

## MINUTES

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

31 January 2020 at 9:30am

Town Hall, City of Port Adelaide Enfield – 163 St Vincent Street, Port Adelaide

#### 1. Present

##### Executive Committee:

##### Office Bearers:

- Kate George (President), City of Salisbury
- Elizabeth Williams (Vice President), Alexandrina Council
- Clive Hempel (Secretary), Mid Murray Council

##### Secretariat:

- Patricia Coonan

##### Members:

- Annette Martin, City of Charles Sturt
- Chris Birch, City of Prospect
- David Harman, City of Marion
- Karishma Reynolds, City of Burnside
- Katy Bone, Town of Walkerville
- Marc Sodomka, City of Port Adelaide Enfield
- Mike Carey, Adelaide Hills Council
- Norm Biggs, City of West Torrens
- Rajith Udugampola, Adelaide Plains
- Samantha Grieve, City of Playford
- Simon Zbierski, City of Campbelltown

##### Proxies:

- Leta Northcott, City of Mitcham (for Luke Harris)

##### Observers/Guests:

- Liz Packer, City of Adelaide
- Sharee Trenerry, City of Adelaide
- Kelly Jamieson, City of Adelaide
- Mwewa Chisenga, City of Mitcham
- Alicia Stewart, City of Port Adelaide Enfield
- Angela Papatheodorakis, City of Port Adelaide Enfield
- Andrew Lamb, LGA
- Rebecca Muller, LGA
- John Ovenstone, FERU
- Lana Ashford, FERU
- Jenna Prisk, FERU
- Sean Turtur, FERU

#### 2. Apologies

- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Anthony Amato, Town of Gawler
- Luke Harris, City of Mitcham
- Mark Lague, The Barossa Council
- Sonia Sghendo, City of Onkaparinga

*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

#### 3.1 Fines Enforcement and Recovery Unit (FERU)

- John Ovenstone, Chief Recovery Officer
- Lana Ashford, Manager, Business Systems and Support
- Jenna Prisk, Manager, Strategy & Analytics
- Sean Turtur, Manager, Business Development

The representatives from FERU provided a presentation covering the concerns that Councils have and also providing a background on FERU and what they deal with. The following points were noted:

- FERU deals with Court fines primarily (but only represent 30% of their volume), expiations if referred to them, victims of crime debt, criminal asset confiscation matters and debt collection for other government debt.
- The unit was established to be a FERU for the state out of the Courts administration area.
- FERU cooperates with fellow agencies interstate.
- Dealing with vulnerable people is difficult relative to fines and to debt. A growing trend is to allow vulnerable people to have opportunities to resolve fines in a non-financial way. 142,000 people owe fines in SA, over 50% are on income support. NSW are looking to halve fines for vulnerable people who are already on Centrelink income support. 320,000 matters were referred to them last year.
- A lot of government agencies have taken a budget cut. FERU has taken a 16% budget cut.
- Council lodgements in 2018/19 alone increased by 14%. Total debt owed across all Councils is \$11.6M (3% of total Fines Unit debt portfolio). Debtors owing to Council have total outstanding debt with the Fines Unit valued at \$166.8M (i.e. Council debt is 6.9% of their total debt).
- There was an increase in Review applications from August 2019 to November 2019 including repeat reviews. 24% of Reviews lodged come through for Council matters.
- Technology – FERU would like to implement a process at the pre-enforcement stage. City of Adelaide is piloting a project at the moment 'Issuing Authority Portal'.
- Remittance advice is now sent through in spreadsheet format to assist Councils to do their reconciliations.
- There hasn't been an increase in rite-offs or waivers.

FERU advised that they have provided Councils with a suite of reports and they would like feedback on those reports. There is an opportunity for the FMG to look at the standard reports and provide feedback for additional data to be included. It would be worth putting a small group together to look at the report. FERU confirmed that they can provide reports each year relative to fines that are being managed by FERU for the Council, the Executive Committee agreed that this would be useful. The Executive Committee asked questions about some of the definitions in reports and the following was noted:

- Deferred = is the equivalent of a rite-off
- Rite-off = debt can be reinstated at a later stage
- CRO = Chief Recovery Officer
- Waivers = debt is gone

#### 4. Confirmation of Minutes

**Moved:** Elizabeth Williams

**Seconded:** Norm Biggs

**Recommendation:** *That the minutes of the meeting held on 29 November 2019 be confirmed as a true and correct record.*

**CARRIED**

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

##### 5.1 Asset Management – Katy Bone (Chairperson)

The next meeting of the group will be held on 11 February. A circular will be issued about the Asset Management Plan work and the groups the LGA is putting together. Katy will contact the workgroup regarding the work and the representation required.

