Welcome to Local Government in South Australia

Introduction to Local Government Handbook

Learning Objectives:

Understand the Australian system of government
Understand the roles, functions and objectives of Local Government
Understand Local Government governance arrangements
Understand financial management in a Local Government context
Understand Chief Executive Officers’ roles and responsibilities
Understand Council Members’ roles and responsibilities
Understand the Council Member / CEO / Council Staff working relationship
Understand the impact of communities on decision making
Understand the role of the Office for State/Local Government Relations
Understand the role of the Local Government Association of SA

Prepared by the LGA Education & Training Service (South Australia)
(updated June 2015)
The three spheres of government – Local, State and Federal – work together in various ways to govern and provide services to the community. Although each sphere functions differently and has very different powers and functions, each has an important role to play in the total picture of government in Australia.

The Australian Constitution defines Federal and State Government roles. Various State Acts define State and Local roles. These include the *Constitution Act 1934* (SA) and the *Local Government Act 1999* (SA). In April, 2006 the Commonwealth, all State and Territory governments and the Australian Local Government Association signed an Inter-Governmental Agreement (IGA) on relationships with Local Government.

**Federal Government**

The Federal (or Commonwealth) Government decides on matters which affect the whole country as specified in the Australian Constitution. These matters include things like foreign affairs, defence, trade, telecommunications, social security, monetary policy, universities, immigration, public finance, national highways, income tax and company taxation.

It has responsibilities alongside those of the States in health, education, law and order, transport and water resources, to list the main areas. Where there is inconsistency between State and Federal laws, the Constitution provides that Federal laws over-ride those of the States, to the extent of the inconsistency.

The Federal Government’s legislative arm is the Commonwealth Parliament – elected by all Australians. The Government is run by Ministers who come from the party which has the majority in the lower House of Parliament, i.e. the House of Representatives. Staff are employed through departments which report to Ministers.

More information about the Federal Government can be found at: www.australia.gov.au
TOPIC 1: Australian System of Government

Federal Government – Relationship to Local Government

The Federal Government provides both general purpose and specific purpose payments to Local Government. The general purpose payments are made to the State and passed on to Councils, on the recommendations of the South Australian Local Government Grants Commission. The financial assistance is provided in two parts – general purpose grants and untied local roads grants.

Specific purpose payments are made available to Councils under a variety of Federal programs, with funding often dependant on the success of applications under a nationally competitive process. Examples of programs where SA Councils receive a share of a national pool of funds are the Roads to Recovery program and the Home and Community Care (HACC) program.

Local Government is represented on the Council of Australian Governments (COAG) and on several national Ministerial Councils by the Australian Local Government Association (ALGA).

State Government

Each State has its own Government which has powers to make laws on any subject, although any State law that was inconsistent with a valid Commonwealth law would be invalid. Each State’s major functions include provision of primary and secondary education, health and hospitals, the justice system and police, public transport, arterial roads, water supply and sewerage systems, social services and public housing.

State Government also has a legislative arm – the State Parliament which is elected by the whole State. The State Government is formed by the party with a majority in the lower House of Parliament. (In SA this is the House of Assembly.) Public Service staff are employed through Departments which report to State Ministers.

In South Australia, the State Government has established the legislative framework in which Local Government operates via the Constitution Act 1934 (SA) and the Local Government Act 1999 (SA). Dozens of other South Australian Acts also provide powers or responsibilities for Councils.

More information about State and Territory governments in general can be found at: www.gov.au.

More information on the SA Government can be found at: www.sa.gov.au.

State Government – Relationship to Local Government

The relationship between the South Australian State Government, and Local Government is guided by the State-Local Government Relations Agreement, which has been signed by the SA Premier and the President of the Local Government Association.
TOPIC 1: Australian System of Government

This Agreement recognises the separate mandates of State and Local Government and their shared responsibilities to work in the interests of SA communities.

State and Local Government work in partnership in many areas to ensure effective outcomes for local communities. Local Government partners with a number of State Government departments to plan, fund and deliver services to local communities.

The Ministers and departments with whom Local Government is most involved include:

- Planning, Transport and Infrastructure;
- Environment, Water and Natural Resources;
- Primary Industries and Regions;
- The Office of Local Government.

The Minister for Local Government is responsible to the Parliament for the *Local Government Act 1999* (SA) which is the primary legal framework for Local Government. However, the Act does not allow the Minister to intervene in the day to day business of Councils.

In addition, the Premier’s State/Local Government Forum brings together State and Local Government to discuss matters of mutual interest and to enhance cooperation for the benefit of all South Australians. The Premier chairs the Forum. The Local Government sector is led by the LGA President.
Local Government – Delivers and Implements Programs

The legal framework for Local Government in South Australia is established by the Constitution Act 1934, the Local Government Act 1999 and the Local Government (Elections) Act 1999. The Local Government Act 1999 provides very broad powers for Councils to act in the interests of communities. Councils cannot, however, perform any actions that would be inconsistent with a Federal or State law.

Most areas of Local Government activity result from local discretion in the interests of communities. This includes work on local roads, waste management and recycling, stormwater and libraries. There are however a small number of areas where State legislation requires Council action. See “What Do Councils Do?” on page 15.

All Councils consist of an elected arm (democratically elected Council Members) and an operational arm (Council employees). The operational or administrative arm is responsible for implementing Council decisions. The Council Members appoint the Chief Executive Officer, decide on Council policies and monitor Council operations.

