



# SALGFMG

South Australian Local Government  
Financial Management Group Inc.

## MINUTES

### South Australian Local Government Financial Management Group Executive Committee

27 April 2018 at 9:30am

Barossa Council (Council Chambers, 43 Tanunda Road, Nuriootpa)

#### 1. Present

##### Executive Committee:

- Clive Hempel (President), Mid Murray Council
- Kate George (Vice President), City of Salisbury
- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Anthony Amato, Town of Gawler
- Craig Mudge, District Council of Mount Remarkable
- Mark Lague, The Barossa Council
- Simon Zbierski, City of Campbelltown

##### Proxies:

- Donna Stubbs, City of Charles Sturt (for Annette Martin)

##### Via Teleconference:

- Elizabeth Williams (Secretary), Alexandrina Council
- Eion Williamson, District Council of Grant

#### 2. Apologies

- Anna-Lucia Draper, Town of Walkerville
- Annette Martin, City of Charles Sturt
- Chris Birch, City of Prospect
- Diane Eckermann, City of Onkaparinga
- Leta Northcott, City of Unley
- Michael Wetherall, City of Port Adelaide Enfield
- Mike Carey, Adelaide Hills Council
- Norman Biggs, City of West Torrens
- Pep Piscioneri, City of Adelaide
- Ray Barnwell, City of Marion

##### Observers/Guests:

- Martin McCarthy, The Barossa Council
- Paul Sansome, City of Playford
- Shane Sody, Local Government Association of SA

*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.*

### 3. Presentations

Nil

### 4. Confirmation of Minutes

**Moved:** Tony Amato

**Seconded:** Craig Mudge

***Recommendation:** That the minutes of the meeting held on 23 March 2018 be confirmed as a true and correct record.*

**CARRIED**

### 5. Business Arising from the Minutes

Nil

### 6. Treasurer's Report

**Moved:** Kate George

**Seconded:** Simon Zbierski

***Recommendation:** That the financial statements for March 2018 be noted.*

**CARRIED**

#### 6.1 Resignation of Finance Officer

After 11 years of working as the SALGFMG Finance Officer, Maria Hocking has advised that she will be ceasing work from 30 June 2018.

**Moved:** Simon Zbierski

**Seconded:** Kate George

***Recommendation:** That the SALGFMG Executive Committee thanks Maria for her 11 years of service and for the support in transitioning and completing the work for the financial statements for 2017/18.*

**CARRIED**

#### 6.2 Quotes for Account/Book Keeping Software and Event Management/Ticketing Software

- Alex provided further information on the quotes for the accounting and event management software.
- The committee agreed that the software seems very effective and efficient.

Pricing for Accounting / Book Keeping Software:

XERO Accounting:

- \$50 per month

Pricing for Event Management / Ticketing Software:

Arlo:

- Circa \$100 per month
- Plus \$2 per ticket sold
- Plus “one off” implementation fee of \$165

**Moved:** Kate George

**Seconded:** Mark Lague

**Recommendation:** That the XERO and Arlo software be purchased and set up ready to be used from July 2018.

**CARRIED**

Treasurer's Report			
Action Items	Meeting	Responsible	Status
Investigate future options for an automated finance and event registrations system.	28/07/17	Treasurer	<b>Completed</b>
Buy a gift for Maria and thank Maria formally.	27/04/18	President/ Secretariat	
Purchase and setup XERO and Arlo.	27/04/18	Treasurer	

**7. Projects/Work Groups – Update/Status**

**7.1 Seminars – Clive Hempel (Chairperson)**

- AGM to be held on 31 August 2018 at the Adelaide Zoo Sanctuary.
- Workshop and Conference to be held on 29 and 30 November 2018, venue TBC.
  - The committee discussed the venue options for this event and agreed that Adelaide Oval was a stand-out venue.
  - Secretariat to compare costs of each venue, then book Adelaide Oval if there are no concerns.

Seminars			
Action Items	Meeting	Responsible	Status
Setup a Facebook group for the workgroup to see how it works.	31/03/17	Seminar Workgroup	<b>Facebook group created – yet to complete active testing.</b>
Secretariat to compare costs of each venue, then book Adelaide Oval if there are no concerns.	27/04/18	Secretariat	

## 7.2 Membership & Communication – Eion Williamson (Chairperson)

- Eion will follow up with Diane Eckermann re the buddy system spreadsheet.

Membership & Communication			
Action Items	Meeting	Responsible	Status
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	<b>Seminars Workgroup to trial Facebook Group.</b>
Draft an application form for the engagement of distant FMG Members. The form will act as an 'expression of interest' for those members to request to attend FMG Executive Committee meetings free of travel expenses.	23/03/18	Clive Hempel	

## 7.3 Rating and Valuation – Norm Biggs (Chairperson)

- Norm was an apology for this meeting.
- Simon advised that Tony Schmidt from the Valuer-General's office attended the last meeting of the workgroup to discuss their revaluation program. The first phase of the program will be completed by 2020 (likely to be Adelaide and surrounding Councils) and in 2021 the second phase will move out to the rural Councils.
- A Local Government Research & Development Scheme funding application will be submitted for the rewrite of the Rate Rebate Policy.

