

MINUTES

South Australian Local Government Financial Management Group Executive Committee

25 October 2019 at 9:30am
Campbelltown City Council

1. Present

Executive Committee:

Office Bearers:

- Elizabeth Williams (Vice President), Alexandrina Council
- Alexander Oulianoff (Treasurer), Mount Barker District Council

Members:

- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- David Harman, City of Marion
- Karishma Reynolds, City of Burnside
- Kate George (President), City of Salisbury – apology for first half of the meeting
- Marc Sodomka, City of Port Adelaide Enfield
- Mark Lague, The Barossa Council
- Mike Carey, Adelaide Hills Council
- Norm Biggs, City of West Torrens
- Samantha Grieve, City of Playford
- Simon Zbierski, City of Campbelltown

Proxies:

- Leta Northcott, City of Mitcham

Observers/Guests:

- Rebecca Muller, LGA
- Angela Papatheodorakis, City of Port Adelaide Enfield

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

- Annette Martin, City of Charles Sturt
- Clive Hempel (Secretary), Mid Murray Council
- Katy Bone, Town of Walkerville
- Luke Harris, City of Mitcham
- Rajith Udugampola, Adelaide Plains
- Sonia Sghendo, City of Onkaparinga

Vice-President Elizabeth Williams chaired the meeting in the President's absence.

3. Presentations

Nil

4. Confirmation of Minutes

Moved: Anthony Amato

Seconded: Norm Biggs

Recommendation: That the minutes of the meeting held on 27 September 2019 be confirmed as a true and correct record.

CARRIED

5. Projects/Work Groups – Update/Status

5.1 Asset Management – Katy Bone (Chairperson)

No update. A meeting of the workgroup will be held in November.

5.2 Costing Principles – Alex Oulianoff (Chairperson)

The LGA Paper has been released looking at the Property Units Code for CWMS. Executive Committee Members are encouraged to review the paper and provide feedback to the contact through the LGA (Richard Gayler). Some Councils have already provided feedback. Feedback will also be provided on behalf of the workgroup once a meeting has been held.

5.3 Events – Kate George (Chairperson)

5.3.1 December Workshop & Conference – 5 & 6 December 2019

The draft program and registrations will be released shortly. Adelaide Oval will no longer be the venue due to a major sporting event that will be confirmed in the coming days. The workgroup is currently looking at other options. It will still be held in the Adelaide CBD.

5.3.2 May Conference – 15 May 2020 – Adelaide Convention Centre

No update at this stage.

| Events | | | |
|---|----------|------------------|--|
| Action Items | Meeting | Responsible | Status |
| LGFA sponsorship of regional attendees to attend FMG Conferences. | 26/07/19 | Events Workgroup | President to discuss options with LGFA. |

5.4 Fees and Charges – Elizabeth Williams (Chairperson)

The first ruling has been released and circulated to the membership. Elizabeth is still working with BDO on the remaining fees. See the attached report for the items the second ruling will cover. The fees and charges are all currently in a spreadsheet, Elizabeth will follow up with BDO as to whether it can be released now or if we need to wait for the second part. The aged residential facilities fee is the main fee still to resolved. An LGA Circular will be released.

5.5 Financial Management Framework – Mark Lague (Chairperson)

5.5.1 Information Papers for endorsement

Mark provided an update on the information papers provided for endorsement and the following was noted:

- All papers currently discuss the years that they have been reviewed. All papers will be altered to add a table at the back providing the years they have been reviewed and who was involved.
- Changes have been received for information paper 25 and the tables will be updated to match the MFS, note 15 and the NRM levy.
- The rest of the information papers apart from those related to audit committees will be required back to Mark by the middle of November and signed-off by the relevant work groups, to then be presented to the November Executive Committee meeting for endorsement.

Moved: Mark Lague

Seconded: Karishma Reynolds

Recommendation: *That the Executive Committee endorses the following papers with minor amendments:*

- *Information Paper 5 – Efficiency and Economy Examinations*
- *Information Paper 23 – Financial Governance*
- *Information Paper 25 – Monitoring Council Budget Performance*

CARRIED

5.5.2 MFS Tenders

Rebecca advised that 6 (six) tenders have been received from around Australia for the updating of the Model Financial Statements. The Tender Evaluation Panel has reviewed the tenders and negotiations will commence in the next few days.

