

MINUTES

South Australian Local Government Financial Management Group Executive Committee

27 March 2020 at 9:30am
Via Zoom Video Conferencing

1. Present

Executive Committee:

Office Bearers:

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

Members:

- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- Luke Harris, City of Mitcham
- Mark Lague, The Barossa Council
- Norm Biggs, City of West Torrens
- Rajith Udugampola, Adelaide Plains
- Samantha Grieve, City of Playford
- Simon Zbierski, City of Campbelltown

2. Apologies

- Alexander Oulianoff (Treasurer), Mount Barker District Council
- 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
- Sonia Sghendo, City of Onkaparinga

Proxies:

- Kevin Carter, City of Onkaparinga (for Sonia Sghendo)
- Andrew Doyle (for David Harman)

Observers/Guests:

- Rebecca Muller, LGA

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.

3. Presentations

Nil.

4. Confirmation of Minutes

Moved: Norm Biggs

Seconded: Elizabeth

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

CARRIED

5. Projects/Work Groups – Update/Status

5.1 Asset Management – Katy Bone (Chairperson), Annette Martin (Deputy Chairperson)

There is no official update for this item however it was noted that the group is still trying to keep the LGA project going and the LGA is considering whether they will go with data from the asset maturity report for the model templates. Representation for the LGA project from the FMG will be organised soon. A survey may be issued in the first instance.

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

Alex is an apology. There is no update at this stage.

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

A confidential update report was provided for discussion.

5.3.1 May Conference – 15 May 2020 – Adelaide Convention Centre

See item 8.1.

5.3.2 November Workshop & Conference

The program for this event will be developed in due course. The venue options are still being investigated.

Events Workgroup			
Action Items	Meeting	Responsible	Status
Advise Members and Sponsors of the cancellation/possible deferment of the May Workshop and Conference.	27/03/20	President / Secretariat	Completed

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

There is no official update for this item however it was noted that Elizabeth is continuing to meet with the ATO to work through individual fees and charges. An update will be provided to the workgroup as soon as possible.

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

An update report and supporting documents were provided for discussion.

5.5.1 Draft Model Financial Statements 2020

The spreadsheet of proposed changes was provided to Executive Committee Members including feedback on the changes. Ernst and Young have been in contact with SALGAG regarding the proposed changes but at this stage they haven't received any feedback. The Executive Committee discussed the proposed changes and also thanked Mark Lague for putting all of the feedback together. It is acknowledged that after the FMG's feedback is provided to Ernst and Young, they may want further clarification.

Moved: Anthony Amato

Seconded: Chris Birch

Recommendation: *That the SALGFMG Executive Committee approves that the Financial Management Framework Workgroup is to finalise any further changes and clarifications to the draft Model Financial Statements for 2020 with Ernst and Young directly.*

CARRIED

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	
Finalise feedback on the draft Financial Statements to Ernst and Young.	27/03/20	FMF Workgroup	

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

Annette advised that a meeting of the nominated Councils has been held and it was quite valuable. The group worked through items they would like to see in the FERU agency summary for the financial year and how they would like that to look. A financial year snapshot is what Councils are looking for.

The group also discussed development of a dashboard that will enable development of a Council profile that will allow Councils to individually drill down to their data on fines, debts across a number of Councils, serial offenders across Council etc. Annette will put the suggestions from the group in writing.

Moved: Kate George

Seconded: Norm Biggs

Recommendation: That the Workgroup recommendations for additional reporting information be provided to the Fines Enforcement Recovery Unit for discussion on how we can implement those changes.

CARRIED

Fines Enforcement Recovery Unit Workgroup			
Action Items	Meeting	Responsible	Status
Additional reporting information to be provided to the Fines Enforcement Recovery Unit for discussion on how we can implement those changes.	27/03/20	FERU Workgroup	

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

Chris advised that he is currently waiting on the prioritisation list on issues from the Grants Commission.

Chris has provided the update of LGPI forecast indicator to the Executive Committee and feedback needs to be provided by committee on where to from here and whether or not the report is circulated and if the service will continue.

Rebecca will check with the LGA if the report can be circulated. It was noted that the report doesn't take COVID-19 into consideration.

Rebecca advised that the LGA has released a COVID-19 Portal on the LGA website within the Members section (link on the front page). Local Government Risk Services also have a similar portal. The Local Government Functional Support Group has also been activated and is working out of LG House.

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	Chris has met with Peter Ilee, the workgroup will now discuss the six issues put forward.
Check if the update of the LGPI forecast indicator information can be released to the membership.	27/03/20	Rebecca Muller	

5.8 Local Government Reform – Kate George (Chairperson)

An update report was provided for discussion.

It was noted that there may be a delay with bringing the Bill into Parliament. Rebecca will seek an update from the LGA and provide an update to the next meeting.

Local Government Reform			
Action Items	Meeting	Responsible	Status
Update on the Local Government Reform Bill to be provided to the April meeting.	27/03/20	Rebecca Muller	

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

An update report was provided for discussion.

