

## MINUTES

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

25 September 2020 at 9:30am

Alexandrina Council & via Zoom – Angas Bremer Room at the Strathalbyn Library and  
Community Centre – 1 Coleman Terrace, Strathalbyn

#### 1. Present

##### Executive Committee:

##### Office Bearers:

- Elizabeth Williams (President), Alexandrina Council
- Alexander Oulianoff (Vice President), Mount Barker District Council
- Clive Hempel (Secretary), Mid Murray Council
- David Harman (Treasurer), City of Marion

##### Members:

- Annette Martin, City of Charles Sturt
- Chris Birch, City of Prospect
- Grant Jennings, Whyalla City Council
- Karishma Reynolds, City of Burnside
- Kate George, City of Salisbury
- Kellie-Knight Stacey, City of Victor Harbor
- Kevin Carter, City of Onkaparinga
- Luke Harris, City of Mitcham
- Mark Lague, The Barossa Council
- Mike Carey, Adelaide Hills Council
- Rajith Udugampola, Adelaide Plains
- Samantha Grieve, City of Playford
- Simon Zbierski, City of Campbelltown

##### Proxies:

Nil

##### Observers/Guests:

- Steph Jeuken, DCMB
- Ann Gee, DCMB
- Rebecca Muller, LGA
- Jade Bird, City of Onkaparinga
- Anthony Amato, Town of Gawler

##### Secretariat:

- Patricia Coonan, TPS

*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

- Rebecca Baines, City of Tea Tree Gully

The President started the meeting by thanking Past President Kate George for all of her hard work and her successful two years in the position.

### 3. Welcome New Committee Members

- Grant Jennings
- Kellie-Knight Stacey
- Kevin Carter
- Rebecca Baines

The President welcomed the new Committee Members and acknowledged Rebecca's apology.

### 4. Presentations

#### 4.1 Dog and Cat Management Board – Steph Jeuken and Ann Gee

Steph and Ann discussed the viability and customer impacts of BPay as a payment method on DACO. Historically, BPay is the least preferred payment option, representing around 7 or 8% of payments. However, nearly one third of all refunded payments are BPay related and therefore BPay represents roughly 7% of the payments but is 32.4% of all refunds. Since DACO began there have been refunds of more than 250 BPay payments each of which takes significant manual work to facilitate. More BPay refunds are requested because the method by which payments are done increases the likelihood that an owner will pay more than once.

The identified issues with BPay are:

1. iCRN isn't 'perfect' in its intelligence and has resulted in:
  - a. owners can use iCRNs that are older than 18 months – so do not generate a new iCRN and it fails validation upon receipt from bank saying payment was made.
  - b. the check digit is NOT robust enough and incorrect amounts have been accepted and paid by owners.
  - c. Councils and owners are misinformed by DACO that an 'overpayment' has been made if an iCRN has been used again 2 years later.

NB: This issue will only increase in year 4 onwards.

2. Because confirmation of payment is not received for at least 24 hours, animals do not show as registered in real time.
3. Some owners pay more than once because they do not have to be logged into DACO to make payment and don't realise they already paid.
4. Refunds are manual and require the Dog and Cat Management Board (DCMB) to issue a spreadsheet to the bank and await confirmation from the bank.
5. Owners who are with smaller banks (like credit unions) do not get refunds for up to 6 weeks.
6. Owners do not realise that scheduled payments are not payments and can assume they have paid, but they haven't, it's a scheduled payment for a future date.
7. iCRN set up differs from non-iCRN BPay resulting in customer complaints to Council and the DCMB.

Over 310,000 animals that have been registered and confirmed. There have been teething issues from year one as outlined above as iCRNs were a relatively new concept, so some owners have had issues paying with BPay.

The committee questioned if there could be a set biller code for the user – a standard CRN. Steph explained that iCRN allows it to expire when late fees apply. The DACO Sprint Group advice was to not move to an online system where there is no customer service person to say that they haven't paid the full amount.

The committee agreed that given there is the ability to pay with a credit card, perhaps other eftpos options should be explored and BPay should potentially be removed as an option. Advice received from BPay on the issues continues to be: refunding any amounts will occur if they aren't the correct amount (total payment). The committee is supportive of seeing if there is a different product offering that will allow people to pay through their bank account.

