

## MINUTES

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

31 July 2020 at 9:30am

Mount Barker District Council 'The Pavilion' – 100 Springs Road, Mount Barker

#### 1. Present

##### Executive Committee:

##### Office Bearers:

- Kate George (President), City of Salisbury
- Elizabeth Williams (Vice President), Alexandrina Council
- Clive Hempel (Secretary), Mid Murray Council
- Alexander Oulianoff (Treasurer), Mount Barker District Council

##### Members:

- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- David Harman, City of Marion
- Karishma Reynolds, City of Burnside
- Marc Sodomka, Town of Walkerville
- Mike Carey, Adelaide Hills Council
- Norm Biggs, City of West Torrens
- Samantha Grieve, City of Playford
- Simon Zbierski, City of Campbelltown

##### Proxies:

Nil

##### Observers/Guests:

- Alex Hart, Office of Local Government
- Louisa Jacka, Office of Local Government

##### Secretariat:

- Patricia Coonan

*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

- Chris Birch, City of Prospect
- Luke Harris, City of Mitcham
- Mark Lague, The Barossa Council
- Rajith Udugampola, Adelaide Plains
- Rebecca Muller, LGA
- Sonia Sghendo, City of Onkaparinga

### 3. Presentations

#### 3.1 Local Government Review Bill – Alex Hart, Director, Office of Local Government, Planning and Land Use Services

Alex provided an update on the progress of the Bill. With the appointment of the new Minister for Local Government, it is noted that the Minister will need to turn their mind to the Bill and it is expected that the intentions of the previous Minister will remain the same. The Bill has been introduced and is now in the consultation phase. The LGA is requesting feedback by 9 August and the LGA will then provide a formal response following their August Board meeting.

A lot of feedback has already been provided by Councils and the main concerns are as follows:

- S125 Internal Controls, regulation making power: Alex advised that the discussion paper last year flagged the idea that the decision making power would be inserted and to make it a requirement that Councils need to use the Better Practice Manual to ensure consistency. This is the intent of this clause. The regulation making power extending beyond that is not the intention, but they acknowledge that it is a concern. They have asked the LGA for a view on:
  - whether this regulation making power should be taken out altogether
  - if they should be removing the regulation that relates to the audit opinion, or
  - whether it is the description under S125(1) that is not accurate enough.
- S123 Changes to the rate monitoring system: Alex advised that the sector has made it clear that they won't support the amendments. One concern is that the information that would need to be provided to the designated authority in December each year will be very difficult timing wise. Alex confirmed that:
  - Councils are not required to provide the whole draft annual business plan at that time, just the proposed rate revenue position. It is acknowledged that the proposed rate revenue provision at that point is a significant part of the ABP process.
  - They are aware that a Council's ability to provide the rate revenue value to the dollar will be difficult given the timing of receiving valuations from the Valuer-General's office, however, the system is set up so that the information will go through to the designated authority as an expected rate revenue with respect to the LTFP, and if that amount needs to be amended slightly due to valuated properties data that is to be expected.
  - The decision is still essentially in Council's hands, they would just need to be very clear as to the increase relative to the information that was provided in December if it changes.
  - Councils need to describe their general rate revenues in a particular way, if they describe growth, Councils need to ensure that is referred to new rateable properties. Presentation of the information just needs to be consistent. Councils need to present new property growth and the overall average increase.
  - If the designated authority feels that a rate increase is not reasonable and provides it to the Minister, the Minister can then give a direction on that. Council would have to address issues from the Minister in their following years rates process as the Councils ABP would be adopted by the time the direction comes from the Minister.
  - There is a question as to whether every Council should have to submit to the authority every year, they may look at only part of the Councils each year having to submit to the authority.
  - The Minister can ask the authority to have regard for certain matters, however the authority can have regard to the information and still provide its recommendations without making changes.
  - The timing is the biggest concern, providing the information to the authority in March makes more sense.
- A major concern that has been raised is that the drafting of the changes and the language used doesn't reflect the intent.

The Executive Committee discussed changing how Councils can rate throughout the year and whether we can move towards being able to charge annual service charges throughout the year. The Executive Committee also discussed State Government fees and the general increases like Section 7 certificates, the LGA is making consistent representation on those matters.

#### 4. Confirmation of Minutes

**Moved:** Elizabeth Williams

**Seconded:** Tony Amato

**Recommendation:** *That the minutes of the meeting held on 26 June 2020 be confirmed as a true and correct record.*

**CARRIED**

#### 5. Projects/Work Groups – Update/Status

##### 5.1 Asset Management – Annette Martin (Chairperson), David Harman (Deputy Chairperson)

Annette advised that the LGA is aware of the FMG’s expectations of the Asset Management project, the evolution of asset management and what we are looking for. There is a meeting scheduled for 6 August between Annette, David, the LGA and IPWEA.

