

South Australian Local Government Financial Management Group Inc

MINUTES

2019 Annual General Meeting

Date: Friday, 30 August 2019

Breakfast: 7:45am

Guest Speaker Presentation: 8:00am – Stephen Pallaras QC

AGM: 9:00am to 10:00am

Venue: The Boulevard Room, Stamford Plaza – 150 North Terrace, Adelaide

1. Apologies

- Aaron Morgan, City of Adelaide
- Alex Oulianoff, Mount Barker District Council
- Angela Papatheodorakis, City of Port Adelaide Enfield
- Anne O'Reilly, Port Augusta City Council
- Craig Mudge, District Council of Mount Remarkable
- John Howe, Kangaroo Island Council
- Judi Molineux, Tatiara District Council
- Julie Scoggins, Mount Barker District Council
- Lyn Fuller, City of Holdfast Bay
- Maria DeAngelis, City of Mitcham
- Nicole Rudd, The Barossa Council
- Pam Cummings, City of Tea Tree Gully
- Sonia Sghendo, City of Onkaparinga

2. Confirmation of Minutes

Moved: Clive Hempel, Mid Murray Council

Seconded: Mark Lague, The Barossa Council

Recommendation: *That the minutes of the SALGFMG AGM held on 31 August 2018 are confirmed as a true and correct record.*

CARRIED

3. Business Arising from Minutes

Nil

4. President's Report

I would like to thank all of you for attending our Breakfast and AGM today along with the other events we have held throughout the year, and for supporting our organisation.

I would like to start my report by thanking those people who have helped make the last 12 months a successful one for the FMG, and especially to those who have supported me in my first year as President.

Firstly, our Executive Committee, which is made up of Local Government finance staff and through the diversity of their expertise, and the Councils they represent, are able to share knowledge and find solutions to existing and emerging issues in our sector and support excellence in Local Government Finance in SA.

As has become tradition, I would like each of our Executive Committee Members to stand once I announce their name so that we can recognise and acknowledge the time and effort they have provided over the last 12 months:

- Vice President, Elizabeth Williams – Alexandrina Council
- Treasurer, Alex Oulianoff – District Council of Mount Barker
- Secretary, Clive Hempel – Mid Murray Council
- Angela Papatheodorakis – City of Port Adelaide Enfield
- Annette Martin – City of Charles Sturt
- Tony Amato – Town of Gawler
- Chris Birch – City of Prospect
- Craig Mudge – District Council of Mount Remarkable
- David Harman – City of Marion
- Grace Pelle – City of Playford
- Karishma Reynolds – City of Burnside
- Katy Bone – Town of Walkerville
- Leta Northcott – City of Mitcham
- Mark Lague – The Barossa Council
- Mike Cary – Adelaide Hill Council
- Norm Biggs – City of West Torrens
- Pep Piscioneri
- Rajith Udugampola – Adelaide Plains Council
- Sarah Taylor
- Simon Zbierski – City of Campbelltown
- Sonia Sghendo – City of Onkaparinga

I would also like to thank each of their respective Councils who enable them to commit time and resources to the Group. Without this support we would not be able to do a lot of the things we currently do to help improve Local Government.

Can everyone please put their hands together to acknowledge the Executive Committee for 2018/2019.

I wish to thank Craig Mudge, Angela Papatheodorakis, Grace Pelle and Leta Northcott who have decided not to re-nominate for the next term and Pep Piscioneri and Sarah Taylor who have having left the industry will not be renominating. I sincerely thank you and value the contribution you have made during your service on the Committee.

I also would like to thank the following people who have worked with and assisted myself and the FMG:

- the LGA: Rebecca Muller and Shane Sody
- the SA Local Government Auditors Group and its Chairperson, Tim Mulhausler
- our auditors from Creative Auditing, Ian McDonald and Nancy Tran
- our website co-ordinator, Irene Scales
- those Members who have contributed on one or more of our many FMG working groups
- Brett Coonan from Think Purple Solutions for his help in running our events
- and finally, Patricia Coonan from Think Purple Solutions for the outstanding efforts she has put into the Secretariat and event management coordination roles. It has truly been a blessing to have Patricia working for us. She has definitely made it easier for me to fill my role as President and for the group to run as smoothly as it does.

A Review of the Year for 2018/2019 and main projects

I will now provide a summary of the key projects that our working groups have focussed on since our last AGM.

Events Workgroup

This year's November workshop and conference was held at Adelaide Oval, headlined by Craig Reucassel, well known for his ABC series the War on Waste. Also featured were presentations relating to Audits conducted by the Auditor-General, Rate Capping and Oversight Measures, Long Term Financial Planning and Asset Management Plans. And who can forget the dinner entertainment!

Our March conference was held at the Adelaide Convention Centre, with a wide variety of topics covered including a presentation from Dr Fiona Kerr on "the Neuroscience of Leading a Resilient Organisation", How Councils can Better Utilise the Media, Economic Outlook by Felicity Emmett, and How Hackers Think.

A lot of effort goes on behind the scenes to ensure that these events are of relevant interest to attendees and also provide a range of networking and professional development opportunities. So, I would personally like to thank all members of this workgroup for their ongoing commitment and contributions.

