

MINUTES

South Australian Local Government Financial Management Group Executive Committee

24 November 2017 at 9:30am

City of Onkaparinga, Civic Area of the Noarlunga Office - Hannah Rd, Noarlunga Centre

1. Present

Executive Committee:

- Clive Hempel (President), Mid Murray Council
- Kate George (Vice President), City of Salisbury
- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Anthony Amato, Town of Gawler
- Anita Futterer, City of Playford
- Annette Martin, City of Charles Sturt
- Diane Eckermann, City of Onkaparinga
- Leta Northcott, City of Unley
- Norman Biggs, City of West Torrens

Proxies:

- Grant Jennings, Alexandrina Council – Proxy for Elizabeth Williams

Observers/Guests:

- Andrew Ngo, City of Mitcham
- Ben Swan, Local Government Association of SA
- Sarah Taylor, City of Unley
- John Crook, City of Tea Tree Gully

2. Apologies

- Chris Birch, City of Prospect
- Craig Mudge, District Council of Mount Remarkable
- Eion Williamson, District Council of Grant
- Elizabeth Williams (Secretary), Alexandrina Council
- Mark Lague, The Barossa Council
- Michael Wetherall, City of Port Adelaide Enfield
- Mike Carey, Adelaide Hills Council
- Pep Piscioneri, City of Adelaide
- Ray Barnwell, City of Marion
- Shane Sody, Local Government Association of SA
- Simon Zbierski, City of Campbelltown

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: Annette Martin

Seconded: Kate George

Recommendation: *That the minutes of the meeting held on Friday, 27 October 2017 be confirmed as a true and correct record, with the following amendment being an addition dot point under 11.6 General Discussion Items:*

“Recognition of Infringement income is it being performed at the time of the raising of an infringement notice, raising of a debtor or the receipt of payment. The majority of councils present only recognise the income on the receipt of payment of the infringement. Councils that recognise infringement income on the raising of the infringement notice or on the raising of a debtor should ensure that monies received from the Fines Enforcement and Recovery Unit are matched against the infringement notice or debtor.”

CARRIED

5. Business Arising from the Minutes

Nil

6. Treasurer’s Report

- The finances are currently in a good position.
- We need a more comprehensive transaction listing.
- Alex will prepare a budget for the workgroups so they can easily identify what funds they have available to them.

Moved: Kate George

Seconded: Anthony Amato

Recommendation: *That the financial statements for October 2017 be noted.*

CARRIED

Treasurer’s Report			
Action Items	Meeting	Responsible	Status
Investigate future options for an automated finance and event registrations system.	28/07/17	Treasurer	

7. Projects/Work Groups – Update/Status

7.1 Seminars – Clive Hempel (Chairperson)

- Conference & Workshop – 7 & 8 December 2017 – National Wine Centre:
 - Official Program released.
 - Registrations close at 5pm on 1 December.
 - LGA Circular has been issued.
- Conference – 16 March 2018:
 - Venue booked – Adelaide Convention Centre.
 - Theme: Bulletproof.
 - Program is being drafted.

Seminars			
Action Items	Meeting	Responsible	Status
Setup a Facebook group for the workgroup to see how it works.	31/03/17	Seminar Workgroup	Facebook group created – yet to complete active testing.
Discuss regional workshops	24/11/17	Seminar Workgroup	

7.2 Membership & Communication – Diane Eckermann (Chairperson)

- The committee discussed how we can make Council CEOs more aware of the issues that are happening in the Local Government finance area and what projects the FMG is currently working on. We need to ensure Council CEOs and staff understand the benefits of FMG membership and that the FMG is here to help Councils. Large issues that are currently being discussed for example are the DACO project, Long Term Financial Plan and GST Review of Fees and Charges.
- We need to revisit what Councils aren't currently FMG Members and look at what Councils are attending events.
- Should we have a Facebook group for the wider membership group?
- It would be worth organising a field day or workshop:
 - Hold in the regions.
 - Discuss major FMG projects/issues.
 - Ensure the Councils that aren't currently Members are well represented.
 - Could have one of the Mayor's or CEO's from the region speak as part of the program.
 - The agenda could cover issues that are happening in the regions also.
- How can FMG support its Members more?
- Should Executive Committee Members seek out the rural attendees at events and reach out to them?
- Buddy system:
 - Need to redistribute buddies due to people leaving the Executive Committee.
 - The new year and the conference are good opportunities to contact buddies.
 - Committee Members are encouraged to seek out buddies at the conferences.
 - An email should be sent to buddies once a quarter to touch base and provide an opportunity for them to ask for assistance if they need it.
 - Secretariat to provide list of conference attendees to see what buddies are coming along and what buddies can be contacted to come.
 - Diane to provide an updated listing of the buddies.

