

MINUTES

South Australian Local Government Financial Management Group Executive Committee

26 June 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
- Alexander Oulianoff (Treasurer), Mount Barker District Council

Members:

- Annette Martin, City of Charles Sturt
- Anthony Amato, Town of Gawler
- Chris Birch, City of Prospect
- 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

2. Apologies

- David Harman, City of Marion
- Luke Harris, City of Mitcham
- Mark Lague, The Barossa Council
- Rajith Udugampola, Adelaide Plains
- Sonia Sghendo, City of Onkaparinga

3. Presentations

Nil

Proxies:

Nil

Observers/Guests:

- Andrew Lamb, LGA
- Rebecca Muller, LGA
- Liz Packer, City of Adelaide
- Raffaella Brown, City of Burnside

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.

4. Confirmation of Minutes

Moved: Mike Carey

Seconded: Elizabeth Williams

Recommendation: *That the minutes of the meeting held on 29 May 2020 be confirmed as a true and correct record.*

CARRIED

The Executive Committee agreed to bring forward Item 5.8.

5.8 Local Government Reform – Kate George (Chairperson)

An update report was provided for discussion and Andrew Lamb from the LGA provided an update on the suggested changes and the following was noted:

Representation Reviews

The suggested changes will be a costly exercise for Councils that is largely disappearing. For the Councils that still have wards, they may have to conduct a review on the size of the wards.

Public Consultation

A Statewide Charter that will replace all provisions in the Act. Each Council will need to have its own policies on how to implement that. There will be fewer procedural steps involved and the LGA will be consulting with Councils and generating template documents if the changes come into effect.

Register of Interests Gifts and Benefits

Consistency between what applies to employees and Elected Members.

S90 Changes to Informal Meetings and Gatherings

It will be easier to hold information sessions for Elected Members.

CEO Changes

Salary ranges will be set by the state-wide Remuneration Tribunal. Further conversations are required around whether this is a hard and fast rule or whether Councils can come up with other packages. If wanting to hire, fire or conduct reviews, independent advice will be required in the future.

Strategic Management Plans

Council Long Term Financial Plans (LTFP) will be for a 10-year period and they will require consultation with the community and changes will also require consultation. The Council Annual Business Plan (ABP) will be the start of the process where the government is trying to include rate capping. Each year Council will need to submit its draft ABP in December of the year before to the designated authority and they will make recommendations to the Council in March, if Council doesn't adopt the recommendations, it will be referred to the Minister and the Minister can then direct the Council to accept the recommendations – this includes budget matters or any other matter the Minister has asked the authority to cover. The Minister can ask the authority to consider any issue for example this includes the entire ABP, any financial affairs, decision to build a new building, budgets etc.

S125 Internal Control Procedures

If a Minister makes a regulation, then any Council policy needs to be consistent with that. If a Council is making policies for example about staff behaviour, WHS, credit cards, this change is essentially a broad power to exercise greater control over Councils and their administration.

Audit and Risk Issues

The majority of members on Audit and Risk Committees need to be independent (the committee function has expanded to include risk). Sufficient numbers of independent people will be an ongoing issue, however regional audit committees can be developed. The Audit and Risk Committee must provide a report to Council every 3 months and appoint a new auditor every 5 years. Even though the SA Auditor-General won't be doing the auditing of Councils, they can conduct a review. If the Auditor-General did decide to conduct a Council's audit, the Council would have to pay the cost.

S151 Basis of Rating

The site value option will be going. Council's will need to use the capital value method.

S170 Public Notice for Rates

This will be rolled into the consultation charter.

LGA submissions that didn't make the cut:

- Council protection from liability is higher in other states – the LGA asked for this
- Electricity rates/generators – formula to obtain rates on capital value for the electricity generators eg wind and solar
- Community housing rates

Councils are encouraged to provide resolutions and submissions on the Bill and the LGA is available to support this process. Council specific issues should also be sent to Andrew at the LGA (andrew.lamb@lga.sa.gov.au). Submissions are due by Friday 9 August 2020. See LGA Paper: <https://www.lga.sa.gov.au/news-and-events/news/latest-news/local-government-review-bill-2020>. The Government is trying to get the Bill through this year and by the end of September, however we are not sure as to when the changes will come into effect.

Moved: Norm Biggs

Seconded: Elizabeth Williams

Recommendation: *That the SALGFMG Executive Committee notes the written and verbal reports.*

CARRIED

The committee agreed that the FMG should put together a response, particularly surrounding the Annual Business Plan process and reinforcing that our previous feedback still applies. The FMG is happy to engage but we don't support all aspects of the Bill as was implied when the Minister thanked the FMG during the Second Reading Speech.

