

FinPro Member Update – Edition 1, 2024

President's Message

Welcome back to 2024! Looking like it might just be one of the craziest on record for our sector.

Here at FinPro we are looking forward to working with you all, providing plenty of information and professional development opportunities, advocating on behalf of the sector and trying to make your life that little bit easier. If there is ever anything you think FinPro can help with, please reach out to one of the Executive Members.

In terms of finances within the sector we are already off to a red-hot start. 'Almost Christmas Eve' saw the release of the rate cap, and some ministerial guidelines especially associated with waste charges. We are very concerned about these changes and over the last week most councils have completed a survey providing valuable data and today we issued our summary document.

This week Tony Rocca and I met with independent consultants who are performing a review of VAGO. It was a great opportunity for us to chat about how the sector views and works with VAGO. Next week I am meeting with the CEO at the MAV to discuss joint advocacy opportunities, and in particular how we can put forward a detailed submission to the upcoming Parliamentary inquire into Local Government funding and services Inquiry into Local Government funding and services (parliament.vic.gov.au)

I'm super excited about our upcoming Professional Development Day on 23 February in Melbourne [FinPro Professional Development Day - FinPro](#). The agenda mix looks first class and includes the Minister Local Government, the Public Sector Gender Equality Commissioner and our closing keynote speaker, [Holly Ransom - Globally renowned leadership speaker & consultant](#) who is just coming off interviewing President Bill Clinton and Secretary Hillary Clinton!!!!



Looking forward to catching up with you all through 2024.



Bradley Thomas,
President FinPro and CEO Hepburn Shire



Membership News

We welcome the following new members:

- **Jessica Greening** has commenced at the Rural City of Wangaratta as Finance Manager. Jessica replaces Chris Molyneaux who has moved interstate,
- **Lincoln Tong** has commenced at the City of Melbourne as Finance Director and will take over as CFO from 1 Feb when **Michael Tenace** moves into a project advisory role,
- **Linda Van Der Staay** has joined the team at Baw Baw Shire as Assistant Accountant,
- **Amanda Wilson** has joined the team at Gannawarra Shire as Director of Corporate Services,
- **Sandra di Fatta** (Asset Accountant) and **Ken Symon** (Systems Accountant) at Nillumbik Shire,
- **Cat Baird** (Asset Systems Coordinator) and **Emily Rickwood** (Asset Engineer) at Baw Baw Shire,
- **Chamila Cooray** has joined the team at Cardinia Shire as Financial Accountant,
- **Narelle Kingston** has joined the team at the City of Greater Bendigo as Coordinator Management Accounting & Analysis, maternity leave replacement for **Kate Fox**,
- **Kelly Kong**, Coordinator – GIS and Assets and Greater Shepparton City Council,
- **Rindayi Matienga** has joined the team at Melton City Council as Coordinator Accounting Services,
- **Sean Morris**, Asset Officer at Yarra Ranges Shire, and
- **Anya White** who has joined the team at Surf Coast Shire as Financial Accountant.

We congratulate the following members on their new roles within LG:

- **Taryn Abrahamsson** has taken on the role of Manager Financial Strategy with South Gippsland Shire, replacing **Melissa Baker** who has moved to the City of Casey as CFO.
- **Allison Southwell** has joined the team at Cardinia Shire as CFO. Allison was previously at Yarra Ranges and replaces **Scott Moore** who has left the sector.
- **Shachini Dassanayake** has moved from Cardinia Shire to Yarra City Council as Coordinator Financial Accounting.
- **Sisira Gunasekera** has moved from Hume City Council to Brimbank City Council as Management Accounting Coordinator.
- **Liam Routledge** has moved from the City of Melbourne to Yarra Ranges Shire as Director Corporate Services.

New Members – please let us know by emailing gab

If your council has some new finance staff, they are most welcome to join FinPro. Councils with a council membership can include as many staff from within their team as they wish.

For those councils with Individual FinPro Membership for their staff, please note that this membership is transferrable should you have a change of staff.

