



MINUTES

South Australian Local Government Financial Management Group Executive Committee

26 May 2017 at 9:30am

Town of Walkerville Town Hall (Civic Centre, 66 Walkerville Terrace, Gilberton)

1. Present

Executive Committee:

- Clive Hempel (President), Wakefield Regional Council
- Kate George (Vice President), City of Salisbury
- Marcus Smith (Treasurer), Mount Barker District Council
- Karishma Reynolds (Secretary), City of Burnside
- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- Craig Mudge, District Council of Mount Remarkable
- Elizabeth Williams, Alexandrina Council
- Gary Lewis, Town of Walkerville
- Gary Long, City of Prospect
- Mark Lague, The Barossa Council
- Pep Piscioneri, Adelaide City Council
- Ray Barnwell, City of Marion

Proxies:

- Jonathan Crook, City of Tea Tree Gully

Observers/Guests:

- Shane Sody, Local Government Association of SA
- Neville Gasmier, Southern Mallee District Council

It is important to note that on occasion it may be necessary for the Executive Committee to discuss an item in confidence and in those circumstances, observers and guests will be asked to leave the room for that item.

2. Apologies

- Alexander Oulianoff, Mount Barker District Council
- Anna-Lucia Draper, City of Tea Tree Gully
- Anita Futterer, City of Playford
- Diane Eckermann, City of Onkaparinga
- Eion Williamson, District Council of Grant
- Julie Campbell, Mid Murray Council
- Leta Northcott, City of Unley
- Mick Wetherall, City of Port Adelaide Enfield
- Norm Biggs, City of West Torrens
- Rajith Udugampola, Adelaide Plains Council
- Simon Zbierski, City of Campbelltown
- Stephanie Juhas, City of Victor Harbor

3. Presentations

Nil

4. Confirmation of Minutes

Moved: Elizabeth Williams

Seconded: Anthony Amato

Recommendation: That the minutes of the meeting held on Friday, 28 April 2017 be confirmed as a true and correct record.

CARRIED

5. Business Arising from the Minutes

Nil

6. Treasurer's Report

Moved: Elizabeth Williams

Seconded: Gary Long

Recommendation: That the financial statement for the month of April 2017 be noted.

CARRIED

Treasurer's Report			
Action Items	Meeting	Responsible	Status
Organise the appropriate licences for Cloud based QuickBooks Plus and discuss setup with the Finance Officer.	26/06/15	Treasurer	In Progress. Possibly going to use Xero.
Follow up the 60-90 day outstanding payments – specifically the outstanding sponsor payment and conference payment.	31/03/17	Treasurer	

7. Projects/Work Groups – Update/Status

7.1 Seminars – Clive Hempel (Chairperson)

- AGM – 25 August 2017 – Adelaide Zoo Sanctuary
 - Confirmed Speaker: Dr Keith Suter
- Conference & Workshop – 7 & 8 December 2017 – National Wine Centre
 - Program planning has commenced

Seminars			
Action Items	Meeting	Responsible	Status
Setup a Facebook group for the workgroup to see how it works.	31/03/17	Seminar Workgroup	

7.2 Membership & Communication – Diane Eckermann (Chairperson)

- Karishma provided an update.
- The 'Buddy System' email template has been provided to the Executive Committee by Diane Eckermann.
- Annette suggested that when new members sign up to the FMG, they should receive perhaps a personalised email and a phone call.

Membership & Communication			
Action Items	Meeting	Responsible	Status
Review the Executive Committee visiting Regional LGA meetings to discuss topical issues.	29/05/15	Membership Workgroup	To investigate further.
LinkedIn, Facebook or a website forum to be investigated with the help of Irene Scales before an information sharing platform is selected.	31/03/17	Membership Workgroup	Seminars working group to trial Facebook Group.
Executive Committee Members to contact all Councils to see if there is anything the FMG can assist them with. Councils that were qualified may need assistance and those that weren't may still benefit from assistance. Diane to prepare email template/dot points.	24/02/17 & 28/02/17	Diane Eckermann & Executive Committee	In progress.

