

Productivity Commission Inquiry into Local Government costs and efficiency

**LGA submission in response
to the draft inquiry report**

October 2019

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1. Introduction

The Local Government Association of South Australia (LGA) appreciates the opportunity to provide a response to the Productivity Commission's (the Commission) Inquiry into local government costs and efficiency (the Inquiry) – Draft Report.

The LGA welcomes the establishment of this Inquiry. The Inquiry's focus on measuring and improving performance of local government is consistent with our commitment to working with the State Government to deliver sensible and beneficial local government reforms. There is a pressing need to maintain the financial sustainability that has been achieved in the sector by addressing councils' concerns about the cost pressures placed on councils by the State Government, while continuing to meet the increasing levels of service, quality and community expectations.

The Draft Report indicated that councils are achieving a high rate of relative efficiency when compared against each other and acknowledged the work that has been done to improve councils' financial performance and value to communities.

The LGA welcomes the Commission's focus on the impact that State Government decisions have on councils and their ratepayers and we would welcome a renewed State-Local Government Relations Agreement to guide a better approach for making decisions about the most effective and efficient manner of providing services to communities.

The LGA strongly supports the Commission's draft recommendations for sector-wide performance reporting. The LGA has been calling for State Government investment in a sophisticated performance measurement and reporting framework since 2017. The local government sector is ready to lead this important work.

Our sector remains committed to working with the South Australian Parliament on sensible reforms that will deliver lasting benefits to communities and drive downward pressure on council rates.

Through the Inquiry process, the LGA prepared two submissions to the Commission in response to the Methodology Paper (Stage One). The first submission (Part One) focussed on where the sector has come from and the challenges faced. The second submission (Part Two) further outlined the cost pressures faced by councils and highlighted the many things they are already doing to increase their financial sustainability, efficiency and performance. Part Two also outlined the local government sector's plan for sensible reform, and how the measures proposed will increase efficiency, transparency and accountability.

This submission in response to the Draft Report (Stage Two) provides comment on the draft recommendations to the State Government and draft advice to councils, and on some of the Commission's key assumptions, along with responses to the further information requests.

This submission has been informed through consultation with our member councils.

LGA response to draft recommendations

Following consultation with its members, the LGA provides the following submission in response to the draft recommendations to State Government.

2. Draft recommendations to the South Australian Government

To lower local government costs and enhance local government financial accountability, the Commission proposes that the South Australian Government:

LGA comments

1. Lift the capacity of local councils to identify and address opportunities to reduce their cost base and improve their operations by:

In conjunction with local government, defining and establishing a sector wide performance monitoring framework that would enable comparisons between councils and over time to assist decision making by council leaders and to inform communities, including by:

- i. Establishing common key performance indicators (KPIs) for inputs, outputs, service standards and financial indicators;
- ii. Optimising existing information held by the South Australian Government, especially that gathered by the South Australian Local Government Grants Commission;
- iii. Filling the gaps in the current information;
- iv. Publishing information in a contextualised form designed to assist individual councils.

This draft recommendation aligns with the LGA's Local Government Reform Agenda advocacy for a sector-wide performance reporting program.

While there is a considerable amount of information already available to communities about what their council is doing, this information is often spread across multiple documents and platforms, can be difficult to find and is not easy to compare.

A sector-wide framework would create a suite of meaningful performance measures that build a more complete picture of the financial and governance health of the sector and the public value of the services and programs delivered by councils. This would support council planning and increase meaningful community consultation to enable local government to continually improve.

A sector-led approach rather than one is mandated by the State Government would provide flexibility for councils to focus on improving the quality of data that will be most useful and effective in driving business improvement and innovation.

The LGA is ready to progress a sector-wide framework and is best placed to lead this work.

Achieving consistent data reporting across 68 councils will be a resource intensive exercise and consideration will need to be given to the items that are reported to ensure that they deliver strategic, operational and policy benefit. The

framework will only be a useful tool for decision makers if it asks the right questions.

Any reporting framework would need to consider the ease of capturing the information required so that it did not become burdensome and costly. Councils should be provided with assistance to implement reporting systems, and care should be taken to limit duplication with any existing data collections (so councils don't have to replicate data with slightly different requirements, time periods and formats).

Consideration should be given to the cost to implement any proposed model and that this doesn't become an additional cost driver that works against local government's efforts to put downward pressure on council rates.

The LGA strongly support the following comments from the Commission within the draft report:

- *Any measurement and reporting framework should balance the costs against the benefits in collecting and reporting information, with every effort made to streamline reporting and reduce duplication. Council input into the design of the framework and choice of indicators is critical to success.¹*
- *The Commission believes that this strengthens the case for state government support for the development of a sector-wide benchmarking program and recommends that the South Australian Government assist councils to establish a sector-side performance measurement system.²*

The LGA agrees that a one-off investment contribution from the State Government, to assist with establishment costs, would deliver the sector and communities larger (and on-going) savings.

¹ Productivity Commission Draft Inquiry Report - Page 17

² Productivity Commission Draft Inquiry Report - Page 19

2. Facilitating benchmarking by clusters of councils through an appropriate mix of incentives for councils to participate and expectations that they will report information publicly in a format consistent with the framework.

This draft recommendation aligns with the LGA's Local Government Reform Agenda advocacy for a sector-wide performance measurement and reporting program.

The LGA would welcome a local government-led Local Government Efficiency Program that would:

- capture and report on local government performance measurement data in a consistent way
- enhance integration of Asset Management Plans, Long Term Financial Plans and Strategic Management Plans
- be based on a maturity model - that helps councils assess their current effectiveness and identifies the capabilities that are needed in order to improve their performance.

Consideration needs to be given to councils that participate in existing benchmarking programs including but not limited to the Grants Commission and the LG Performance Excellence Program.

Supporting the opportunity that comes with transparent reporting, there is also the need to ensure that performance reporting is contextualised given the diversity amongst the sector. The usefulness of the program would be diminished if attempts are made to compare councils with different community and service profiles and geographic characteristics.

If a standardised approach to sector wide performance reporting is to be implemented, then alignment between surveys and/or a coordinated response needs to be considered to ensure councils are set up to succeed and supported to implement a consistent framework.

Many councils do not have the existing resources or reporting frameworks to successfully deliver on such an initiative and this needs to be considered in any sector wide performance reporting.

3. Further lower council costs by addressing aspects of the relationship between the South Australian Government and local government by:

In the short term

- i. Identifying and addressing inefficiency and red tape from the South Australian Government mandated services and other legislated requirements on:
 - a) councils
 - b) communities.
- ii. Adopting a strong South Australian Government review process for any measures affecting local government;
- iii. Clarifying local government responsibilities, including service standards, for mandated services.

The strength in performance reporting comes from the narrative that supports the facts and figures. Numbers alone only tell a part of the story and can be misinterpreted if they are not contextualised.

The LGA notes that the draft recommendation is that the State Government 'facilitates' benchmarking. The LGA interprets this to mean that the Commission does not intend for the State Government to impose a mandatory system on local government. A sector-led system that is designed and used by local government would be much more useful and innovative than a regulated system that is prescribed in legislation.

This draft recommendation aligns with the LGA's advocacy for local government to be considered as a partner in government and for local government to have an early seat at the table when there are proposed changes that will impact on councils.

The LGA is advocating for the following changes to the governance arrangements between state and local government:

- update the State/Local Government Relations Agreement to strengthen engagement with local government on changes to legislation, policies and programs that are likely to have a direct financial impact on councils
- establish service level agreements for the delivery of state services by local government including agreed responsibilities, cost sharing and funding arrangements rather than be forced to deliver services through prescriptive legislation
- provide a forum for examination of the most efficient method of delivering services to communities, guided by whole of (state) government agencies, such as Treasury and the Department of Premier & Cabinet. This could be achieved through the reinstatement of the State/Local Government Red Tape Reduction Taskforce.

<p><u>In the medium term</u></p> <p>iv. Clarifying the respective responsibilities of the South Australian and local governments to remove unnecessary overlaps, or duplication and reduce uncertainty between governments.</p>	<p>The LGA is advocating for the following changes to the governance arrangements between state and local government:</p> <ul style="list-style-type: none"> • establish service level agreements for the delivery of state services by local government including agreed responsibilities, cost sharing and funding arrangements • cease mandating through state laws that local government must perform functions for the state government, such as the collection of the State's NRM Levy.
<p><u>In the long term</u></p> <p>v. Clarifying relevant aspects of s6, s7 and s8 of the Local Government Act 1999 to reflect an appropriate division between the levels of government and to make clearer the range of options available to councils in the performance of legislated functions.</p>	<p>The LGA is advocating for the following changes to the governance arrangements between state and local government:</p> <ul style="list-style-type: none"> • establish service level agreements for the delivery of state services by local government including agreed responsibilities, cost sharing and funding arrangements • cease mandating through state laws that local government must perform functions for the state government, such as collection of the State's NRM Levy • local government should retain the autonomy to provide a wide range of services and facilities that balance the needs of the community with the communities' capacity and willingness to pay for the services and facilities provided.

LGA response to draft advice

Following consultation with its members, the LGA provides the following submission in response to the draft advice to councils.

3. Draft advice to South Australian councils

To guide and assist councils to improve efficiency and to create capacity to pass on cost reductions to rate payers, the Commission suggests that local government:

LGA comments

1. As a body, facilitate in depth benchmarking between councils by:

- i. Establishing a Community of Practice sponsored by the Local Government Association, to share among other elements:
 - a) Methods, tools and approaches;
 - b) Skilling of council staff;
 - c) Panel of competent providers; and
 - d) Lessons learned and examples of success.
- ii. Assisting in “matchmaking” South Australian councils that seek deep benchmarking opportunities (noting value of groups of councils at different levels) with other councils, including interstate comparisons;
- iii. Collectively undertaking a regular sector-wide analysis of efficiency measures.

The local government sector has a long history of working proactively to achieve greater efficiency, transparency and accountability.

A community of practice can be a successful initiative and reflects the LGA’s existing objectives of assisting member councils to build capacity and increase sustainability and advancing local government through best practice and continuous improvement.

The LGA provides a number of services to members in the areas identified in the Commission’s draft report.

Methods, tools and approaches

The LGA Members website provides member councils with access to a wide range of guidelines, model policies, tools and best practice examples.

Skilling of council staff

The LGA currently assists members via LGA Training, which provides access to a range of relevant training programs such as the Elected Member Leadership Development Program - a series of professional development opportunities for continuing and newly elected members, designed specifically for the local government sector in South Australia. This program focuses on the importance of strengthening leadership capability and includes information about effective methods to engage elected members in the early days and months of their council term. The program provides elected members with a greater understanding of their roles and responsibilities and offers pathways to develop their skills and leadership effectiveness.

Regional Youth Traineeship Program

The LGA partnered with Primary Industries and Regions SA to implement the LGA Regional Youth Traineeship Program as part of the State Government's \$10m Jobs Accelerator Fund. These two-year programs aimed to assist unemployed young people in regional areas to participate in the labour market through paid full-time employment while undertaking a Certificate III qualification. The programs were designed to create sufficient incentive for councils to continue employing these trainees following the conclusion of the funding period. The programs increased regional youth workforce participation across regional SA and supported council workforce development initiatives to address their ageing workforce and skill shortage areas. The programs provided a wage subsidy per trainee for up to two years filling 114 positions across SA Regional Governing Bodies. This funding was only available for regional and rural councils outside of metropolitan Adelaide.

Risk and Emergency Management

Please refer to pages 32 and 40 for further information regarding the sector-side activities that are being undertaken to increase local government efficiency and productivity relating to risk and emergency management.

Elected Members Induction Program

Please refer to page 41 for further information regarding the Elected Members Induction Program which aimed to attract and build the leadership capability of the sector.

Procurement

LGA Procurement helps South Australian councils undertake best practice procurement and deliver value for money. LGA Procurement has established contracts for the supply of a wide range of goods and services including:

- Bitumen, Minor Civil and Engineering Services
- IT, Corporate Supplies & Equipment
- Vehicles, Plant, Equipment & Consumables
- Outdoor Supplies & Equipment
- Professional Services
- Utilities

LGA Procurement recently negotiated a deal which will save South Australian councils at least \$14m on their electricity bills over the next three years. Ratepayers will pay up to \$48m for electricity supply under the deal, a 22.5 per cent drop on the previous three-year arrangement.

Lessons learned and examples of success

Each year, the LGA hosts an Ordinary General Meeting held in around April and an Annual General Meeting held around October. As part of the Ordinary General Meeting, a 'Best Practice Showcase' is held and provides an opportunity for member councils or other relevant bodies to share innovative or successful projects and initiatives.

In recent years, the Showcase has included presentations on:

- **Driving growth through resource recovery** - Northern Adelaide Waste Management Authority (NAWMA) - This session explored the drivers for establishing strong local markets for recyclable materials in South Australia and how local government bodies are uniquely placed to lead this response
- **A boy, a pelican, lots of bikes, big ships and the internet** - Alexandrina & Port Lincoln - how the movie Storm Boy, hosting a stage of the Santos Tour Down Under, cruise ships and a passenger welcoming program, and a re-imagined online tourism presence have been used to leverage the visitor economy to maximum effect
- **Citizen connectivity using data analytics and a Town Hall** - Gawler & Playford – Two fantastic examples of how to increase community wellbeing. One is an iconic, bricks and mortar community hub transformed to connect people and businesses and the other is driving internal change and innovation via data analytics to be more efficient and effective and improve service delivery
- **Sustainable communities – looking out, looking in** - Limestone Coast, Burnside & Playford - Three thought provoking projects aimed at developing sustainable communities, either by looking out at the regional economy, or looking in at how councils can better manage assets, or better assist ratepayers to manage their council rates in a sustainable manner.

A copy of the program for the 2019 Best Practice Showcase is included at Appendix 1.

Network groups

There are a number of official and unofficial network groups across local government in South Australia, many supported by the LGA or Local Government Professionals Australia (SA).

These networks provide council practitioners with a community of practice through which they can share knowledge and experiences.

