

MINUTES

South Australian Local Government Financial Management Group Executive Committee

29 November 2019 at 9:30am

Barossa Council Chamber – Nuriootpa Office, 43 Tanunda Road, Nuriootpa

1. Present

Executive Committee:

Office Bearers:

- Kate George (President), City of Salisbury
- Elizabeth Williams (Vice President), Alexandrina Council
- Alexander Oulianoff (Treasurer), Mount Barker District Council
- Clive Hempel (Secretary), Mid Murray Council

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
- Luke Harris, City of Mitcham
- Mark Lague, The Barossa Council
- Norm Biggs, City of West Torrens
- Samantha Grieve, City of Playford

Proxies:

- Angela Papatheodorakis, City of Port Adelaide Enfield
- Erin McGarry, Town of Gawler

Observers/Guests:

- Rebecca Muller, LGA
- Indika Wijenayake, DPTI
- Piero Sparapani, DPTI
- Rod Collins, DPTI
- Nicole Rudd, The Barossa Council
- Elizabeth Waters, The Barossa Council

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.

2. Apologies

- Anthony Amato, Town of Gawler
- Marc Sodomka, City of Port Adelaide Enfield
- Mike Carey, Adelaide Hills Council
- Rajith Udugampola, Adelaide Plains
- Simon Zbierski, City of Campbelltown
- Sonia Sghendo, City of Onkaparinga

3. Presentations

The Barossa CEO Martin McCarthy provided a welcome to the Barossa and a brief update on his focus at Council and his thoughts on some of the current challenges he sees for the Local Government sector.

3.1 Future State Processes regarding Financial Management through the ePlanning Solution

- Indika Wijenayake – Solution Architect (DPTI)
- Piero Sparapani – Manager Financial Control (DPTI)
- Rod Collins – Business Analyst (DPTI)

DPTI representatives provided an update on ePlanning and financial management.

The ePlanning Solution allows:

- OP&D – view access and consultation for Online Planning and Development Code.
- SAPPA – South Australian Property and Planning Atlas.
- DAP – Development Application Processing System (BPoint).
- ODS – Transaction history for DAP (Sharepoint).
- PLIX – Information sharing from ODS for external parties not on the government network.

The following points were noted:

- Not all payments need to be made online, there are other options available (credit card details into BPoint, in person payment cash or cheque, payment by EFT). The Executive Committee queried how the portal can be reconciled for 'in person' payments. Payment methods will be included in the portal to ensure differentiations are identified. Council staff will need to receipt cheques and cash into the corporate system and then into the portal and the portal will produce a receipt.
- The system will calculate what money has been received and the system will work out what is owed to Councils automatically. DPTI will collect all the GST and send it to Councils (will be included in the disbursement). Whole money will go into the system and come out of the system so that disbursements can easily be issued including GST. Every second day a disbursement figure will get calculated and batch payments will be issued automatically. The Executive Committee noted that receivers of the money are responsible for remitting the GST. DPTI will follow up this issue and advise.
- A bounced cheque/dishonoured payment section will be included.
- DPTI fees if refunded would come out of Council's budget or they need to go to DPTI for that portion. It will be important to make sure that those who are assessing it and using the system know the difference.
- An organisation Admin will be created for each Council, each DA will be provided to the Admin contact and then allocation of the work will happen through the Council Assessment Officers as usual.
- Council staff will manage applications through the portal and SAPA data will form the basis of how it is determined which Council manages each assessment.
- Private certifiers – there is different assessment levels and they will be able to do certain tasks based on their level.
- Public engagement communication is currently being developed so that everyone understands the changes for the public and the changes for the Council.
- Testing is in train at the moment and the stabilisation period will start in late February/early March. Council finance staff will be involved in the testing period.
- Go "live" date is July 2020.
- The FMG will form a workgroup and provide information in its next newsletter.

4. Confirmation of Minutes

Moved: Mark Lague

Seconded: Norm Biggs

***Recommendation:** That the minutes of the meeting held on 25 October 2019 be confirmed as a true and correct record.*

CARRIED

5. Projects/Work Groups – Update/Status

5.1 Asset Management – Katy Bone (Chairperson)

The group met on Monday. David Hope was a guest speaker on the Australian Strategic Asset Management Framework and is requesting feedback from the workgroup. Two submissions of feedback have been received so far. The group also looked at the AASB13 exposure draft - if adopted it will take two years before it is implemented. Katy will email the Executive Committee to see who is interested in providing input into the LGA research project for the infrastructure and asset management plan template.

5.2 Costing Principles – Alex Oulianoff (Chairperson)

A meeting of the group needs to be organised. There are concerns about the revised Unit Costing Code for CWMS that is proposed, and the paper will have some serious financial impacts for some Councils and an administrative burden for others. A formal response needs to be provided from the FMG.

5.3 Events – Kate George (Chairperson)

5.3.1 December Workshop & Conference – 5 & 6 December 2019 – Adelaide Convention Centre

Registrations are steadily coming in. The venue has been changed to the Adelaide Convention Centre due to a sports event that is taking over the Adelaide Oval space. This year marks the FMG's 30-year anniversary. The LGFA has kindly provided an additional \$5,000 in sponsorship that will be provided to four (4) regional Councils to be confirmed. The LGA/OLG are also offering their regional subsidy to certain Councils that have been contacted directly and the FMG regional subsidy is also still available this year.