Local Government is a vital part of the Australia’s democratic system of government representing people who live, work and visit Council areas. The central role of democratically elected Council Members is to advocate and lead on behalf of their community in the many areas that affect their lives.

Council Members are accountable to their communities for their decision making. Councils use consultation processes, and public Council meetings, to ensure that decisions are made openly and transparently. Local Government supports individuals and groups; provides a wide range of services for the well-being of the community; and enables new initiatives for the economic, environmental, social and cultural development of the community.

Areas of joint involvement include:

- Health
- Environment
- Emergencies
- Community support
- Roads
TOPIC 1: Australian System of Government – Continued

Country South Australia

- Alexandrina Council
- The Barossa Council
- District Council of Barunga West
- Berri Barmera Council
- District Council Ceduna
- Clare & Gilbert Valleys Council
- District Council of Cleve
- District Council of Coober Pedy
- The Coorong District Council
- District Council of the Copper Coast
- District Council of Elliston
- The Flinders Ranges Council
- District Council of Franklin Harbour
- Regional Council of Goyder
- District Council of Grant
- Kangaroo Island Council
- District Council of Karoonda East Murray
- District Council of Kimba
- Kingston District Council
- Light Regional Council
- District Council of Lower Eyre Peninsula
- District Council of Loxton Waikerie
- District Council of Mallala
- Mid Murray Council
- District Council of Mt Barker
- City of Mt Gambier
- District Council of Mt Remarkable
- The Rural City of Murray Bridge
- Naracoorte Lucindale Council
- Northern Areas Council
- District Council of Orroroo Carrieton
- District Council of Peterborough
- Port Augusta City Council
- City of Pt Lincoln
- Port Pirie Regional Council
- District Council of Renmark Paringa
- District Council of Robe
- Municipal Council of Roxby Downs
- Southern Mallee District Council
- District Council of Streaky Bay
- Tatiara District Council
- District Council of Tumby Bay
- City of Victor Harbor
- Wakefield Regional Council
- Wattle Range Council
- The Corporation of the City of Whyalla
- Wudinna District Council
- District Council of Yankalilla
- Yorke Peninsula Council

Metropolitan Adelaide

- Adelaide City Council
- Adelaide Hills Council
- The City of Burnside
- Campbelltown City Council
- City of Charles Sturt
- Town of Gawler
- City of Holdfast Bay
- City of Marion
- City of Mitcham
- The City Of Norwood, Payneham & St Peters
- City of Onkaparinga
- City of Playford
- City of Port Adelaide Enfield
- City of Prospect
- City of Salisbury
- City of Tea Tree Gully
- City of Unley
- Corporation of the Town of Walkerville
- City of West Torrens

Unincorporated Areas

- Anangu Pitjantjatjara
- Gerard Community Council
- Maralinga Tjarutja
- Nepabunna Community Council
- Yalata Community Council
- The Outback Communities Authority. (This Authority operates under its own Act to deliver a limited range of services to a vast land area of South Australia, outside the area of any Council. The ‘Outback’ has dozens of very small communities.)


TOPIC 2: Governance in Local Government

Local Government has been an important part of community decision making since the earliest days of settlement in South Australia (circa 1840).

The Constitution Act 1934 (SA) provides for a system of elected Local Government bodies. The Local Government Act 1999 sets out the constitution, system and operational framework for Local Government in this State.

The Local Government (Elections) Act 1999 and the City of Adelaide Act 1998 contain the requirements for Local Government Elections. They set out how the elections are to be conducted, who can nominate, who can vote, how the votes are counted and other important matters.

Local Government is an elected system of government directly accountable to the local community. A major theme of the Local Government Act 1999 is assigning an appropriate degree of autonomy to a Council and its community to provide for the community’s needs and to influence its own future.

Each Council in South Australia forms a political and social community with a depth of knowledge of the needs of its local area. For this reason Local Government is often referred to as the 'grass roots' level of government.

Local Government uses its own resources and/or resources provided under State or Federal Government programs, to deliver a diverse range of services in its local area.

In South Australia, Local Government is provided by 68 individual autonomous Councils. Each Council covers a defined geographic area. Council areas vary in geographic size, population, land use and location. Despite these differences, all 68 Councils have the same powers and responsibilities. The Outback Communities Authority and five Aboriginal communities have similar powers and responsibilities, under different legislation.

The first Local Government Council in Australia was formed in 1840 with the election of four Aldermen and fifteen Council Members to the new Adelaide Corporation. This followed a petition from residents for the "rights and privileges" of their own Council.

As settlers moved into more remote parts of the State, they were less eager to form Councils, provided that the central government continued building railways and major roads to serve them.

As a result, the Colony of South Australia passed the District Councils Act 1887 which empowered it to form Councils without waiting for residents to take the initiative.
## South Australian Local Government History