Please note that the next conference and workshop will be at the Adelaide Oval on the 5th and 6th of December. The program for this event is just about finalised, and will include topics on reform and best practice, so make sure you lock these dates into your diaries.

Membership and Communication Workgroup

This workgroup, chaired by Craig Mudge, has prepared 3 fantastic newsletters during the year, which support our Members to be informed about topics of interest in our sector, continuing to keep our website content up to date and focuses on our membership, including the buddy program, where each Executive Committee Member is assigned two buddies from regional Councils to act as a contact point for information and advice.

Financial Management Framework Workgroup

Chaired by Mark Lague, this workgroup once again provided feedback to the LGA on the 2019 Model Financial Statements and has been working through LGA Information Papers to review and update. This input has enabled feedback to be provided that takes into account practical issues that affect Councils and ensure that the Model Financial Statements and Information Papers remain relevant and current.

Fees and Charges Workgroup

This group, chaired by Elizabeth Williams, has worked with BDO to apply to the ATO for a GST ruling on the fees and charges that SA Councils apply, with funding provided by the Local Government Research and Development Scheme. We heard yesterday that the ATO has approved our first ruling which once confirmed, this ruling will be circulated, and we anticipate that the second ruling will not be too far away. Once finalised, this project will result in a GST ruling for all SA Councils to rely upon to ensure that GST treatment is correct across the sector.

Asset Management Workgroup

The asset management workgroup, chaired by Katy Bone, has undertaken a survey this past year to inform the work agenda, with the focus being Asset Management Plans and how these can better align to the requirements of S122 and consideration of other asset ratios as measures of financial sustainability.

Simon Zbierski, on behalf of the group and FMG has put in a submission to the LGA for funding from the Local Government Research and Development Scheme for the development of a simplified strategic asset management plan template.

Costing Principles

The Costing Principles workgroup, chaired by Alex Oulianoff, has continued to consider issues relating to the cost of capital for CWMS and issues relating to ESCOSA.

Local Government Prince Index Group

The LGPI workgroup is chaired by Chris Birch, and has been involved in the regular updates to the LGPI maintaining this important comparative measure for the industry and is working with the LGA on the next agreement for the ongoing compilation of the index, with the consideration of a forecast LGPI being explored.

Rating & Valuation Workgroup

Thank you to Simon Zbierski for chairing this workgroup, which has representation from both the FMG and RPSA, and features a regular update from the Valuation Office.

Long Term Financial Plan Workgroup

Excitingly the LTFP Lite model was released by LG Solutions late last calendar year and has been taken up by a number of Councils. This project has been several years in the making and was supported by Local Government Research and Development Scheme funding. To support the model, a comprehensive user guide has been developed, and I would encourage our Members to review the new model as a next step in strengthening your Council's financial sustainability.

Reform

Also during the 2018/19 year the FMG engaged with ESCOSA on the Rate Oversight Bill, and prepared a detailed submission with respect to the Bill and questions posed by ESCOSA through their consultation process.

We have also had involvement more recently with respect to the Office of Local Government reform agenda and intend on preparing a submission during the consultation period which closes 1 November. I encourage our Members to review the discussion paper available and encourage their Councils to make submissions as well.

Members would also be aware of the SA Productivity Commission's Inquiry into Local Government, which the FMG provided a submission in early July. The draft report is scheduled to be released 30 August, and again I would encourage our Members to review and prepare submissions during the consultation period planned for September.

Executive Committee Meetings

Please remember that our Executive Committee meetings are usually held on the last Friday of the month, with all members welcome to attend as observers. Times and locations of these meetings are available on our website. I encourage you to take the time to read our agendas and minutes to gain an understanding of the work being undertaken by the workgroups and the status of current issues. If you have any questions, any one of our Committee Members would be happy to take the time to discuss these matters with you.

Sponsors

I also wish to acknowledge the 17 sponsors we have had during the 2018/2019 year.

We sincerely thank you for your support and look forward to working with you again in 2019/2020. We would encourage our Members to continue to show their support to these organisations who support our sector.

Platinum Sponsor:

- Local Government Finance Authority, who have been supporting us since our inception.

Gold Sponsors

- LG Solutions

Silver Sponsors

- Bentleys SA
- Technology One Ltd
- UHY Haines Norton Accountants

Bronze Sponsors

- Assetic
- BDO
- ControlTrack
- Dean Newbery and Partners
- Galpins Accountants, Auditors & Business Consultants
- Genesis Accounting
- JLL
- Kemps Credit Solutions
- MAGIQ Software
- Norman Waterhouse Lawyers
- Pickles Auctions
- Public Private Property

I am also pleased to advise that we have two new sponsors, Silver sponsor Bee Squared Consultants and Bronze sponsor Nobel Business Systems Consulting and am glad that they have both been able to make the time to attend our breakfast today.

I would also like to thank the City of Salisbury for supporting me to take on the role as President. As always, I am proud to be part of the FMG that continues to be proactive and a highly regarded professional group within the Local Government industry.

Thankyou.

Can I please have a mover and seconder for the President's Report.