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	<b>LG R&amp;D funding to be applied for in 2018, if unsuccessful then consideration of funding jointly by FMG &amp; RPSA. Expressions of interest would be sought for the rewrite of the Rebate Information Paper.</b>

## 7.4 Local Government Price Index – Chris Birch

- Chris was an apology for this meeting.
- Mark advised that the last quarter CPI came out last week and was 2.3 for Adelaide.
- Rate capping:
  - It is understood that growth won't be factored into the capping in the future and that's the most important part of the framework in the future.
  - The committee would like to see the LGA hold a session with the FMG so that there is a forum for the FMG to raise concerns. The President will write to the LGA to discuss options.

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	<b>Request for quote has been submitted. Chris Birch will follow up with Chris Russell at the LGA.</b>
Write to the LGA regarding rate capping and seek a meeting/session to allow for the FMG to raise concerns.	27/04/18	President	

#### 7.5 Newsletter / Website – Elizabeth Williams (Chairperson)

- The next newsletter will be the Spring edition.
- Articles and suggestions are welcome and should be submitted to Elizabeth.

Newsletter / Website			
Action Items	Meeting	Responsible	Status
Speak with Tim Muhlhauseler as SALGAG President about writing an article to help Members prepare for the AASB16 leasing standard: what needs to be collected and noted and what needs a decision.	23/03/18	Elizabeth Williams	

#### 7.6 Financial Management Framework – Mark Lague (Chairperson)

##### 7.6.1 CITF Levy Administration Issues and Simplification:

- Seven responses were received from Councils and they were graphed at the meeting of the taskforce on Tuesday.
- There have been a lot of concerns identified for Councils and there are also issues with non-compliance, so the taskforce will be following this issue through.
- The graph will be supplied so that the FMG can check it for clarity.
- Other Councils are encouraged to respond in the next few weeks.
- The regulations are due for renewal in September of 2019 which doesn't leave much time for suggested changes.
- The Department of Industry and Skills is the new State Government department managing this area.

##### 7.6.2 Financial Statements, Note 14 Other Commitments:

- The committee discussed whether employee contract figures should be included in Note 14 Other Commitments.
- Some Councils are including employee costs when they are on a contract and some aren't.
- The Accounting Standards do not require commitment of employee contracts, therefore they should not be included.

**Moved:** Elizabeth Williams

**Seconded:** Kate George

**Recommendation:** That the SALGFMG Executive Committee supports that the employee contract costs not be included in Note 14 Other Commitments in the financial statements.

**CARRIED**

### 7.6.3 Accounting Standards AASB1058, AASB15, AASB1004 Interpretation Dec 2016, AASB16:

- The committee discussed new AASB standards 1058 and 15.
- The AASB1004 interpretation changed in December 2016. Councils need to early adopt the other statements as they overwrite standard AASB1004. If there is a reciprocal benefit with a grant it needs to be included.
- AASB16 is more about industry.
- The workgroup will have a meeting to put this information together to ensure that Local Government is prepared for the new accounting standards.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
Discuss ideas from Councils for best practice in relation to AASB124 Related Party Disclosures.	22/09/17	Financial Management Framework Workgroup	<b>Mark has received information from John Wright, Tim Muhlhausler and David Maxwell. It is still confusing so it is recommended that a paper, guide or a table ideally needs to be prepared.</b>

### 7.7 Fees and Charges – Elizabeth Williams (Chairperson)

- Elizabeth advised that the BDO is still trying to push for a meeting with the ATO and are waiting for the ATO to advise what they are up to.
- There is still a little bit left for the FMG to respond to and this information will hopefully be available shortly.

### 7.8 Costing Principles – Alex Oulianoff (Chairperson)

**No update**

### 7.9 Asset Management – Pep Piscioneri (Chairperson)

- Mark advised that the table they were hoping to have included in the model financial statements showing percentages of how Councils are splitting renewals vs upgrades didn't make it into the statements.
- The feedback on the table not making it into the financial statements is that it's not a guide on day to day accounting.
- The renewal portion is the amount that gets written off and the actual percentage of what you have replaced. It is suggested that the "change/upgrade" language should be changed to renew/replace.
- The committee would like the Asset Workgroup to put together a table/guide.

### 7.10 Long Term Financial Plan – Kate George (Chairperson)

- Kate advised that a letter was provided to the Local Government Research and Development Scheme asking for the Scheme to reconsider the funding conditions relating to IPWEA.
- The Scheme responded and agreed to allow the \$20,000 funding to still be provided for this project and thus removing the funding condition.
- John Comrie will assist with the educational documents.
- The draft agreement has been created and sent to some of the members of the workgroup for feedback.