Membership & Communication			
Action Items	Meeting	Responsible	Status
Review the Executive Committee visiting Regional LGA meetings to discuss topical issues.	29/05/15	Membership Workgroup	To investigate further.
LinkedIn, Facebook or a website forum to be investigated with the help of Irene Scales before an information sharing platform is selected.	31/03/17	Membership Workgroup	Seminars Workgroup to trial Facebook Group.
Provide list of conference attendees to see what buddies are coming along and what buddies can be contacted to come.	24/11/17	Secretariat	Completed

7.3 Rating and Valuation – Norm Biggs (Chairperson)

- The October meeting was cancelled.
- Nick Xenophon spoke at the LGA conference regarding governance and rate capping (he is against rate capping) – the majority of the minor parties believe that rate capping it is more of a stunt.

Rating and Valuation			
Action Items	Meeting	Responsible	Status
Rate rebate policy – a possible LGR&D Scheme application to be prepared for funding to update the 2008 policy. Workgroup to seek a quote from Michael Kelledy (original author of the policy) to see how much it would cost to have the policy updated.	24/02/17	Rating & Valuation Workgroup	LG R&D funding to be applied for in 2018, if unsuccessful then consideration of funding jointly by FMG & RPSA. Expressions of interest would be sought for the rewrite of the Rebate Information Paper.

7.4 Local Government Price Index – Chris Birch

- No update was provided – Chris was an apology.

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Speak with the SA Centre for Economics regarding forecasting and commentary for the LGPI and provide feedback to the Executive Committee.	18/03/16 & 29/04/16	Chris Birch / LGPI Workgroup	Request for quote has been submitted.

7.5 Newsletter / Website – Elizabeth Williams (Chairperson)

- Clive provided an update on Elizabeth’s behalf.
- The Spring 2017 Newsletter has been released, this is our third and last edition for this calendar year, with the next edition scheduled for Summer 2018.
- David Hope may provide an article regarding assets as part of the next newsletter.

7.6 Financial Management Framework – Mark Lague (Chairperson)

- Mark was an apology.
- The committee discussed how the cemetery authorities and Councils will have to adopt the new income recognitions standards coming up in January 2019 (early adoption is discouraged) AASB1058 Income of Not for Profit Entities & AASB 15 Revenue from Contracts with Customers.
- The workgroup needs to discuss AASB124 and this is likely to occur after the conference.
 - What did Councils do in relation to that note?:
 - Team Leader level or just Managers?
 - Some Councils have only some Managers and some Team Leaders depending on risk, influence and procurement.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
Discuss ideas from Councils for best practice in relation to AASB124 Related Party Disclosures.	22/09/17	Financial Management Framework Workgroup	

7.7 Internal Controls & Risk Management – Annette Martin (Chairperson)

- Annette provided an update.
- Secretariat to finalise the 'Better Practice Model' send it back to the LGA for approval.
- There have been some discussions regarding ControlTrack and Sky Trust and how the systems can be used effectively with the Better Practice Model.
- Include the new FMG Logo on the 'Better Practice Model'.
- Anyone that has any suggested modifications to Control Track should direct these to Annette Martin.

Internal Controls & Risk Management			
Action Items	Meeting	Responsible	Status
Add final Better Practice Model to the FMG website with a link and provide it to the membership once the LGA version has been reformatted.	28/07/17	Secretariat	

7.8 Fees and Charges – Elizabeth Williams (Chairperson)

- Clive provided Elizabeth's update.
- A number of queries from the ATO in regards to Commercial Fees (Cemetery related fees in particular) and Information Fees (predominantly relating to the sale of or access to Council documents) have been reviewed by the work group and returned to BDO for further liaison with the ATO.
- Stephen Nisbet, our contact at BDO will make a brief presentation on the status of this project at the FMG Workshop on 7 December.

7.9 Costing Principles – Alex Oulianoff (Chairperson)

- A reminder that ESCOSA returns are due on 30 November 2017.

7.10 Asset Management – Pep Piscioneri (Chairperson)

- Pep was an apology.

7.11 Long Term Financial Plan – Kate George (Chairperson)

- Kate provided an update.
- Annette, Simon and Kate met with John Comrie.
- All parties are currently on the same page.
- A follow-up meeting with John will be held this afternoon.
- Currently pursuing a few different options:
 - Development of a new LTFP model or negotiating with LG Solutions.
 - Development of a new model would be a project run by FMG and IPWEA.
 - LG Solutions have been spoken to about a light (standard MFS with a bit of breaking out), extra light (standard MFS) and a full version. The ongoing cost with LG Solutions will need to be negotiated.
 - The group contacted David Maxwell re updating the current model – it could be ready for a roll out March next year. Quoted cost \$7,500.
 - The workgroup will also be looking to Councils to see what they have done with the LTFP model. Alexandrina for example have modified the LTFP model and fixed some of its issues.