Moved: Karishma Reynolds

Seconded: Chris Birch

Recommendation: *That the President be authorised to draft a submission on the Local Government Review Bill 2020 and that it be provided to the LGA and Minister Knoll by the deadline.*

CARRIED

Andrew also advised that the Landscape Regulations were introduced yesterday, and that the submissions the LGA made were not accepted. The LGA is now looking at the regulations and what the next step will be. The LGA will likely seek feedback from the FMG in the next few days.

Local Government Reform			
Action Items	Meeting	Responsible	Status
Check on the timing of the new draft Local Government Reform Bill and update the Executive Committee if there is any progress	29/05/20	Rebecca Muller	Completed

5. Projects/Work Groups – Update/Status

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

This workgroup is on hold while the LGA is working through LG Reform and COVID-19. Rebecca, Annette and David will meet soon so that they can facilitate the outcomes and the next steps of the LGA's Asset Management project.

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 for this meeting.

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

An update report was provided for discussion.

5.3.1 August AGM & Conference – 28 August 2020

The workgroup met on Friday 20 May and finalised most aspects of the August AGM and conference, which is scheduled for 28 August 2020 at the Adelaide Convention Centre, with the flyer to be released in coming weeks

5.3.2 November Workshop & Conference – 26 and 27 November 2020

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

5.3.3 Membership

The workgroup is proposing some changes to the Membership Guidelines and Constitution which are largely cosmetic. The Membership Guidelines can be adopted at this meeting, however the draft Constitution once approved by this committee will be circulated to the membership for feedback prior to the July Executive Committee meeting where further changes (if there are any) will be discussed and a recommendation made to the AGM. The committee worked through the changes and agreed for the draft Constitution to be provided to the membership for feedback.

The workgroup agreed that given we are still recovering from the COVID-19 pandemic, the group is not recommending an increase for 2020/21. The committee agreed that it is supportive of this decision.

Moved: Clive Hempel

Seconded: Mark Lague

Recommendation: *That the SALGFMG Executive Committee adopts the suggested changes to the draft Constitution and that the draft Constitution be provided to the membership for feedback.*

CARRIED

Moved: Elizabeth Williams

Seconded: Norm Biggs

Recommendation: *That the SALGFMG Membership Guidelines be adopted as amended.*

CARRIED

Moved: Norm Biggs

Seconded: Anthony Amato

Recommendation: *That the SALGFMG Executive Committee recommends to the SALGFMG AGM that no changes be made to Membership Fees for 2021/22.*

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 spoke with the ATO yesterday and discussed the list of outstanding issues. There are still approximately 10 fees and charges that require further information, and these will be discussed with the workgroup.

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

The Minister has signed off on the Model Financial Statements and they will be put on the FMG website, they are already available on the LGA website.

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

Annette advised that the additional reporting information was provided to FERU and we have received a reply. They will come back with a response to the suggestions and will provide any concerns or feedback for the workgroup to consider.

Fines Enforcement Recovery Unit			
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	Completed

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

An update report was provided for discussion. The SALG Grants Commission have compiled a list of items to be considered by the committee. These are as follows:

1. Review of elements of the Commission’s methodology for distribution Financial Assistance Grants (specific elements to be identified).
2. Review of inconsistencies in data reporting in the Supplementary Return and General Information Return.
3. Review of the content of the General Information Return.
4. Review the lodgement process and form completion of the Supplementary Return.
5. Review the reporting requirements from the functional classification of the Supplementary Return (purpose codes).
6. Review of Appendix B of the Model Financial Statements.

Ongoing Items:

1. Interpretation and analysis of Council’s Annual Audited Financial Statements.
2. Consultation on methodology issues including data sources, measures of relativities, etc.
3. Information exchange on Grants Commission Issues (deadlines for returns, changes to data requirements, opportunities to improve processes etc.).

A joint meeting (on zoom) is being organised for late July for both the LGPI workgroup and SALG Grants Commission to prioritise these items and begin working through them.

LGPI Forecast

In place of a membership email, an article for the next newsletter has been submitted. The article has been focused on the creation of the forecast in partnership between the LGA and University of Adelaide.

Councils can expect to have a forecast next year for their budgets however is premised on timely submission of Grants Commission reports by all Councils.

Moved: Mike Carey

Seconded: Chris Birch

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

CARRIED

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.
Check if the update of the LGPI forecast indicator information can be released to the membership.	27/03/20	Rebecca Muller	Completed – will be provided in the next newsletter.

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

An update report was provided for discussion. A meeting is to be scheduled in July to gain feedback on the Lite model and to provide feedback to LG Solutions.

Moved: Sam Grieve
Seconded: Elizabeth Williams

Recommendation: That the SALGFMG Executive Committee notes the report.

