this month:

It's FBT time again, and for the 2022–2023 FBT year it's important to remember that your business may be able to get an exemption for certain eligible electric vehicles made available for the private use of your employees. To meet the conditions for exemption, the car must be either a battery electric vehicle, a hydrogen fuel cell electric vehicle or a plug-in hybrid electric vehicle used for the first time on or after 1 July 2022, even if it was held (owned or leased) before that date, and must be valued under the luxury car tax (LCT) threshold for fuel efficient cars.

For FBT purposes, motorcycles and scooters are not considered to be cars and therefore would not be eligible for the exemption even if they happened to be electric. If an electric vehicle meets all of the conditions, car expenses such as registration, insurance, repairs and maintenance, and the fuel/electricity to charge cars, will also be exempt. However, a home charging station is not considered a car expense associated with providing a car fringe benefit, so those costs will not be exempt. Businesses will also need to include the value of any eligible electric cars benefits provided when working out whether an employee has a reportable fringe benefits amount.

Source: [Tax Alert April 2023.indd \(hlb.com.au\)](#)



General Information

CBA – Cyber Security in a modern digital world

CBA will be holding a discussion on Cyber Security in a modern digital world and all FinPro members are invited to attend..

In this webinar CBA's Cyber expert will cover topics such as:

- How cyber differs to scam's and fraud
- Where you might receive a cyber-attack
- How we participate with experts to protect our customers, our staff, our systems and your data
- Some statistics on the Top Industries in Australia where breaches have been reported as at December 2022

The session will also finish by providing some simple steps you can take to stay safe in the digital world.

The event will be hosted by Michael Smale, Manager Security Outreach & Customer Engagement at the CBA and will be held on Thursday 27 April 2023 from 11.30 – 12.30am AEST.

Register now for this free event

Accept

For enquiries please contact Gil Saad, Relationship Executive at saadg@cba.com.au

Registrations close Wednesday 26 April 2023

What are the long-term drivers of Australian house prices? New on the .id blog

Georgia Allan, Housing consultant at .id (informed decisions) shared a blog earlier this week where she summarises a whitepaper on the long-term drivers of Australia's housing cost crisis.

[Read more here](#)



TCV Loan Rates as at 12 April 2023

Maturity	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	3.7922	3.8077	3.8550	3.8600	0.1802	0.0611
3 year	3.6511	3.6651	3.6700	3.6850	0.3254	0.2095
5 year	3.7206	3.7352	3.6750	3.6950	0.3581	0.2526
7 year	3.9215	3.9378	3.7550	3.7750	0.4073	0.3136
10 year	4.2601	4.2796	3.9500	3.9700	0.5659	0.4876
12 year	4.4483	4.4698	4.0850	4.1100	0.6678	0.5969
15 year	4.6582	4.6819	4.2700	4.2950	0.8168	0.7488
11am (at Call)	3.9150				BBSW	
30 day	3.8150				1 Month	3.5926
60 day	3.8550				3 Month	3.6470
90 day	3.8750				6 Month	3.7300
180 day	3.9550					

TCV Investment rates

Cash	3.5500		4 Month	3.6700
1 Month	3.5826		5 Month	3.7000
2 Month	3.6223		6 Month	3.7200
3 Month	3.6370		1 Year	3.4827

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.

FinPro – Current finance jobs available in the sector

Financial Accountant	Colac Otway Shire	Council Website	18 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

Belinda Johnson (Southern Grampians SC)

PD Committee Members

Alan Wilson (Melbourne CC)

Melissa Baker (South Gippsland SC)

Nathan Kearsley (Latrobe CC)

Aaron Gerrard (Whittlesea CC)

Vice-President – Chair Technical

Tony Rocca (Maroondah CC)

Technical Committee Members

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