There has been no meeting of the LTFP Work Group during the month. There was the intention of asking LG Solutions if they would be available to run a demonstration on the day before the May conference, and also a user group session to gain feedback for next iteration of the model. This will need to be reconsidered in light of COVID-19.

5.10 Membership & Communication – Anthony Amato (Chairperson), Marc Sodomka (Deputy Chairperson)

An update report was provided for discussion.

The primary activity of this workgroup at present is the preparation of the 2nd (Autumn) edition of the e-newsletter. It is planned to distribute this e-newsletter to FMG members in early April 2020.

All eligible sponsors have been contacted to provide articles should they wish to do so. To date, 4 articles have been received. All other standard e-newsletter inclusions, articles, etc are currently being prepared by workgroup members, as previously allocated to them. Workgroup members are reminded to please complete these tasks as soon as possible and forward them to Tony Amato for editing, consolidation and publishing (by the web administrator).

Membership and Communication			
Action Items	Meeting	Responsible	Status
Secretariat to 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	

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

There is no update at this stage. Kate received an email from DPTI advising that they are preparing a frequently asked questions document. Kate will provide the information to Clive as the contact to send to the committee for feedback.

Planning Portal			
Action Items	Meeting	Responsible	Status
Provide information from DPTI regarding frequently asked questions document to the Executive Committee.	27/03/20	Clive Hempel	

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

There is no update on this item however it was noted that the new President for Revenue Professionals SA is Caroline Moffatt from Campbelltown City Council.

6. Treasurer’s Report

Alex is an apology for this meeting however it was noted that the long outstanding invoices have now been paid and the AUSkey transition still needs to be resolved.

Finance			
Action Items	Meeting	Responsible	Status
Prepare financial reports monthly for the Executive Committee.	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.
Undertake steps required to transition away from AUSkey.	27/03/20	Treasurer	

7. Correspondence

Nil

8. Confidential Discussion Items

8.1 Events Workgroup – Major Events and COVID-19

An update report was provided for discussion.

The Events Workgroup met on 13 March and finalised most aspects of the May conference, including program, presenters and catering. However, with the announcements from the Federal Government on the Weekend of 14 and 15 March, the group considered whether it was still appropriate to hold a May conference and determined via email on Monday 16 March that the event should be postponed.

At this stage the intention would be to expand the AGM to become a conference day, however, this will be considered in the coming months and will depend on any further announcements of the Federal and State Governments.

Any deposits currently paid for speakers and venues will be redirected to future events and thus there is currently no monetary loss in this regard.

Moved: Simon Zbierski
Seconded: Elizabeth Williams

Recommendation:

That:

- 1. The May conference be postponed, and potentially rescheduled to coincide with the AGM, given the impacts of the COVID-19 virus and associated recommendations regarding social distancing and gatherings.*
- 2. The President communicate with all members and sponsors in relation to this decision.*

CARRIED

9. Other Business

9.1 Katy Bone Resignation

Kate advised that Katy Bone has resigned from the Executive Committee. The committee discussed the vacant Chairperson position on the Asset Management Workgroup and Annette Martin volunteered to become Chair of the group. Annette will call for a Deputy Chairperson and advise who this is at the next Executive Committee meeting.

9.2 COVID-19

What are Councils doing?

The committee discussed some of the issues Councils are dealing with and what has been put in place. The following discussion points were noted:

- Some Councils have staff working at home and are only managing essential services. Some Councils have a functioning offsite team and a functioning onsite team, essentially splitting teams in half. If people can't work from home, Councils are making allowance for those staff.
- Looking at bringing forward stimulus packages and large capital spends.
- Rates relief is being discussed – freezing, only adding CPI, targeted rate relief, changing rates instalment dates, notes on the rates notices about no fines or interest etc.
- Fines and interest on fines is being discussed and how this can be managed.
- Looking at rent relief, particularly for those businesses that have had to close.
- Looking into accessing another line of CAD, especially if rates aren't coming in as Councils are concerned as to what their cash position may be.
- Any changes made need to be sustainable for at least six months.
- Some Councils are business as usual, but still implementing social distancing and rolling out VPN to allow staff to work from home.
- The LGA has run some video conference sessions with the Premier, Minister Knoll and Council Mayors and CEOs.
- The LGA Board has now approved the rates hardship guidelines and they are available on the LGA COVID-19 portal. Some Councils are adjusting their rates hardship policies and adding in clauses re COVID-19.
- Leases for club – some Councils are waiving these for a set period of time.
- Letting go of casual staff, reallocating staff who were in non-essential services, checking leave options (extending leave including paid and unpaid, letting staff go into minus leave).
- Some people can claim income protection insurance if they go past two weeks of sick leave.
- Virtual Council meetings – legislation to allow this is being looked at as well as issues with public consultation.

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

10. Next Meeting

24 April 2020 – via Zoom Video Conferencing

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 • Buddy List • 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, Annette Martin: amartin@charlessturt.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