7.3 Rating and Valuation – Norm Biggs (Chairperson)

- Norm was an apology for this meeting – no update provided.

Rating and Valuation			
Action Items	Meeting	Responsible	Status
Rate rebate policy – a possible LGR&D Scheme application to be prepared for funding to update the 2008 policy. Workgroup to seek a quote from Michael Kelledy (original author of the policy) to see how much it would cost to have the policy updated.	24/02/17	Rating & Valuation Workgroup	

7.4 Local Government Price Index – Chris Birch & Rajith Udugampola

- Chris advised that the LGPI figure has spiked. He has contacted the SA Centre for Economics seeking some commentary as to what has driven the increase.
- The group discussed the long term forecast of LGPI and whether or not this can be accessed for a fee.

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Speak with the SA Centre for Economics regarding forecasting and commentary for the LGPI and provide feedback to the Executive Committee.	18/03/16 & 29/04/16	Chris Birch / LGPI Workgroup	Forecasting model in place by Feb/March 2017 for the 2017/18 financial year. Request for quote has been submitted.

7.5 Newsletter / Website – Elizabeth Williams (Chairperson)

- Survey Results (Clive Hempel)
 - Detailed survey results were provided to the Executive Committee.
 - Overall the feedback provided by participants was quite positive.
- Elizabeth advised that the next newsletter will be the Spring Newsletter.

7.6 Financial Management Framework – Mark Lague (Chairperson)

- 2017 Model Financial Statements:
 - Mark advised that the 2017 Model Financial Statements have been sent off to the Minister.
- AASB 124:
 - Mark advised that it is now up to each Council to develop their process documents. Council's can review the draft documents that were supplied by the City of Port Adelaide Enfield and the City of Playford as a starting point (refer to attachments of the Agenda 31 March 2017).

Financial Management Framework			
Action Items	Meeting	Responsible	Status
AASB 124 to be discussed by the workgroup and report back to the Executive Committee meeting.	25/11/16	FMF Workgroup	Completed.
Provide feedback from the Executive Committee on reporting of the Roads to Recovery funding to John Wright and David Maxwell.	28/04/17	President	Completed.

7.7 Internal Controls & Risk Management – Annette Martin (Chairperson)

- Annette advised that the final proof read has now been undertaken of the Better Practice Model for Internal Financial Controls.
- Minor amendments have been made to the final draft.
- SALGAG now has the final draft to proof read certain sections of the document.
- The document should be finalised in the next few weeks.

7.8 Fees and Charges – Elizabeth Williams (Chairperson)

- Elizabeth advised that since the lodgement of the ATO information just before Christmas, many questions have arisen.
- Draft schedules for certain areas have been received from the ATO and provided to the workgroup – the information will be provided to the wider FMG membership after the workgroup has reviewed the draft schedules. A few schedules are still outstanding but expected to be provided soon.

7.9 Costing Principles – Alex Oulianoff (Chairperson)

- Mark advised that he met with ESCOSA yesterday re CWMS and they are currently working through the Costing Principles for Local Government Guidelines from the LGA for an alternative compliant costing model.
- The LGA Guidelines provide one approach that may not work for all Councils. There are two approaches within the National Pricing Principles. Mark is expecting to meet with David Hope next week in relation to altering the guidelines to potentially incorporate the second option.
- ESCOSA discussed the issue of charging internally for CWMS services to make sure the CWMS system is being costed correctly with Councils allowing for CWMS usage of public toilets and other Council owned properties.

7.10 Asset Management – Pep Piscioneri (Chairperson)

- Pep advised that John Comrie will hopefully have completed the work in relation to the valuation templates and the valuation paper over the next month.
- John will be invited to attend a future Executive Committee meeting to discuss the key points of the templates and valuation paper.

Asset Management			
Action Items	Meeting	Responsible	Status
Develop a list of topics for the Executive Committee to consider for future conferences and workshops and for future agendas of the Executive Committee.	26/06/15	Pep Piscioneri	In progress.