<table>
<thead>
<tr>
<th>Dates</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-European Settlement</td>
<td>Aboriginal communities have their own form of local governance.</td>
</tr>
<tr>
<td>1840</td>
<td>Petition by free settlers for local representation leads to the establishment of the Adelaide City Council – the first Council in Australia, and the first occasion on which Australians fully elected a government. First Council focus on prime community needs – establishment of roads to transport produce to markets/ports.</td>
</tr>
<tr>
<td>1875</td>
<td>First formal association of Councils in Australia formed in SA to jointly approach Government on road funding.</td>
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<tr>
<td>1880</td>
<td>Colonial State Government imposes Local Government on many parts of the State to ensure local rating takes financial burden off the State Government.</td>
</tr>
<tr>
<td>1890</td>
<td>By 1890 there were more than 170 Councils in the State.</td>
</tr>
<tr>
<td>1901</td>
<td>Federation sees creation of the Commonwealth Government.</td>
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<tr>
<td>1919</td>
<td>Susan Grace Benny of Brighton Council, SA, becomes the first woman elected member of any sphere of government in Australia.</td>
</tr>
<tr>
<td>1930s</td>
<td>Depression sees population in rural towns decline and the number of Councils drops to about 140.</td>
</tr>
<tr>
<td>1940s</td>
<td>A combination of the industrial revolution and World War II sees an increasing centralisation of powers and responsibilities to central governments. Around this time, Councils' roles broadened to meet the increasing demand for improved public health. Drainage, sewerage, health inspection, and immunisation are taken on.</td>
</tr>
<tr>
<td>1947</td>
<td>The Australian Local Government Association formed to represent Local Government to the Commonwealth.</td>
</tr>
<tr>
<td>1960s</td>
<td>Local Government's role in land use planning introduced. Growing demand for Councils to become active in community development and community services.</td>
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</tbody>
</table>
### South Australian Local Government History – Continued

<table>
<thead>
<tr>
<th>Dates</th>
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</thead>
<tbody>
<tr>
<td>1975</td>
<td>Local Government gains a share of untied Commonwealth grants which increase in value rapidly in the ensuing decade.</td>
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<tr>
<td>1979</td>
<td>Traditional property voting franchise broadened to give vote to all adult residents. Local Government House opened in Adelaide.</td>
</tr>
<tr>
<td>1986</td>
<td>LGA Workers Compensation Scheme established.</td>
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<tr>
<td>1989</td>
<td>LGA Mutual Liability Scheme established.</td>
</tr>
<tr>
<td>1990</td>
<td>LGA signed formal agreement with SA Premier to reform State-Local relationship towards a partnership approach.</td>
</tr>
<tr>
<td>1992</td>
<td>Local Government invited to join new Council of Australian Governments (COAG) with Prime Minister and Premiers.</td>
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<tr>
<td>1993</td>
<td>Hindmarsh &amp; Woodville Councils amalgamate.</td>
</tr>
<tr>
<td>1994</td>
<td>LGA signs a formal agreement with the new SA Premier to continue the State-Local relationship towards a partnership approach.</td>
</tr>
<tr>
<td>1994/95</td>
<td>Structural reform of Local Government became a major issue for both State and Local Government.</td>
</tr>
<tr>
<td>1997/98</td>
<td>Voluntary Council amalgamations. By 1998 Council numbers are reduced in South Australia from 118 to 68.</td>
</tr>
</tbody>
</table>
### South Australian Local Government History – *Continued*

<table>
<thead>
<tr>
<th>Dates</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>LGA initiates its “Future Directions – Strengthening Intergovernmental relationships” program, designed to focus on key priorities to enhance South Australia through all three spheres of government collaborating with each other.</td>
</tr>
<tr>
<td>2002</td>
<td>Minister for Local Government establishes the “Minister’s Local Government Forum” to progress/resolve issues of State Government/Local Government interface.</td>
</tr>
<tr>
<td>2004</td>
<td>State/Local Government Relations Agreement signed by SA Premier and LGA President to enhance relationships between the two spheres of government. (Renewed in 2011)</td>
</tr>
<tr>
<td>2005</td>
<td>South Australia’s <em>Independent Inquiry into the Financial Sustainability of Local Government</em> – the first independent inquiry established by Local Government in Australia’s history.</td>
</tr>
<tr>
<td>2006</td>
<td>Historic Inter-Governmental Agreement signed by all Australian Governments (Federal, State and Local).</td>
</tr>
<tr>
<td>2008</td>
<td>The Federal Government establishes the Australian Council of Local Government and the first meeting is held in November 2008.</td>
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</tbody>
</table>
Governance in Local Government – Roles, Functions & Objectives

The roles, functions and objectives of Councils are set out in sections 6, 7, and 8 of the Local Government Act 1999.

In summary, these sections:
- make specific reference to the importance of service provision, equity in access to services and the use of resources in an effective and efficient manner;
- provide scope for Councils to determine the level of participation, involvement or direct service delivery desirable for local communities;
- place emphasis on economic and social development and environmental management;
- encourage participation with other Councils, regions and State and Commonwealth Governments in public policy setting and planning and delivery of services; and
- require Councils to strike a balance within communities between economic, social, environmental and cultural considerations.

What do Councils do?

The range of services provided by Local Government is determined by each Council in response to the needs and priorities identified in consultation with its community. The services can vary greatly from one Council area to another depending upon the Council's geographical location and size, development and growth patterns, and population profile.

Few people understand how wide and diverse a range of services that Councils provide. Combined, all 68 Councils in SA expend around $1.9 billion a year, about half of which is spent on: roads and drainage; waste collection, disposal and recycling; recreation and cultural activities; and library and information services.

What Councils must provide

Mostly Councils decide what services they will provide locally. However there are some services which Councils are required, by legislation, to provide.