Current network groups operate across a range of broad areas (not an exhaustive list):

- Finance
- Rates
- Volunteer Management
- Continuous Improvement
- Communications and Marketing
- Risk
- Authorised Persons/Officers
- Public and Environmental Health
- Human Resources
- Grant Management
- Community Management
- Governance
- WHS
- Emergency Management

South Australian councils are acutely aware of their obligation to use council resources fairly, effectively and efficiently and acknowledge that there is more that could be done to further increase efficiency, transparency and accountability.

We are open to suggestions of where we can improve as a sector and the LGA conducts a survey of members each year to determine the service needs and priorities of the sector.

2. Prioritise, in any systems upgrades, focus on improving collection, retrieval, analysis and presentation of information for planning, decision making, monitoring and managing performance.

This advice is broadly consistent with the LGA's Local Government Reform³ agenda.

The LGA's sensible plan for local government reform identified that to build trust, communities require certainty that councils are delivering the right services using the most efficient mix of resources.

A best practice program of services reviews with strong community engagement will assist in building community confidence and demonstrating efficiencies.

In addition, the proposal for councils to adopt a revenue policy describing what mix of revenue options it proposes to adopt for each of its services and why it has made such choices would increase transparency and accountability. It is not suggested that this be a mandatory obligation, with sanctions for failure to perform. Rather, it is suggested that this be an 'expectation' and, if not performed, the council would need to report this in their Annual Report or perhaps their audit committee's report.

While the legislative framework should set out clear expectations regarding continuous improvement and service efficiency, it should not limit the sector to one prescribed approach as this may stifle innovation.

³ <https://www.lga.sa.gov.au/localgovernmentreform>

3. Enhance the transparency and accountability of their operations by councils:

- i. When considering new, or material changes to, council services, undertaking an independent review that includes consideration and analysis of alternatives to councils providing the service directly, community consultation; and publishing a report;
- ii. Including in their external audits an examination of service reviews and program evaluations; and
- iii. Incorporating in their published long-term asset and financial plans and draft annual budgets advice on whether changes to the scope or level of services are planned and their implications for council expenditure.

Any proposed framework should identify opportunities for further improvement, without duplicating existing measures or creating greater uncertainty.

For example, the LGA's Financial Sustainability program and the work done by the South Australian Local Government Financial Management Group (SALGFMG) and the LG External Auditor's committee in increasing standards and ensuring councils use consistent definitions and interpretation of the Australian Accounting Standards has already contributed towards greater transparency and accountability in local government in South Australia.

Independent review

Councils should have discretion to determine whether it is necessary to conduct an independent review (with consideration of the materiality of the proposed change) and the review process should be scalable in line with the extent of the materiality. Consideration would also need to be given to the interplay between the proposed independent review process and the existing provisions within Part 3 - Prudential requirements for certain activities of the *Local Government Act 1999*.

Best practice audit committees

Each council is required to establish an Audit Committee to, among other things, review the financial statements of the council, provide advice on council's Strategic Management Plan and Annual Business Plan and review the adequacy of council's internal controls and financial management systems.

Many councils have voluntarily expanded the role of their audit committee beyond what is legally required. Each audit committee must have at least one independent member and it is widely acknowledged within the sector that having more than one independent member, including an independent Chair is best practice.

External audits of services reviews and program evaluations may be scoped and undertaken by people who are not fully informed of the complexity in delivering council services.

The way in which many councils have established their audit committees demonstrates that a heavy-handed legislative response is not always required to achieve positive change within local government. The LGA proposes to use a best practice approach to encourage councils to make the best use of their audit committees.

Long-term asset plans

There is currently no standard format prescribed in the *Local Government Act* or in regulations that provide for a consistent approach to asset management planning and long-term financial planning.

The LGA Board recently approved a new project, to be managed by the LGA Secretariat, to produce:

- a) a sector-wide asset management and financial planning 'Maturity Assessment Report'; and
- b) a Model Infrastructure and Asset Management Plan with model templates.

The LGA would welcome a local government-led Local Government Efficiency Program which would further enhance integration of Asset Management Plans, Long Term Financial Plans and Strategic Management Plans.

4. Input costs

The Commission reached the following preliminary conclusions regarding the drivers of growth in local government operating expenditure over the last decade.

Input costs:

- labour costs have been the main cost driver, followed closely by materials, contracts and other costs;
- depreciation expense has grown as rapidly in percentage terms as labour expense but from a much lower base;
- cost shifting and compliance costs have contributed to expenditure growth, but to a lesser extent⁴.

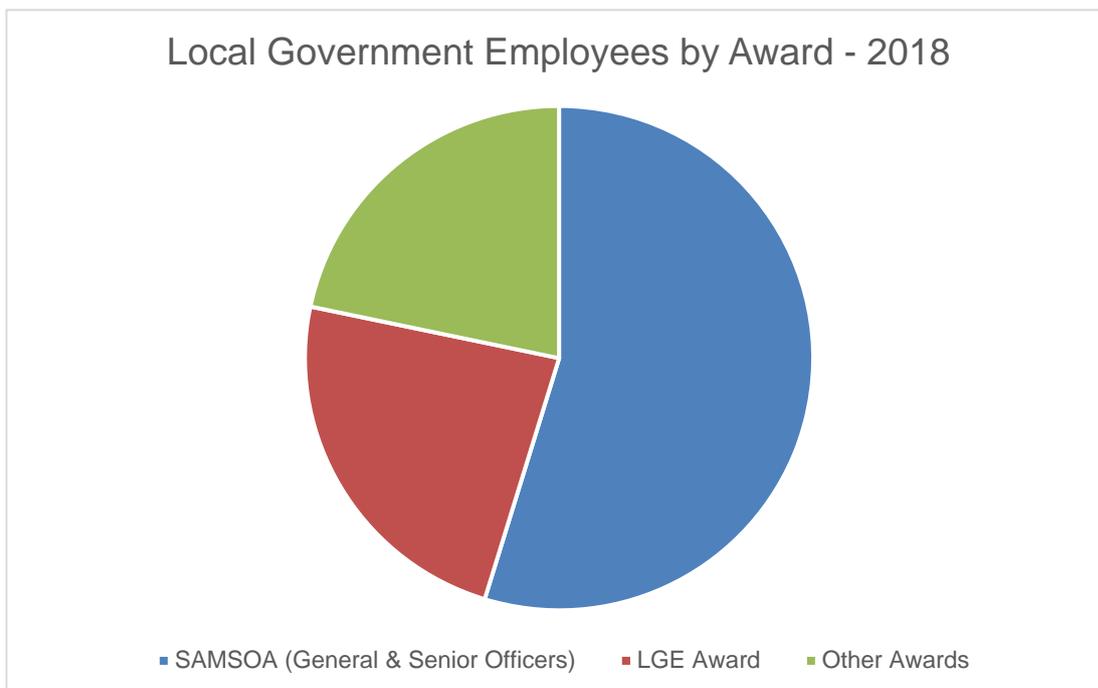
This section aims to further examine the two main cost drivers (labour costs and materials, contracts and other costs) and provide additional information or evidence to assist the Commission.

Labour costs

Employees in local government are employed under a wide range of arrangements and awards. The two most common Awards are the South Australian Municipal Salaried Officers Award (SAMSOA), used for 'indoor' workers, and the Local Government Employees (LGE) Award, used for 'outdoor' workers.

The most predominant Award type in 2018 was SAMSOA at 55 per cent, followed by LGE Award at 24 per cent and Other Awards at 22 per cent (Other Awards includes the City of Adelaide's 'Adelaide City Corporation Award').

Figure 4.1 – Local Government Employees by Award 2018⁵

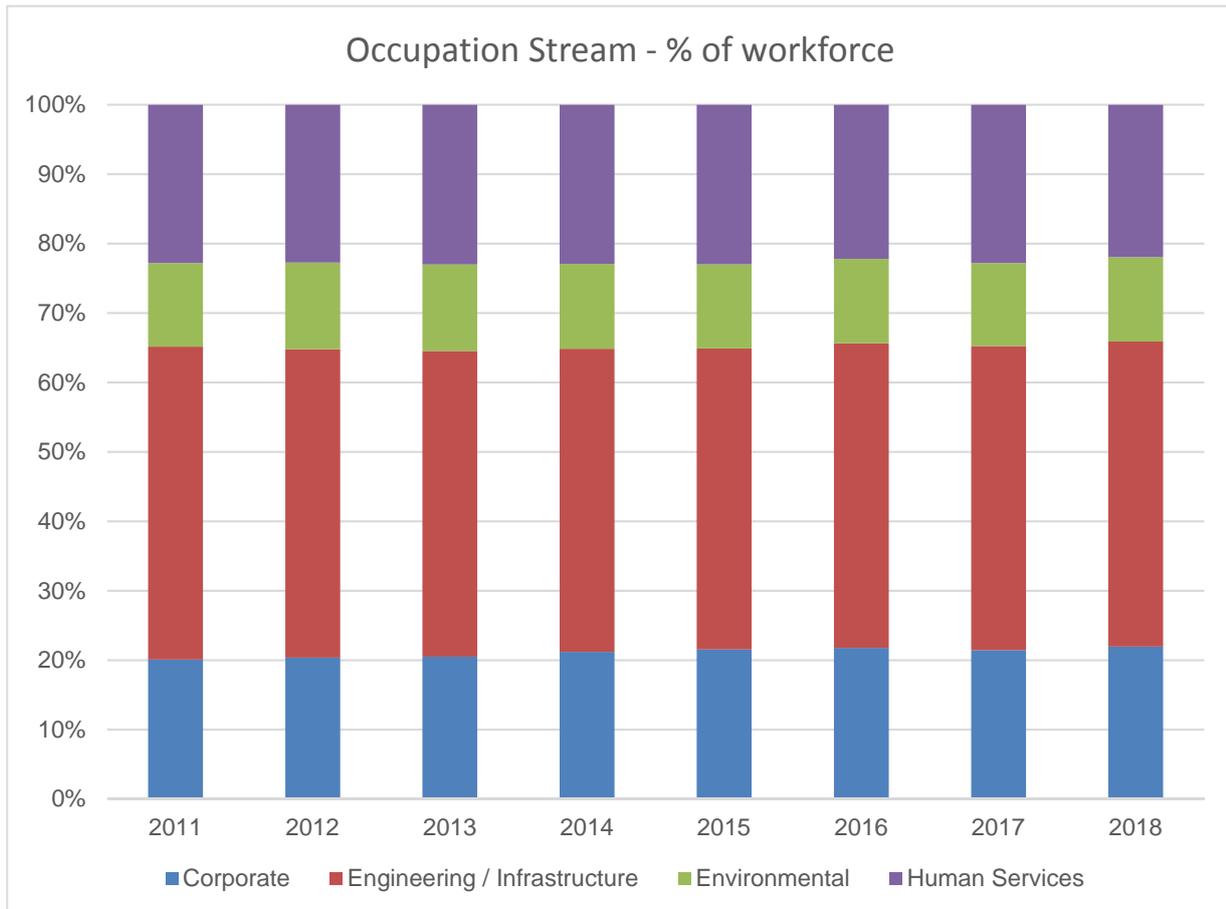


⁴ Productivity Commission Draft Inquiry Report – Page 16

⁵ Local Government Grants Commission (LGGC) data – Other Information Reports – Employment EEO

Local government employees can be grouped into four general ‘occupation streams’ comprising of Corporate, Engineering/Infrastructure, Environmental and Human Services. The split between these occupation streams have remained fairly constant between 2011 to 2018 with only marginal shifts. In 2011, Corporate accounted for 20 per cent rising to 22 per cent in 2018, Engineering/Infrastructure experienced a marginal decline moving from 45 per cent in 2011 to 44 per cent in 2018, Environmental has remained constant at 12 per cent and Human Services has also experienced a marginal decline shifting from 23 per cent in 2011 to 22 per cent in 2018.

Figure 4.2 – Occupation Stream - percentage of workforce⁶



The largest occupation stream is Engineering/Infrastructure, this is reflective of the fact that ‘Infrastructure’ also accounts for the largest proportion of local government operating expenditure.

In the draft report the Commission noted that the ‘average annual growth in the number of council employees (on an FTE basis) has followed the general growth rate of the population’ and surmised that the increase in total employee costs ‘may also be due to change in labour composition to a more skilled workforce’⁷.

In 2016, 44.7 per cent of employees in the Australian local government workforce held a Diploma or higher-level qualification – slightly above the average (41.3 per cent) for all industries in Australia⁸.