| Financial Management Framework | | | |
|---|----------|---------------------------------------|--------|
| Action Items | Meeting | Responsible | Status |
| <p>Wastewater reserves, people who have them are starting to discuss going into negative. Advice from auditors is that you can have a reserve in negative however in the notes when it comes to reserves, in the model statements a reserve can't be at a negative number.</p> <p>Alex will discuss this matter with SALGAG for clarification.</p> <p>Workgroup to pick up as feedback for the MFS's next financial year.</p> | 21/06/19 | <p>Treasurer</p> <p>FMF Workgroup</p> | |

5.6 Local Government Price Index – Chris Birch (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 | |
| LGPI – to be provided to Secretariat once confirmed for distribution to the membership. | 21/06/19 | Chris Birch | |
| 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 | |

5.7 Local Government Reform – Kate George (Chairperson)

No update.

5.8 Long Term Financial Plan – Kate George (Chairperson)

The final Local Government Research and Development Scheme report for this project is being finalised.

5.9 Membership & Communication – Anthony Amato (Chairperson)

The next newsletter will be ready by the end of November/early December.

| Membership & Communication | | | |
|---|----------|---------------|--------|
| Action Items | Meeting | Responsible | Status |
| Buddy list to be reviewed and distributed to Executive Committee. | 21/06/19 | M&C Workgroup | |

5.10 Rating and Valuation – Simon Zbierski (Chairperson)

A meeting was held on 15 October and the MoU between the LGA and the Valuer General was discussed. Feedback is to be provided back to the Valuer General. The group also discussed the land use codes and are looking to have the direction clarified in the MoU. The valuation being undertaken by the Valuer General commercial arm is in its second cycle and workshops are being held with those involved in this cycle.

Feedback on the LGA Hardship draft guidelines is due on 1 November. Reference in the guidelines to the water industry and ESCOSA has confirmed that there are prescribed rates by the Minister that can be changed, but Councils would need to send them to the Minister with respect to the water industry and there doesn't need to be separate rates, they can be combined.

The next meeting of the group will be held on 19 November.

5.11 DACO Update – Simon Zbierski and Clive Hempel

No meeting has been held however the committee discussed the integrity of the data on DACO. Depending on when dogs pass away and what happens with them can affect the data. What access do vets have to DACO and what information do they add to DACO when dogs pass away? Simon will raise this with the group at the next meeting.

6. Treasurer's Report

There is currently a \$2,291 year to date net profit and cash balance of \$195,000. Alex will be undertaking a cleanse of the names of the finance lines in Xero so that an accurate profit and loss statement can be produced.

It was noted that any additional funding is reinvested for the benefit of the sector, for example the Fees and Charges project co-contribution, LTFP project and LGR&D Scheme funding that was put towards the internal control framework project in the past. It would be worth providing an LGA Circular regarding the benefits of membership.

| Finance | | | |
|---|----------|-------------|----------------------------|
| Action Items | Meeting | Responsible | Status |
| Prepare financial reports monthly for the Executive Committee. | 21/06/19 | Treasurer | |
| Contact Ian McDonald in advance of the AGM to seek his interest in providing accountant services for 2019/20. | 21/06/19 | Treasurer | |
| Organise for the Executive Committee Office Bearers to be signatories on the NAB account. | 21/06/19 | Treasurer | Forms to be signed. |

7. Correspondence

Nil

8. Confidential Discussion Items

This item was discussed at the end of the meeting after the President arrived.

A submission drafted for the SALGFMG responding to the "Inquiry into Local Government Costs and Efficiency" was circulated from Kate to the Executive Committee. The paper responds to the direct advice to South Australian Councils. The information requests from the Grants Commission are numerous and the commission is engaging with Councils to source the information. The FMG submission focuses on the information requests that have broader implications.

Minor grammatical changes were noted.

Moved: Alex Oulianoff

Seconded: Simon Zbierski

Recommendation: *That the SALGFMG President be authorised to finalise the draft submission to the South Australian Productivity Commission in relation to their draft report “Inquiry into Local Government Costs and Efficiency”, and lodge it today 25 October 2019, incorporating where possible today’s Executive Committee meeting feedback.*

CARRIED

The final draft submission will be sent to a number of the Executive Committee Members (Office Bearers and former Presidents) for one final review and the final submission will then be sent to all of the Executive Committee Members.