These include:
- formulation of planning policy for the area (note that planning policy must be approved by the State Minister for Planning) and assessment of development proposals including the enforcement of breaches of the Development Act 1993;
- some environmental health services, such as monitoring cooling towers for Legionnaire's Disease;
- fire prevention (i.e. some building inspection, and some bushfire prevention enforcement functions are a duty, while others are discretionary);
- dog and cat management; and
- some administrative requirements, such as preparing strategic plans for the area, maintaining an office, employing a Chief Executive Officer and supporting the elected Council.
Roles, Functions & Objectives

What Councils provide by choice

Other services provided and activities undertaken or funded by many Councils (subject to priorities determined locally) are:

- Aged care
- Arts and cultural programs
- Business support
- Caravan parks
- Cemeteries
- Coastcare and dunecare projects
- Community buses
- Community centres
- Community development programs
- Community leadership and advocacy
- Community services such as home and community care
- Control of pest animals and plants
- Control of public nuisances
- Crime prevention
- Cycling tracks
- Dry zones
- Economic development
- Employment /training programs
- Environmental management
- Festivals and events
- Food safety inspections
- Footpaths
- Immunisation
- Information services
- Landcare programs
- Libraries with books and free internet
- Local museums and heritage support
- Monitoring of insanitary conditions
- On street parking
- Online services
- Ovals
- Parks and gardens
- Public swimming pools
- Recreation facilities and centres
- Recycling
- Reserves and picnic areas
- Roads (local roads – that is, not national highways or State arterial roads)
- Rubbish collection and disposal
- Community Wastewater Management Systems
- Skate parks
- Stormwater drainage
- Street lighting
- Tourism information and support
- Traffic management
- Wetlands
- Youth advisory committees

Whether a service is a legislative requirement of Councils, or is provided by local choice, the Local Government Act 1999 requires that a Council be "responsive to the needs, interests and aspirations of individuals and groups within its community..." and that it must "...seek to ensure that Council resources are used fairly..."
TOPIC 2: Governance in Local Government – Continued

Council Structure, Meetings, Elections

The following diagram depicts the interface between the Council, the Council organisation, and the community.

The Community (Electors)

Elected Council & Council Committees

Council Administration

Services to the Community

Development Assessment Panels

Council Meetings

Decisions on many routine matters can be delegated by a Council to its Chief Executive Officer, or other staff. However there are certain important decisions that cannot be delegated, and must be determined by the Council at a properly constituted Council Meeting. These meetings are held at least monthly, at a time and place that was determined by the Council after the last periodic election. In addition, the Principal Member of the Council, or any three Members of the Council may authorise a Special Meeting providing there is an agenda.

A meeting of the Council or a Council committee must be open to the public although some items may be considered in confidence, as outlined in Sections 90 and 91 of the Local Government Act. A Council is required to report, in its Annual Report, about its use of confidentiality provisions.

The procedure that is followed at a Council or committee meeting is set out in the Local Government Act 1999 and the Local Government (Procedures at Meetings) Regulations 2013. Amongst other things, the Act explains the difference in voting rights between a Mayor and a Chairperson. The regulations outline the specific procedures to be followed regarding petitions, motions, formal motions and voting, to name a few. The LGA has published a “Meeting Procedures Handbook”.
Local Government Elections

Local Government elections are held every four years in November (2014, 2018, 2022 etc) eight months after State Government elections in March of the same year.

Voting at Council elections is not compulsory. It is a secret vote and conducted entirely by postal voting. A Ballot Pack is posted to each voter whose name appears on the Council voters roll and the completed votes are posted back to the Returning Officer. The State Electoral Commissioner is the Returning Officer for all Council elections. The Returning Officer will appoint Council staff and other people to act as Deputy Returning Officers and Electoral Officers to assist with the conduct of the elections.

Residents of a Council area who are enrolled on the State voters roll are automatically included on the Council voters roll and are able to vote at Council elections. Other persons, including bodies corporate and groups may be eligible for inclusion on the Council voters roll.

Information on voter eligibility and the conduct of Council elections can be found on:

- the LGA website: www.lga.sa.gov.au/electionresources, and
- the Electoral Commission of SA website: www.ecsa.sa.gov.au
Planning and Development

Planning and development of the local area are key responsibilities of Local Government. Section 7 of the *Local Government Act 1999* requires Councils “to plan at the local and regional level for the development and future requirements of the area”. Councils are required (by the *Development Act 1993*) to establish a “Strategic Planning and Development Policy Committee”. The function of this Committee is to provide advice to Council on strategic planning directed at achieving orderly, efficient and affordable development in the Council area. The *Development Act 1993* sets the framework for development rules and the assessment of each development application.

The range of activities that constitute ‘development’ is defined in the Development Act 1993. It includes not only building work, but also a change in the use of land and the division of land. There are also special controls over heritage places, certain urban trees and mining operations.

Councils play an important role in developing planning rules and assessing development applications. Officers exercising delegated power, deal with approximately 90% to 95% of applications. The remainder are dealt with by the Council Development Assessment Panel (CDAP) which is appointed by the Council. (See below.)

The *Development Act 1993* establishes a system of strategic planning and provides for the creation of Development Plans for each Council. The Development Plan is a statutory document that contains objectives and principles of development control against which development proposals are assessed. A Council (either an officer or the CDAP) must have regard to the Development Plan in its decision making. A Council is obliged to regularly review its Development Plan and can propose an amendment to update the Plan, but any changes need to be approved by the Minister for Planning before they come into effect.

Council Members have three principal roles in the planning and development of the area, namely:

- preparing, recommending changes to and reviewing the Council’s Development Plan
- appointing a Development Assessment Panel under the *Development Act 1993*
- some Council Members may have a role in making decisions on development as part of a CDAP.
TOPIC 2: Governance in Local Government – Continued

Council Development Assessment Panel (CDAP)

Each Council must have a Council Development Assessment Panel (CDAP) with membership consisting of both external persons and Council Members and/or Council staff to assist the Council to exercise its development assessment powers and functions.