Professional Development – Upcoming Events

FinPro Asset Workshops – Regional Session 12 – 16 February 2024

FinPro has partnered with David Edgerton from APV Valuers and Asset Management to provide 5 regional workshops during February 2024.

- **Monday 12 February 2024 @ Morwell** [Register](#)
- **Tuesday 13 February 2024-@Melbourne (MAV Offices)** [Register](#)
- **Wednesday 14 February 2024 @ Warrnambool (Council Offices)** [Register](#)
- **Thursday 15 February 2024 @ Bendigo** [Register](#)
- **Friday 16 February 2024 @ Benalla (Benalla Racecourse)** [Register](#)

These half-day workshops are designed to bring both finance professionals and asset managers up-to-date valuation and asset management information and to provide practical examples of how the proper application of the requirements can be easily applied to deliver both financial reporting and strategic asset management outcomes.

The agenda for each workshop will be the same.

Based on feedback from the webinar we ran in October 2023, these workshops are being delivered regionally to provide councils with the opportunity to send multi-disciplinary teams where they can explore council specific issues and ask more detailed questions.

Each session will commence at **10am and conclude at 2pm**. A light working lunch will be provided during each workshop.

The workshops are FREE for all FinPro members. We encourage each council to send at least one staff member to a regional session nearby.

Full Flyer and Program details [available here](#).



Thanks to David Edgerton from APV for running these workshops.

FinPro Seminar – Friday 23 February 2024

Join us on **23 February 2024** at the Melbourne Convention & Exhibition Centre for our first live event for the year.

We have a jam-packed agenda:

- Keynote Address - The Hon. Melissa Horne MP (Minister for Local Government)
- Economic Outlook - Phin Ziebell, Head of Research, TCV
- Diversity and Inclusion - Dr Niki Vincent, Public Sector Gender Equality Commissioner, and Tracey Egan, Gender Diversity & Equity Coordinator, Monash CC
- Launch of the Model Budget 2024/25 and Model Financial Statements 2023/24
- FinPro AGM
- VAGO Update - Year End Audit Report 2022/23
- Closing Keynote Address - Holly Ransom - Globally renowned Leadership Speaker

See the [full program here](#).

Register

Registrations are now open for this event, and close Wednesday 14 February 2024.

Investment: (includes seminar, morning tea, lunch and networking event from 3 – 4pm)

- Members: \$176 pp
- Non-members: \$242 pp



Payble[™]

We thank Payble Pty Ltd, our Networking Sponsors for this event.

2024 FinPro Leadership Program

New Year! New career aspirations!

FinPro are delighted to offer 12 local government finance professionals a 3-day leadership experience once again with leading practitioners.

This year's program will commence on Sunday 5 May and conclude on Wednesday 8 May. The Program takes place in beautiful Kalorama where you can escape the everyday work pressures to focus on key skill development and knowledge sharing with a group of like-minded people.

Professional development sessions help to increase your depth of knowledge in finance, governance & rates (amongst others) with personal development sessions focused on understanding yourself as a leader and applying those skills within your own teams and the broader organisation.

Further information on how to apply for this awesome opportunity will be available soon.

Technical Update

Local Government Bulletin 23/2023

The following Bulletin was issued on Friday 22 December 2023 and is shared here for member information:

BULLETIN: 23/2023 2024-25 RATE CAP AND RELEASE OF MINISTER'S GOOD PRACTICE GUIDELINES FOR SERVICE RATES AND CHARGES

The Minister for Local Government, the Hon Melissa Horne MP, has announced that the average rate cap for the 2024-25 financial year will be set at 2.75 per cent. This will apply to all Victorian councils.

The Minister set the average rate cap under section 185D(1) of the Local Government Act 1989 (the Act) and the general order establishing the rate cap for 2024-25 was published in the Government Gazette on 21 December 2023.

As required by section 185D(3) of the Act, the Minister's decision was informed by advice from the Essential Services Commission (ESC). The ESC's advice was that the average rate cap be set equal to the 2023–24 Budget Update forecast of the consumer price index (CPI) for 2024–25 from the Department of Treasury and Finance (DTF). DTF's Budget Update forecast of the 2024-25 CPI is 2.75 per cent.

