

MINUTES

South Australian Local Government Financial Management Group Executive Committee

22 June 2018 at 9:30am
City of Marion (245 Sturt Road, Sturt)

1. Present

Executive Committee:

- Clive Hempel (President), Mid Murray Council
- Kate George (Vice President), City of Salisbury
- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Elizabeth Williams (Secretary), Alexandrina Council
- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- Michael Wetherall, City of Port Adelaide Enfield
- Norman Biggs, City of West Torrens
- Ray Barnwell, City of Marion
- Simon Zbierski, City of Campbelltown

Proxies:

Nil

Observers/Guests:

- Katy Bone, Town of Walkerville
- Samantha Grieve, City of Playford

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

- Eion Williamson, District Council of Grant
- Anna-Lucia Draper, Town of Walkerville
- Craig Mudge, District Council of Mount Remarkable
- Diane Eckermann, City of Onkaparinga
- Leta Northcott, City of Unley
- Mark Lague, The Barossa Council
- Mike Carey, Adelaide Hills Council
- Pep Piscioneri, City of Adelaide
- Shane Sody, Local Government Association of SA

3. Presentations

Nil

4. Confirmation of Minutes

Moved: Ray Barnwell

Seconded: Anthony Amato

Recommendation: *That the minutes of the meeting held on 25 May 2018 be confirmed as a true and correct record.*

CARRIED

5. Business Arising from the Minutes

6. Treasurer's Report

Alex advised that there are some outstanding invoices for 2017/18 that are being followed up.

Clive advised that Joanne Forbes has been contacted in relation to her hourly rate and experience as a possible replacement for Maria Hocking as Finance Officer. We are not sure as yet how much work will be required given the new software that is being implemented.

Moved: Simon Zbierski

Seconded: Michael Wetherall

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

CARRIED

Treasurer's Report			
Action Items	Meeting	Responsible	Status
Buy a gift for Maria and thank Maria formally.	27/04/18	President/ Secretariat	
Purchase and setup XERO and Arlo.	27/04/18	Treasurer	In progress.

7. Projects/Work Groups – Update/Status

7.1 Seminars – Clive Hempel (Chairperson)

7.1.1 AGM to be held on 31 August 2018 at the Adelaide Zoo Sanctuary.

7.1.2 Workshop and Conference to be held on 29 and 30 November 2018 at Adelaide Oval.

The theme and program is currently being worked through by the Seminars Workgroup. Executive Committee Members are encouraged to provide session topics. Possible session topics:

- New Minister for Local Government.
- ESCOSA or Office of Local Government re Rate Capping.

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

7.2 Membership & Communication – Eion Williamson (Chairperson)

7.2.1 Draft Membership Guidelines

The draft changes to the guidelines were accepted by the Executive Committee. The guidelines will now be issued to the membership for feedback before the July Executive Committee meeting.

7.2.2 Membership Fees for 2018/19

A query was received from a Member regarding a membership type (discounted fee) for part-time/casual employees. The Executive Committee agreed that membership is cheap and the benefits far outweigh the cost. At this stage a discounted fee will not be introduced.

7.2.3 Honorary and Life Member Nominations

Nominations for Honorary and Life Members are required to be submitted by the July Executive Committee meeting for recommendation to the AGM.

Moved: Kate George

Seconded: Alex Oulianoff

Recommendation: *That the SALGFMG Executive Committee recommends to the Annual General Meeting that the Membership fees for 2018/19 be increased from \$120 (incl. GST) to \$125 (incl. GST) for renewing members and from \$145 (incl. GST) to \$150 (incl. GST) for new members. It is to be noted that there was no membership fee increase in 2017/18.*

CARRIED

Membership & Communication			
Action Items	Meeting	Responsible	Status
Information Sharing Platform - LinkedIn, Facebook or a website forum to be investigated with the help of Irene Scales.	31/03/17	Membership Workgroup	Seminars Workgroup to trial Facebook Group.
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	
Issue Honorary and Life Members nomination form to Members.	22/06/18	Secretariat	Completed

Membership & Communication			
Action Items	Meeting	Responsible	Status
Selection for one free attendance to the end of year Conference is offered each year to at least one Regional Council (location >200km from Adelaide CBD). The selection process is based on specified criteria used and as recommended to the Executive Committee by the Membership Group.	22/06/18	Membership Workgroup	

7.3 Rating and Valuation – Norm Biggs (Chairperson)

The workgroup met on Tuesday and the Valuer-General attended to provide an update. The rate rebate policy is needing to be updated, Revenue Professionals SA (RPSA) are going to issue the tender and will manage the process.