Decisions on development applications are made under the Development Act 1993, not the Local Government Act 1999. Therefore the CDAP is quite distinct from other functions of a Council.

The Development Act 1993 prescribes, amongst other things, composition of the CDAP, matters relating to procedures of the CDAP; public access to agendas, minutes and meetings; review of CDAP delegations; conflict of interest; and the extent of liability of CDAP members.

Governance in Local Government – Strategic Management Planning

Planning for the development and well-being of communities is a critical role for Councils. The Local Government Act 1999 requires a Council to develop and adopt “strategic management plans” for the management of its local area (Section 122).

Development of strategic management plans provides an opportunity for a Council, together with its community, to set appropriate goals and objectives and to determine the services and activities to be undertaken to meet these goals and objectives. Councils’ plans are also required to incorporate some co-ordination of effort between neighbouring Councils, State and Commonwealth Governments in delivery of services. In practice, this requires the development of effective working relationships with various government agencies.

Strategic management plans must include a Council’s, long term financial plan and its infrastructure and asset management plan. It is the responsibility of individual Councils to determine the contents of their plans and the strategies they will use to develop, promote, measure and report on the success of their plans. The requirements for strategic management plans assist Councils to focus on the context of their decision making. Strategic management plans may be reviewed at any time, but a comprehensive review must be undertaken “within 2 years after each general election of the council” i.e. by November 2016, November 2020, etc.

The strategic framework provides wide scope for Councils and their communities to determine:

- the specific outcomes desirable;
- the approach to be used to deliver the outcomes determined (including the levels/types of plans adopted);
- the scope of services the Council will provide, facilitate or advocate for in its area;
- the nature of the consultation approach the Council will adopt to formulate or review its plans; and
- how the outcomes of plans will be monitored.
The LGA has published a “Guide to Preparing a Strategic Management Plan”.

### TOPIC 2: Governance in Local Government – Continued

**A Snapshot of South Australian Local Government (all 68 Councils) at 30 June 2013**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population of all Council areas</td>
<td>1.67 million</td>
</tr>
<tr>
<td>Number of rateable properties</td>
<td>888,298</td>
</tr>
<tr>
<td>Total length of roads</td>
<td>74,859 km</td>
</tr>
<tr>
<td>Total assets</td>
<td>$21.74 billion</td>
</tr>
<tr>
<td>Total operating revenue</td>
<td>$1.918 billion</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>$1.919 billion</td>
</tr>
</tbody>
</table>
Role of Council Members

The Local Government Act 1999 makes a clear **distinction between the role of the elected Council and its administration**. A Council Member has no direct authority over an employee of the Council carrying out his or her duties. That is the role of the Chief Executive. The CEO is accountable to the Council, and the Council, in turn, is accountable to voters.

Council Members have no authority as individuals to act or make decisions for or on behalf of the Council. As a governing body, Council Members make decisions and act only through a decision of the Council as a whole.

In practice, this means a Councillor must:

- participate in Council and committee meetings, conducted using formal meeting rules;
- read and understand reports and recommendations, including financial, environmental and social reports. (Meeting reports are often extensive and might require lengthy preparation time);
- present arguments and constructively debate with other Council Members, and objectively analyse information presented to Council before making informed decisions about what is in the best interests of the whole community;
- contribute to guiding Councils’ strategic directions and local governance in general;
- review annual business plans, including both revenue and expenditure proposals.
**Council Members must also be aware of their fiduciary duties.** ‘Fiduciary duties’ apply to Council Members as they do also to directors of Corporations and Committee members of Associations. In each case, a member of a governing body must act honestly, in good faith and to the best of their ability in the interests of the organisation (in this case, the Council). A Council Member must not allow conflicting interests or personal advantage to override the interests of the Council.

At or before the first Council meeting attended, each Council Member is required to make a “prescribed undertaking” before a Justice of the Peace (or equivalent) to “faithfully and impartially fulfil the duties of office in the public interest, to the best of my judgment and abilities”.

Chapter 5, Part 4 of the *Local Government Act 1999* deals with the conduct of Council Members and the requirements for disclosure of interests. Some of the key requirements are that:

- Council Members must at all times act honestly, and with reasonable care and diligence; and
- Council Members or former Council Members must not make improper use of their position, or improper use of information acquired by virtue of their position as a Council Member to gain, directly or indirectly, an advantage for themselves or for another person or to cause detriment to the Council.

These provisions also extend to:

- committees and to members of committees; and
- subsidiaries and to board members of subsidiaries.

There are severe penalties for breaches of these provisions.

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**Role of Chief Executive Officers and Council Staff**

Councils are required to appoint a CEO who becomes responsible under the *Local Government Act 1999* for ensuring that the policies of the Council are implemented (Section 99). The CEO also has a responsibility to act as an adviser to the Council and to ensure that the Council acts within the law.

The CEO is responsible for structuring the organisation and employing skilled staff to implement the Council’s policy objectives. The CEO is also responsible for appointing, managing and dismissing the other employees of the Council. The CEO must ensure that sound principles of human resource management are applied to all aspects of employment.
Council employees are subject to similar requirements as Council Members in acting honestly and with reasonable care and diligence, in the performance of official duties.