The Minister's decision took into consideration cost-of-living pressures being experienced by many Victorians and the sustainability of local governments. Councils remain able to seek a higher cap amount via application to the ESC if they determine that additional rate revenue over the cap amount is required. The ESC has guidance and information materials for the 2024-25 higher cap application process on its website (www.esc.vic.gov.au).

Minister's Good Practice Guidelines for Service Rates and Charges

The Minister for Local Government has published Good Practice Guidelines under S.87 of the Local Government Act 2020 to clarify the use of Service Rates and Charges for the collection of kerbside waste and recycling from properties. Service rates and charges used to fund waste collection and management are not subject to the rate cap.

The Minister's Guidelines provide clarity on good practices when using Service Rates and Charges. This includes clarifying Service Rates or Charges for services that are not provided directly to properties. The Guidelines are now available on the Local Government Victoria website.

For further information on the Minister's Guidelines, please contact Leighton Vivian, Senior Manager, Local Government Victoria at leighton.vivian@dgs.vic.gov.au

For further information on the rate cap, please contact Daniel O'Shea, Program Manager Finance and Reporting, Local Government Victoria at daniel.oshea@dgs.vic.gov.au.

Regards

Mike Gooley

Executive Director, Local Government Victoria

Commentary about the rate cap

On Friday 22 December 2023, the Minister for Local Government announced the rate cap for 2024/25 at 2.75 per cent, under the Labor Government's Fair Go Rates system.

The Government accepted the ESC's recommendation, which was to match the Consumer Price Index forecast for 2024/25. The 2.75 per cent is the rate cap limiting the amount all Victorian councils can increase their total revenue from general rates and municipal charges.

Melissa Horne, Minister for Local Government noted that:

"The Fair Go Rates mean households have certainty over their council rates in 2024-25, the increase will be kept to the forecast inflation rate."

"The rates cap has made a real difference to household budgets over the past eight years and we will keep working towards reducing costs for families."

The full media release can be seen here: [Council Rates Cap To Keep Costs Low For Victorian Families | Premier of Victoria](#)

Given the Councils costs associated with running of Council Services and infrastructure builds is well above the forecast CPI figure, a survey has recently been issued to collect data associated with the cap as well as deal with the Waste Charge Guidelines noted below. A collective approach, in relation to the rate cap and the Inquiry into Local Government Funding and Services is critical in approaching the challenge of rate cap funding and inflated costs of doing business.

Waste Charge Guidelines

On 23 December alongside the announcement of the rate cap for 2024-25, the Victorian Government issued good practice guidelines for service rates and charges. These Guidelines take effect from 1 March 2024.

These guidelines can be found [here](#) as appendix two under the "Revenue and Rating" heading.

Survey Results and Commentary – Waste Charges and Financial Sustainability

The following information was distributed to all member this morning (19.1.24) as a separate email and is also included here for member information following receipt of survey results from 57 of the 79 Victorian Councils.

Recently the State Government issued Bulletin 23/2023 (2024-25 Rate Cap and release of Minister’s Good Practice Guidelines for service rates and charges). The sector expected the announcement of the rate cap (although was disappointed with the value), but the issue of the guidelines, to take effect on the 1 March 2024, was a surprise.

While FinPro was consulted on the proposal of the guidelines, we were unable to engage more broadly with councils due to confidentiality provisions. FinPro made it clear to Local Government Victoria during the consultation that we consider some of these provisions were inappropriate, counter-productive and would have significant impact on the financial position of many Councils, potentially reducing essential services, and make it more difficult for the state to reach waste reduction and circular economy targets over coming years.

Recently FinPro conducted a survey to provide sector-wide data following the released guidelines. In particular, we were interested in determining how many Councils might be impacted by implementing the waste guidelines. Our survey results estimates that there is potential for 80% of Councils to be financial impacted by the new guidelines.