Moved: Karishma Reynolds

Seconded: Mike Carey

Recommendation: *That the SALGFMG President be authorised to prepare a submission to the Office of Local Government in relation to their “Reforming Local Government in South Australia Discussion Paper”, focusing on reform area 2, which is due for submission by 1 November 2019.*

CARRIED

9. Other Business

9.1 Quote for New Member Promotional Item and Lanyards (Patricia Coonan)

The committee discussed the quotes received for new member promotional items and lanyards. The committee selected a vacuum cup promotional item to be provided to every current Member who attends and FMG event and to new Members thereafter celebrating the FMG’s 30th year. The committee also discussed the lanyard options of two clips and a single clip and selected the single clip as they are easily reusable and are a more economic option.

Moved: Simon Zbierski

Seconded: Mark Lague

Recommendation:

That:

- 1. The ‘Item 5 Cordia Vacuum Cup’ be ordered with the FMG logo and recognition of 30 years and provided to all Members if they attend an FMG event (quantity up to the value of approximately \$4,000).*
- 2. Single clip lanyards be ordered (quantity 500).*
- 3. The cups and lanyards be ordered up to the value of \$5,000 altogether.*
- 4. The Events Workgroup select the wording to be engraved on the cups and the colour of the cups.*

CARRIED

9.2 Grants Commission Return (Mark Lague)

The committee discussed how Councils treat their separate service charges for waste (solid, green and recycling). In the return it only allows you to pick up the solid waste area. The committee discussed different options; one being adding the charges to general rates.

The committee also discussed how administration allocations are being entered (operating expenses section). It would be valuable to have a consistent approach to provide to the Grants Commission.

With respect to the superannuation on leave loading issue, on the ATO website in May it stated that the Liberal government were putting together an amnesty period where the ATO wouldn't fine you during the amnesty period. This is now back on the Liberal government agenda so that employers can go back and back pay superannuation if they have underpaid it in the past. The committee agreed that we approach the LGA to seek legal advice to see how far back Councils need to go back and review. This information should also be supplied through an LGA Circular and in an article in the next FMG newsletter.

9.3 MFS (Simon Zbierski)

It is noted on the LG Solutions model that one of the pre-audit updates has dropped off, Simon will ask LG Solutions as to why there are only 2 updates this year instead of 3.

9.4 Planning Fees (Mike Carey)

From 1 July 2020 all fees will be going to DPTI and the committee discussed the third quarter planning fees under the new system and the ePortal. Kate advised that DPTI have been invited to the November Executive Committee meeting and we can talk through the issues with them as it is noted that transactional and business issues need to be worked through. Payment terms will need to form part of the agreement.

9.5 Borrowing Paper (Mike Carey)

Mike advised that his Council has prepared a paper on borrowing and low interest rates. Mike is happy to circulate this paper to the Executive Committee.

9.6 February Executive Committee Meeting

It was noted that the West Torrens venue for the February Executive Committee meeting is unavailable. Burnside Council have offered to host this meeting.

9.7 Street Lighting Charges (Tony Amato)

It was noted that some overcharging has been occurring from SA Power Networks over the years. All Councils will need support in this area given its complexities.

9.8 Pro Rata Sick Leave Court Case (David Harman)

David raised the issue of a sick leave Federal Court case ruling related to employees who are working less than the standard number of hours per week but still entitled to receive 10 days sick leave no matter what their FTE is. Most payroll systems currently manage the accrual of personal/carer's leave in hours. Employers will need to review their systems as to whether or not they are compliant with the legislative requirement that an employee is entitled to accrue 10 days (working days) of leave even if they are part-time.

| Other Business | | | |
|---|----------|---------------------|--|
| Action Items | Meeting | Responsible | Status |
| Form a Data Collections – Annual Grants Commission Returns workgroup. | 29/03/19 | Executive Committee | Chris to send email to organise a meeting – same members of the LGPI workgroup. |
| LGA Circular regarding the benefits of membership. | 25/10/19 | Secretariat | |

10. Next Meeting

29 November 2019 – The Barossa Council

| 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"> • 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 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 and Executive Committee meetings • Meeting dates for next 12 months • Event registration fees for the financial year | September | Annually |

11. Close

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.