A Code of Conduct for employees is also made by Regulations. There is a requirement for employees (including the CEO) to disclose any conflict of interest in relation to any Council matter in which they may have some official duty.

Although Council Members cannot direct staff in their duties, it is nevertheless desirable for Council Members and staff to have an effective working relationship in which all contributions are valued. This will foster a team approach and achievement of Council objectives.

It is important that Council Members and Council employees understand their respective roles and responsibilities, and work together for the benefit of the community.

This separation of roles is important as it:

- removes the need for Council Members to become involved in a large number of minor issues and administrative matters, enabling them to concentrate on determining the strategic directions for the community and addressing major issues that impact on the community; and
- results in essential but routine matters being dealt with efficiently and promptly by eliminating the need for such matters to be referred to the Council for a decision.

Because Council Members have no direct authority over employees they should direct any concerns about staff to the CEO.
Council Members

Council Members generally behave in a way that generates community trust and confidence in them as individuals. This reflects positively on the Council and helps to maintain and enhance the role and image of the Council and Local Government in general.

In the course of their duties Council Members will interact with Council staff, individuals, community groups with a broad range of interests, State and Commonwealth Government Members of Parliament, and staff in government agencies. Council Members should be fair and honest and assist constructive communication between the Council and the community.

Council Members are required to represent the views of residents and ratepayers and in turn to explain Council policy and decisions. Council Members need to be involved in the formal aspects of Council business (meetings, planning and policy development) and the informal process of ‘keeping an ear to the ground’ and staying in touch with the community.

One of the most important roles of Council Members is to participate in making policy and decisions on behalf of the community. As a ‘policy maker’ Council Members have responsibility for establishing and reviewing the rules, regulations and guidelines by which the community is governed. An essential element of policy making is identifying community needs, setting objectives to meet those needs, establishing priorities between competing demands and allocating resources.
TOPIC 4: Council Members and the Community – Continued

Even though Council Members might have been elected by the people of a specific ward, when making decisions each Member must assess the issues and make decisions in the best interests of the Council area as a whole.

Decisions of the Council are made by a majority vote of the members present and entitled to vote. With the exception of a Mayor elected at large, every member present at a Council meeting must vote on every question (motions and amendments) arising for decision unless precluded from doing so by the conflict of interest provisions of the Local Government Act 1999.

Taking on a community leadership role as a Council Member means taking on extra work. There are Council agendas, papers and reports to read, meetings to attend and community events to go to as well as getting out and about in the community and talking to people who live and work in the area about their views and how they want to be represented.

Allowances and Expenses

Being a Council Member involves personal expenditure and there is some compensation for these costs.

Council Members are entitled to an annual allowance for expenses associated with their position. The level of allowance is determined by the independent Remuneration Tribunal once every 4 years before Council elections. The Tribunal is required to take into account a number of factors including size, population and revenue of each Council, as well as any relevant economic, demographic and regional factors. Allowances set in 2014 are listed at www.remtribunal.sa.gov.au/determinations/local-government-allowances.

The Principal Member’s allowance is four times the Council Members’ allowance for each Council. The only exception is the Lord Mayor for the City of Adelaide whose allowance is seven times the Council Members’ allowance.

Allowances are adjusted annually during the term of Council by movements in the CPI (All Groups Adelaide).

In addition to an allowance, Council Members are entitled to receive reimbursement for some expenses incurred in the course of duties undertaken as a Council Member. These expenses include travel and child or dependant care in relation to Council or committee meetings. Councils may also determine to reimburse other expenses such as telephone and internet costs incurred in the course of Council duties.
Who is the ‘Community’?

In undertaking strategic planning for the community and delivering services, Councils need to take into account the needs and wishes of the community. The community is made up of a diverse range of groups and individuals, with different expectations and requirements of Council. Accordingly, service planning and decision making, requires balanced decision-making.

Balance is also required between generations. Many Council services are provided through long-lived assets (roads, bridges, footpaths, drains etc) and it is essential that maintenance and renewal of these assets is funded by each generation equitably. That is why Council must have a long-term infrastructure and asset management plan, and a long-term financial plan, each covering a period of at least ten years.

Community Groups and how they impact on Local Government

Councils support community groups in a range of ways including the provision of funding and grants; access to and use of community facilities; and maintaining sporting clubs and grounds.
TOPIC 4: Council Members and the Community – Continued

These groups often have higher expectations, and greater interaction with Council than individuals within the community. They tend to be more organised and they can lobby Councils quite effectively, sometimes enlisting local media to help achieve their desired outcomes.

Council needs to respect the wishes of community groups, while also bearing in mind the saying that “the squeaky wheel gets the grease”. Resources provided to community groups must be funded by the broader community. The interests of the less-vocal must also be taken into account.

Communities of Interest

Communities of interest are groups of people who might be connected by a common interest on a specific subject or issue or particular endeavour. People who have a community of interest might not necessarily know each other or lobby Council members as effectively as an organised community group.

Challenges in working with Community Groups

The key challenge in working with community groups and communities of interest is the diversity both in the groups and in their needs.

For example, in some Councils there may be dozens of different languages spoken. This can increase difficulties in communicating and providing information and support.

Organised community groups can sometimes distract and divert resources and service planning through political lobbying which can in turn create tensions within the broader community of the Council.

When undertaking consultation processes, it can be difficult to identify all stakeholders. This can expose Council to criticism if key stakeholder groups are inadvertently omitted. Understanding the politics of groups and between groups can be extremely complex.
A key objective for Local Government is the achievement and maintenance of the financial sustainability of South Australian Councils, both collectively and individually.