We thank our members for completing the survey, and the attached results provide a summary of the analysis and FinPro proposed action to continue advocacy for our members and the long-term financial sustainability of the Local Government sector.

Please reach out to our Executive if you have any questions or comments.

VAGO – Performance Audit on Financial Management of Local Councils

Victorian Auditor-General’s Office is conducting a performance audit on financial management of local councils. The objective of this audit is to assess whether councils are managing their financial resources in alignment with their strategic planning to enable continued financial sustainability and providing quality financial advice to Councillors.

The following councils were selected for this audit:

- Greater Shepparton City Council
- Northern Grampians Shire Council
- Maribyrnong City Council
- Wyndham City Council
- Yarra City Council

The scope of the audit does not include:

- Policy issues – such as rate capping.
- Cost shifting – the Legislative Council’s Economy and Infrastructure Committee is conducting an inquiry into local government funding and services, with a report to table in June 2024. This will include an examination of several issues, including cost shifting.
- Whether individual councils are financially sustainable or not.

This audit also has a particular focus on the capital works delivery, as the capital works carry over has been identified as a key issue by VAGO in its financial audits on local councils. This audit will investigate how councils manage their capital works programs and their practices around setting, monitoring and evaluating budgets to ensure they remain realistic and achievable.

The planning meetings have started with the relevant councils and the final report will be tabled in both houses of Parliament and published on VAGO’s website during Q3 of 2024.

Further information can be found at [Financial management of local councils | Victorian Auditor-General's Office](#).

Some useful links to LG related Inquiries and reports

Parliament of Victoria – [Inquiry into Local Government funding and services](#)

VAGO – [Financial Management of Local Councils](#)

VAGO – [planned audits](#)

Government Gazette – [Rate cap Announcement](#)

Model Budget and Model Financial Statements

Both working parties are continuing to meet and work on these Models.

The Models will both be launched at the FinPro Professional Development Day on 23 February 2024 and the working groups have advised that there will be no material changes to either one.

General Information

Vision Super VBI Update

The following information was distributed to councils on 20 December 2023 and is shared here for member information:

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

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

As at	30 Jun 2020 (actual)	30 Jun 2021 (actual)	30 Jun 2022 (actual)	30 June 2023 (actual)	30 Sept 2023 (est.)
LASF DB	104.6%	109.7%	102.2%	104.1%	102.3%

The 30 September 2023 VBI has decreased compared to that at 30 June 2023. This is mainly due to:

- Negative investment returns for the quarter of -0.64% which have decreased the asset pool supporting the defined benefit liabilities of the sub-plan, and
- Salary increases of 1.67% advised to Vision Super during the quarter, which have increased the value of the active member benefit liabilities.

The VBI of 102.3% as at 30 September 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 September 2023 VBI calculation of 102.3% 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 update

The next VBI review is scheduled as at 31 December 2023, with results expected to be distributed to employers around mid-February 2024.

Action required (if any)

At this stage, no action is required by you.

We're here to help

If you want to know more about the VBI or LASF DB, in addition to the quarterly updates, we encourage you to get in touch. We understand that defined benefit plans can be complicated, and our dedicated team can answer your questions and provide you with information for both member and employer related queries.

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

Essential Services Commission: Save the Date for ESC 30-year conference

The following information was distributed on 19 December 2023 and is included here for member information:

You are warmly invited to save the date for **Markets and consumers, efficiency and fairness: Essential Services Commission** builds on 30 years of economic regulation in Victoria.

This conference invites presenters and attendees to focus on regulatory issues through the lens of the consumer so that together we can explore how to continue to support their interests.

I, together with my fellow commissioners, look forward to joining trusted stakeholders to celebrate this milestone and build on our proud history of collaboration and active regulation.

Location: Melbourne Exhibition and Convention Centre

Date: Thursday 18 April 2024

Details to follow.

Kind regards
Kate

Kate Symons (she/her)
Chairperson

VAGO – LG Status Report January 2024

VAGO issued their January 2024 report earlier today (19.1.24).

A copy of the report is available here for member information. The report was sent directly to councils from VAGO.