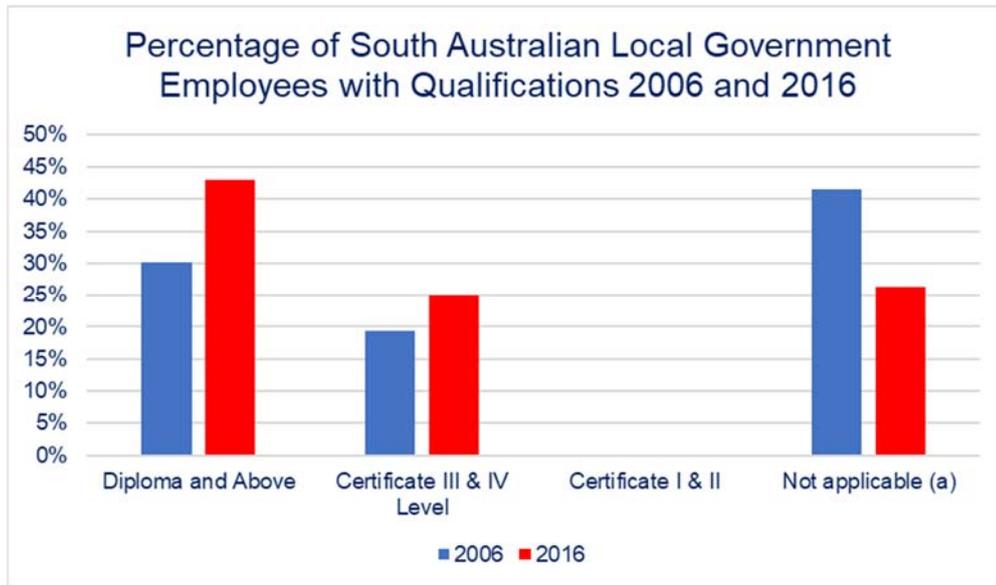
⁶ LGGC data – Other Information Reports – Employment EEO

⁷ Productivity Commission Draft Inquiry Report – Page 57

⁸ Local Government Workforce and Future Skills Report - South Australia – September 2018 - Based on ABS Census Customised Report Data, 2016

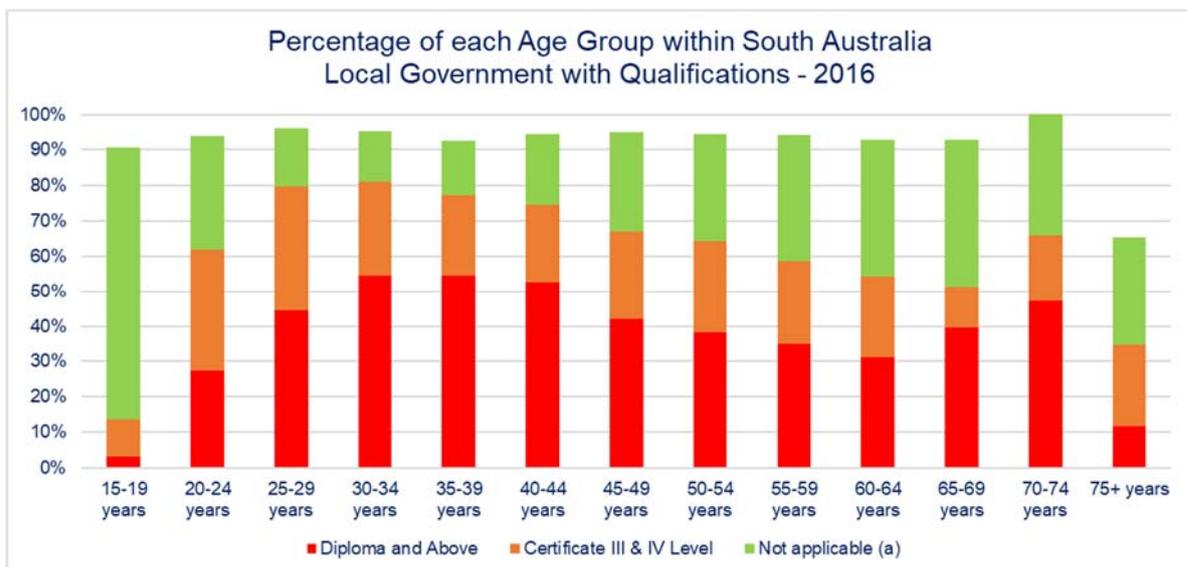
Between 2006 and 2016 there has been significant growth in the percentage of South Australian local government employees holding non-school qualifications. The number of employees with no qualification (not applicable) has decreased from 41.6 per cent in 2006 down to 26.3 per cent in 2016⁹.

Figure 4.3 – Percentage of South Australian Local Government Employees with Qualifications – 2006 and 2016¹⁰



The chart below lists the percentage of each age groups within South Australian local government that possess qualifications. It shows that the level of qualification peaks at around the 30-34 years age bracket and then declines before jumping again at the 70-74 years age bracket. 39 per cent of the 70-74 years age bracket hold graduate degrees or higher.

Figure 4.4 – Percentage of each Age Group within South Australian Local Government with Qualifications¹¹



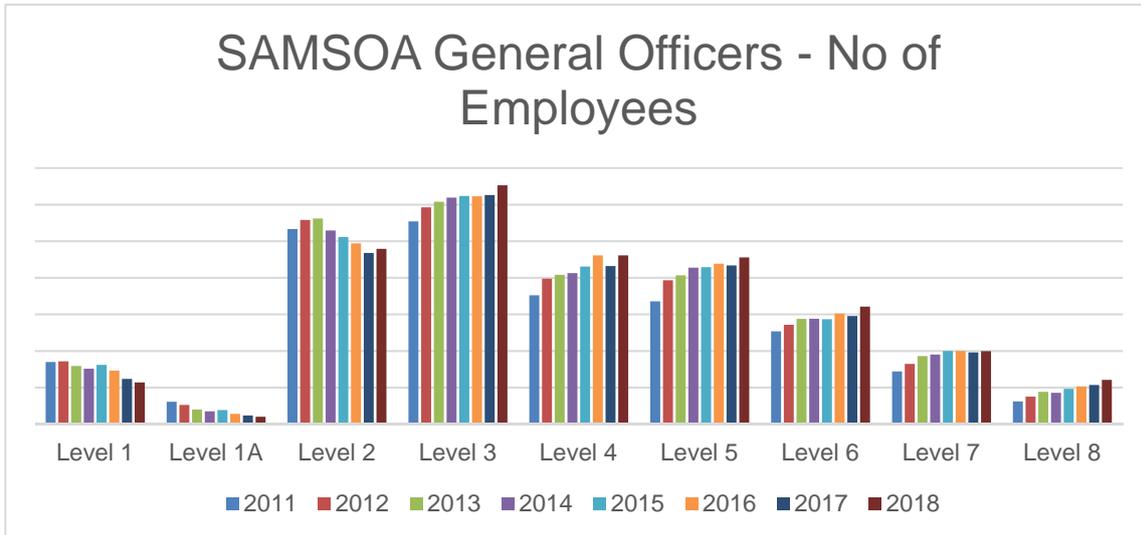
⁹ Local Government Workforce and Future Skills Report - South Australia – September 2018

¹⁰ Local Government Workforce and Future Skills Report - Based on ABS Census Customised Report Data, 2006, 2016

¹¹ Local Government Workforce and Future Skills Report - Based on ABS Census Customised Report Data, 2016

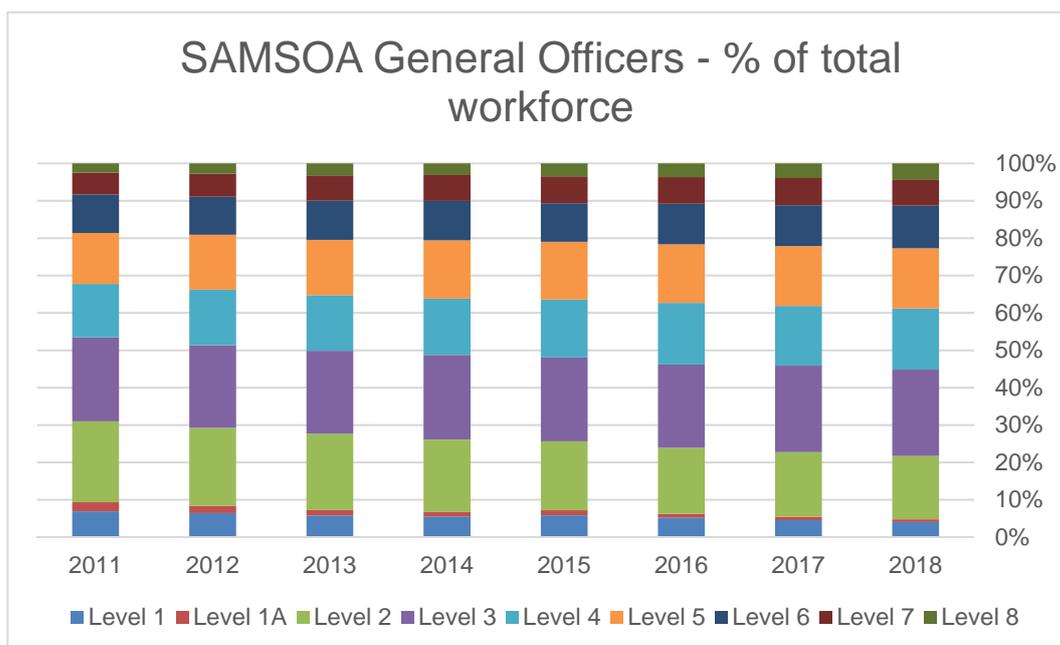
Analysis of Local Government Grants Commission data from 2011 – 2018 (the reporting structure changed to its current form in 2011) suggests that, particularly for employees under the SAMSOA (General Officers), there has been a shift in the workforce composition towards a more skilled workforce. There has been a general decline in the number of employees at Level 1, 1A and 2 and a corresponding increase in the number of employees at Level 3 and above.

Figure 4.5 – SAMSOA General Officers – No of employees¹²



In terms of percentage of the total SAMSOA General Officers workforce, in 2011 Level 1 and 1A accounted for nine per cent dropping to five per cent in 2018, Levels 2 and 3 accounted for 44 per cent in 2011 dropping to 40 per cent in 2018, Levels 4, 5 & 6 accounted for 38 per cent in 2011 rising to 44 per cent in 2018 and Levels 7 & 8 for nine per cent in 2011 rising to 11 per cent in 2018.

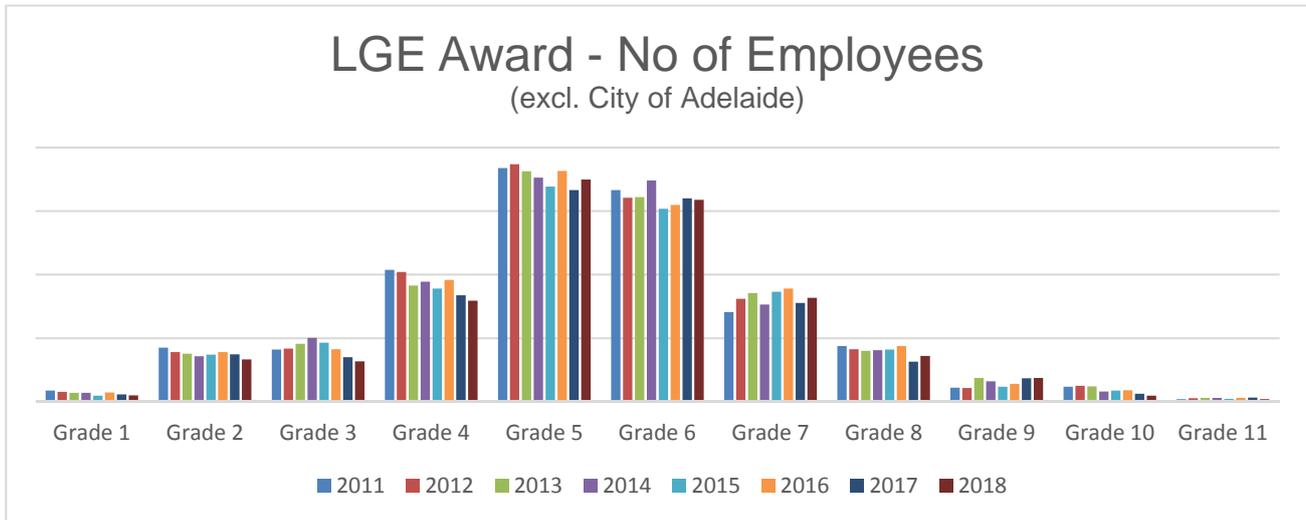
Figure 4.6 – SAMSOA General Officers – percentage of total workforce¹³



¹² & ¹³ LGGC data – Other Information Reports – Employment EEO

LGE Award Employees also experienced decreases in some lower level Grades and increases in some higher level Grades however the pattern was not as strong as SAMSOA employees.

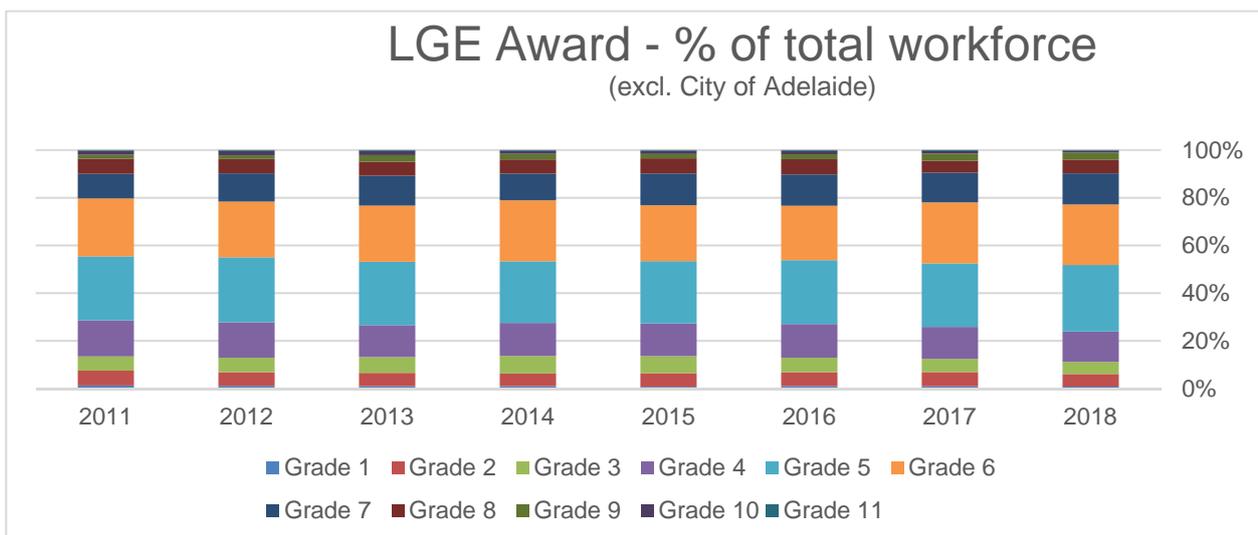
Figure 4.7 – LGE Award – No. of employees¹⁴



Note: City of Adelaide has their own Award (Adelaide City Corporation Award) and were excluded from these figures due to an apparent misreporting of figures under the incorrect Award in one year of the sample.

In terms of percentage of the total LGE Award workforce, Grade 1 has remained consistent at around one per cent from 2011 to 2018, Grades 2 and 3 accounted for 12 per cent in 2011 dropping to ten per cent in 2018, Grades 4, 5 & 6 have stayed fairly consistent at around 66 per cent in 2011 and 2018, Grades 7 & 8 accounted for 16 per cent in 2011 rising to 19 per cent in 2018, Grades 9, 10 & 11 have stayed fairly consistent at around four per cent in 2011 and 2018.

