

MINUTES

South Australian Local Government Financial Management Group Executive Committee

27 September 2024
At 9:30am at the City of Mitcham

1. Present

Executive Committee

Office Bearers:

- Luke Harris (**President**), City of Mitcham
- Grant Jennings (**Vice President**), Whyalla City Council
- Jade Bird (**Treasurer**), City of Onkaparinga
- Clive Hempel (**Secretary**), Mid Murray Council

Members:

- Alexander Brown, City of Unley
- Alexander Oulianoff, Mount Barker District Council
- Annette Martin, City of Charles Sturt
- Cadel Blunt, City of Holdfast Bay
- Chris Birch, City of Burnside
- Jodie Summer, District Council of Yankalilla
- Kate George, City of Salisbury
- Lisa Gilmartin, City of West Torrens
- Nicole Van Berkel, City of Adelaide
- Rajith Udugampola, Adelaide Plains Council
- Rebecca Baines, City of Tea Tree Gully
- Simon Zbierski, City of Campbelltown
- Trisca Price, City of Playford

Proxies:

Nil

LGA Representative:

- Michael McCarthy, LGA
- Ashleigh Baker, LGA

Observers/Guests:

- Amanda Barber, LGFA
- Donna Stubbs, City of Charles Sturt
- Erin McGarry, Town of Gawler

Secretariat:

- Patricia Coonan, TPS

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.

1.1 Welcome New Committee Members

- Cadel Blunt, City of Holdfast Bay
- Nicole Van Berkel, City of Adelaide

2. Apologies

Nil

3. Conflicts of Interest

Executive Committee Members are asked to advise if they have any general or material conflicts of interest in relation to the items on this agenda.

Nil

4. Confirmation of Minutes

Moved: Grant Jennings
Seconded: Chris Birch

Recommendation: *That the minutes of the meeting held on 26 July 2024 be confirmed as a true and correct record of that meeting.*

CARRIED

5. Presentations

Nil

6. Standing Items

6.1 Local Government Association Update / Local Government Reform – Michael McCarthy (LGA Representative)

Michael provided an update and the following was noted:

Superannuation Guidelines:

- The guidelines were published 3 weeks ago and sent through to the FMG.
- The guidelines will be provided to the FMG Members.
- The Committee asked if the LGA will be approaching the ATO as an industry to look at an industry wide approach to mitigate the issues.

Local Government Rates Survey:

- The LGA is looking at the resourcing for the year.
- The matter was referred to the FMG Rating and Valuation Workgroup.
- Are there other ways to collect the information and is the timing of it useful?
- Feedback has been gathered from the workgroup and will be provided to the LGA in the coming week.

Local Government Price Index:

- The current contract with SACES is under review.
- Suggestion of a new index.
- Suggestion that forecasting could potentially be a 10-year forecasting and there would be savings if that were to occur.

Financial Sustainability Pilot Program:

- The LGA thanked the FMG for being involved.
- Governance arrangements for the program have been established.
- EOIs will be going to Councils soon for Councils to apply for funding support – targeted to Councils that are having financial sustainability challenges.

Documents that are being prepared and finalised:

- Financial Sustainability Information Papers – thank you to the FMG for the review of those. Five more have been released on the LGA website with fourteen more in their final stages
- Asset management papers – a few have been released with a few to go.
- Hoping to release another financial sustainability session involving the LGA and LGFA.

Evaluation Team – Financial Statements:

- The Model Financial Statements are updated each year and the LGA contracts out the review of the statements. This contract has expired.
- Currently the LGA has EOIs out for the contract to review the statements.
- The LGA would like a FMG representative on the Assessment Panel. The representative will look at submissions, fill out the evaluation and potentially join a meeting mid-October. Clive Hempel or Annette Martin will assist in this process.

7. Discussion Items

7.1 FMG Strategy Endorsement

Luke provided an update:

- The draft Strategy was provided to the Executive Committee for final wording feedback.
- Jodie Summer designed the final draft Strategy.
- The draft Strategy was presented at the FMG's Annual General Meeting and was provided to the membership with the AGM minutes with feedback encouraged.
- Only one response was received regarding some numbering issues in the document, and this has now been fixed.
- The final draft Strategy is now presented to the Executive Committee for adoption.

Moved: Kate George

Seconded: Alex Brown

Recommendation:

That the SALGFMG Executive Committee adopts the attached Strategic Plan 2024-2029.