7.11 Long Term Financial Plan – Anna-Lucia Draper (Chairperson)

- Kate provided an update.
- The Workgroup met with IPWEA last week.
- Both the Workgroup and IPWEA agree that the current IPWEA model has some deficiencies. IPWEA is happy to move forward with a co-branded model. Resources required to create a co-branded model are being discussed.
- IPWEA will take back the discussion notes from the meeting to see how the entities can work collectively.
- John Comrie is the point of contact for the project going forward.
- The Workgroup is meeting next week to finalise the scope of what they want delivered so it can be provided to John. Any points of difference will then be discussed.
- IPWEA is also currently working on a new smaller version of the asset management plan model – specifically working on new templates that are being currently trialled with a regional Council.

Long Term Financial Plan			
Action Items	Meeting	Responsible	Status
Executive Committee to review the Long Term Financial Model Agreement in the new year with David Maxwell.	25/11/16	LTFP Workgroup	

8. Correspondence

Nil

9. Confidential Discussion Items

Nil

10. Other Business

10.1 Dog and Cat Management Board – Dogs and Cats Online (Clive Hempel)

- Clive contacted Steph Jeuken to discuss the representatives they are seeking on their working groups for the Dogs and Cats Online system and what commitment is required of FMG representatives to attend meetings etc.
- Steph advised that the working groups will start around September and can be possible delayed if the timing doesn't suit. FMG representatives could also possibly meet remotely via Skype.
- Complexity of the customer service role – Clive discussed with Steph the potential for a third party to be involved to potentially handle renewals.

10.2 FMG Logo (Annette Martin)

- Simon, Annette and Patricia met with the designers and provided the logo design brief as well as some history of the FMG to help inform the development of the new FMG logo.
- Two draft logos will be provided within the next month or so.

10.3 Rating on Windfarms (Shane Sody)

- Shane advised that Councils can't rate capital value of land that a windfarm is situated on as it is only a fixture. The Valuer-General only recognises the base and the structure. The Valuation of Land Regulations prevent the Valuer-General from applying capital value. Currently Councils can't rate the land higher than farm land. The LGA is considering developing a policy for Councils.

10.3 Rate Capping (Clive Hempel)

- The Executive Committee discussed the current state of play with rate capping.

Other Business			
Action Items	Meeting	Responsible	Status
Possibility of having an Eyre Peninsula Financial Managers Group (sub group of LGFMG) to assist with keeping in touch with industry changes and Eyre Peninsula city counter parts - President to contact Michelle Tucker and advise her of the Executive Committee's discussion and then contact Regional LGA's to seek their feedback.	31/10/14	President	Continue to investigate options.
Email other states to ask what their issues are with residual values.	18/03/16	President	WA Finance Professionals have indicated a willingness to work together. Clive to follow up.

11. Next Meeting

23 June 2017 – City of Charles Sturt

12. Close

For further information regarding topics raised at the FMG Executive Committee meetings, please see the contact details below:

FMG President, Clive Hempel: chempel@wakefieldrc.sa.gov.au

- Asset Management Workgroup Chairperson, Pep Piscioneri: p.piscioneri@adelaidecitycouncil.com
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Dog and Cat Management Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au
- Fees and Charges Workgroup Chairperson, Elizabeth Williams: elizabeth.williams@alexandrina.sa.gov.au
- Financial Management Framework Workgroup Chairperson, Mark Lague: mlague@barossa.sa.gov.au
- Internal Controls & Risk Management Workgroup Chairperson, Annette Martin:
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- Local Government Price Index Workgroup Chairperson, Chris Birch: chris.birch@prospect.sa.gov.au
- Long Term Financial Plan Workgroup Chairperson, Anna-Lucia Draper: anna.draper@cttg.sa.gov.au
- Membership & Communication Workgroup Chairperson, Diane Eckermann:
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- Newsletter & Website Workgroup Chairperson, Elizabeth Williams:
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- Rating and Valuation Workgroup Chairperson, Norm Biggs: nbiggs@wtcc.sa.gov.au
- Seminars Workgroup Chairperson, Clive Hempel: chempel@wakefieldrc.sa.gov.au