Figure 4.8 – LGE Award – percentage of total workforce¹⁵



To ensure the workforce has the skills required to effectively perform their roles and to adapt to new service demands, ongoing access to qualifications (where qualifications are appropriate) is essential for a productive and innovative local government sector.

¹⁴ & ¹⁴ LGGC data – Other Information Reports – Employment EEO

Planning, Development and Infrastructure (PDI) Act – Accredited Professionals Scheme¹⁶

The Accredited Professionals Scheme is a key arm of the new planning system created under the *Planning, Development and Infrastructure Act 2016*.

Under the new Scheme, planning and building professionals involved in assessing development applications will be expected to maintain minimum standards of professional practice and produce evidence that they are sufficiently qualified to make key decisions at certain levels.

Once accredited, planning and building professionals will be registered in a central database managed by the Department of Planning, Transport and Infrastructure (DPTI).

In addition, all Accredited Professionals will be required to hold all necessary insurance, comply with an Accredited Professionals Code of Conduct, participate in annual compliance checks and undertake specified units of Continuing Professional Development.

The Accredited Professionals Scheme is now operational under the *Planning, Development and Infrastructure Act 2016*. Although planning professionals, building professionals and land surveyors may apply for accreditation at this time, they will not need to do so straight away.

Different practitioners will need to become accredited at different times:

Existing council building officers - Existing council building officers will not need to become accredited until the Planning and Design Code (the Code) becomes effective in the council area in which they operate. From this point council will need to ensure that they obtain advice from an appropriately accredited building professional before issuing building consent.

Existing council planning officers - Existing council planning officers may not need to be accredited at all if they are operating under the delegation of an assessment manager, who will be accredited at Accredited Professional Level 1. However, some assessment managers may want their council planning officers to be independently accredited at Planning Level 3 or 4 (this will be at the discretion of the assessment manager).

Assessment managers and assessment panel members - Assessment managers and assessment panel members will not need to become accredited until the 'designated day' declared by the Governor. This date is not yet known but is anticipated to be in late 2019.

Depending on the current composition of their workforce, complying with the new Accredited Professionals Scheme may result in increased labour and/or training costs for some councils.

The composition of the local government workforce has shifted over time, moving towards a more highly skilled and qualified workforce. Increases in qualification levels come with an expectation of increased remuneration commensurate with that increased skill level. Schedule 2 of the South Australian Municipal Salaried Officers Award (SAMSOA) provides guidance regarding starting classification levels and progression through the classification levels for staff that undertake work related to their certificate or who utilise their qualification to undertake associated professional work.

Current available data (further outlined on the following pages) suggests that the composition of the local government workforce will continue to shift into the future as councils seek to adapt to new digital economies and technologies and comply with increasing compliance requirements and community expectations.

¹⁶ https://www.saplanningportal.sa.gov.au/planning_reforms/new_planning_tools/accredited_professionals_scheme

Local Government Workforce and Future Skills Report - South Australia

The Local Government Workforce Development Group (LGWDG) comprises representatives from each state and territory Local Government Association and provides advice on workforce matters to the Australian Local Government Association (ALGA).

During 2017/18 a review was undertaken to identify the current and emerging skill needs of Local Government to better position the sector for the future. The review, funded by ALGA and undertaken by the LGWDG, is based on ABS data and a skills shortage survey completed by 45 per cent of Australian councils (48 per cent of South Australian councils responded).

Key issues facing South Australian Local Government

- 45.5 per cent of councils are experiencing a skills shortage – which they expect to worsen over the next couple of years
- Regional South Australia has been experiencing significant movement of young people to Adelaide and interstate in search of employment opportunities. This movement can have a negative impact on regional communities, such as contributing to population decline and reducing the future regional leadership pool
- It is an ageing workforce with 53 per cent aged over 45 years compared to 44 per cent for all South Australian industry (57 per cent of the outdoor workforce is aged over 45 years)
- Apprenticeship levels in South Australian local government are very low and councils are saying they don't have enough apprentices to meet future demand. The level of decline in apprenticeship numbers in local government over 2012-2017 was 88 per cent compared to the decline (36 per cent) across all-industry in South Australia
- Key shortages in professional occupations include Accountants, Building Surveyors, Engineers, Environmental Health Officers and Computing ICT Professionals

Councils (45 per cent) have identified some skill gaps in:

- Managers/Supervisors – Leadership, Change management, People management;
- Accounting – lack of appropriately qualified staff;
- Outdoor workers – digital literacy; and
- Project managers – Project management and Procurement.

Councils (29 per cent) have unmet training needs because of:

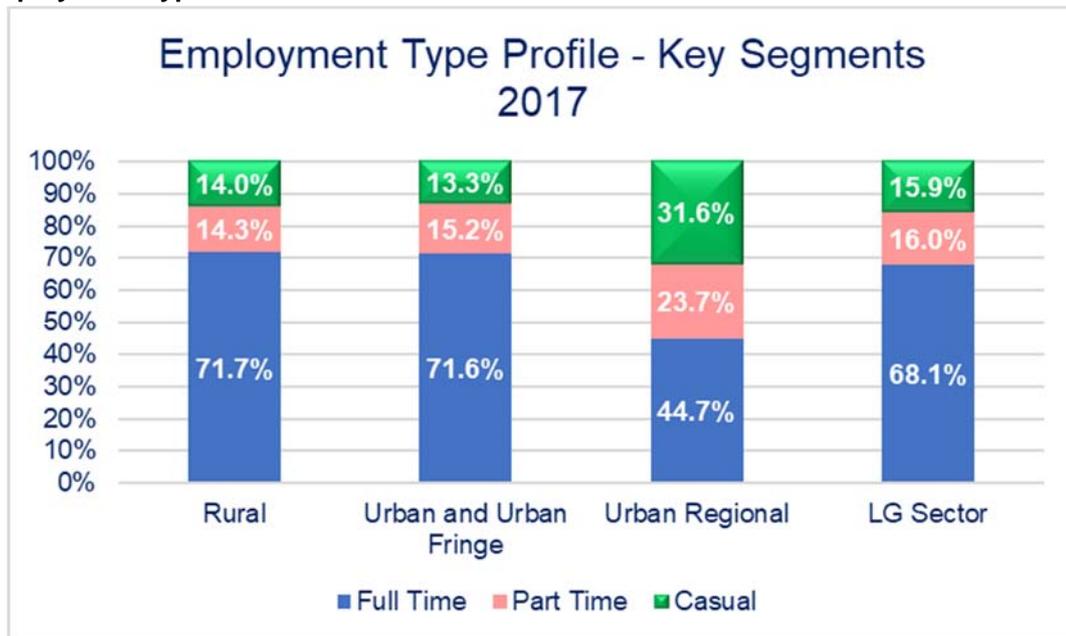
- Courses not offered locally;
- Costs associated with travelling to city for training; and
- Legislative changes.

Employment Categories:

When analysed by key segments, some minor variations in employment type emerge. As shown below, the Urban Regional segment employs a higher percentage (23.7 per cent) of part-time and casual (31.6 per cent) workers.¹⁷

¹⁷ Local Government Skills Shortage Survey 2017, LGWDG

Figure 4.9 – Employment Type Profile¹⁸



Occupational Profile

There are approximately 193 different occupations employed across the South Australian local government sector,¹⁹ or around 41 per cent of all occupations within Australia. Very few sectors have this breadth of occupations.

Occupations in demand by local government change over time and major shifts in employment numbers between 2006 and 2016 are further outlined below.

The occupations where numbers have declined include:

- Other Labourers (-198)
- Mobile Plant Operators (-117)
- Clerical and Office Support Workers (-50)
- Arts and Media Professionals (-21)

The occupations where numbers have increased include:

- Specialist Managers (+253)
- Design, Engineering, Science and Transport Professionals (+238)
- Business, Human Resource and Marketing Professionals (+202)
- General Clerical Workers (+126)
- Chief Executives, General managers and Legislators (+88)
- Health and Welfare Support Workers (+83)
- Office Managers and Program Administrators (+81)
- Engineering, ICT and Science Technicians (+80)

Changes in the occupational profile can be linked to:

- changes to Legislation/Acts
- increasing levels of governance, compliance and reporting requirements
- increased devolution of services from state to local government or change in services delivered

¹⁸ Local Government Skills Shortage Survey 2017, LGWDG

¹⁹ Based on ABS Census Customised Report Data, 2006, 2016

- population growth
- population demographics – ageing population
- fiscal constraints and increasing use of contractors

A lack of qualified individuals locally, the remoteness of some councils and inability of councils to compete with the private sector were among the forces driving the skills shortage.

Issues sourcing training

Despite a general consensus regarding the need to upskill, the report found considerable barriers to this, including the inability to source trainers locally, travel costs, fiscal constraints and mounting workloads.

As part of the Survey, councils in South Australia were asked to outline the key challenges faced when sourcing and delivering vocational education and training (VET) training to their workforce. Their main concerns were:

Figure 4.10 – Key Challenges in sourcing training²⁰

Key Challenges in Sourcing Training	LG Sector
Cost of sending staff away to attend training (travel cost) is too high	64.5%
Finding quality trainers to deliver locally	58.1%
Course Cost too high	51.6%
Lack of time for staff to attend training	48.4%
Sourcing courses with relevant content	41.9%
Lack of support from managers/supervisors to send staff on training courses	12.9%
Sourcing information about what is available	6.5%

The *cost of sending staff away to attend training (travel cost) is too high* was the biggest challenge for the sector.

The *lack of quality trainers available to deliver locally* and *cost of training* were next on the councils' list of key challenges. While you would assume this would be a key issue for rural councils it was surprisingly cited by 50 per cent of urban councils.

²⁰ Local Government Skills Shortage Survey 2017, LGWDG

Figure 4.11 – Challenges in sourcing and delivering training²¹



42 per cent of South Australian councils and 45.5 per cent of councils across Australia are saying that *sourcing courses with relevant content* is an issue. This suggests that:

- local government has specific needs given the legislative framework in which it operates that are not being met. It can be difficult for trainers to keep pace with legislative changes and experienced trainers are in short supply
- the process for designing and reviewing national qualifications is not recognising the sector as an end user of the product. Local government qualifications make up only a small percentage of the qualifications accessed by local governments and it is unlikely that local governments are invited to comment on the wide breadth of qualifications utilized by the sector. The capacity of local governments to do so is also limited, particularly given the narrow consultation mechanisms, tight timeframes and restricted funding associated with managing training packages
- Registered Training Organisations (RTOs) may not be customising training to a local government context.

The world of work over the next two decades will be shaped by trends including technological advances, digital connectivity, globalisation, the ageing population and emerging economic structures.

By 2030, ‘soft skill’ intensive occupations will make up almost two-thirds of the workforce.²²

As the local government sector seeks to be more effective and efficient via digital transformation and using technology and data to do good things better, the unintended consequence may be displaced (particularly older) workers due to low digital literacy.

²¹ & ²¹ Local Government Skills Shortage Survey 2017, LGWDG

There are a number of papers available on the challenges of a digital economy and older workers:

- <http://www.oecd.org/els/emp/Skills-for-a-Digital-World.pdf>
- https://www.ncver.edu.au/_data/assets/pdf_file/0035/968813/Developing-appropriate-workforce-skills.pdf
- <https://newprairiepress.org/cgi/viewcontent.cgi?article=4170&context=aerc>

The training and skills policy settings of both Federal and State Governments need to reflect the need for the acquisition of 'discreet skills sets' in the transitioning from traditional jobs and ways of performing those roles to 'jobs of the future' which is not just new jobs but current jobs done differently.

That is, councils could become more effective and efficient more effectively and efficiently (and put downward pressure on rates) if funding was available to up-skill and re-train current workers to increase productivity and provide a better service to its constituents.

Sector-wide industrial relations framework

The LGA has started looking at opportunities to streamline processes within local government through an industry-wide industrial relations framework which enables a culture of meaningful, open and respectful engagement between employees, management and unions.

Our work to date demonstrates there is an opportunity to align the sector workforce through a modernised industrial relations framework. An aligned workforce will provide individual councils with continued success and simultaneously deliver wellbeing to employees through shared values and commitments; support individual council's strategic and business plans; secure a multi-skilled and engaged workforce; foster flexibility and continuous improvement in the local government sector; enhance productivity and significantly reduce duplicated costs and effort.

Materials, Contracts and Other Expenses

The 'Materials, Contracts and Other Expenses' reported within the Local Government Grants Commission data includes: Bad Debts Written Off; Allowance for Bad and Doubtful Debts; Carbon Tax; Levy Paid to Dog and Cat Management Board; Levy Paid to Environment Protection Authority; Transfer of Natural Resource Management Levy; Grants to Outside Bodies/Persons; Balance of Materials/Contracts and Other Expenses.

The format of the LGGC database reports has changed slightly over time and therefore it is not always possible to extract the underlying data for each of these items however there have been years where the Natural Resource Management Levy (NRM Levy) was included in the database reports.

Analysis of these reported figures shows that the NRM Levy, which councils are required to collect on behalf of the State Government, has fluctuated significantly. Between 2007/08 and 2014/15, the NRM Levy rose by 75.6 per cent.

Figure 4.12 – Natural Resource Management Levy²³

Year	Natural Resource Management Levy (\$000)	% increase from previous reported	% increase from 2007/08 to 2014/15
2007/08	19531		
2008/09	20424	4.6%	
2009/10	24253	18.7%	
2010/11	-		
2011/12	-		
2012/13	32262	33.0%	
2013/14	33498	3.8%	
2014/15	34291	2.4%	75.6%

The LGA is advocating to remove the requirement for councils to collect the NRM Levy via Council Rates notices. The current arrangements are not transparent for rate payers and do not hold the State Government accountable for the taxes they collect from councils or through councils like the State bin (Waste Levy) tax.

The Government now has the mechanisms to collect its own Emergency Services Levy, and there should no reason why this can't be an option to collect the NRM/Landscapes levy.