<b>Long Term Financial Plan</b>			
<b>Action Items</b>	<b>Meeting</b>	<b>Responsible</b>	<b>Status</b>
Review the Coalface Long Term Financial Model and its future.	25/11/16	LTFP Workgroup	<b>To be looked at in June.</b>
Further request to LGA regarding the LGR&DS funding and developing the LG Solutions 'lite' model and finalise the agreement.	22/09/17	LTFP Workgroup	<b>Agreement and pricing under negotiation with LG Solutions.</b>

#### **7.11 Dog and Cat Management – Simon Zbierski (Chairperson)**

- Simon advised that a meeting will be held next Wednesday.
- It is now week 3 of the trial run of data migration for Councils.
- 58 Councils have completed data migration.
- The system is a month away from going “live” to Councils (May).
- The system will go “live” to the general public from the 1<sup>st</sup> of July 2018.

<b>Dog and Cat Management</b>			
<b>Action Items</b>	<b>Meeting</b>	<b>Responsible</b>	<b>Status</b>
Draft scenario information on DACO for FMG Members: provide scenarios, impacts on Councils, cash handling options, impact on desexing of dogs, payments in advance etc.	23/03/18	Simon Zbierski and Kate George	

### **8. Correspondence**

#### **8.1 Letter to the LGA regarding Long Term Financial Plan Funding Conditions**

- The letter was noted.

### **9. Confidential Discussion Items**

### **10. Other Business**

- The committee was asked if there are any items or issues they would like Peter Ilee to cover. Suggestions provided:
  - What are the major influences in FAGs decreasing and increasing?
  - Perspectives on the quality of the data on Grants Commission returns?
  - Support and assistance that can be provided by the Grant Commission.

<b>Other Business</b>			
<b>Action Items</b>	<b>Meeting</b>	<b>Responsible</b>	<b>Status</b>
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	<b>Continue to investigate options.</b>
Invite Peter Ilee to a future Executive Committee meeting to discuss Grants Commission payments.	23/06/17	President	<b>Will be attending the September meeting.</b>
Contact Chris James (President of LGITSA) to see how we can communicate and work together.	23/03/18	President	
Speak with the LGA regarding 'Outstanding Block Clearing Fees'	23/03/18	President	

## 11. Next Meeting

25 May 2018 at the City of Charles Sturt.

<b>Standing Items</b>	<b>Meeting</b>	<b>Frequency</b>
Sponsorship Proposal for the next financial year	March	<b>Annually</b>
AGM Matters and Recommendations: <ul style="list-style-type: none"> <li>• Constitution Adoption</li> <li>• Membership Guidelines Adoption</li> <li>• Membership Fees</li> <li>• Honorary &amp; Life Member Nominations</li> <li>• Auditor Appointment</li> <li>• Executive Committee Nominations</li> </ul>	June	<b>Annually</b>
Davin Lambert – LGFA update	July	<b>Annually</b>
<ul style="list-style-type: none"> <li>• New Committee Members</li> <li>• Workgroup allocations</li> <li>• Meeting dates for next 12 months</li> <li>• Event registration fees for the financial year</li> </ul>	September	<b>Annually</b>

## 12. Close



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

FMG President, Clive Hempel: [chempel@mid-murray.sa.gov.au](mailto:chempel@mid-murray.sa.gov.au).

- Asset Management Workgroup Chairperson, Pep Piscioneri: [p.piscioneri@adelaidecitycouncil.com](mailto:p.piscioneri@adelaidecitycouncil.com)
- Costing Principles Workgroup Chairperson, Alex Oulianoff: [aoulianoff@dcmtbarker.sa.gov.au](mailto:aoulianoff@dcmtbarker.sa.gov.au)
- Dog and Cat Management Chairperson, Simon Zbierski: [szbierski@campbelltown.sa.gov.au](mailto:szbierski@campbelltown.sa.gov.au)
- Fees and Charges Workgroup Chairperson, Elizabeth Williams: [elizabeth.williams@alexandrina.sa.gov.au](mailto:elizabeth.williams@alexandrina.sa.gov.au)
- Financial Management Framework Workgroup Chairperson, Mark Lague: [mlague@barossa.sa.gov.au](mailto:mlague@barossa.sa.gov.au)
- Local Government Price Index Workgroup Chairperson, Chris Birch: [chris.birch@prospect.sa.gov.au](mailto:chris.birch@prospect.sa.gov.au)
- Long Term Financial Plan Workgroup Chairperson, Kate George: [kgeorge@salisbury.sa.gov.au](mailto:kgeorge@salisbury.sa.gov.au)
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- Seminars Workgroup Chairperson, Clive Hempel: [chempel@mid-murray.sa.gov.au](mailto:chempel@mid-murray.sa.gov.au)