CARRIED

7.2 Feedback on Proposed Meeting Structure

Luke Harris provided this item and the following was noted:

Three Key Points:

1. Introducing dedicated time (45-60 minutes) in each monthly meeting to focus on strategic objectives, either over two consecutive meetings or condensed into a single session.
2. Choose between a two-month approach, where the first meeting defines the problem and the second workshops solutions, or a one-hour combined approach that addresses both problem definition and solution planning in a single session.
3. The committee is asked to provide feedback on their preferred approach, time allocation, and any additional suggestions to make progress on our strategic objectives.

Background

Following the endorsement of the SALGFMG Strategic Plan 2024-2029, it is timely to review how our monthly FMG meetings are structured to ensure they align with our strategic objectives. The current format of our monthly FMG meetings primarily focuses on workgroup updates, presentations, and informal discussions. To better align our efforts with our strategic objectives, changes are proposed to incorporate dedicated time within each meeting to focus on specific strategic priorities. Two potential approaches are outlined in the report for feedback.

The Executive Committee discussed the current meeting structure, the strategy and how workgroups will assist in delivering the Strategy's objectives.

The Executive Committee agreed that an initial session needs to be held to discuss the sections of the Strategy, and it is suggested that this be incorporated into the upcoming October meeting. Pre-work will be sent to the Executive Committee prior to the session. Luke will look at a structure and send it to the Events and Membership workgroup for feedback initially.

Moved: Jade Bird
Seconded: Alex Brown

Recommendation:

That the SALGFMG Executive Committee:

- 1. Reviews the proposed changes to the monthly meeting structure.*
- 2. Provides feedback on the preferred approach for integrating dedicated time to work on strategic objectives.*

CARRIED

7.3 Superannuation Compliance for LG Councils

Further to the information provided in Item 6.1, Luke advised that the FMG initially requested the LGA to prepare the guidelines, once they were prepared by Norman Waterhouse, Pat McCarthy from Genesis reviewed the guidelines and provided feedback.

The guidelines have now been completed and the FMG needs to work through how to promote them and work through the issues with an industry wide perspective.

The Executive Committee agreed that we need to establish how big the problem is for all Councils before negotiating with the ATO. This is preferable to 68 Councils approaching the ATO.

Can we prepare a survey to collect information from Councils that have dealt with this issue? Councils to provide, for 3 years prior to 2022, their issues. The Survey will hopefully establish how many Councils have a problem during that period because the fee was more than \$450 per month. This data can then be provided to the LGA to help them understand the scope of the issue.

Being an industry wide issue, we need to provide feedback to the LGA of what they can do to assist Councils to practically work through this matter.

Moved: Jade Bird
Seconded: Grant Jennings

Recommendation:

That the SALGFMG Executive Committee:

1. *Notes that the attached guidance on superannuation compliance for non-employee workers is now available on the LGA website.*
2. *Approves distribution of the Guidelines and the Excel template with a Survey to understand the scope of the issue.*
3. *Advocates for further LGA involvement in supporting the sector to solve the issue including engaging with the ATO.*

CARRIED

7.4 LGPI Review – LGA

The LGA contacted the FMG to discuss the Local Government Price Index (LGPI). The LGPI has been prepared on a quarterly basis for several decades and more recently, 3 year forecasts.

It is noted that the LGPI and forecasts are valuable in assisting Councils in budget and long term financial plan and asset management preparation, as well in communicating Council costs to the community and media.

The preparation of these indices has been undertaken by the University of Adelaide South Australian Centre for Economic Studies (SACES) since 2009, on an annual contracting basis, which contractual arrangement has ended and is due for renewal.

The Executive Committee discussed this matter and agreed that independence of the University is needed. The LGA provided some questions to the Executive Committee. Luke will turn the questions into a survey and send it to the Committee. The information collected will be provided back to the LGA.

7.5 SALGFMG Financial Statements – Evaluation Team – LGA

Per item 6.1, Clive Hempel or Annette Martin will participate in this process.

The Executive Committee also noted correspondence received from Sabine Schuhrer (AASB) to Annette Martin that comprehensive income statements are changing (AASB standard). Sabine will be in contact with Luke and Patricia.

7.6 Buddy List

The Buddy List is provided to regional Councils to ensure consistent points of contact within the SALGFMG. The list is aligned with current Executive Committee Members who are located within regional Councils and aims for a proportional representation across the regions based on the number of Councils.

Three Key Points:

1. The Buddy List has been updated to reflect recent changes in the Executive Committee, ensuring accurate and consistent contacts for regional Councils.
2. Four Executive Committee Members were removed (Alexandra Edmonds, Julie Scoggins, Anthony Spartalis, and Vikki Purtle) and replaced with two new Members (Cadel Blunt for South East Region and Nicole Van Berkel for Murray Mallee Region).