The Government's position is that it will cost the State Government money to establish a new process to collect its own levy, and this will divert funds away from environmental initiatives.

Local government is yet to see any evidence of what these costs would be and how they compare to the costs to councils to administer the collection of the levy, deal with ratepayers' queries and complaints and chase unpaid levies.

The clear feedback from councils is that the costs of collecting this State Government levy far exceeds the reimbursements available and reputational damage it causes.

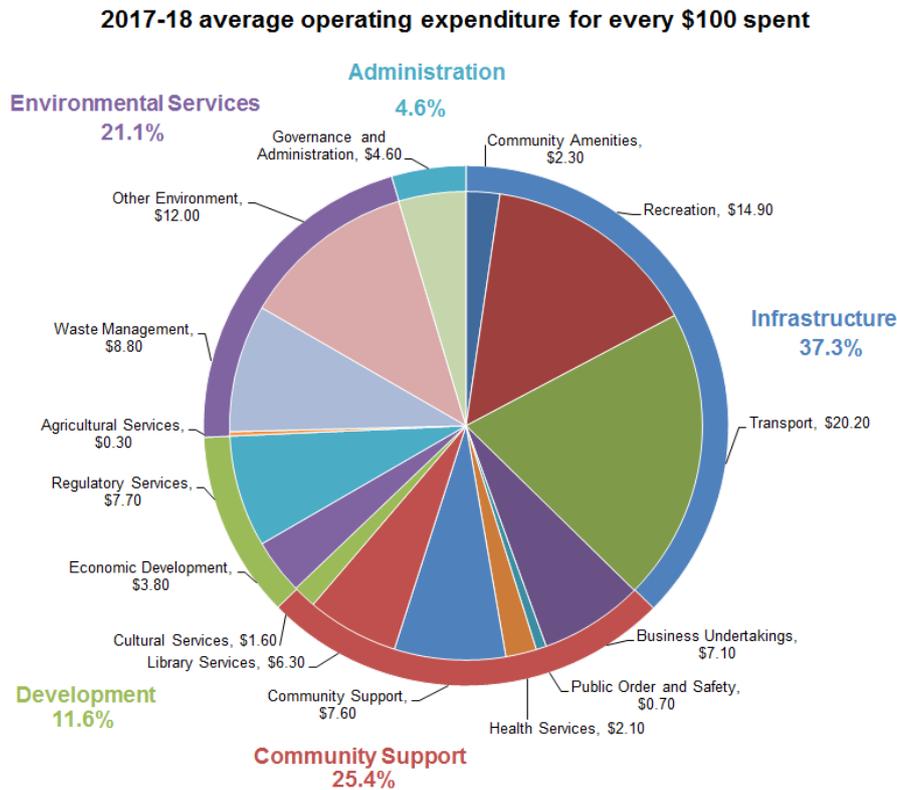
There is current proposed legislation under consideration (*Landscape South Australia Bill 2019*) which would allow the government of the day to collect even more money from rate payers for 'special circumstances' on top of the levy, so councils could be forced to collect even more money for a range of unknown State Government initiatives.

²³ LGGC database reports – Report 8

Transport (road) costs

'Infrastructure' makes up the largest proportion of local government operating expenditure accounting for an average 37.3 per cent of operating expenditure.

Figure 4.13 – Average operating expenditure across major functions²⁴



Source: South Australian Local Government Grants Commission - Report 9 - Operating Expenses Summary for 2017-18 Financial Year

The largest proportion of spending on any single activity is 'Transport' which accounted for an average 20.2 per cent of total operating expenditure in 2017/18. Additionally, the largest occupation stream is Engineering/Infrastructure (refer Figure 4.2 – Occupation Stream - percentage of workforce), again reflecting the extensive resources allocated to the management and maintenance of councils' infrastructure and road networks.

Roads, together with rail, form the land transport network. Virtually all the physical infrastructure associated with road and rail freight transport is owned by government (whether that be local, state or Commonwealth).²⁵

Local roads play a vital role within the overall road network in actually completing transport tasks and councils are therefore particularly impacted by issues relating to 'first and last mile' access. Road based supply chains are increasing seeking to realise productivity benefits arising from the use of High Productivity Vehicles (HPVs). Road network standards or local regulations may limit or disallow HPV use.

However, councils are willing to consider improved access to first and last mile connections as demonstrated through a 90-Day Change@SA trial²⁶, which delivered improved access for oversize agricultural machinery.²⁷

²⁴ LGGC data – Report 9

²⁵ Australian Government – Inquiry into National Freight and Supply Chain Priorities – Supporting paper No. 3 Road and Rail Freight – March 2018

²⁶ <https://publicsector.sa.gov.au/culture/90-day-projects/improving-road-transport-for-the-agriculture-industry/>

²⁷ https://www.sa.gov.au/data/assets/pdf_file/0010/234829/Information-Bulletin-Night-Travel-for-Agricultural-Machinery-Approved-Council-Areas.pdf

The Australian Government’s Inquiry into National Freight and Supply Chain Priorities report²⁸ noted that *‘benefits accrue through improved access because it can reduce the length and/or number of trips a vehicle has to take, and thus reduce vehicle operating costs and time. It also allows the use of higher productivity vehicles across a wider range of roads, resulting in a more efficient mix of heavy vehicles being used. Currently, if road providers (particularly local governments) provide access to larger heavy vehicles, it is unlikely they will receive the funding flows or economic benefits resulting from this access.’*

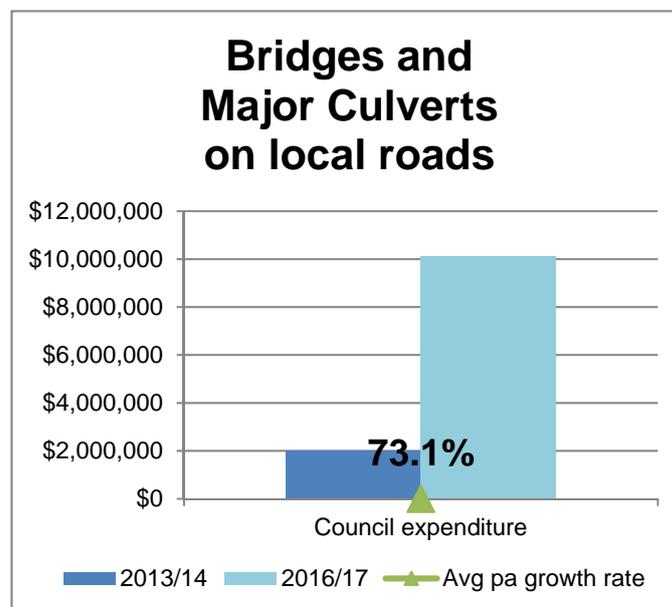
Local government, in particular, has to balance access applications with community concerns about bigger vehicles and potentially expensive assessment processes to gauge structural strength of bridges and other road infrastructure.

The report also noted that *‘... there is concern the additional costs of maintaining a road freight network suitable for high productivity vehicles has been unfairly transferred to local governments.’*

South Australian councils spending on bridges and major culverts has risen significantly in recent years. There are two possible drivers of this increased spending, the first being accelerated consumption (i.e. road assets requiring renewal earlier and/or additional maintenance above those projected) due to increasing load sizes and/or increased vehicle numbers.

The second possible driver is that a number of bridges and major culverts were of similar age and became due for replacement/renewal at a similar time and rather than being replaced with like-for-like (capital renewal - renewing or replacing current assets and infrastructure to original service level), the service standard of the bridge was increased (capital new - upgrading or creating new assets and infrastructure above original service level) due to the need to improve structural strength to cope with increasing load size and numbers, or a combination of both (increased consumption and increased service level).

Figure 4.14 – Expenditure on Bridges and Major Culverts on local roads²⁹



New data from Tourism Research Australia has similarly shown that caravan and camping in Australia is continuing to go from strength to strength.

²⁸ Australian Government – Inquiry into National Freight and Supply Chain Priorities – Supporting paper No. 3 Road and Rail Freight – March 2018

²⁹ LGGC - selected operating expenditure data

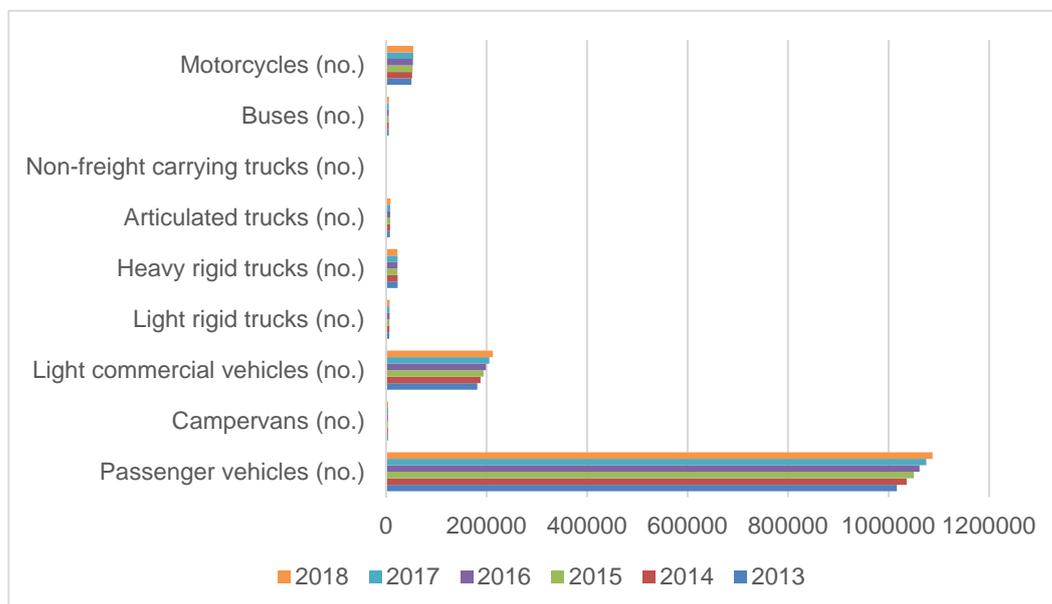
According to the Caravan Industry Association of Australia, some of the most notable figures include:

- a rolling annual increase of eight per cent in trips to break through 13 million domestic trips for the first time
- 90 per cent of visitor expenditure is in regional Australia

All states recorded growth in overnight caravan and camping trips, with South Australia and Northern Territory leading the way with growth of 23 per cent and 22 per cent respectively.³⁰

Changes in retailing habits (increased on-line purchasing and expectations of rapid delivery) are also promoting many trips by smaller vehicles and vans³¹. Australian Bureau of Statistics (ABS) data shows that between 2013 and 2018, the number of light commercial vehicles registered in SA has increased by 17 per cent, the number of light rigid trucks has increased by 11 per cent and the number of articulated trucks has increased by 16 per cent.

Figure 4.15 - Registered Motor Vehicles - Number by type of vehicle - As at 31 January³²



There is increasing demand on local governments transport networks, not only from increasing numbers of vehicles but from vehicles that are also increasing in size. As previously noted it is unlikely to be councils that receive the funding flows or economic benefits from the accelerated consumption of these assets. Communities may, in essence, be subsidising the cost of increasing the productivity of road supply chains.

This highlights the vital nature of the supplementary road funding program (as per the LGA’s first submission to the Commission’s methodology paper) and strengthens the argument for the continuation of (and indeed an increase to) this funding.

Addressing this challenge is a national, state and industry matter. The LGA supports the Australian Local Government Association’s (ALGA) advocacy for local government access to an initial five-year funding grant program to assist local government to effectively play its role in providing a national transport network that is fit for purpose and capable of supporting growth and national productivity³³.

³⁰ <https://www.thegreynomads.com.au/boom-5/>

³¹ Australian Government – Inquiry into National Freight and Supply Chain Priorities – Supporting paper No. 3 Road and Rail Freight – March 2018

³² ABS Regional Statistics, ASGS 2016, 2011-2018, Annual 2011 to 2018, South Australia – Table 17

³³ <https://alga.asn.au/policy-centre/infrastructure/first-last-mile-strategy/>

5. Output costs

The Commission reached the following preliminary conclusions regarding the drivers of growth in local government operating expenditure over the last decade.

Output costs:

- the most significant cost driver is likely to be changes in the volume, scope and quality of services provided by councils
- growth in demand arising from growth in the number of ratepayers and properties is expected to explain, in part, growth in the volume of services.³⁴

This section aims to further examine these two main cost drivers and provide additional information or evidence to assist the Commission.

Changes in the volume, scope and quality of services

Changes in volume, scope and quality are not only initiated in response to increased demand from growth but can also be in response to an incident or identified risk which may require internal (governance and workplace practice) changes to allow the organisation to react to those risks.

Risk Management

The local government sectors' understanding of risk management has matured over the last decade from a compliance-based focus on the health and safety of workers to a more sophisticated acknowledgement of the broader role that risk management (including financial, environmental, infrastructure, reputation and governance) has in placing downward pressure on rates.

There is a growing understanding that there are also differing types of risk, i.e. strategic and operational and that each type needs to be managed differently.

Strategic risks are those that are external to the organisation and that, if they occur, will cause a change in strategic direction of the organisation, i.e. reduction in funding from other levels of government is a strategic risk. Councils have very little control over the 'likelihood' of this risk eventuating (they can advocate and influence, but they don't ultimately have control over the decision). They can however identify strategies that may help to reduce the level of 'consequence' if the risk occurs (they can identify opportunities to diversify their revenue streams).

Many councils are now developing strategic risk registers in addition to existing operational risk registers in recognition of the role that risk management can play in identifying opportunities and continuous improvement.

Operational risks are those that, if they occur, will affect the day to day operations of the council. The sector's understanding of operational risks has also evolved in recognition of the fact that there is no 'one-consequence' incident. If a council worker was injured the only consequence is not around 'Work, Health and Safety', councils would potentially experience consequences in other areas such as financial (fines), reputation (media coverage) and legislative/governance (regulatory enquiry/investigation) at the very least. All of these consequences have varying levels of impact on the council's service delivery, costs and productivity.