Asset Management			
Action Items	Meeting	Responsible	Status
Provide an update on the LGA’s Asset Management project once progress has been made.	29/05/20	Rebecca Muller	

##### 5.2 Costing Principles – Alex Oulianoff (Chairperson), Mark Lague (Deputy Chairperson)

No update.

##### 5.3 Events & Membership – Kate George (Chairperson), Elizabeth Williams (Deputy Chairperson)

An update report was provided for discussion. The workgroup met on 10 July and again on 27 July to discuss the ever-shifting landscape due to the COVID-19 pandemic.

###### 5.3.1 August AGM & Conference – 28 August 2020

- The designed program is currently being finalised and will be distributed in the coming week.
- It has been confirmed that our two interstate keynote presenters will provide their presentations by live video conference and as such have also reduced their fees.
- The venue has agreed to lower our minimum spend and has provided their COVID-safe plan.

###### 5.3.2 November Workshop & Conference – 26 and 27 November 2020

The program for this event will be discussed at the next workgroup meeting.

### 5.3.3 Membership

No new Members have signed up since the last meeting.

### 5.3.4 Constitution

- Following the 26 June Executive Committee meeting, the draft Constitution was circulated to the membership for feedback.
- Four (4) Members provided feedback on the proposed changes.
- The Executive Committee worked through the feedback and made additional changes to the draft Constitution.

**Moved:** Karishma Reynolds

**Seconded:** David Harman

**Recommendation:** *That the SALGFMG Executive Committee recommends to the Annual General Meeting that the Constitution be adopted as amended.*

**CARRIED**

Events and Membership			
Action Items	Meeting	Responsible	Status
Prepare an email for review of the President to be emailed to all on the Buddy List outlining the Buddy Program and any upcoming events.	28/02/20	Secretariat	

### 5.4 Fees and Charges – Elizabeth Williams (Chairperson), Anthony Amato (Deputy Chairperson)

Elizabeth advised that she is continuing to work through the process and there are only three or four fees and charges left to finalise.

### 5.5 Financial Management Framework – Mark Lague (Chairperson), Clive Hempel (Deputy Chairperson)

Mark advised that the bond rate and calculation of liability has been missed from the model financial statements. Mark is doing some calculations and will make them available, the statistics are available here: [www.rba.gov.au/statistics/tables/](http://www.rba.gov.au/statistics/tables/) (Indicative Mid Rates of Australian Government Securities).

### 5.6 Fines Enforcement Recovery Unit – Annette Martin (Primary Contact)

No update.

### 5.7 Local Government Price Index – Chris Birch (Chairperson), Michael Carey (Deputy Chairperson)

No update.

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Work on a set of definitions for data that feeds into the LGPI and supply it to the Grants Commission for their consideration.	21/09/18	LGPI Workgroup	<b>Chris has met with Peter Ilee, the workgroup will now discuss the six issues put forward.</b>
Contact the Grants Commission to see if there is a guide for the return for how the administration allocations are being entered (operating expenses section). It would be valuable to have a consistent approach to provide to the Grants Commission.	25/10/19	LGPI Workgroup	<b>Chris will discuss this with Peter Ilee.</b>

### 5.8 Local Government Reform – Kate George (Chairperson)

Kate advised that she will be drafting a response to the LGA and Office of Local Government on behalf of the FMG.

### 5.9 Long Term Financial Plan – Kate George (Chairperson), Samantha Grieve (Deputy Chairperson)

Kate advised that she will soon be organising a meeting with LG Solutions to discuss feedback on the model.

Long Term Financial Plan			
Action Items	Meeting	Responsible	Status
Speak with LG Solutions regarding updates to the instructions for the model per the latest updates made.	29/05/20	Kate George	

### 5.10 Marketing & Communications – Anthony Amato (Chairperson), Marc Sodomka (Deputy Chairperson)

An update report was provided for discussion. Tony advised that the workgroup has now completed the three (3) e-newsletter program for 2019/20. The 3rd (Winter) edition of the e-newsletter was distributed to FMG members on 20 July 2020.

The 1st (Summer) edition of the e-newsletter for the 2020/21 program is due to be distributed to FMG members prior to Xmas 2020.

**Moved:** Elizabeth Williams

**Seconded:** Clive Hempel

**Recommendation:** That the SALGFMG Executive Committee notes the Marketing and Communications Workgroup report for July 2020.