3. The updated Buddy List is presented for the committee's review and endorsement to maintain clear communication links with regional Councils

Moved: Kate George
Seconded: Grant Jennings

Recommendation:

That the SALGFMG Executive Committee has reviewed and endorses the proposed updated Buddy List for regional Councils.

CARRIED

7.7 Work Groups List

The Executive Committee discussed the workgroups and the current Chairperson and Deputy Chairperson for each. The following changes were noted:

- Rating and Valuation Workgroup: Cadel Blunt, new Deputy Chairperson
- Costing Principles Workgroup: Jade Bird, new Deputy Chairperson
- Internal Controls Framework Workgroup: Kate George, new Chairperson
- Events & Membership Workgroup: Grant Jennings, new Deputy Chairperson

Moved: Grant Jennings
Seconded: Rebecca Baines

Recommendation:

That the SALGFMG Executive Committee endorses the proposed Workgroups.

CARRIED

7.8 Meeting Dates for Next 12 Months

The Executive Committee discussed dates and locations for the next 12 months' worth of meetings.

- 25 October 2024 – City of Tea Tree Gully
- 6 December 2024 – District Council of Yankalilla (was previously 22 November)
- 31 January 2025 – Campbelltown City Council
- 28 February 2025 – City of Salisbury
- 28 March 2025 – Local Government Association of SA
- 1 May 2025 – City of West Torrens
- 30 May 2025 – City of Unley
- 27 June 2025 – City of Burnside
- 25 July 2025 – City of Adelaide
- 29 August 2025 – AGM
- 26 September 2025 – City of Holdfast Bay
- 30 October 2025 – location TBC after AGM
- 21 November 2025 – location TBC after AGM

Moved: Lisa Gilmartin
Seconded: Grant Jennings

Recommendation:

That the SALGFMG Executive Committee notes the proposed meeting dates for the next 12 months.

CARRIED

7.9 Invitation to Attend FinPro Conference – Victoria

The Executive Committee discussed invitations received to the two interstate conferences under reciprocal arrangement. The interstate body provides a ticket to the event and accommodation and the SALGFMG covers travel costs.

Moved: Alex Brown
Seconded: Cadel Blunt

Recommendation: That the SALGFMG Executive Committee approves Jodie Summer (if available) to attend the FinPro Conference in Victoria from 23 to 25 October 2024 under reciprocal arrangement and that the SALGFMG will cover the travel costs. If Jodie is unavailable the invitation will be re-extended to the Executive Committee.

CARRIED

Moved: Kate George
Seconded: Alex Brown

Recommendation: That the SALGFMG Executive Committee approves Luke Harris to attend the LGFP Annual Conference in the Gold Coast from 19 to 22 November 2024 under reciprocal arrangement and that the SALGFMG will cover the travel costs.

CARRIED

Discussion Items			
Action Items	Meeting	Responsible	Status
LGPI email from the LGA.	27/09/24	Workgroup	Luke to prepare the questions from the LGA into a survey and provide to the Executive Committee.
Comprehensive income statements AASB standard changes.	27/09/24	Luke and Patricia	Chase up Sabine Schuhrer for further information.
Initial contact with Councils regarding the buddy system.	27/09/24	Grant	Draft email for each Buddy Region and provide to Patricia for distribution.
Organise registration and travel for the Victorian and Queensland conferences for Jodie and Luke.	27/09/24	Patricia	
Superannuation Compliance for LG Councils – prepare survey and send guidelines and excel spreadsheet to Member Councils.	27/09/24	Patricia and Luke	
Proposed meeting structure for Strategy session.	27/09/24	Luke	
Send final FMG Strategy and Buddy List to Members.	27/09/24	Patricia	

8. Work Groups – Update/Status

8.1 Asset Management – Grant Jennings (Chairperson), Alex Brown (Deputy Chairperson)

There is no specific update for this meeting. The last round of papers for Asset Management from the LGA have been provided to the workgroup.

8.2 Costing Principles – Alex Oulianoff (Chairperson), Julie Scoggins (Deputy Chairperson)

There is no update for this meeting.

8.3 Events & Membership – Alex Oulianoff (Chairperson), Kate George (Deputy Chairperson)

Patricia provided an update on the November program. It was agreed that a fresh calendar invitation should be issued to Members to ensure it goes into calendars. A meeting of the workgroup is being held after this meeting to confirm the draft program for distribution and registration fees.

Events and Membership			
Action Items	Meeting	Responsible	Status
Discuss FMG KPI's, an annual Member Survey and presentation of achievements at each AGM.	19/01/24	Workgroup	Data for past events and memberships to be provided to Events Workgroup for discussion. Data for KPI's needs to include information received in event surveys.
Discuss innovation awards to be incorporated in the FMG major conference – discuss with the LGFA process and potential categories Collaboration, Innovation, Regional, Most Improved etc.	16/02/24	Workgroup / LGFA	To be discussed as part of the FMG Strategy.