There are also increasing community expectations in terms of risk management, for example in response to the Royal Commission into Institutional Responses to Child Sexual Abuse, councils (along

³⁴ Draft Inquiry Report – Page 17

with many other organisations) considered their role in the protection of children and vulnerable persons. This required identification of staff that may hold positions which could put them into contact with these groups and increased rigour around security/background checks and mandatory notification training.

Councils undertake evaluations biennially in the areas of Risk Management, Work Health Safety (WHS) and Injury Management (IM), facilitated by Local Government Risk Services (LGRS). These evaluations provide direction to the council in developing action plans which identify areas for improvements. Councils work to implement these actions plans which in the case of WHS and & IM directly affect the rebate received and the contributions paid to the Schemes³⁵ by councils (i.e. there are financial incentives for councils to undertake continuous improvement in the area of risk management). The Schemes also provide risk incentive funds for each council that are dedicated to the exclusive purpose of risk or safety improvements at the council.

Please refer to pages 32 and 40 for further information regarding the sector-wide activities that are being undertaken to increase local government efficiency and productivity relating to risk and emergency management.

Further examples of changes in volume, scope and quality in response to an incident or identified risk are detailed below.

Aluminium Composite Panel Building Audits

The UK Grenfell Tower disaster claimed the lives of 72 people on 14 June 2017, the rapid spread of the fire was attributed to the building's cladding, which was a type in widespread use, along with the external insulation. In response to the disaster, authorities moved to put new procedures and policies in place to prevent a similar incident in Australia.

In South Australia, the Department of Planning Transport and Infrastructure (DPTI) is leading a building audit in response to concerns regarding the use of Aluminium Composite Panels (ACP) on buildings. The building audit is being delivered across three phases in collaboration with councils, the Metropolitan Fire Service (MFS) and the Country Fire Service (CFS).

Phase One of the building audit in the Adelaide CBD was completed at the end of July 2017 with remaining councils completing Phase One in early 2018. During Phase Two DPTI engaged with council Building Fire Safety Committees who have identified buildings in Phase One to ensure a consistent approach to investigation:

- 45 Councils self-reported that they have no buildings of concern in Phase One
- 22 councils self-reported buildings that warrant further consideration and investigation during Phase Two.

Buildings determined during Phase Two as requiring improvements to ensure their safety may be subject to rectification work, which may include:

- replacement of the ACP's as part of the general ongoing maintenance routine
- removal of part or all of the ACP's as a matter of urgency
- additional alarms, escape points or sprinklers
- placement of barriers that prevent fire spread, should an ACP catch fire.

For privately owned buildings, councils will be responsible for ensuring that owners address any identified buildings. Government will be responsible for ensuring that its own buildings are safe. Council is responsible for ensuring any building they own are safe³⁶.

³⁵ <https://www.lgrs.com.au/pages/public/self-insurance-schemes>

³⁶ https://www.saplanningportal.sa.gov.au/current_planning_system/building_policy/aluminium_composite_panel_building_audits

Quantifying the impact of this response is difficult, councils have existing structures (building fire safety committees) and professional staff (building surveyors/inspectors) however the redirection of resources to facilitate the response would have undoubtedly had an impact on productivity.

Development (Trusses) Variation Regulations 2011

Similarly, the *Development (Trusses) Variation Regulations 2011* arose out of the recommendations of the Ministerial Taskforce on Trusses and the Coronial Inquest into the roof collapse at the Riverside Golf Club in 2002 and required councils to undertake additional building inspections.

A report was commissioned in 2013 to consider the cost of compliance with the new regulations³⁷. Survey response averages were used to estimate the number of additional inspections along with direct and indirect costs associated with these inspections. There was a total survey size of 16 out of a potential 68 councils, the councils ranged in size and locality. The report estimated 398 additional inspections for Roof Trusses were required with average direct labour costs of \$29,218 plus travel costs of \$9,112 and indirect costs of between \$8,590 and \$12,118. The estimated total of direct and indirect costs was in the vicinity of \$46,000 to \$50,000 per annum per council.

Climate Change

Climate change is amplifying the need to better mitigate known risks and better understand emerging risks.

Much of SA has experienced continued below average rainfall in 2019, with little rain forecasted for Spring and increased frosts likely. The effect of drought is more pronounced in the normally lower rainfall areas of the State where there has not been enough rain to sustain plant growth through the season. There is genuine concern for affected farmers livelihoods and sustainability, and the flow-on social and economic impacts on families, communities and local businesses.

There are 28 South Australian councils listed as eligible for the Drought Community Support Initiative which will result in, currently, \$28m being made available to South Australian councils. Councils are selected based on the level of need, determined using rainfall deficiency data from the Bureau of Meteorology, in conjunction with population and industry data (reliance on agriculture) to assess the overall economic impact of the drought in the region. Regional councils in South Australia have been very supportive and appreciative of the funds provided via this Australian Government initiative.

The flexibility of the funding criteria has allowed for projects to be undertaken across a variety of areas, from larger strategic projects to smaller local community-based projects, including water infrastructure (storm water & community wastewater), road works, health and well-being, bridges and energy efficiency.

Benefits reported by councils include:

- much needed boost to local employment via the use of local suppliers
- economic development expansion
- extending the life of infrastructure
- savings to energy costs
- increased communication by council with community and Australian Government
- councils able deliver projects which have been on their radar for a number of years.

Half of South Australia's councils are coastal and are experiencing issues and resourcing pressures such as sand and beach management, cliff erosion, dredging and a growing need for protection infrastructure like levees, seawalls, groynes, maintenance and replacement cost pressures on recreational infrastructure like jetties and boat ramps.

³⁷ Development (Trusses) Variation Regulations 2011 - Cost of Compliance and Cost Recovery Fees – UHY Haines Norton - May 2013

The table below highlights the gap between council expenditure and the income received in support from external grants and other funding sources.

Figure 5.1 – Council Capital Expenditure and Income (coast protection and infrastructure)³⁸

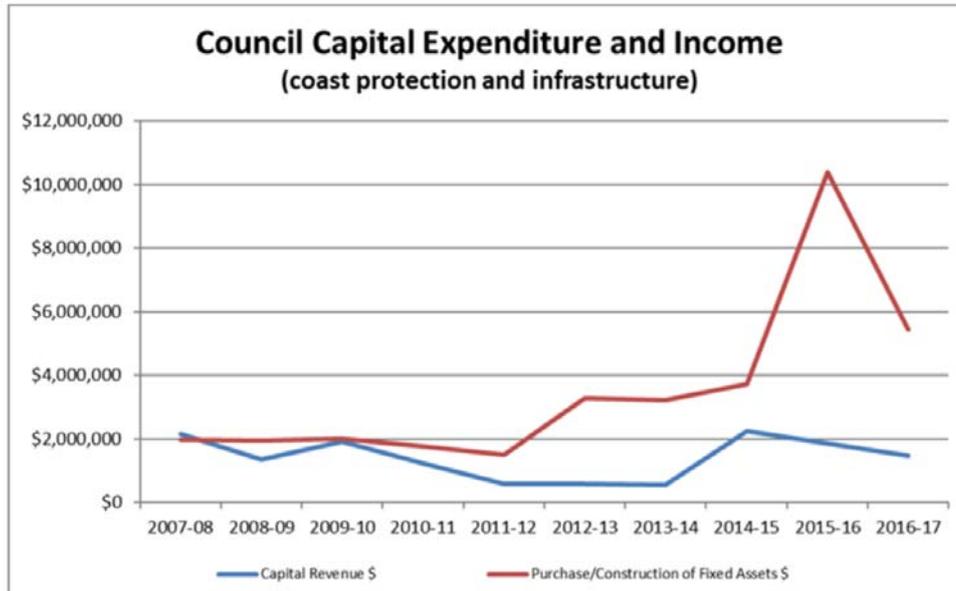
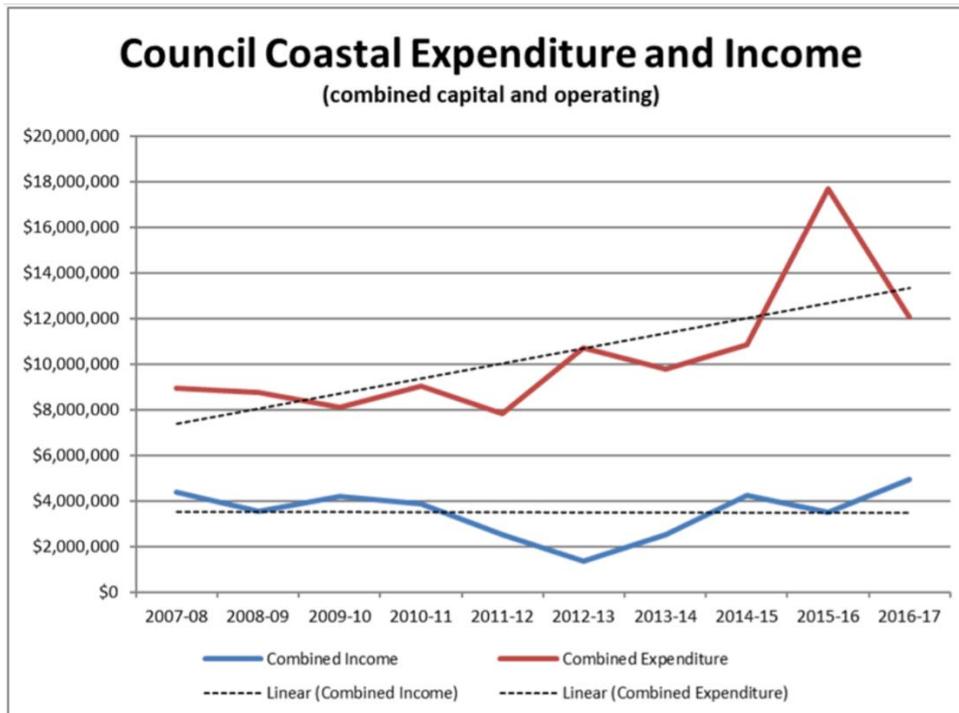


Figure 5.2 – Council Coastal Expenditure and Income (combined capital and operating)³⁹



The upward trend in council expenditure, particularly in capital works, and the static levels of grant support places increasing pressure on councils' finances and their ratepayers. Councils also report that current funding and support arrangements for coastal issues are inconsistent across different areas and are insufficient for the rapidly escalating task ahead.

³⁸ Analysis of Local Government Grants Commission data in the 10 years to 2016-17

³⁹ Analysis of Local Government Grants Commission data in the 10 years to 2016-17

Jetties

Jetties are important to their local communities for social, heritage and tourism reasons however the significant expense involved in the repair and maintenance of jetties puts significant financial pressure on impacted councils. Between 2005 and 2015, South Australian councils collectively spent more than \$6.6m on both State and council-owned jetties.

LGA member councils are responsible for over 30 jetties and wharves, many of which:

- are of timber construction, heritage listed (State or local heritage), and of great social and landmark value to their local communities;
- have reached a point where they require significant investment of funds to ensure they continue to meet community expectations; and
- are managed by local councils under lease agreements with the Department of Planning, Transport and Infrastructure (DPTI) that are due to expire in the next few years.

The Minister for Transport, Infrastructure and Local Government, Minister Stephan Knoll has committed DPTI to undertaking a Jetties Strategic Plan to develop a framework to guide strategic decisions about how to manage the jetties of South Australia.

The LGA, via a steering group of affected councils and other key stakeholders, is seeking to work together with the State Government on an approach to the management of jetties which is equitable, sustainable and does not create a burden on ratepayers.

Emergency management

Changing community expectations, recent emergency events and shifts in policy and legislation are creating new expectations, and adding to an already complex policy and legislative framework regarding the roles of local government in emergency management. Climate change also means that the local government sector needs to be ready to respond to emergencies that will occur more often and with less predictability than ever before.

Specific changes that have impacted councils include:

- creation of Zone Emergency Management Committees in 2008, with the expectation of ongoing local government participation and a local government senior representative to chair each committee
- creation of Zone Emergency Risk Management Program in 2011, which requires significant local government participation in ongoing emergency risk assessment processes
- changes to the State Emergency Management Plan in 2016, which included an expanded role of local government and the creation of the Local Government Functional Support Group
- requirement for council staff to be trained as Local Government Liaison Officers to represent the Local Government Functional Support Group in Zone Emergency Support Teams
- State level emergency management shifts, such as the creation of the State Emergency Management Committee (SEMC) Strategic Plan, 2016 Burns Review and Disaster Resilience Strategy, which requires greater local government involvement in state led projects, exercises, advisory groups, committees, consultations and working groups
- growing community expectations for local government support during and after major emergencies, such as the Wangary, Eden Valley, Bangor, Sampson Flat and Pinery fires, flooding and storm events.

Growth in demand

It is logical to suggest there should be a correlation between growth in demand as justification for increased resources or costs in a particular service or functional area however government at all levels also have a role to play in economic stimulus (potentially in the face of a *reduction* in demand).

Local government's involvement in economic development stems from the *Local Government Act 1999* in which it clearly describes the functions of a council '*to promote its area and to provide an attractive climate and locations for the development of business, commerce, industry and tourism*'.

A sustainable local economy that promotes growth and job creation realises community well-being objectives, and provides councils with increased resources to deliver a superior service to its ratepayers.

Local government, not unlike its Federal and State Government counterparts, reflect what the local economy, rate-payers and businesses need and want and at other times take the lead on challenges and opportunities that are present and other issues that are on the horizon. This means that councils are not beholden to demand and can at times create the supply.

The vast majority of councils now employ staff to roll out economic development programs, including non-metropolitan councils making a financial contribution to Regional Development Australia Boards as an investment in growing the local economy.

Tourism is often one of the most important local industries, particularly in rural or regional areas. A national survey of councils⁴⁰ that collected data across some 256 councils (51% of SA councils responded) showed that South Australian councils have collectively spent around \$456m on tourism. Ninety per cent of those surveyed believe that tourism offers economic development opportunities; and 72 per cent believe benefits far outweigh the costs of council investment in tourism.

