

MINUTES

South Australian Local Government Financial Management Group Executive Committee

28 February 2020 at 9:30am

Council Chambers, City of Burnside – 401 Greenhill Road, Tasmore

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
- 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
- Marc Sodomka, City of Port Adelaide Enfield
- Mark Lague, The Barossa Council
- Mike Carey, Adelaide Hills Council
- Norm Biggs, City of West Torrens
- Rajith Udugampola, Adelaide Plains
- Samantha Grieve, City of Playford
- Simon Zbierski, City of Campbelltown

Proxies:

- Kevin Carter, City of Onkaparinga (for Sonia Sghendo)

Observers/Guests:

- Kristy McGregor, City of Victor Harbor
- Raffaella Brown, City of Burnside
- Jade Bird, City of Onkaparinga
- 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.

2. Apologies

- Sonia Sghendo, City of Onkaparinga

3. Presentations

3.1 City of Burnside Welcome – Chris Cowley, Chief Executive Officer

Chris is the new CEO of the City of Burnside. Chris provided some of his background and his vision and future thoughts for the Council.

4. Confirmation of Minutes

Moved: David Harman
Seconded: Elizabeth Williams

Recommendation: *That the minutes of the meeting held on 31 January 2020 be confirmed as a true and correct record with one correction to item 9.2 – Mover was Marc Sodomka not Mark Lague. Change rite-offs to write-offs.*

CARRIED

5. Projects/Work Groups – Update/Status

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

The group met on 14 February. The following items were discussed:

- The Fair Value Measurement draft paper – the group is currently providing feedback on the paper.
- Asset Management Plans Project – the group discussed who will be involved. An email will be circulated once the structure has been set with the LGA.
- Commenced looking at asset classifications and will be creating a cheat sheet that will be circulated to the group for feedback.
- The next meeting will be held on 7 April.

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

Concerns and feedback are being provided to the LGA on the cost property unit code changes. A meeting of the group will be organised and David Hope will be invited along given he originally developed the theory.

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

The group reviewed the feedback from the December event at its last meeting. The feedback was very positive and once again highlighted that we are providing valuable events.

5.3.1 May Conference – 15 May 2020 – Adelaide Convention Centre

Dan Gregory has been confirmed as the keynote speaker and the rest of the program is almost finalised.

5.3.2 November Workshop & Conference

The group has started to discuss this event. We are still working through venue options. The date and venue will be confirmed very soon.

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

It has been challenging moving the project along, particularly as our contact person is leaving BDO. BDO have provided the latest lot of information to the ATO. Elizabeth is now working with the ATO on classification of each of the fees and charges and she met with them yesterday. Notes from the meeting will be circulated to the workgroup:

- The initial assessment and reference to the regulations has been prepared as a base.
- The Matrix is being developed for the fees collectively.
- The spreadsheet for the first ruling has been prepared and Elizabeth will circulate it.
- The spreadsheet for the second ruling is currently being developed.

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

A meeting of the workgroup will be held after this meeting.

5.5.1 Draft Model Financial Statements 2020 – update and consider approval process

The new contractor for the Model Financial Statements is Ernst and Young. They are running a few weeks behind for this review and there are approximately 100 changes that are being presented, some of which are minor. There is concern about the timing and consultation required before Minister sign off in June. Mark has spoken to Ernst and Young about consultation with SALGAG and the OLG.

The Executive Committee agreed that the workgroup will work through the changes this afternoon and this item will be discussed again at the March Executive Committee meeting.

5.5.2 LGA Information Papers review – update

The working papers are still being reviewed and we are approximately half-way through. The group will need to wait for legislation to pass before review of the papers that include audits and audit committees can be reviewed.

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 Fines Enforcement Recovery Unit – Annette Martin (Primary Contact)

An email has been sent out to the relevant Councils identified at last months meeting to see who wants to be involved in working through consistent FERU reports for Councils. A meeting will be organised in the next couple of weeks.

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

Chris met with Peter Ilee and obtained their list of priorities mostly around the lodgements process and the methodology. There are currently six items they would like the workgroup to concentrate on and Peter will priorities the list of items. The workgroup will hold a meeting soon to discuss the issues. The Grants Commission data has been released and data from three Councils is still outstanding.

The December LGPI should be released in the next week or two.

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.
Form a Data Collections – Annual Grants Commission Returns workgroup.	29/03/19	Executive Committee	Completed – same members of the LGPI workgroup.

5.8 Local Government Reform – Kate George (Chairperson)

The Government has confirmed that the Bill will be released in the first quarter of this year.

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

The Secretariat is currently following up if LG Solutions can run some sessions on the LTFP model the day before the May conference, this will provide an opportunity for participants to provide feedback. The LTFP is not taking into account the new leasing standards, however LG Solutions are waiting on the model financial statements. The City of Charles Sturt has some work arounds in this regard and Annette Martin is happy to share those with anyone interested.