The Executive Committee also briefly discussed the new Planning Portal and what options are available for payment through that. It is understood that credit card, eftpos and in person at the Council will all be options.

## 5. Confirmation of Minutes

**Moved:** Sam Grieve

**Seconded:** David Harman

**Recommendation:** *That the minutes of the meeting held on 31 July 2020 be confirmed as a true and correct record.*

**CARRIED**

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

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

A few of the workgroup members met with the IPWEA group to discuss the project objectives. There was an overview of the current IPWEA online templates provided at the meeting and Annette advised that we are interested in the outputs that go into how the asset management plan looks and feels and how it is used for consultation with the community. Since the meeting the LGA, John Comrie and Annette discussed the project and are aligned in where the project will go. Rebecca advised that she has written an options analysis paper and she is waiting on feedback from her Director. The paper includes recommendations that are in line with the conversations that have occurred. In terms of a timeframe, the option that has been recommended is to prepare a strategic management document and that could take 6 to 12 months to develop.

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	Completed

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

There is no specific update for this meeting.

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

The workgroup met on 11 September and will meet again after this Executive Committee meeting.

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

The feedback from the AGM and Conference has been very positive.

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

The program is currently being drafted and will take further shape after this afternoons meeting.

### 6.3.3 Membership

No new Members have signed up since the last Executive Committee meeting. There are still four non-member Councils. Membership renewals will be issued in the coming days.

**Moved:** Grant Jennings

**Seconded:** Mark Lague

**Recommendation:** That the SALGFMG Executive Committee notes the report.

**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	

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

Elizabeth advised that she is waiting for the ATO to come back with the revised list.

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

#### 6.5.1 Financial Statements

Mark advised that he is organising a meeting with Ernst and Young to discuss improvements. An email will be sent out to invite feedback and the meeting will be held before Christmas. It was also noted that some of the auditors have been asking for a statement on the COVID update.

The following template wording has been provided from Galpins to use as a starting point and modify to suit the Council's circumstances. Not all dot points are required to include dollar values as per the example below – the disclosure could just include the net impact as per the sentence underneath the dot points.

#### Note 1.13 – Impact of COVID-19

The COVID-19 pandemic has impacted the 2019/20 financial statements, which may impact on the comparability of some line items and amounts reported in this financial report.

The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shutdowns as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

The impacts on the Council's financial performance and financial position are outlined below: *(please include the main impacts. Some examples below – amend to suit your Council)*

- Additional financial assistance of \$XXX,XXX from the XXXXXXXX (e.g. Commonwealth Government, State Government or any other entity) to assist the Council with its COVID-19 response.
- Decrease in rates revenue of approx. \$XXX,XXX due to the reduction of commercial rates
- Decrease in users charges of approx. \$XXX,XXX due to the closures of sporting facilities, venues that are hired to the community, xxxxx, xxxxx, etc.
- Costs of \$XXX,XXX related to business support in the form of temporary suspension of fines, penalties, interest, rent (including sports fields, licence fees and debt recovery actions)
- Additional costs of \$XXX,XXX associated with public health activities (e.g. cleaning, preparing Council's facilities to respond to COVID-19, health and safety initiatives, etc)
- Other.... XXXXXXXXXX

Council estimates that the reduction in revenue and increase in expenditure resulted in a decrease of approximately \$XXX,XXX in the 2019/20 net surplus. It is expected that further financial impacts, though not significant, will flow into the 2020/21 financial year.

Council has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the Council's ability to continue as a going concern.

#### Note 20 – Events After the Statement of Financial Position Date

COVID-19 has been classified as a global pandemic by the World Health Organisation and has developed rapidly in 2020. Measures taken by the Federal and State governments have affected South Australia's economic activity and Council's operations.

At this stage, the financial impacts on Council's operations have not been significant and Council expects that further impacts on Council's operations to flow into the 2020/21 financial year will not be significant. We refer to note 1.13 providing details of the financial impacts caused by COVID-19 during the 2019/20 financial year.