A Council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Good financial management is the product of:

- sound policy processes which achieve policy outcomes that are sustainable in the short and long term;
- extensive planning processes which ensure consideration of the broad range of options available to Councils; and
- accurate and reliable information for decision making and performance monitoring.

Understanding the role that each person plays in financial management assists in clarifying responsibilities. Broadly, the roles are:

**Role of Elected Body**

- Set and approve the Council’s strategic management plans including targets for the three key financial performance measures; i.e.
  - the operating surplus ratio;
  - the net financial liabilities ratio; and
  - the asset sustainability ratio;
- Set other Council financial policies;
- Corporate performance monitoring and measurement, including against the three key financial indicators;
- Set and approve the annual business plan and the annual budget;
- Receive/review information on Council operations;
- Consult with the community;
- Adopt valuations and declare rates; and
- Delegate authority.
Role of Management (including CEO)
- Implement Council decisions
- Set administrative policy
- Set standards and timelines
- Prepare successive drafts of the annual business plan for the elected body (and then the community) to consider
- Gather data and provide information to the Elected Body
- Provide information to the community
- Measure performance and report to the Council
- Delegate authority
- Set an internal control framework

Role of Finance Staff
- Record and report financial transactions
- Analyse financial information
- Coordinate the budget process
- Develop financial projections
- Maintain internal control processes

Role of Other Staff
- Correctly classify financial transactions
- Observe internal controls
- Exercise delegations


The resources available on these pages include:
- Financial Sustainability Information Papers;
- Model Financial Policies;
- Model Financial Statements; and
- Better Practice Model – Internal Financial Controls.
**TOPIC 6: Office of Local Government**

The Office of Local Government (OLG), is a part of the Department of Planning, Transport and Infrastructure. OLG provides policy and other advice to the Minister for Local Government about the administration and operation of the *Local Government Act 1999* and other legislation administered by the Minister. OLG also provides advice on:

- the constitution and operation of the Local Government system;
- whole-of-government policy and legislative frameworks as they affect Local Government;
- relationships between the State Government and Local Government; and
- the constitution and operation of statutory authorities for which the Minister of Local Government is responsible:
  - the South Australian Local Government Grants Commission;
  - the Outback Communities Authority; and
  - the Boundary Adjustment Facilitation Panel.

TOPIC 7: Local Government Association of SA “The LGA”

The Local Government Association was created by Councils to represent their interests at the State level and to provide leadership. Formed initially in 1875 to lobby government for road funding, the LGA has, over the years, broadened its agenda to represent a wide diversity of issues and to provide leadership across the range of issues challenging Councils. During the 1970s the Parliament acknowledged the importance of leadership across Councils by formalising recognition of the LGA in the former Local Government Act 1934. The LGA is also referred to in more than 20 other Acts where it plays a role for Councils.

All Councils are members of the LGA and have been since the late 1970s. Membership remains voluntary and that creates an important “pressure” on the LGA to constantly ensure it is in tune with the needs and priorities of Councils.

Representation

The LGA represents Council interests in various ways. It has a formal agreement with the SA Premier on State/Local relations and on legislative matters. It is a member of the Australian Local Government Association (ALGA) which represents Local Government issues nationally. The President of the ALGA sits as a member of the Council of Australian Governments (CoAG) along with the Prime Minister. The LGA President and senior advisers meet regularly with the Premier and other Ministers.

A key role of the LGA is to monitor the proposal, development and passage through Parliament of any new laws (Bills) that might affect Local Government. As far as possible the LGA negotiates with Government on the form of legislation affecting Councils, before any Bill is introduced to Parliament. It ensures all MPs understand Local Government’s views on Bills and amendments which may be put forward during Parliamentary debate and occasionally will seek support for amendments to enhance legislation.

The LGA plays a major role in seeking to secure grant funding and access to other revenue from State and Federal governments. The Federal Local Government (Financial Assistance) Act 1995 requires the Federal government to consult with the LGA before finalising principles for distributing grants. The LGA is active in seeking to ensure SA Councils get a fair share of Federal funds.

As Local Government’s employer representative in relation to industrial issues the LGA represents Councils in award negotiations and provides support to Councils via brokered services, and the provision of a database of enterprise bargaining agreements in SA Local Government.

Councils take the lead in communicating with the community but the LGA supports Councils in this area too. It provides an education kit aimed at schools (refer www.localstuff.sa.gov.au), a range of web-based media information (refer www.lga.sa.gov.au/releases) and plays a strong supportive role in relation to central media to ensure that the community hears balanced views from across Local Government.
Leadership

The LGA provides information, support and leadership to Councils in a variety of ways. The LGA has also provided or supported the establishment of structures to provide more practical assistance to Councils. This includes either establishing, managing, and/or sharing in the governance of:

- the LGA Workers’ Compensation Scheme;
- the LGA Mutual Liability Scheme;
- the Local Government Finance Authority;
- LGA Procurement;
- the LGA Education and Training Service; and
- Statewide Super (incorporating the former 'Local Super').

These structures deliver millions of dollars of savings to Councils each year as well as providing more responsive services. The LGA’s website: www.lga.sa.gov.au has become the central reference database for the information services provided.

More information about the LGA website can be found below.