The President of RPSA asked whether the FMG would be happy to provide financial support to the updated rate rebate policy. The Executive Committee agreed that it is supportive of the work that RPSA is undertaking in relation to the policy and that our sponsors could be potential candidates, but at this time the FMG will await the outcome of the Local Government Research and Development Scheme application that is being submitted.

It was suggested that there should be a standardised Gazettal notice and rates declaration including the order and legislative references for best practice. It could be reviewed in February of each year and sent to the FMG Members. Model guidelines and an information paper for the adoption of rates is something the LGA could provide.

Moved: Norm Biggs

Seconded: Tony Amato

Recommendation: *That the SALGFMG is supportive of the work that Revenue Professionals SA (RPSA) are undertaking in relation to the update of the Rate Rebate policy. We invite them to consider our sponsors as potential consultants that can assist with this work if they are wishing to expand the pool of potential tenderers. Recognising the desire to work collaboratively on matters of joint interest we appreciate the approach for a financial contribution and at this time will await the outcome of the LGR&D Scheme funding application.*

CARRIED

Moved: Tony Amato

Seconded: Elizabeth Williams

Recommendation: *That the SALGFMG approach the LGA for the creation of an information paper for the development of the annual plan, budget and declaration of rates along with the associated gazettal notice including best practice templates.*

CARRIED

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	Revenue Professionals SA have applied for LG R&D funding for the rewrite of the Rebate Information paper.

7.4 Local Government Price Index – Chris Birch

Clive advised that a meeting has been held with Lisa Teburea regarding Rate Capping. The meeting occurred on Monday with Clive, Kate, Simon and Annette in attendance. Lisa had received a preview of the legislation and it was discussed.

The main points of the meeting were that the LGA have asked the Minister that ideally the information will be released for the sector to consider and that the vote would occur in Spring, the Minister advised that the vote will occur in the Winter session of Parliament. The LGA has completed some modelling based on assumptions, that with capping there could be a minus or plus 9-10% effect against individual Councils.

Katy Bone advised that she has prepared a document for her Council that she will share based on their last 4 years' worth of figures to present to their Council's Audit Committee.

The Executive Committee agreed that there needs to be a workshop regarding the new legislation that will include members of the Rating and Valuation work group plus the FMG Executive Committee Members. A standardised template needs to be created by the Secretariat and distributed to those invited to the workshop to seek feedback, concerns and questions on the Local Government Rate Oversight Amendment Bill 2018. The workshop will need to be held in the next few weeks.

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	Awaiting result of the Rate Capping Bill to determine whether a forecasting indicator is required.
Organise a meeting with Lisa Teburea to discuss Rate Capping – how do we influence the information.	25/05/18	President	Initial meeting has occurred. Another meeting will need to be held during the week of 9 to 13 July after the Rate Capping Workshop.

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Organise a workshop regarding the new legislation including the Council workgroup members plus the FMG Executive Committee Members. Create a standardised template and distribute to those invited to the workshop to seek feedback, concerns and questions on the Local Government Rate Oversight Amendment Bill 2018. Hold the workshop on 6 July with feedback on the Bill due by the 4 th .	22/06/18	Secretariat	Completed

7.5 Newsletter / Website – Elizabeth Williams (Chairperson)

The Winter edition will be issued in July. The content is progressing well with articles due in by COB today.

Newsletter / Website			
Action Items	Meeting	Responsible	Status
Invite Bentleys to provide an article clarifying the income standards (what does it mean and how is it being treated).	25/05/18	President	Completed

7.6 Financial Management Framework – Mark Lague (Chairperson)

7.6.1 Model Financial Statements 2018

The statements are with the Minister for approval.

7.6.2 AASB's 15, 16 & 1058

A meeting was held yesterday at Campbelltown Council and notes were made regarding AASB 1058, 15 and 16. The session was more about gathering information and brainstorming about what issues are around and how councils will be affected. In relation to income recognition, if Councils are already matching their grant income against their expenditure, they may want to consider early adoption.

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	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.

7.7 Fees and Charges – Elizabeth Williams (Chairperson)

There is no further update at this stage, it is still being held up with the ATO.

7.8 Costing Principles – Alex Oulianoff (Chairperson)

A review of the early proposal from David Hope is occurring regarding the regarding changes to the unit costing method. Looking at changing to a more complex system.

7.9 Asset Management – Pep Piscioneri (Chairperson)

The Executive Committee discussed each of the workgroups having a Proxy/Deputy Chairperson to ensure meetings occur regularly.