Long Term Financial Plan			
Action Items	Meeting	Responsible	Status
Executive Committee to review the Long Term Financial Model Agreement in the new year with David Maxwell.	25/11/16	LTFP Workgroup	
Seek clarity on IPWEA's involvement and work with LG Solutions to negotiate on pricing for their model.	22/09/17	LTFP Workgroup	

7.12 Dog and Cat Management – Simon Zbierski (Chairperson)

- Kate provided an update.
- A lot of Councils haven't started to test the migration of their data to the new DACO system.
- All Councils can access the test system – currently 23 Councils have access.
- There are some issues with data migration due to the specifics that the DACO system requires i.e. long hair vs short hair Chihuahua.
- Name suppression:
 - It used to be that the legislation stated that you are required to suppress a person's name if they are suppressed on the electoral role or by CEO delegated power.
 - Last year the legislation changed and the Dog and Cat Management Board now have the authority to make the decision re suppression.
 - The DCMB has agreed that a person's name will be suppressed if it's suppressed on the electoral role
- Transactional flow:
 - Several FMG Committee members met with DACO and DCMB.
 - DACO is the master and Council systems don't need that level of detail.
 - Councils will essentially be set up as an 'agent' when receiving dog registration payments.
- For Councils that have not been previously accruing payments to the DCMB at the end of the financial year, they will be paying fees for 2017/18 and 2018/19 in the 2018/19 financial year which will affect their Council budgets.

8. Correspondence

Nil

9. Confidential Discussion Items

Nil

10. Other Business

10.1 Stephen Rufus Resignation (Clive Hempel)

- Stephen Rufus has advised that due to his appointment as CEO at Port Lincoln and the difficulty in attending meetings from this location, he regrettably has resigned from being an Executive Committee Member.

10.2 Presentation 23 March 2018 Meeting

- The Valuer-General will give a presentation at the Campbelltown meeting on the transition model in relation to the new service provider for the State Valuation Office.

10.3 Request from LG Professionals to change the date of the February meeting.

- Request that the February 2018 FMG date be changed as the LG Professionals Conference is being held on the 23 February. The committee agreed that dates of meetings (fourth Friday) will only be changed when affected by a public holiday and therefore will not change the 23 February 2018 meeting date.

10.4 Anita Futterer Resignation

- Anita announced that she has resigned from her position at the City of Playford and is therefore resigning from the Executive Committee.
- The committee thanked Anita for her contributions.
- Anita thanked the committee for its support and for all of the information and advice she has received over the years.

10.5 Patricia Coonan Work Arrangements

- Tony advised of Patricia's resignation from Town of Gawler.
- Patricia in early January will be working full time for Think Purple Solutions, allowing greater flexibility in her work at TPS and as FMG Secretariat.

Other Business			
Action Items	Meeting	Responsible	Status
Possibility of having an Eyre Peninsula Financial Managers Group (sub group of LGFMG) to assist with keeping in touch with industry changes and Eyre Peninsula city counter parts - President to contact Michelle Tucker and advise her of the Executive Committee's discussion and then contact Regional LGA's to seek their feedback.	31/10/14	President	Continue to investigate options.
Invite Peter Ilee to a future Executive Committee meeting to discuss Grants Commission payments once meeting locations are known for 2017/18.	23/06/17	President	
LGFA economic update to be sent out to FMG Members when it's received monthly. Also add to the FMG website & newsletters.	28/07/17	Secretariat	Patricia to speak to Davin.
Add Davin Lambert to July Executive Committee meeting standing items so he can provide an LGFA update annually.	28/07/17	Secretariat	

11. Next Meeting

19 January 2018 at Mount Barker District Council.

12. Close

For further information regarding topics raised at the FMG Executive Committee meetings, please see the contact details below:

FMG President, Clive Hempel: chempel@mid-murray.sa.gov.au.

- Asset Management Workgroup Chairperson, Pep Piscioneri: p.piscioneri@adelaidecitycouncil.com
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Dog and Cat Management Chairperson, Simon Zbierski: szbierski@campbelltown.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
- Internal Controls & Risk Management Workgroup Chairperson, Annette Martin:
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- 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, Diane Eckermann:
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- Newsletter & Website Workgroup Chairperson, Elizabeth Williams:
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- Rating and Valuation Workgroup Chairperson, Norm Biggs: nbiggs@wtcc.sa.gov.au
- Seminars Workgroup Chairperson, Clive Hempel: chempel@mid-murray.sa.gov.au