Moved: Simon Zbierski, Campbelltown City Council

Seconded: Annette Martin, City of Charles Sturt

Recommendation: *That the President's report be noted.*

CARRIED

5. Treasurer's Report

As per the remarks made in the President's Speech earlier, the 2019 financial year was another successful year for SALGFMG and its Members with higher attendance at our November conference and two of our major projects "Fees and Charges", and "Long Term Financial Plan" nearing completion.

Financially we ended the year with a modest Operating Surplus of \$2,047 and with \$231,996 in cash and cash equivalents. This was the first financial year that Xero accounting software and ARLO event management software were used with great success and efficiencies delivered.

I would now like to thank Nancy Tran and Ian McDonald from Creative Auditing for their ongoing support by providing their auditing services free of charge once again for our end of Financial Year Statements.

Moved: Elizabeth Williams, Alexandrina Council

Seconded: Katy Bone, Town of Walkerville

Recommendation: *That the Treasurer's report and audited financial statements for 2018/19 be noted.*

CARRIED

6. Election of Office Bearers and Executive Committee Members

Returning Officer's Report – FMG Committee 2019/20

The SALGFMG Executive Committee is made up of not less than ten (10) nor more than twenty-six (26) Committee Members including the 4 Office Bearers. Notice was given to all Members that the term of office of the Executive Committee Members of the South Australian Local Government Financial Management Group was due to expire and nominations were called from Members. 19 nominations have been received and all retiring Executive Committee Members are eligible for re-election. As I call out the nominees, it would be most appreciated if they could please come and stand next to the stage.

Position:	Full Name:	Council:
President	Kate George	City of Salisbury
Secretary	Clive Hempel	Mid Murray Council
Treasurer	Alexander Oulianoff	Mount Barker District Council
Vice President	Elizabeth Williams	Alexandrina Council
Committee Member	Marc Sodomka	City of Port Adelaide Enfield
	Annette Martin	City of Charles Sturt
	Anthony Amato	Town of Gawler
	Chris Birch	City of Prospect
	David Harman	City of Marion
	Karishma Reynolds	City of Burnside
	Katy Bone	Town of Walkerville

Luke Harris	City of Mitcham
Mark Lague	The Barossa Council
Mike Carey	Adelaide Hills Council
Norman Biggs	City of West Torrens
Rajith Udugampola	Adelaide Plains Council
Samantha Grieve	City of Playford
Simon Zbierski	Campbelltown City Council
Sonia Sghendo	City of Onkaparinga

Moved: Alexander Brown, City of Adelaide
Seconded: Eion Williamson, Roxby Downs Council

Recommendation: *That the Returning Officer's report be noted and that all Executive Committee Members be duly elected commencing today until the 2020 Annual General Meeting.*

CARRIED

7. Appointment of Auditor

Moved: Clive Hempel, Mid Murray Council
Seconded: Mark Lague, The Barossa Council

Recommendation: *That Ian McDonald be provided with a letter of engagement as Auditor of the SA Local Government Financial Management Group for the 2019/20 financial year.*

CARRIED

8. Constitution

The draft Constitution was provided to the membership for feedback and is now presented by the Executive Committee for adoption.

Moved: Elizabeth Williams, Alexandrina Council
Seconded: Katy Bone, Town of Walkerville

Recommendation: *That the Constitution presented as part of this agenda be adopted as amended.*

CARRIED

9. Setting of Fees

Moved: Annette Martin, City of Charles Sturt
Seconded: David Harman, City of Marion

Recommendation: *That no changes be made to the Membership Fees for 2019/20.*

CARRIED

10. Membership

In accordance with the Group's Membership Guidelines, Honorary Membership is open to a person who has served the Group in such a way that the Executive Committee have granted the Member this distinction. This year the Executive Committee would like to acknowledge the contributions of Clive Hempel and offer him Honorary Membership.

Clive has had a varied career, firstly working for nearly 12 years with Dalgety Farmers a rural company in various roles of Sales and Accounting. This included the last 4 years as an Internal IT Auditor.

In 1992 he started his career in Local Government and in the next 9 years worked at the District Council of Hawker, Lamaroo, Victor Harbor and the Town of Gawler. He was approached in 2001 by IT Vision a provider of Local Government software and there he spent 7 years as their Senior Financial Consultant.

Eager to once again work for Local Government he commenced working for the Wakefield Regional Council in 2008 and has since been employed for the past 2 years as the Director of Corporate and Financial Services at the Mid Murray Council. In total this means that he has either worked for Local Government or in association with the Local Government sector for the past 27 years.

Clive has been a member of the FMG for 16 years and has been on the Executive Committee for the past 10 years. During his time he has taken on the roles of Secretary, Vice President and President as well as contributed to the following working and reference groups:

- Grants Commission;
- Dog & Cat Management;
- Seminar Committee;
- Website & Newsletter;
- Financial Management Framework; and
- Costings Principals.

Moved: Annette Martin, City of Charles Sturt

Seconded: Katy Bone, Town of Walkerville

Recommendation: *That Clive Hempel be offered Honorary Membership in recognition of his significant contributions to the Group.*

CARRIED

11. Close