CARRIED

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. The workgroup is now focussed on the preparation of the 3rd (Winter) edition of the e-newsletter which is planned to be distributed to FMG Members by mid-July 2020.

All eligible sponsors have been contacted to provide articles if they wish to do so, in accordance with their sponsorship level criteria. The workgroup will collectively review these articles from an editorial viewpoint as they are received. All other standard e-newsletter inclusions, articles, etc are currently being prepared by workgroup members as allocated to them. Articles are due by 1 July.

Moved: Clive Hempel
Seconded: Sam Grieve

Recommendation: That the SALGFMG Executive Committee notes the report.

CARRIED

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

Phase 2 is scheduled for 31 July and phase 3 is scheduled for September. On 15 June the FMG feedback on the fact sheets was provided to DPTI as well as a proposed invoice and four Council contacts for testing more on the customer service side of ePlanning. Feedback regarding the reciprocal tax invoice data file was due yesterday and the data file will be sent to Steph Jueken today. The fees and charges fact sheet has now come through to Sam and she will provide it to the Executive Committee.

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

An update report was provided for discussion. Summary of 16 June 2020 meeting:

- Valuer General Update
 - Finalised General Valuation about 3 weeks ago
 - Annual Report/Year in Review
 - Final draft, which should be ready by the end of the month
 - Will go through Minister before being sent to LGA and other users and then made available publicly
 - Technology Platform
 - Proof of concept for technology platform, that will be used for VG and LSSA and Councils
 - Expected to be finalised in 6 weeks, then will consult with users for feedback
 - Objections
 - July is peak time
 - 4,000 this year, which is higher than previous years
 - Expecting increase in valuations due to COVID and revision to land tax – expect about 5 to 5.5k
 - Impact of COVID will not be taken into account until January next year
 - Revaluation Initiative
 - Valuations for those included as part of the original Cycle 2 will be loaded into SALIS in a 'proposed' area
 - October/November - will engage with Cycle 2 and 3 Councils (24)
- Land Services SA Update
 - 15 LGAs remaining to finalise revisits
 - If a Council wants revisits to continue after deadline, require approval from VG
 - Will be engaging with Councils to look to improve reporting
 - Current objections and inquiries outstanding – 180
 - ePlanning Portal
 - have been working to have their needs considered
- RPSA
 - RLL (Regional Landscape Levy)
 - Helping develop fact sheet for rating professionals with LGA & DEW
 - Email change for objections – has been included on website for inclusion of rate notices

Moved: Mike Carey

Seconded: Norm Biggs

Recommendation: That the SALGFMG Executive Committee notes the report.

CARRIED

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	Simon will follow up with Andrew Lamb at the LGA to see what has been done.
Adopting rate growth throughout the year rather than waiting until the end of the year.	24/04/20	Simon Zbierski	To be discussed with RPSA
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

The committee noted the profit and loss statement for the year to date – end of May 2020.

Moved: Sam Grieve

Seconded: Tony Amato

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

CARRIED

6.1 Auditor for 2020/21

Moved: Norm Biggs

Seconded: Karishma Reynolds

Recommendation: That Creative Auditing be approached as Auditor for the SALGFMG for the 2020/21 financial year.

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	Forms to be signed.

7. Correspondence

Nil

8. Confidential Discussion Items

Item 5.3 Events and Membership Workgroup

The committee discussed the outstanding subsidies to be allocated for the December 2019 Workshop and Conference.

Moved: Mike Carey
Seconded: Simon Zbierski

Recommendation: That the following recipients are to receive the outstanding financial support for the 2019 December Workshop and Conference:

1. Wattle Range Council – up to \$1,250 incl. GST. Funds provided through the LGFA additional sponsorship.
2. Tumby Bay Council – \$555 incl. GST. Funds provided through the FMG ‘attendance subsidy’.

CARRIED

9. Other Business

9.1 State Government Fees and Charges

Elizabeth advised that the State Government Fees and Charges set by statute were released last year.

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

10. Next Meeting

31 July 2020 – Mount Barker Council

11. Close

The meeting closed at 11:27am.

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 for adoption • Membership Fees Recommendation to AGM • Honorary & Life Member Nominations • Auditor Approach Recommendation • Executive Committee Nominations 	June	Annually
<ul style="list-style-type: none"> • Davin Lambert – LGFA update • Constitution Recommendation to AGM • Auditor Appointment Recommendation to AGM 	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

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 & Membership 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
- Marketing & Communications Workgroup Chairperson, Anthony Amato:
tony.amato@gawler.sa.gov.au
- Planning Portal Contacts: Clive Hempel and Samantha Grieve: chempel@mid-murray.sa.gov.au;
sgrieve@playford.sa.gov.au
- Rating and Valuation Workgroup Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au