Moved: Clive Hempel

Seconded: Mark Lague

***Recommendation:** That the Events Workgroup be authorised to select the recipient of the free ticket that is awarded by the FMG for this event.*

CARRIED

5.3.2 May Conference – 15 May 2020 – Adelaide Convention Centre

This conference has been moved from March and the group has started looking at program options.

| Events | | | |
|---|----------|------------------|-----------|
| Action Items | Meeting | Responsible | Status |
| LGFA sponsorship of regional attendees to attend FMG Conferences. | 26/07/19 | Events Workgroup | Completed |

5.4 Fees and Charges – Elizabeth Williams (Chairperson)

There is no further update available.

5.5 Financial Management Framework – Mark Lague (Chairperson)

5.5.1 LGA Information Papers – No’s 1, 6, 7, 9, 10, 13, 15, 17, 18, 20, 21, 22, 26, 27

Moved: Elizabeth Williams

Seconded: Norm Biggs

***Recommendation:** That the papers that don’t require further discussion are endorsed. The papers outstanding will need to be resolved by the relevant workgroups with further changes to be provided by mid-next week.*

CARRIED

5.5.2 AASB16 Leases – Right-of-Use assets

This matter was discussed at the meeting last week and has been a joint effort from this workgroup and the Asset Management workgroup so that we can make sure that all assets have been picked up. It will be important to check what leases exist in Councils that may not be as obvious.

5.5.3 Model Financial Statements Tender

Rebecca advised that final negotiations are underway with the preferred tenderer.

| 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)

The Price Index was released a fortnight ago and it has dropped back to 1.9 so is now in line with CPI.

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

5.7 Local Government Reform – Kate George (Chairperson)

Submissions have been provided to the Office of Local Government in response to their Discussion Paper: Reforming Local Government in South Australia. The Office of Local Government is doing a roadshow in early December and will be in Adelaide on the 4th.

5.8 Long Term Financial Plan – Kate George (Chairperson)

The final report for this project has been submitted to the Local Government Research and Development Scheme. The workgroup will discuss the model for 2020-21 so that changes can be put together.

5.9 Membership & Communication – Anthony Amato (Chairperson)

The next newsletter is currently being worked through. It has been decided that the Buddy List will now be updated by the Secretariat and incorporated into the membership database.

| Membership & Communication | | | |
|---|----------|---------------|--------|
| Action Items | Meeting | Responsible | Status |
| Buddy list to be reviewed and distributed to Executive Committee. | 21/06/19 | M&C Workgroup | |

5.10 Rating and Valuation – Simon Zbierski (Chairperson)

Rebecca advised that feedback and proposed changes to the Rating Hardship Guidelines have been made and provided to the LGA legal team.

Feedback has been gathered on the MOU between the LGA and the Valuer General. A meeting will be held between Simon (FMG), Rebecca (LGA) and Kylie (RPSA) in January to finalise the proposed changes before meeting with the Valuer General to progress further.

5.11 DACO Update – Simon Zbierski and Clive Hempel

The User Group met yesterday and today. The current focus is on the release of updates to the system. The updates that relate to finance are:

- February 2020 release:
 - Consistency in receipt look and feel across all payment types. Invoices to be sent to generic Council email address.
- April 2020 release:
 - Payment method to appear on refund screens to make it easier to identify transactions to be corrected.
 - Search fields for RCTI to be shown (currently hidden).
 - Date ranges shown on invoices updated to ensure payments are allocated to correct period.

6. Treasurer’s Report

There is currently a \$16,130 net profit for the year. The naming conventions in the accounts software need to be updated so that clear reports can be produced.

| 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 | Forms to be signed. |

7. Correspondence

Nil

8. Confidential Discussion Items

Nil

9. Other Business

9.1 Planning Portal

A workgroup will be put together to work through the Planning Portal.

9.2 LG Professionals Excellence Awards

Councils are encouraged to submit cross collaboration nominations such as the FMG Fees and Charges project and Long Term Financial Plan project.

Moved: Karishma Reynolds

Seconded: Annette Martin

Recommendation: That the SALGFMG puts in a submission for the Long Term Financial Plan project for recognition in the Local Government Professionals Excellence Awards.

CARRIED

9.3 AUSKey

The AUSKey will be going in April and as such personal MyGov accounts will need to be used instead. Holders of an AUSKey can migrate early. Councils are encouraged to look into this matter.

9.4 Operating Leases

Local Government Act 1999 finance leases, overdrafts and any form of operating leases need to be approved by Council. Councils are querying how we legally have to treat them and approve them. The Governance Network is also seeking an answer. The LGA will provide an answer for all Councils.

| Other Business | | | |
|--|----------|-------------|---|
| Action Items | Meeting | Responsible | Status |
| LGA Circular regarding the benefits of membership. | 25/10/19 | Secretariat | To be prepared when the 50% discount rate kicks in March/April. |

10. Next Meeting

31 January 2020 – City of Port Adelaide Enfield

| 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 • 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, Katy Bone: KBone@walkerville.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