[Read report now](#)

TCV Loan and Investment Rates as at 17 January 2024

Maturity	Fixed Rate (Interest Only)		Fixed Rate (Principal and Interest)*		Floating Rate (margin to BBSW)	
	Quarterly	Semi	Quarterly	Semi	Quarterly	Semi
1 year	4.5841	4.6068	4.6200	4.6400	0.3280	0.1555
3 year	4.4155	4.4366	4.4700	4.4900	0.4496	0.2842
5 year	4.5525	4.5752	4.4750	4.5000	0.5548	0.4059
7 year	4.8318	4.8576	4.5950	4.6250	0.6903	0.5632
10 year	5.1899	5.2199	4.8350	4.8700	0.8649	0.7640
12 year	5.3562	5.3883	4.9800	5.0200	0.9463	0.8541
15 year	5.5904	5.6254	5.1800	5.2150	1.1086	1.0210
11am (at Call)	4.6650				BBSW	
30 day	4.5550				1 Month	4.3050
60 day	4.5750				3 Month	4.3502
90 day	4.6050				6 Month	4.4683
180 day	4.7250					

TCV Investment rates

TCV note the current TCV 11am/At Call deposit rate has recently increased to 4.30%. 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.

TCV Investment rates

Cash	4.3000		4 Month	4.3750
1 Month	4.2950		5 Month	4.4000
2 Month	4.3050		6 Month	4.4583
3 Month	4.3402		1 Year	4.2818

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.

Current Job Vacancies

FinPro is happy to provide information about any relevant employment opportunities available at our member councils.

To have your organisation's employment vacancies included on our website and in our Member Update please contact our Executive Officer, [Gabrielle Gordon](#)

[Finance Business Partner](#) – Stonnington City Council Applications close 4.2.24

[Finance Business Partner Lead](#) – Casey City Council Applications close 1.2.24

Thank-you to our 2023 Conference sponsors

- American Express – www.amex.com.au
- APV Valuers & Asset Management – [APV Case Study – October 2022](#)
- Australian Payments Plus – www.auspayplus.com.au
- Commonwealth Bank – www.cba.com.au
- CT Management – www.ctman.com.au
- Curve Securities – [2023 FinPro Conference – Curve Case Study](#)
- Datacom – www.datacom.co.nz
- Ibis Information Systems – www.ibisinfosys.com.au
- Imperium Markets – www.imperium.markets
- Laminar Capital – [2023 FinPro Conference – Case Study Laminar Capital Perpetual](#)
- LG Solutions – [2023 FinPro Conference – Cloud Year End Case Study – Corangamite & LG solutions](#)
- Lighthouse Group – [2023 FinPro Conference – Lighthouse Local Government Case Study](#)
- MAGIQ Software – www.magiqsoftware.com
- Mastek Ltd – [2023 FinPro Conference – Mastek Case Study 1 – Ipswich Council](#) and [2023 FinPro Conference – Mastek Case Study 2 – Moonee Valley City Council](#)
- National Australia Bank – www.nab.com.au
- NetNet International – www.xetta.com
- Satori – www.satoriassured.com
- TCV – www.tcv.vic.gov.au
- VFMC – [2023 FinPro Conference – Case Study VFMC](#)
- Westpac – www.westpac.com.au
- Maddocks Recoveries – www.maddocksrecoveries.com.au
- TechnologyOne Corp – www.technologyonecorp.com

FinPro Executive Team 2023/24

President	Bradley Thomas (Hepburn SC)
Vice-President – Chair PD PD Committee Members	Belinda Johnson (Southern Grampians SC) Alan Wilson (Melbourne CC) Melissa Baker (Casey CC) 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 (Monash CC) Wei Chen (Yarra CC)
Secretary / Treasurer	Gabrielle Gordon

Note that the next elections for the FinPro Executive Committee will be held as part of the FinPro AGM on Friday 23 February 2024.

The AGM was postponed from December 2023 and will be incorporated into the FinPro Seminar on that day.

FinPro Contact Details

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