**CARRIED**

### 5.11 Planning Portal – Clive Hempel and Samantha Grieve (Primary Contacts)

Clive advised that rural Councils went live today on the portal. The data file that was made has been provided to all of the software providers to get sign off on the proposed business requirements and the data from the planning portal will be fed back into the Council corporate systems. The reciprocal tax invoice agreement has been sent to Clive and Sam for feedback.

### 5.12 Rating and Valuation – Simon Zbierski (Chairperson), Luke Harris (Deputy Chairperson)

No meetings of the workgroup have been held since the last Executive Committee meeting.

Rating and Valuation			
Action Items	Meeting	Responsible	Status
Flat fee rate per rateable property – the cost of this service should be reviewed in terms of cost recovery.	24/04/20	R&V Workgroup	<b>Simon will follow up with Andrew Lamb at the LGA to see what has been done.</b>
Adopting rate growth throughout the year rather than waiting until the end of the year.	24/04/20	Simon Zbierski	<b>To be discussed with RPSA</b>
Explore options to prepare a submission on reforms of rating valuations of the rating system.	29/05/20	R&V Workgroup	

## 6. Treasurer's Report

An update report was provided for discussion. The Executive Committee noted the Profit and Loss statement from 1 July 2019 to 30 June 2020. This is only a preliminary P&L as the end of financial year process is still occurring.

**Moved:** Elizabeth Williams

**Seconded:** Sam Grieve

**Recommendation:** That the SALGFMG Executive Committee notes the Treasurer's report.

**CARRIED**

Finance			
Action Items	Meeting	Responsible	Status
Organise for the Executive Committee Office Bearers to be signatories on the NAB account.	21/06/19	Treasurer	<b>Forms to be signed.</b>

## 7. Correspondence

Nil

## 8. Confidential Discussion Items

### 8.1 Virtual Meeting Protocols (Kate George)

The Executive Committee agreed that if an Observer is attending an Executive Committee meeting virtually there is an expectation that they are visible to the committee. Protocols will be created for virtual meetings and the Secretariat will circulate them for feedback.

## 9. Other Business

### 9.1 Statement of Thanks (Anthony Amato)

Tony announced his retirement from the Executive Committee and thanked the FMG for all the outstanding work and support it continues to provide to the Local Government sector.

Norm also announced his retirement from the Executive Committee and thanked the FMG for their support and friendship during his time as a Committee Member.

The Executive Committee wished Tony and Norm well as they move into the next phases of their lives.

### 9.2 Honorary or Life Member

The Executive Committee discussed nominations for Honorary or Life Member and resolved to nominate Mark Lague for Honorary membership.

**Moved:** Annette Martin

**Seconded:** Simon Zbierski

**Recommendation:** *That the SALGFMG Executive Committee recommends to the Annual General Meeting that Mark Lague be offered Honorary membership.*

**CARRIED**

### 9.3 Receipts from DPTI

The Executive Committee noted that the receipts from DPTI are currently six months behind. The new planning portal should address this issue as a daily recording against Council will be made and then payments will be made Mondays, Wednesdays and Fridays by Service SA.

Other Business			
Action Items	Meeting	Responsible	Status
LGA Circular regarding the benefits of membership.	25/10/19	Secretariat	

## 10. Next Meeting

25 September 2020 – Alexandrina Council

## 11. Close

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

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

FMG President, Kate George: [kgeorge@salisbury.sa.gov.au](mailto:kgeorge@salisbury.sa.gov.au).

- Asset Management Workgroup Chairperson, Annette Martin: [amartin@charlessturt.sa.gov.au](mailto:amartin@charlessturt.sa.gov.au)
- Costing Principles Workgroup Chairperson, Alex Oulianoff: [aoulianoff@dcmtbarker.sa.gov.au](mailto:aoulianoff@dcmtbarker.sa.gov.au)
- Events & Membership Workgroup Chairperson, Kate George: [kgeorge@salisbury.sa.gov.au](mailto:kgeorge@salisbury.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)
- Marketing & Communications Workgroup Chairperson, Anthony Amato: [tony.amato@gawler.sa.gov.au](mailto:tony.amato@gawler.sa.gov.au)
- Planning Portal Contacts: Clive Hempel and Samantha Grieve: [chempel@mid-murray.sa.gov.au](mailto:chempel@mid-murray.sa.gov.au); [sgrieve@playford.sa.gov.au](mailto:sgrieve@playford.sa.gov.au)
- Rating and Valuation Workgroup Chairperson, Simon Zbierski: [zbierski@campbelltown.sa.gov.au](mailto:zbierski@campbelltown.sa.gov.au)