The Gross Value Add of tourism in South Australia reached a high of \$3.0b in 2017-18, a seven per cent increase on last year⁴¹.

Whilst the total number of local government employees has remained fairly constant as has the distribution of those employees across the broader occupation streams (refer Figure 4.2 – Occupation Stream - percentage of workforce), there have been some shifts within the occupation streams. Analysis of LGGC data⁴² suggests that within the Human Services occupation stream there was 67 per cent increase in the numbers of staff allocated to Economic Development in 2016. This increase may reflect an increase in economic development activity by councils but may also reflect that more roles are categorised as having an economic development outcome.

Many regional communities are either experiencing, or at risk of, decreases in their population and/or industries as workers migrate to larger towns or cities and industries cycle in/out. A report prepared by the South Australian Centre for Economic Studies⁴³ noted:

There are two distinct roles that local governments in principle can play in maintaining and enhancing the economic performance of their local economies and hence the prosperity of members of their communities:

- they can provide a temporary economic stimulus to their local economies when an economic downturn reduces economic activity and employment levels; and*
- they can enhance the economic performance of their local economies through implementing economic development strategies and initiatives;.....*

⁴⁰ The Australian Regional Tourism Network report 2017

⁴¹ <https://tourism.sa.gov.au/research-and-statistics/south-australia/value-of-tourism>

⁴² Local Government Grants Commission –GIR Other Information report – Employment EEO

⁴³ Providing Local Economic Stimulus and Promoting Local Economic Development: Possibilities for Councils in South Australia – July 2013

In relation to the ability of local governments to enhance the long-run economic performance of their local economies through economic development strategies we conclude that not only can they do so effectively but also that it is important that they actually do so:

- they can do so because, for example, they have the power to make their localities attractive places in which to live, work and do business, they can use their land use planning powers strategically to attract new business investment and they can use a wide variety of other measures to stimulate new business investment by existing business and new business startups by local people and to attract new sources of business investment;*
- it is important that local governments actually do so both because promoting economic development is integral to achieving their core objective of enhancing community development and because effective local economic development strengthens regional economic development which, in turn enhances state economic development.*

Case Study - Renmark Paringa Council

The Renmark Paringa economy is centred on irrigated primary production, with viticulture being the major industry, supported by an expanding citrus and almond industry with stone fruit and vegetables. Dry land farming is also a major primary industry in the district. Tourism plays a major part in the economy with the River Murray the predominant tourist attraction.

During the late 90s and early 2000s, the Riverland region experienced significant dry periods which particularly impacted on the irrigated primary producers in the area. Many primary producers in the area rely on an itinerant workforce of backpackers to assist at key harvest times. Media coverage of 'droughts' impacted not only on tourism and but also on the attractiveness of the region to this itinerant workforce.

Economic Development Strategy

In recognition of the importance of diversifying industries and income streams to ensure the long-term sustainability of the local area, Renmark Paringa Council (RPC) developed an **Economic Development Strategy**⁴⁴ which identified the things the council could either facilitate or advocate for to create the best possible environment for increased economic development for the community and region.

The Strategy mapped out anticipated outcomes around population growth, industry diversification, job creation and increased tourism and some of the objectives that council could focus on to achieve those outcomes. The Strategy recognised the council's varying role from lead through to facilitator/stakeholder and the importance of close relations and alignment with bodies such as the RDA Murraylands and Riverland and Destination Riverland.

In accordance with the objective to 'Promote the investment opportunities in the area' and 'Promote the area's Premium Food & Wine' during 2015/16 RPC participated in the outbound delegation to Shandong province in China organised by the State Government. In order to support their involvement in this delegation, RPC developed an Investment Prospectus – **Renmark – Ripe for Investment**⁴⁵ which was also translated into Mandarin. The prospectus showcased the primary investment opportunities available in the region including wine grapes, fresh fruit, citrus, almonds, avocado, pistachios, tourism, silica sand and land development.

⁴⁴ https://www.renmarkparinga.sa.gov.au/webdata/resources/files/Renmark%20Paringa%20Council_Economic%20Development%20Strategy_Interactive_1.pdf

⁴⁵ <https://www.renmarkparinga.sa.gov.au/webdata/resources/files/Ripe%20for%20Investment%20-%20English-1.pdf>

RPC's focus on encouraging investment resulted in a recent visit to the region by Chinese entrepreneurs and investors:



RPC has also recently been successful in securing funds through the Commonwealth Government's Building Better Regions fund towards Project REVIVE: The Activity Precinct. The project aims to transform Renmark's town centre from a neat functional zone to a captivating centre for recreation, dining and retail. The infrastructure development will include construction of a water play area, river viewing deck, public artwork, landscaping, new shelters, furniture and barbeques. The Activity Precinct will enhance the region's tourism appeal and provide a compelling reason not only for visitors to spend more time in the town but also to encourage those with working holiday visas to include the region in their travels and thereby deliver economic benefits to local businesses.

There is often not a direct linear line or cost/benefit analysis that can be drawn from an activity that a council undertakes however RPC's leadership and focus on economic development has undoubtedly provided opportunities to businesses and industries in their region which may not have otherwise been possible.

Councils often undertake activities not necessarily based on whether they will receive direct benefits in return but because those activities enhance the long-term sustainability of their communities.

Similarly, councils often undertake activities not necessarily because of an increase in demand but because the action or activity is required to mitigate a risk or incident. Councils work in the economic development space could be considered a mitigation response to the risk of a reducing population and/or industries.

Councils hold or manage an incredible amount of risk, in part because of the huge amount of infrastructure and built assets that they own and maintain but also because of the activities that they carry out involving volunteers or providing programs to at risk groups. Risk management and/or mediation is a potential driver of changes in the volume, scope and quality of services undertaken by South Australian councils.

6. Local government efficiency and productivity

In the draft report the Commission noted that recent reforms in the local government sector have focussed on shaping the relationship between state and local government and lifting the financial sustainability of the sector. However, the Commission found little evidence to date on significant reforms in other areas, especially in relation to management and workplace practices.⁴⁶

The following information is provided to demonstrate that reform, including in the area of management and workplace practices, has been occurring in the local government sector over recent years.

Local Government Risk Services (LGRS)

LGRS works with all councils to jointly identify opportunities to minimise risks by the introduction of proactive systems and processes in the area of risk management. These services are available in both metropolitan and regional areas and include:

- Strategic Risk program, which includes Risk Management basic as well as workshopping risk (both Strategic and Operational) for Elected Members, Council Executive and Managers
- Members centre – online portal to facilitate the sharing of resources, etc
- Safety Leadership program training (covers WHS & Leadership and Management) with successful participants achieving a Certificate IV in WHS. There have been a total of 80 participants since the start of the program (in 2017) and to date 37 participants have completed the program (successfully completing their Cert IV in WHS)
- Interactive simulations (both incident simulations and Mock courts) designed to increase participants understanding of their obligations in relation to WHS and duty of care. To date, there have been 30 interactive court simulations attended by 1312 employees.
- Internal Return to Work Coordinator (IRC) and Internal Claims Coordinator (ICC) training for managers and supervisors
- Mentoring council staff in Internal Audit Processes
- Tailored Implementation Program (TIP) which will support specific identified capacity development in individual councils on a case by case basis (incident investigation, hazard management, contractor management, etc)
- Advice and guidelines (event electrical safety, volunteer management portal, volunteer management network)
- Informally, there are Regional Risk Coordinators (RRC), Work Health Safety Coordinators (WHSC) and a Strategic Risk team who provide services (supporting the development of resources at the local level, answering questions for council staff or assisting staff to research an issue to get the answers) face to face on a daily basis to assist in developing the capacity (competence) of council staff.

Council Ready program - upskilling council staff in emergency management

There is increasing acknowledgement of the crucial and evolving roles of local government in emergency management, and the Council Ready program was initiated to provide a coordinated, sector-wide approach to supporting councils with emergency management planning. Council Ready is being delivered by the LGA and receives funding support under the Natural Disaster Resilience Program by the South Australian State Government and the Commonwealth Department of Home Affairs, and from LGASA Mutual.

⁴⁶ Local Government Costs and Efficiency Draft Report – Page 135

The program comprises two stages; Stage One developed and implemented an emergency management health check to identify individual council strengths and gaps with respect to emergency management (prevention, preparedness, response and recovery); and identify the best ways for the LGA to support councils with emergency management planning. More than 550 council employees from all 68 councils participated in stage one.

Stage Two commenced in May 2019 and has seen a team of project facilitators employed by the LGA to provide practical support to councils with emergency management planning. The program is currently actively working with 25 councils, with the remainder to be engaged in 2020.

The program has a strong focus on improving management and workplace practices regarding emergency management. This is being done in a holistic manner, with the program supporting councils to prepare, update and maintain a suite of documentation comprising an emergency management policy, plan, incident operational arrangements and recovery arrangements. By doing so, councils are establishing systems and processes to formalise emergency management functions that historically have been driven by corporate knowledge rather than systemic processes. It is also assisting councils to have appropriate policy, plan and procedure around emergency management committees, training and exercises that they participate in. The LGA's role facilitating this program state-wide is also providing an opportunity to support the adoption of best practice across the local government sector, enabling councils to fulfil responsibilities under the State Emergency Management Plan and participate fully in the Local Government Functional Support Group.

Elected Members Induction Program

In 2014, mandatory training was introduced for all new Elected Members. In response to these legislative provisions, the LGA developed the mandatory training standard that included four modules, 1) Introduction to Local Government 2) Legal Responsibilities 3) Council Meeting and Procedures and 4) Financial and Risk Management with each module defining a suite of topics to cover.

In preparation for the 2018 Council Election, each individual council will have considered the program options and resources required to support a new incoming council as part of their annual business plan and budgeting process.

LGA Training delivered a strategic approach to support the election process in 2018. The aim of the program was focused on attracting and building leadership capability of the sector. The program was delivered in four phases:

- preparation - guidance and engagement of key staff in preparing for council elections and induction of Elected Members
- transition - informing and engaging potential candidates;
- induction - supporting newly elected members with informative and engaging mandatory training; and
- development of a new Elected Member Leadership program to support the ongoing professional development of all elected members (new and continuing) post the election.

The LGA provided a range of resources and materials for each phase in preparing for the transition of an out-going council and inducting a new council. Many councils opt to provide the mandatory training in-house to integrate the mandatory training content to the context of council's municipality, strategic directions and service delivery, with the addition of an external legal provider delivering Module 2) Legal Responsibilities (either through the LGASA Legal service or alternative provider). The LGA provided sessions to support council staff in ensuring they were across the detail of the council elections process and equipped to develop project plans for transitioning and inducting Councils effectively.

In the lead up to the election in 2018, the LGA facilitated twelve 'Make a Difference nominate for council' information sessions held across the State in regional hubs. Approximately 50 per cent of candidates attended a candidate information session, with 80 per cent of attendees reporting that they found the session valuable. In addition, the LGA provided collateral for individual councils to conduct their own candidate briefing sessions using template presentations and promotions.

LGA Training developed a new 'leadership effectiveness checklist' that was provided to both candidates ("Do you have what it takes?" – a self-assessment checklist) and for Elected Members ('How can you grow your leadership effectiveness?' – a personal and professional tool). The checklist was also included in the 'Make a Difference' candidate booklet. The tool was promoted as an opportunity for candidates and Elected Members to reflect on their current attributes, personal qualities and leadership skills as well as their potential areas to further develop. This tool was developed through input from the sector and the leadership expertise of an external academic\consultant.

LGA Training provided mandatory training (open to both new and returning Elected Members) through face to face session (LG House, regionally and in-house) as well as through Webinar and on-line. The emphasis of the LGA's mandatory training and on-going professional development opportunities for Elected Members is focused on continuing to build the leadership capability and effectiveness of the sector.

The LGA would welcome the opportunity to revise the mandatory training standards to ensure the content and delivery of mandatory training is focused to the priority areas Elected Members need to understand to fulfil their role and the importance of how they effectively lead as an Elected Member on council to deliver benefits to local community.

Financial Sustainability Program

The 2005 Independent Inquiry into Financial Sustainability of Local Government found that councils were putting community needs and demands for services ahead of their own financial sustainability and that this could not continue. The LGA, with the support of councils, subsequently embarked on a comprehensive Financial Sustainability Program to implement the Inquiry's recommendations and support improved council performance.

Under the Financial Sustainability Program, the LGA:

- prepared and updated a series of information papers;
- implemented projects to assist councils with financial and asset management reforms;
- undertook training and briefing programs to further assist councils;
- attracted Australian Government funding to further the financial sustainability reforms that were undertaken by South Australian councils; and
- worked with other governments on intergovernmental issues.

7. Summary of the LGA's response

Local government has been on a pathway of continuous improvement for many years and in some areas, such as financial sustainability, South Australia has been a leader.

The overarching theme of this work has been long-term sustainability; long-term sustainability of the financial position of a council, long-term sustainability of the assets of a council, long-term sustainability of the workforce of a council and, perhaps most importantly, the long-term sustainability and well-being of a council's community.

South Australian councils have worked hard to improve their financial position and adopted financial indicators that are reported on every year within audited financial statements to ensure transparency and accountability to their ratepayers. The Commission's Draft Report acknowledged that, while some councils are recording deficits, the sector as a whole has moved from deficit to surplus.

South Australian councils have worked hard to improve their asset management by developing long-term infrastructure and asset management plans that aim to ensure the lifecycle costs of assets are being appropriately funded by the users of those assets (and that the costs of asset replacement or renewal are not being pushed onto future generations). Councils adopted an indicator of asset sustainability, which is reported on every year within a council's audited financial statements to ensure transparency and accountability to their ratepayers. This methodology behind this indicator was reviewed and updated in recent years to ensure it was providing an accurate representation of how well the sector was maintaining assets as identified in infrastructure and asset plans.