An awards nomination has been submitted to LG Professionals for the LTFP project.

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

The newsletter process has been restructured to get the whole workgroup involved. The first eNewsletter was sent out just before Christmas with the next edition to be distributed in early April. Invitations have been sent to sponsors for articles for inclusion in the newsletter and other articles are currently being prepared.

5.10.1 Buddy List (Patricia Coonan)

The Buddy List has now been updated and incorporated into the membership database. The Buddy List will be updated from now on whenever there is a change to the membership database and/or change to Executive Committee Members. Executive Committee Members are to review the list and advise Patricia if they have feedback/changes.

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)

The new ePlanning system timeframes have been extended. The Minister for Planning advised on 7 February 2020 his intention to reintroduce a Bill to Parliament to amend the Planning, Development and Infrastructure Act 2016. This Bill will remove the deadline of 1 July 2020 for full implementation of the Code, enabling the timeframe to be set by proclamation in the South Australian Government Gazette (therefore the actual implementation times are now not set in legislation and can be delayed further if required).

As consultation on the draft Phase Two ([Majority of Rural Councils](#)) Code is complete, a comprehensive readiness program will be provided to assist Councils and other users in their preparations. Phase Two will be scheduled to be implemented in July 2020.

Phase Three Code ([Urban & Balance of Rural Councils](#)) consultation is to close 28 February, the range of matters and potential for change is not yet fully known, however there is an expectation that a similar extension of time will be applied and as such it is anticipated that Phase Three will be implemented in September.

This extra time provides opportunity for people to see the finalised Code and ePlanning solution before the new system goes live.

[Read the Minister's media release \(PDF, 185 KB\).](#)

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

A meeting was held on 11 February and the following items were discussed:

- Valuations will be gazetted on the 3rd Thursday of May.
- It is noted that RPSA don't have a President at the moment, but this appointment will occur soon.
- The hardship policy and guidelines will go to the LGA Board meeting in March.
- A debt cancelling service company may be invited to a future Executive Committee meeting.
- The next draft of the MOU agreement has been provided to the Valuer-General.
- The next meeting of the workgroup will be held on 21 April.

6. Treasurer's Report

The operating surplus is \$69,000 with less of a deficit for the December event than previous years. The year to date sponsorship and membership is slightly down but this is a timing issue and will resolve in the coming months. Transition from AusKey will be looked into over the next month.

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	Completed.
Organise for the Executive Committee Office Bearers to be signatories on the NAB account.	21/06/19	Treasurer	Forms to be signed.

7. Correspondence

7.1 Strategic Asset Management Intensive Courses – IPWEA SA

The Executive Committee discussed the information provided from IPWEA SA on their Asset Management Courses on offer.

Moved: Simon Zbierski

Seconded: Katy Bone

Recommendation: That IPWEA SA be approached to discuss reciprocal arrangements between IPWEA SA and SALGFMG conferences.

CARRIED

8. Confidential Discussion Items

Nil

9. Other Business

9.1 FBT and Car Parking Fringe Benefits (Tony Amato)

Up until recently the ATO did not consider shopping centres as commercial car parks. For example, if there is a Westfield, Coles, Aldi etc and that is the only type of car parking facility within a 1 km radius of where Council staff park their cars on Council premises then there was no car parking fringe benefit. The ATO has released a draft ruling which states that if these types of places are within the 1km radius and have the first 2 hours or so for free then there is a charge thereafter to park, then the ATO want to tax Councils on the car parking fringe benefit that results. The committee discussed the draft ruling and agreed that it is not really an issue in South Australia because of the threshold and the full daily rates of supermarket car parks. Councils are encouraged to analyse the requirements to make sure they are meeting them.

9.2 Payment Times Reporting Framework Legislation (Mark Lague)

Consultation is open for the draft Payment Times Reporting Framework legislation that will require businesses with over \$100 million turnover to publish information on how fast they pay small businesses. Consultation closes on 7 March 2020.

9.3 AUSKey and MyGov ID (Mark Lague)

Mark thanked the Councils that shared information on how they are handling the AUSKey and MyGov ID issue.

9.4 Elected Member Allowances (Mike Carey)

Mike thanked the Councils that responded to his questions regarding payment of Elected Member Allowances.

9.5 Superannuation Guarantee

Legal advice has been shared from the LGA regarding the superannuation and annual leave loading situation and when to back date to. The preliminary advice will be distributed to the Executive Committee. The Membership and Communications workgroup will seek to have a sponsor write an article on this issue for the next FMG newsletter.

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

27 March 2020 – City of Mitcham

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

Standing and Future Items	Meeting	Frequency
<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, 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