The LGA provides a range of high-level policy documents, discussion and information papers to help Councils deal with complex issues. It also provides highly practical models, codes and guidelines to help Councils. These can be found on: www.lga.sa.gov.au/guidelines. Much information provided to support Council members is directed to Council staff to apply within the local context. Information of more direct information for Council Members can be found on www.lga.sa.gov.au/members.

In addition, the LGA has the responsibility of administering a research fund of more than a million dollars annually (representing income tax-equivalent payments on profits made by the Local Government Finance Authority). The LGA performs this task with the assistance of an Advisory Committee representing stakeholders such as the Minister for Finance, SA Universities, Local Government Unions, and Local Government CEOs.

Many hundreds of projects funded by this research are made available to the Local Government sector through the LGA’s web site.

In 2005 the LGA established Australia’s first independent inquiry into the financial sustainability of Councils.

This inquiry led the way for the subsequent LGA Financial Sustainability Program, which has produced a remarkable turnaround in the financial sustainability of the sector, as measured by the annual LGA Financial Indicators Report.

The LGA also provides support in the form of formal briefings, conferences and forums and personal development via education and training courses.

- LGA conferences are run every year in association with an LGA General Meeting;
- LGA representatives attend all regional LGA meetings and LGA Metropolitan Group meetings, providing updates on relevant topics; and
- a comprehensive program is offered by the LGA Education and Training Scheme. (Refer to www.training.lga.sa.gov.au).
Information

Ensuring information gets to those who need it in Councils is no mean feat given their size, diversity and the breadth of issues with which they deal. There are 707 Council Members and an estimated 8,700 FTE staff in SA’s 68 Councils.

The core of LGA information provision is its website: www.lga.sa.gov.au. Updates on key topics are provided in daily circulars which are indexed each week and emailed to all CEOs (see http://www.lga.sa.gov.au/circulars).

The LGA also provides a monthly newsletter which provides short updates on topical issues with contact information for more detail. The newsletter “LGA News” is sent to all Councils with enough copies for all Council Members and senior staff and to a range of other stakeholders. It is also available on the website.

The website also hosts:

- Agendas and outcomes from the LGA’s formal general meetings (AGM and half-yearly General Meeting);
- LGA Annual reports;
- the LGA Policy Manual; and
- the LGA Constitution.

Structure

The LGA has a traditional “association” structure with an Annual General Meeting of members being the ultimate decision-making body. The 68 Councils as corporate bodies are members of the LGA – along with Anangu Pitjantjatjara Yankunytjatjara (the executive for the APY Aboriginal lands in SA’s far north). An AGM or half-yearly General Meeting is the only body which can vary the LGA’s Constitution or Policy Manual. Councils are invited to submit motions to each General Meeting where decisions are made.

In-between the twice-yearly General Meetings, the LGA’s affairs are run by a Board of up to 19 members, comprising no more than 8 members elected by metropolitan Councils, no more than 8 elected by country regions, a representative of the unincorporated areas of the State, a President and an Immediate Past President. The LGA Board meets bi-monthly.

In alternate months, between Board meetings, the six-member LGA Management Group (comprising the President, four Vice-Presidents and the Immediate Past President) meet to provide leadership in managing the affairs of the Association.

In addition, there is an LGA Metropolitan Group and an SA Regional Organisations of Councils (SAROC) Committee that meet bi-monthly to provide advice on specific metropolitan and country issues.
TOPIC 8: Future Challenges

The values, attitudes and expectations of services from Councils to local communities are changing along with the issues for which communities require support.

In 2012, the LGA commissioned a ‘Local Excellence Expert Panel’ to consult widely and recommend a vision for the future of Local Government in SA.

In late 2013, the Expert Panel produced its Final Report: “Strengthening South Australian Communities in a Changing World.”

The report reflected the Panel’s view that ‘business as usual’ into the future was not a viable option, and that some fundamental change would either be forced upon local governments, by Federal and State Governments, or instead, could be initiated and driven by Local Governments.

The report grouped its recommendations under seven themes:

1. Regional Collaboration
2. State Local Government Relations
3. Financial Sustainability
4. Governance And Leadership
5. Community Engagement
6. Planning
7. Environment

The LGA, in consultation with its members, has been exploring each of the Expert Panel’s recommendations.

Other drivers of change that will affect Local Government in the coming months and years include:

- the Federal Government’s promised White Papers on
  - Reform of the Federation; and
  - Reform of Australia’s Taxation System;
- the State Government’s response to recommendations of its own Expert Panel on Planning Reform;
- the Premier’s 10 Economic Priorities; and
- Shaping the Future of SA” Foundation.

The LGA is representing Councils by leading the way, both with Local Government’s own reform agenda, and also by responding to these other drivers of change.
Appendix A: Council Activity – Strategic Management Planning

Workshop Exercise

This is an opportunity for participants to put into practice what has been learnt about governance in Local Government. Working in small groups, participants will be asked to develop a draft set of strategic management plans for an imagined Council area.

Developing the strategic management plans will require consideration of the following:

- Vision – what will our Council area be like in 5 years?
- Mission – what is the Council’s primary purpose?
- Goal – what do we want to achieve?
- Strategy – how are we going to do it?
- Resources – what do we need to help achieve our goal?
- Performance measurement – how will we measure our progress?
- External factors – what are the external influences which positively or negatively affect our ability to achieve our goal?

The emphasis of this exercise is to gain a better understanding of the key elements of good strategic management plans, while having some fun.

Participants will gain most benefit from this session if they review one or more existing Council strategic management plans before attending the workshop.