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

No update.

##### 5.3 Events – Kate George (Chairperson)

The initial feedback from the December event is very positive. All feedback will be reviewed by the Events Workgroup to assist in preparations for the May Conference.

##### 5.3.2 May Conference – 15 May 2020 – Adelaide Convention Centre

The group is working on the Program. Kate will touch base with LG Solutions as they may want to engage on the LTFP lite model perhaps the day before the Conference.

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

Elizabeth spoke with the ATO yesterday, they are keen for us to resolve the second lot of fees ASAP. Elizabeth is now waiting to hear an update from BDO.

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

Kate advised that the winner of the tender for the Model Financial Statements is Ernst and Young. It was noted that is important that the statements are not referred to as Ernst and Young Model Financial Statements as they are the sectors statements.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
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. Alex will discuss this matter with SALGAG for clarification. Workgroup to pick up as feedback for the MFS's next financial year.	21/06/19	Treasurer  FMF Workgroup	

### 5.6 Local Government Price Index – Chris Birch (Chairperson)

Chris will be meeting with Peter Ilee soon regarding the Grants Commission Returns, possibly today after this meeting.

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	<b>Hoping to meet with the Grants Commission soon.</b>
Form a Data Collections – Annual Grants Commission Returns workgroup.	29/03/19	Executive Committee	<b>Chris to send email to organise a meeting – same members of the LGPI workgroup.</b>

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

The LGA has had a series of meetings with the Office of Local Government over December/January. They are in a phase of talking about the details of what the Bill will say. Of the 40+ Councils who made submissions, there is a lot of detail that the LGA can draw on which has been very valuable.

Rate capping is back on the agenda. In setting rates for next year, the LGA is encouraging Councils to make their own assessments in what's appropriate. Councils have been very modest in their increases the last few years. The LGA will be vigorously opposing rate capping again and it is noted that it is very disappointing to have to go through this process again. Rate capping will be put into Parliament as part of a wider Bill on Local Government Reform and is expected to be introduced to Parliament in the first quarter of 2020 – there will be no impact on rates for 2020/21.

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

Kate has prepared an awards submission for the Local Government Professionals Awards for cross collaboration work on the Long Term Financial Plan model.

## 5.9 Membership & Communication – Anthony Amato (Chairperson)

Tony provided the following update by email:

- E-newsletter – 1st edition was completed prior to Xmas and sent to Members.
- E-newsletter – 2nd edition is about to get under way. Hopefully, it will be sent out by the end of March 2020.
- M&C Workgroup – as we have lost a few (4 or 5) members for this year we need additional members.

David Harman and Annette Martin volunteered to join the Membership and Communication workgroup.

Membership & Communication			
Action Items	Meeting	Responsible	Status
Buddy list to be reviewed and distributed to Executive Committee.	21/06/19	Secretariat	<b>Currently being migrated into the membership database.</b>

## 5.10 Rating and Valuation – Simon Zbierski (Chairperson)

Simon at the last meeting was seeking feedback on the MOU with the Valuer-General. Feedback has been received, collated and put forward to the LGA. Revaluation initiative consultation sessions will be held in March.

## 5.11 DACO Update – Simon Zbierski and Clive Hempel

No update. This item can now be removed from the agenda and will be reported on under Other Business if any matters arise.

## 6. Treasurer's Report

Alex is an apology. Patricia advised that we have a new Silver sponsor, Datacom Solutions and that debtor invoices outstanding have been reduced with only a few left to chase.