#### 6.5.2 Working Papers

Mark advised that there are still some LGA papers that need to be reviewed and finalised.

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

Annette is still waiting to hear back from FERU from the feedback that was provided by the FMG regarding their templates and reports.

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

Chris advised that the Adelaide Uni presenter at the conference mentioned that they are having issues monitoring our waste cost. They will be working on how they can ask for this information from Councils.

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	Chris has met with Peter Ilee, the workgroup will now discuss the six issues put forward.
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	Chris will discuss this with Peter Ilee.

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

Kate advised that a few of the Executive Committee Members participated in an LGA session mainly for Mayors and CEOs. Unfortunately, no representative from the Labor party were present but there were Independent and Greens participants present. There is a series of amendments that will be proposed through the upper house deliberations.

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

Kate advised that a meeting needs to be organised to provide feedback to LG Solutions about changes to the model. LG Solutions have arranged a session for the membership to opt into that will be held on 7 October 2020.

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	

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

The workgroup will firstly need to elect a new Chairperson and Deputy Chairperson for the 2020/21 financial year. Thereafter, planning will need to occur to establish timelines for the delivery of the three (3) e-newsletter program for 2020/21.

The 1st (Summer) edition of the e-newsletter will tentatively be distributed to FMG members prior to Christmas 2020. The 2nd (Autumn) edition of the e-newsletter for the 2020/21 program is normally distributed to FMG members in April (2021) and the 3rd (Winter) edition of the e-newsletter is normally distributed in July (2021).

Subject to other commitments, the workgroup may also wish to expand their focus beyond the newsletter program.

**Moved:** David Harman  
**Seconded:** Alex Oulianoff

**Recommendation:** That the SALGFMG Executive Committee notes the report.

**CARRIED**

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

Clive advised that the next phase of implementation which is the larger regional groups, and the metro areas has been delayed but there is no set date. The planning code for that area hasn't been completed yet. There is a session being held at the Barossa on 12 October that is being run by PLSNA for the implementation, and surrounding Councils have been invited.

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

Simon advised that there has been no meeting since the last meeting. There has been some discussion with Andrew Lamb at the LGA regarding what fees Councils can recover with respect to the 'flat fee rate per rateable property' action item. The two fees Councils can recover are the general fee for the levy and the establishment fee for the landscape levy. With respect to the 'adopting rates growth' action item, Revenue Professionals SA (RPSA) have provided some information to the LGA and Simon will provide this to the committee.

COVID and rates – the committee discussed whether there can be mapping to show what Councils have done to try to address this issue. The LGA previously compiled a list and the committee agreed that Councils sharing some of their experiences is important because it helps other Councils to be able to draw on this information. Councils who are looking to update their rebate policy should be thinking about the rebates issue now and the committee agreed that we may need to monitor this issue over the coming year and potentially set up a workgroup to discuss a joint approach – a grants and rebates workgroup. Rebecca confirmed that the LGA prepared a couple of surveys over a couple of months regarding rate increases proposals. The LGA is looking to do another collection of data regarding what Councils actually did. The previous data was used to write to members of parliament and it was well received by those members. The LGA will be keeping a watching brief on this issue. The committee agreed that it would be worth the LGA checking with Councils what they submitted last time and whether that has changed.

The Local Government Reform Bill if it goes through may have an impact on growth assessment. If the method is destabilised it will affect the way Councils can support the community.

<b>Rating and Valuation</b>			
<b>Action Items</b>	<b>Meeting</b>	<b>Responsible</b>	<b>Status</b>
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	

## 7. Treasurer's Report

Alex advised that the May conference was delayed and as a result there are accruals that have been included. This year there will be a higher expenditure so the budget will need to be adjusted. This will be discussed with the new Treasurer at handover this afternoon.

**Moved:** David

**Seconded:** Kate

**Recommendation:** That the SALGFMG Executive Committee notes the report.

**CARRIED**

Finance			
Action Items	Meeting	Responsible	Status
Organise for the Executive Committee Office Bearers to be signatories on the NAB account.	25/09/20	Treasurer	<b>Forms to be signed.</b>

## 8. Correspondence

### 8.1 ATO – Peppol e-invoicing in SA Local Government

Correspondence was received recently from the ATO by Councils for online invoicing. The Executive Committee discussed the correspondence and agreed to invite the ATO contact to the next Executive Committee meeting.