8.4 Financial Management Framework – Clive Hempel (Chairperson), Lisa Gilmartin (Deputy Chairperson)

There is no update for this meeting.

Financial Management Framework			
Action Items	Meeting	Responsible	Status
AASB: ED SR1 Disclosure of Climate-related Financial Information. The SALGFMG is trying to get some influence in relation to the Model Financial Statements and disclosures that we may be committed to in the future.	17/11/23	Workgroup	

8.5 Internal Financial Controls (Better Practice Framework) – Annette Martin (Chairperson) and Jodie Summer (Deputy Chairperson)

There is no specific update for this meeting. Each of the elements are being worked through. The next meeting of the workgroup will be held next week.

8.6 Local Government Price Index / Grants Commission – Chris Birch (Chairperson), Rajith Udugampola (Deputy Chairperson)

There is no update for this meeting

Local Government Price Index			
Action Items	Meeting	Responsible	Status
Work with the Local Government Grants Commission to modernise/update the purpose codes naming and descriptions within Appendix B of the Model Financial Statements.	28/04/23	Workgroup	In progress – the LG Grants Commission is happy to discuss updates to Appendix B of the MFS.

8.7 Marketing & Communications – Rebecca Baines (Chairperson) Jade Bird (Deputy Chairperson)

Rebecca advised that we are still waiting on the outcome of our application for the ACNC. Once the status is known, we can proceed with the setup of the Member Engagement Tool and Office 365.

Marketing and Communications			
Action Items	Meeting	Responsible	Status
Seek a quote from the contractor to investigate the Member Engagement Tool i.e. Viva Engage as an example.	19/01/24	Workgroup	Completed
Setup Microsoft Tennant after the ACNC application status is known.	27/09/24	Workgroup	
Create an email template to introduce Members to their FMG buddies.	19/01/24	Workgroup	
Discuss further the setup of the Long Term Financial Plan User Group and Strategic Group.	19/01/24	Workgroup	Potentially hold a LTFFP Online Session / Forum. See if this can be a channel through Yammer.

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

There is no update for this meeting. The next meeting is scheduled for 8 October 2024 via Teams.

8.9 Student Placement Program – Luke Harris (Chairperson), Kate George (Deputy Chairperson)

There is no update for this meeting.

Student Placement Program			
Action Items	Meeting	Responsible	Status
Negotiate and discuss the future of the Student Placement Program and the leftover funds with the LGFA.	19/01/24	President & Vice President	In progress.
Prepare a newsletter article about grad timings with Uni SA for this year with contact details.	19/01/24	Vice President	

Student Placement Program			
Action Items	Meeting	Responsible	Status
Organise a presentation at the November/December Workshop on Luke's experience with a graduate to encourage uptake.	19/01/24	Vice President	

9. Treasurer's Report

Jade provided a report outlining the income and expenses up until 31 August 2024.

Moved: Grant Jennings

Seconded: Alex Brown

Recommendation:

That the SALGFMG Executive Committee:

1. *Notes the report the Finance report for the period ending 31 August, including the Profit & Loss statement that covers both July and August 2024.*
2. *Approves Jade Bird as Treasurer to be given access to Relationship Authorisation Manager to manage ATO lodgements.*
3. *Approves delegates President and Vice President to sign and execute any document required to amend the SALGFMG bank accounts as per the below recommendations.*
4. *Approves and confirms that the Office Bearers are to be authorised and setup as NAB account signatories (if not already) including online access for accounts #1317 and #9323 (the main business account and admin credit card account):*
 - a. *President: Luke Harris*
 - b. *Immediate Past President: Alex Oulianoff*
 - c. *Vice President: Grant Jennings*
 - d. *Treasurer: Jade Bird*
 - e. *Secretary: Clive Hempel*
5. *Approves and confirms that the President is to be authorised and setup as the NAB account signatory (if not already) for account #9315 (the President credit card):*
 - a. *President: Luke Harris*

CARRIED

Treasurer			
Action Items	Meeting	Responsible	Status
Commence formal debt collection for the current outstanding debt of greater than 180 days.	19/04/24	Treasurer	
Submit an LGA News Article regarding discounted FMG membership.	31/05/24	Secretariat	
Organise for the NAB account signatories to be updated.	27/09/24	Secretariat and Treasurer	

10. Other Business

10.1 Power Prices and the Impact on Council Rates (Alex Brown)

Some Councils have received the following questions from The Advertiser regarding power prices and the impact on Council rates. They have asked for a response by 3pm Monday 30 October 2024.