- Asset Management Workgroup Chairperson, Katy Bone: KBone@walkerville.sa.gov.au
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Events Workgroup Chairperson, Kate George: kgeorge@salisbury.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, Anthony Amato: tony.amato@gawler.sa.gov.au
- Rating and Valuation Workgroup Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au

List of outstanding fees and charges

Animals

Impounding fee – other animals

Fee for annual inspection of kennels

Fee for voluntary relinquishment of a dog (not detained) or cat

Permits and Licences

Horse agistment and sheep grazing licence fees

Produce harvesting permit fee

Development and Planning

Bond agreement preparation service fee

Community

Equipment, Property, Facilities, Tourism and Events

Libraries, Home Assistance, Transport, Community Programs, Child care and Other

Fee for cleaning a library item

Fees for replacement library items

Fee for replacement library membership card

Library late return and overdue notice fees

Home care service fees (with Commonwealth or State funding)

Home care service fees (no Commonwealth or State funding)

Home and community care service fee

Community and local medical appointment transport fees

Distance medical appointment transport fees

Special needs centre transport administrative fees, program lunch fees and hydrotherapy spa fees

Administration fee in relation to use of EFTPOS and failed transaction

EFTPOS charge

Fees for recovery of debts

Information Services

Fees for ancillary services in relation to sale of council documents covered by section 132 of the LGA

Plan search fee

Fees for copying of statutory documents

Fee for recovery of legal expenses

Administration fee for overdue accounts

Administration fee to reproduce a cancelled cheque

Repeat refund cheque fee

Dishonoured cheque fee

Private Works, Waste Management and Water

Private works

Bond for council property - bond for new inverts

Waste management and water

Sale of replacement parts for bins

Collection and disposal of illegally dumped rubbish

Sale of waste disposal facility vouchers

Pipeline licence fee

Charges Referenced Under The Recycled Water Service Charter

Charges Incurred Where There Is a Breach of The Recycled Water Supply Agreement and/or the Customer Services Charter

Fees for wastewater matters covered by the South Australian Public Health (Wastewater) Regulations 2013 (SAPH Regulations)
Additional system charges – warm water systems
Application fee for authorisation under the Water Industry Act 2012 (SA)
Fee for complex development application referral and/or authorisation under the Water Industry Act 2012 (SA)
Development Application Referral Fee
Wastewater trade waste application fees
Augmentation fee for community wastewater management system (CWMS) or sewer scheme - new subdivision
Fee for alteration to service boundary alignment
Storm water quality management fee
Water meter access charges
Repair or replace fittings other than water meters
Fee for reallocation of water meter
Fire connections and associated costs – water meters
Cross connection audit inspections – water meters

Environment, Health and Community Safety

Expiations

Fines and expiations in relation to burning, burning out of hours & burning particular material
Fines and expiations in relation to Council By-Laws
Fines and expiations in relation to all parking violations
Fines and expiations in relation to the Fire & Emergency Services Act (s105F notice)
Administration fee
Reminder notice
Warning notice fee
Expiation late fee

Impounding of vehicles

Expiation Fee

Removal of property

Impounding of Property
Storage of Property
Return of Property
Maintaining goods
Disposal of Property
Administration Fee - Clearing of Dumped Rubbish

Removal of vegetation (includes block clearing)

Administration Fee
Block Slashing - including plant hire & contractors
Land Clearing
Tree removal
Inspection of a Lot for compliance with Fire Safety Regulations (105F notice)

Other

Ranger Services Fee

Retirement Villages and Aged Care Facilities

Debenture Loan
Rental per week
Maintenance per week
Basic Daily Fee - Pensioners
Basic Daily Fee - Non Pensioners

Accommodation Payment
Means Tested Care Fee
Entry Contribution
Maintenance fee (resident funded)
Licence fee - administration

Supported Residential Facility Licences

Application Fee
Supported Residential Facilities Inspection Fee
Annual Fee

Inspection of nursing homes

Inspection and reporting on food safety in Nursing homes
Audit fee for aged care facilities (Food Act)

Fines

Failure to comply with an Act
Expiation notices & statutory fines

Food Safety

Food Premise Audit Fees
Food Safety Program Audits
Food Audit Recovery of Costs

Miscellaneous

Remote control car racing permit
Weighbridge fee
Natural Resource Management Levy
Rates charged by Council
Application fees in relation to a permanent road closure
Fees for valuations levied under the Valuation of Land Act 1971
Liability guarantee fee against regional subsidiaries
Donations
Contributions - voluntary

Cemeteries

17 Cemetery Development fees
18 Maintenance and grave digging services fee
19 Administration fees
20 Fees for the grant of Interment Rights (50 year term)
21 Search fee of the interment registers
22 Fee for a memorial, plaque or headstone and other merchandise
23 Transfer of interment rights fee
24 Fees for permits or authorisations in relation to interment of human remains eg memorial item (bench etc)
25 Fee for services associated with the exhumation of human remains