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	<b>Forms to be signed.</b>

## 7. Correspondence

Nil

## 8. Confidential Discussion Items

Nil

## 9. Other Business

### 9.1 Collection of Fees and Charges Under the PDI Act & Regs (for discussion)

The LGA is chasing up who can collect the money on behalf of Council. CAP Committees under the Local Government Act 1999 are the only entity currently that can collect the money.

There are concerns that some Councils will be delayed going on to the new planning portal. Phase 1 (outback areas and coastal waters) is currently operational. Phase 2 Councils have a 'go-live' date of 1 April 2020 and Phase 3 'go live' date is 1 July 2020.

Clive Hempel and Samantha Grieve have agreed to provide updates on this matter at each Executive Committee meeting.

The following article was provided for inclusion in the minutes:

<https://indaily.com.au/news/local/2020/01/30/govt-flags-delaying-reforms-after-e-planning-guru-quits/>

### 9.2 Reciprocal Arrangement - WA Conference – 12 to 13 March 2020

Patricia will provide the program to the committee and call for expressions of interest to attend.

**Moved:** Clive Hempel

**Seconded:** Mark Lague

#### ***Recommendation:***

*That:*

- 1. The President has the authority from the Executive Committee to select an Executive Committee Member to attend the WA Conference on 12 and 13 March 2020 under the current interstate reciprocal arrangements.*
- 2. Expressions of interest will be called from the Executive Committee.*
- 3. An article for the newsletter will need to be prepared by the attendee after the event.*

**CARRIED**

### 9.3 FERU

The FERU presentation came about from the LGA providing feedback to FERU from Councils on their concerns. As previously mentioned in this meeting, the FMG would like to discuss the current reports received from FERU and provide feedback. The LGA will assist if required. Annette will take the lead on this and will call for representatives from Port Adelaide Enfield, Playford and Salisbury as a starting point.

<b>Other Business</b>			
<b>Action Items</b>	<b>Meeting</b>	<b>Responsible</b>	<b>Status</b>
LGA Circular regarding the benefits of membership.	25/10/19	Secretariat	<b>To be prepared when the 50% discount rate kicks in March/April.</b>
Organise a group with representatives from Port Adelaide Enfield, Playford and Salisbury as a starting point to discuss the FERU reports received by Councils.	31/01/20	Annette Martin	
Provide the program for the WA Conference (12 to 13 March 2020) to the Executive Committee and call for expressions of interest for an FMG representative to attend under the current reciprocal arrangement.	31/01/20	Secretariat	<b>Completed</b>

## 10. Next Meeting

28 February 2020 – City of Burnside

<b>Standing and Future Items</b>	<b>Meeting</b>	<b>Frequency</b>
Presentation from the Local Government Grants Commission	March	<b>Annually</b>
Sponsorship Proposal for the next financial year	April/May	<b>Annually</b>
AGM Matters and Recommendations: <ul style="list-style-type: none"> <li>• Constitution Draft</li> <li>• Membership Guidelines Draft</li> <li>• Membership Fees Recommendation to AGM</li> <li>• Honorary &amp; Life Member Nominations</li> <li>• Auditor Appointment Recommendation to AGM</li> <li>• Executive Committee Nominations</li> </ul>	June	<b>Annually</b>
<ul style="list-style-type: none"> <li>• Davin Lambert – LGFA update</li> <li>• Constitution Recommendation to AGM</li> <li>• Membership Guidelines adoption</li> </ul>	July	<b>Annually</b>
<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	<b>Annually</b>

## 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](mailto:kgeorge@salisbury.sa.gov.au).

- Asset Management Workgroup Chairperson, Katy Bone: [KBone@walkerville.sa.gov.au](mailto:KBone@walkerville.sa.gov.au)
- Costing Principles Workgroup Chairperson, Alex Oulianoff: [aoulianoff@dcmtbarker.sa.gov.au](mailto:aoulianoff@dcmtbarker.sa.gov.au)
- Events 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)
- Membership & Communication Workgroup Chairperson, Anthony Amato: [tony.amato@gawler.sa.gov.au](mailto:tony.amato@gawler.sa.gov.au)
- Rating and Valuation Workgroup Chairperson, Simon Zbierski: [szbierski@campbelltown.sa.gov.au](mailto:szbierski@campbelltown.sa.gov.au)