I'm a journalist with The Advertiser and I'm writing a feature that looks at how councils have been affected by rising electricity costs.

I'd particularly be keen to know how much council's power bills have risen by and how it's responding to those increased costs.

Would council be able to respond to the following by 3pm on Monday?

How much have council's electricity bills risen in the past year (from last September)?

Would council be able to provide their monthly electricity costs or costs incurred for September 2023 and then last month)?

How have council's power bills affected rates? Has the council been forced to raise rates or reduce services to cover increasing electricity costs?

Did council secure its current contracts via LGA Procurement?

The Executive Committee discussed their Council's respective positions.

10.2 Large and Unmetered Sites (Grant Jennings)

Grant advised that LGA Procurement (LGAP) has accepted a contract extension – an unsolicited bid. The Executive Committee discussed whether Councils be meeting their requirements under the Local Government Act if they are involved.

10.3 SALGFMG Awards (Alex Brown)

This matter is to be discussed as part of the FMG Strategy work.

10.4 Elected Member Allowances (Lisa Gilmartin)

Lisa asked the Executive Committee what software, spreadsheets and templates they are using including calculation formulas. Any suggestions or ideas can be sent to Lisa.

Other Business			
Action Items	Meeting	Responsible	Status
Finalisation of the Fees and Charges ATO Class Rulings.	28/04/23	President & Treasurer	Grant has finalised the funding acquittal. The first final ruling has been completed but the second has not been completed. Alex Oulianoff is the contact for the second part.
Future Directions Strategy - FMG to look at its longer term objectives in the next 6-8 months.	29/09/23	Executive Committee	Completed – Strategy adopted.
Provide a list of the workgroups but sorted by Executive Committee Members to ensure Executive Committee Members are represented evenly on the workgroups.	15/03/24	Secretariat	Completed

Other Business			
Action Items	Meeting	Responsible	Status
Key Dates Calendar for Local Government. Luke will see if he can find one and speak with the LGA.	27/09/24	Luke Harris	

11. Monthly Member Update Email: Key Dates and Key Information

The Executive Committee discussed whether there is still a Key Dates Calendar for Local Government. Luke will see if he can find one and speak with the LGA.

- Superannuation Guideline
- Conference Dates
- Buddy List
- Strategy
- Workgroup Updates

12. Confidential Discussion Items

Nil

13. Next Meeting

25 October 2024 – City of Tea Tree Gully

14. Close

The meeting closed at 12:51pm.

Standing and Future Items	Meeting	Frequency
<ul style="list-style-type: none"> • Consider topics for the upcoming LG Research and Development Scheme funding round – usually opens in June and ends in August 	February	Annually
<ul style="list-style-type: none"> • Presentation from the Local Government Grants Commission 	April	Annually
<ul style="list-style-type: none"> • Sponsorship Proposal for the next financial year • Review Auditor ahead of recommendation at July meeting 	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 • Honorary & Life Member Recommendation • Event Registration Fees for the Financial Year • Consider Victorian Conference Representation – interstate reciprocal arrangement 	July	Annually

Standing and Future Items	Meeting	Frequency
<ul style="list-style-type: none"> • Buddy List • New Committee Members • Workgroup allocations including Chair and Deputy Chair • Meeting dates for next 12 months • Consider Conference Representation – interstate reciprocal arrangements 	September	Annually

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

FMG President, Luke Harris: lharris@mitchamcouncil.sa.gov.au

- Asset Management Workgroup Chairperson, Grant Jennings: grant.jennings@whyalla.sa.gov.au
- Costing Principles Workgroup Chairperson, Alex Oulianoff: aoulianoff@dcmtbarker.sa.gov.au
- Events & Membership Workgroup Chairperson, Luke Harris: lharris@mitchamcouncil.sa.gov.au
- Financial Management Framework Workgroup Chairperson, Clive Hempel: chempel@mid-murray.sa.gov.au
- Internal Financial Controls (Better Practice Framework) Workgroup Chairperson, Kate George: kgeorge@salisbury.sa.gov.au
- Local Government Price Index Workgroup Chairperson, Chris Birch: chris.birch@prospect.sa.gov.au
- Marketing & Communications Workgroup Chairperson, Rebecca Baines: rebecca.baines@cttg.sa.gov.au
- Rating and Valuation Workgroup Chairperson, Simon Zbierski: szbierski@campbelltown.sa.gov.au
- Student Placement Program Workgroup Chairperson: Luke Harris: lharris@mitchamcouncil.sa.gov.au