7.10 Long Term Financial Plan – Kate George (Chairperson)

The final agreement is currently with Clive. It has been signed and will now be sent to LG Solutions. In relation to the IP issue, it will transfer to the FMG if LG Solutions ever dissolves. The agreement is for 5 years, commencing on 1 July and the actual product should be available by approximately September/October.

Long Term Financial Plan			
Action Items	Meeting	Responsible	Status
Review the Coalface Long Term Financial Model and its future.	25/11/16	LTFP Workgroup	To be looked at in July once agreement has been signed with LG Solutions. .
Further request to LGA regarding the LGR&DS funding, developing the LG Solutions 'lite' model & finalise agreement.	22/09/17	LTFP Workgroup	Completed

7.11 Dog and Cat Management – Simon Zbierski (Chairperson)

There are four meetings left for the group. Next Thursday registration renewals will be issued by most Councils. Data Proofing needs to be completed by all Councils and submitted to DACO by no later than this coming Tuesday.

8. Correspondence

Nil

9. Confidential Discussion Items

Nil

10. Other Business

10.1 Draft Constitution

The Executive Committee accepted the draft changes and would now like them issued to the membership for feedback prior to the July Executive Committee meeting.

10.2 Appointment of Auditor

Alex will need to speak with the current Auditors to see if they are happy to continue.

10.3 Executive Committee Nominations

The nomination form for Executive Committee membership will be issued to Members shortly. All existing Executive Committee Members will need to re-nominate if they would like to continue on the committee.

10.4 Anna-Lucia Draper Resignation from Executive Committee

Anna-Lucia has officially resigned as an Executive Committee Member in taking up her new role as Group Manager Customer Service with the Town of Walkerville. The Executive Committee are disappointed to see her leave but wish her all the best in her new role.

Moved: Simon Zbierski

Seconded: Chris Birch

Recommendation: *That a letter be provided to Anna thanking her for her time and effort on the Executive Committee and workgroups.*

CARRIED

10.5 Rate Capping 2018/19

Dealt with at item 7.4.

10.6 Car Pooling for July 2018 Mt Remarkable Meeting

The Executive Committee Members who will be driving to Melrose and are happy to car pool are so far as follows (location included):

Alex – Hyde Park
Clive – Tea Tree Gully
Mick – Glenelg
Simon – Tranmere
Norm – Mt Barker

10.7 Employment Related Expenditure Audit (Samantha Grieve)

This audit has nearly been finalised at Playford. During the audit it was identified that some of the contractors may be deemed to be employees for example the Home Assist staff. Playford have spoken with the ATO and it may be an issue for other Councils. It may be worth seeing if this is an issue for other Councils and perhaps a class ruling should be submitted. The ATO are mainly focussing on sole traders.

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.
Contact Chris James (President of LGITSA) to see how we can communicate and work together.	23/03/18	President	
Speak with the LGA regarding "Charge's against the land", such as Outstanding Block Clearing Fees and charges under the SA Health Act. Can these be placed on the assessment (rate notice) and charged fines/interest?	23/03/18	President	
Distribute Membership Guidelines and Constitution to the Members for feedback.	22/06/18	Secretariat	Completed
Distribute Executive Committee nomination form to Members.	22/06/18	Secretariat	Completed
Speak to the Auditors to see if they are happy to continue on next financial year.	22/06/18	Treasurer	
Prepare a letter of thanks for Anna-Lucia Draper who has resigned from the Executive Committee.	22/06/18	Secretariat	

11. Next Meeting

27 July 2018 at the District Council of Mount Remarkable.

Standing and Future Items	Meeting	Frequency
Sponsorship Proposal for the next financial year	March	Annually
AGM Matters and Recommendations: <ul style="list-style-type: none"> • Constitution Draft • Membership Guidelines Draft • Membership Fees Recommendation to AGM • Honorary & Life Member Nominations • Auditor Appointment Recommendation to AGM • Executive Committee Nominations 	June	Annually
<ul style="list-style-type: none"> • Davin Lambert – LGFA update • Constitution Draft Recommendation to AGM • Membership Guidelines adoption 	July	Annually
<ul style="list-style-type: none"> • New Committee Members • Workgroup allocations • Proxy/Deputy Chairperson for each of the workgroups • Meeting dates for next 12 months • Event registration fees for the financial year 	September	Annually

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.

- 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
- Local Government Price Index Workgroup Chairperson, Chris Birch: chris.birch@prospect.sa.gov.au
- Long Term Financial Plan Workgroup Chairperson, Kate George: kgeorge@salisbury.sa.gov.au
- Membership & Communication Workgroup Chairperson, Eion Williamson:
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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@mid-murray.sa.gov.au