## 9. Other Business

### 9.1 Workgroup Allocations

### 9.2 Proxy/Deputy Chairperson for each of the Workgroups and Executive Committee Meetings

To ensure quorum at Executive Committee meetings, Executive Committee Members will be asked to nominate a Proxy to attend at times that they may be unavoidably unavailable. Executive Committee Members are asked to email Patricia their proxy details.

### 9.3 Executive Committee & Event Meeting Dates and Venues

Suggested Dates:

- 30 October 2020 – virtual
- 20 November 2020 – Mid Murray Council with virtual option
- 26 & 27 November 2020 – Workshop & Conference – Adelaide Convention Centre
- 29 January 2021 – virtual
- 26 February 2021 – City of Marion with virtual option
- 26 March 2021 – virtual
- 30 April 2021 – City of Prospect with virtual option
- 14 May 2021 (tentative) – Conference – Adelaide CBD
- 28 May 2021 – virtual
- 25 June 2021 – virtual
- 30 July 2021 – Mount Barker District Council with virtual option
- 27 August 2021 – Annual General Meeting – Adelaide CBD

- 25 September 2021 – City of Playford with virtual option
- 29 October 2021 – virtual
- 19 November 2021 – location TBC by new Executive Committee
- 25 & 26 November 2021 (tentative) – Workshop & Conference – Adelaide CBD

#### 9.4 AASB16 & the Local Government Act (Mark Lague)

Under the *Local Government Act 1999* under borrowings (S134) it indicates that Councils can't subdelegate loan approvals. Operating leases and rentals that meet AASB16 are now being held in the balance sheet as future liabilities. Different responses have been received by Councils as to how they look after these. Some Councils have operating leases approved by Council anyway and some are having them approved in-house by a Director or the CEO. The terms of the loans need to be reviewed given the changes to AASB16. The nature of the arrangement hasn't changed, it's not how the leases are being recorded, but more about what Council is being committed to. There is no interest rate on a rental arrangement and if Council administration were to enter into a rental arrangement, it would need to go to Council every time. The committee agreed that given the accounting standard hasn't changed but the interpretation of the Act has, they would like the LGA to look into this matter and potentially obtain legal advice (a simple brief) that can be provided to the Local Government sector. Rebecca agreed to follow this matter up.

#### 9.5 Funding Policy

Mark advised that the Barossa Council has a funding policy in place and the LGA information papers suggest that Councils need this policy. The committee agreed that if the Local Government Reform Bill gets through, it will likely enforce that Councils need this policy. Mark is happy to share his Council's policy if anyone would like to view it.

### 10. Confidential Discussion Items

#### 10.1 New Agreement – Think Purple Solutions

**Moved:** Elizabeth Williams

**Seconded:** Clive Hempel

**Recommendation:** *That the SALGFMG Executive Committee approves the new agreement with Think Purple Solutions expiring on 30 June 2023.*

**CARRIED**

Other Business			
Action Items	Meeting	Responsible	Status
LGA Circular regarding the benefits of membership.	25/10/19	Secretariat	
Email proxy details to the Secretariat	25/09/20	All Committee Members	

### 11. Next Meeting

30 October 2020 – virtual.

## 12. Close

The meeting closed at 12:45pm.

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>• 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
<ul style="list-style-type: none"><li>• Buddy List</li></ul>	October	Annually

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

FMG President, Elizabeth Williams: [elizabeth.williams@alexandrina.sa.gov.au](mailto:elizabeth.williams@alexandrina.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, Elizabeth Williams: [elizabeth.williams@alexandrina.sa.gov.au](mailto:elizabeth.williams@alexandrina.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, David Harman: [david.harman@marion.sa.gov.au](mailto:david.harman@marion.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: [szbierski@campbelltown.sa.gov.au](mailto:szbierski@campbelltown.sa.gov.au)