South Australian councils have worked hard to improve the sustainability of their workforce by increasing the skill level of their workforce, by acknowledging the need to manage an ageing workforce and by looking at ways in which they can be upskilled into the jobs for the future. The average turnover rate for South Australian councils was relatively low at around seven point two (7.2) per cent (compared to eight point three (8.3) per cent for councils across Australia)⁴⁷ in 2017 indicating that local government employees see value in the work that they undertake and are supported to remain in the local government sector. The flipside of this is that the sectors' ability to recruit younger workers is therefore somewhat limited.

South Australian councils have worked hard to improve the long-term sustainability and wellbeing of their communities by identifying risks and taking appropriate steps to mitigate them, by engaging and consulting with their communities on their activities and programs and by measuring the impact of these activities and programs through community surveys. The 'Why Local Government Matters' study⁴⁸ showed that 78 per cent of people surveyed either strongly or moderately agreed with the statement 'The area in which I live has the qualities I value'.

All of these have been achieved in the face of a constantly shifting legislative and compliance environment, increasing number of events such as bushfires, floods and storms, increasing scope and standards of service expected by ratepayers and an increasing demand on council infrastructure and resources.

South Australian councils know there is more work to be done and the sector has already identified future improvements that can be made. The local government sector is ready to lead this important work.

⁴⁷ Local Government Skills Shortage Survey 2017, LGWDG

⁴⁸ Centre for Local Government at the University of Technology Sydney

Key enablers to achieving improvements into the future will be continued integration (of strategic management and other plans), continued adaptation of new technologies and innovations (to respond to an increasingly digital economy and take advantage of efficiencies and economies of scale) and continued capacity and capability building (of council staff to deal with an increasing complex environment and to manage an ageing workforce through this transition).

The State and Federal Governments can assist in this process by recognising the significant strategic planning work that is being done by Local Government, via the creation and consultation on long-term Community and/or Strategic Plans (covering at least four years), Financial Plans (covering at least ten years) and Infrastructure and Asset Management (covering at least ten years), and partnering with Local Government to reduce duplication, reduce red-tape and consider ways in which we can work more effectively and efficiently together to deliver outcomes for the betterment of our communities and our State.

8. LGA response to Information Requests within the draft report

Following consultation with its members, the LGA provides the following submission in response to the information requests within the draft report.

Chapter 2 – Structure, development and reform

Funding

The Commission is seeking information and views on:	LGA comments
<p>2.1 How does the untied nature of FAG funding affect council decisions to provide non-mandatory services?</p>	<p>Financial Assistance Grants (FAGs), which are un-tied in the hands of local Councils, are intended to improve Local Government’s capacity to provide communities with an equitable level of services and to increase the effectiveness and efficiency of Local Government.</p> <p>FAG funding is distributed to a broad cross section of councils with differing communities, demographics, social and economic situations. It is the role of each council to understand its community through its consultation processes as outlined in the <i>Local Government Act</i>. It is also therefore reasonable to expect that due to the diversity of issues and opportunities, councils know their service gaps and opportunities best, and are in the best position to distribute funding accordingly.</p> <p>The LGA Policy Manual (<u>7.3.6 Untied and Specific Purpose Grants</u>) states:</p> <p><i>Local government acknowledges that grants from other spheres of government are most beneficial when untied, and available unconditionally for a wide range of purposes. Local government shall continue to welcome grants from federal/state governments and negotiate terms that will most benefit local communities.</i></p> <p>The LGA would not be supportive of any suggestion to ‘tie’ FAG funding to specific purposes.</p> <p>The real discussion around this issue is the actual level of FAG funding as a proportion of total Federal funding available to the States. In particular South Australia’s share of FAGs has been set at lower proportion in comparison to the other states. This has in part been</p>

	<p>recognised through additional funding through the supplementary road funding program for South Australia (refer to LGA's Submission to the Methodology Paper – Part One).</p> <p>However, there is no guarantee that this additional funding program will continue into the future and the LGA continues to advocate for the ongoing allocation of this funding.</p>
<p>How does other Australian Government program or project funding to councils, of a more ad hoc nature, affect council expenditure?</p>	<p>Where funding and grant opportunities arise councils assess the alignment of those grants against their strategic plans and capacity to deliver.</p> <p>Grant funding, whilst representing an opportunity to leverage funds to carry out projects that may otherwise not be achievable, can actually work against local government's focus on renewal and replacement of existing assets as grant funding is predominately focused on capital 'new' works rather than 'renewal' or 'maintenance'.</p> <p>Often within grant programs there is also a requirement to provide matching funding, plus there are the associated increase in interest costs, maintenance and depreciation following the construction of the asset. These additional costs also apply for assets vested by developers or by other levels of government.</p> <p>Grant funding is also often tied to a particular outcome or function (for example – funds must be used on open space or arts/culture projects) and these areas may not be the highest priority area within a council's asset management plan however, in order not to miss out on funding opportunities, projects are brought forward or re-prioritised.</p> <p>It is suggested that grant programs that target sporting and community groups are developed with consideration given to the capability of the group and the ongoing expenditure associated with maintenance, depreciation and expense. Often sporting and community groups are allocated grant funding (which councils have limited involvement with) however in time, the council bears the ongoing expense associated with the funding once the asset is returned. In some cases, the community group has the best intentions with regard to project delivery; however, with limited resources requires council to support delivery. This in turn can place a strain on council resources.</p> <p>Building Better Regions Fund - local government in South Australia was successful in securing almost \$27M in funding over three funding rounds (refer Appendix 2 – Building</p>

Better Regions Funded Projects) towards projects with a total cost of over \$65M. This funding has been vital in assisting councils to provide or upgrade facilities or undertake projects that may otherwise be outside the funding capacity of an individual council. A number of projects are for 'new' or 'upgraded' facilities or infrastructure suggesting an increased service level for that community.

Councils welcome any opportunity to supplement the cost of infrastructure or other projects which they feel would add value to their communities however there are often other costs associated with either applying for or implementing the projects (i.e. assistance with preparing grant applications, Prudential Review Reports, amendments to Community Land Management or other Strategic Plans and/or community consultation processes).

For example the District Council of Loxton Waikerie's Loxton Recreation Complex Redevelopment (refer to <https://www.loxtonwaikerie.sa.gov.au/page.aspx?u=2624> for copies of reports and reviews) project strongly aligned with the council's strategic priorities however due to the magnitude of the project it triggered a Prudential Review (as per section 48 of the *Local Government Act 1999*). District Council of Loxton Waikerie also undertook a comprehensive community consultation process during the project.

The ad hoc nature of State Government programs has similar impacts on council expenditure.

Fund My Neighbourhood program - local government welcomed the \$40m commitment from the State Government to fund community initiatives through the Fund My Neighbourhood program in 2017 however it was disappointing that the sector was not consulted on this program. There were limited details available, particularly in relation to eligibility criteria, projects on council land, and how the ongoing maintenance of new infrastructure would be funded.

It was estimated in 2017 that around 2500 applications were lodged at the closing date and that 2000 or more of these were deemed eligible with approximately 80 per cent being on council land or with council as the likely sponsor. All of these were then referred to councils to assess and respond to the Department of the Premier and Cabinet (DPC).

LGA staff estimated that if approximately 1600 applications have been referred to councils worth an average of \$100,000 each then the community has identified some \$161m of council works projects. Staff committed significant time to assessing applications against plans and policies for consideration of councils with not all able to be supported by councils as some were inconsistent with Community Land Management Plans, with council strategic plans or council policies.

Those that were supported may have required alterations to existing plans or strategies, which come with their own associated community consultation obligations (i.e. City of Tea Tree Gully, Community engagement outcomes report, Proposed upgrades to Tilley Recreation Park, Surrey Downs, 'Fund My Neighbourhood' program⁴⁹).

As with other capital grant programs communities gain the benefit of the up-front project funding and councils need to maintain and plan for the future of any resulting infrastructure.

State Local Government Infrastructure Partnership (SLGIP)⁵⁰ - The SLGIP program was established to allow councils to bring forward investment in approved infrastructure projects thereby creating jobs and increasing economic development across the state. This was a once-off program with a total pool of \$25 million in grants available to councils in 2017-18.

Under the Partnership, the State Government provided funding support to councils for up to 20 per cent of the cost of eligible projects. Councils were expected to finance the remaining 80 per cent of the cost either through their own reserves or borrowings.

Councils needed to demonstrate the 'bring forward' nature of their proposed project via the provision of evidence that a project, which was included in councils' Infrastructure and Asset Management Plan (I&) and Long-term Financial Plan (LTFFP) to substantially commence after 1 July 2019, would be brought forward for commencement prior to 31 December 2017. Alternatively, a new project which was not currently funded (and hence not included in a council's existing IAMP and LTFFP) could be submitted for approval by including information about the impact on both council capex and future operating expenses and revenue.

⁴⁹ https://www.teatreegully.sa.gov.au/files/assets/public/documents/community_engagement/tilley_recreation_park_proposed_upgrades_-_fund_my_neighbourhood_outcomes_report.pdf

⁵⁰ <https://www.lga.sa.gov.au/page.aspx?u=6939&reqUrl=Members/infrastructurepartnership>

The project resulted in the distribution of State Government grants of \$24.1 million, with councils agreeing to undertake projects totalling \$131.9 million. Thirty-two projects were approved under this program with 28 councils participating.

Competitive neutrality policy

The Commission is seeking information and views on:

LGA comments

2.2	<p>How, if at all, do the requirements of competitive neutrality policy affect councils' decision making on whether, and how, to provide services to their communities?</p> <p>This may include direct provision of services or contracting the services from private sector providers.</p>	<p>The LGA has prepared a Guide to National Competition Policy and Competitive Neutrality⁵¹.</p> <p>It is recommended that the Commission examine the application by the cities of Adelaide, Charles Sturt, Marion and Port Adelaide Enfield to the ACCC for authorization to collaboratively procure waste management services, which include waste collection services, waste processing services and waste ancillary services.</p>
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⁵¹ <https://www.lga.sa.gov.au/page.aspx?u=6555&c=16998>

Financial management

The Commission is seeking information and views on:		LGA comments
2.3	How have the financial management program reforms affected councils' ability and incentives to manage costs?	The LGA's submission in response to the Commission's Methodology Paper reported the improvement in the financial performance of councils and the Commission noted that, while some councils are recording deficits, the sector as a whole has moved from deficit to surplus.
	What changes to the type or quality of financial management information would assist councils to improve their decision making and contribute to better performance?	<p>The LGA would welcome a local government-led Local Government Efficiency Program, which would:</p> <ul style="list-style-type: none"> capture and report on local government performance measurement data in a consistent way enhance integration of Asset Management Plans, Long Term Financial Plans and Strategic Management Plans be based on a maturity model - that helps councils assess their current effectiveness and identifies the capabilities that are needed in order to improve their performance. <p>Delivery of this program will include comprehensive engagement with councils about the type of data that should be consistently reported on to be useful to informed decision making.</p>
	Is there a need for a stronger external auditing process to increase councils' compliance with their legislated responsibility to produce long-term asset and financial management plans and lift the quality of these plans? If so, what form should it take?	<p>The LGA notes that there is no independent or external body (including the SA Auditor-General) that has adversely commented on the standard of external audits conducted by SA councils.</p> <p>We also note that the Auditor-General does not support the suggestion, in the recent Office of Local Government Discussion Paper on Local Government Reform, that he be given oversight of the external audit function of SA councils.</p> <p>The LGA proposes to use a best practice approach to encourage councils to make the best use of their audit committees.</p> <p>Each council is required to establish an Audit Committee to, among other things, review the financial statements of the council, provide advice on council's Strategic Management Plan</p>

and Annual Business Plan and review the adequacy of council's internal controls and financial management systems.

Many councils have voluntarily expanded the role of their audit committee beyond what is legally required.

Each audit committee must have at least one independent member and it is widely acknowledged within the sector that having more than one independent member, including an independent Chair is best practice.

The way in which many councils have established their audit committees demonstrates that a heavy-handed legislative response is not always required to achieve positive change within local government.

The City of Adelaide (CoA) believes the existing internal control framework is appropriate for Councils to access compliance to the requirements within the Act and the Financial Management Regulations regarding long term plans for asset and financial management. CoA also reviews compliance in-line with the necessary legislation through its internal audit program.

Any further reforms regarding the long term financial and asset planning should focus on measures that support councils with the planning process and the financial insight gained from the process rather than compliance to simply produce the plans.

As previously noted, the LGA Board recently approved a new project, to be managed by the LGA Secretariat, to produce:

- a) a sector-wide asset management and financial planning 'Maturity Assessment Report'; and
- b) a Model Infrastructure and Asset Management Plan with model templates.

This shouldn't be about mandating an approach but rather about providing the appropriate tools and assistance to councils to build on the current maturity across the sector whilst still providing the flexibility to identify opportunities for future continuous improvement.

Workforce planning

The Commission is seeking information and views on:

LGA comments

2.4 Have councils experienced any issues with attracting and retaining workers or securing workers with specific skills?

Both metropolitan and regional councils have reported some difficulty in attracting and retaining workers with specific skills.

The Rural City of Murray Bridge advised that through its engagements with local small, medium and large businesses, commercial operators also are challenged with recruiting and retaining skilled workers. As a result their Council is partnering with the RDA, TAFESA, Universities and other local councils to foster initiatives to deal with the education element of this multi-faceted issue.

The City of Adelaide (CoA) advised that they have experienced attraction challenges for the following types of roles in the past twelve months:

- Innovation leadership roles
- Visitor Growth leadership roles
- Asset management at varying levels
- Procurement roles, especially leadership
- Sustainability roles at varying levels
- Organisational Development at varying levels
- IT specialist roles

CoA have found with specialist roles that the leadership skills and breadth of experience is often lacking and therefore a challenge to source. Some roles are newer to the sector i.e.: Sustainability roles and they are finding the need to extend their sourcing out to the eastern seaboard.

Local Government Skills Shortage Survey

Forty-five point five (45.5) per cent of councils who responded to the survey in South Australia are currently experiencing a skill shortage.

Councils were asked to list their top five skill shortage areas. The table below shows how skill shortages vary across the segments. Limited responses were provided by Urban Regional Councils.

Figure 7.1 – Top Skill Shortage Occupations⁵²

Segments	Top Skill Shortage Occupations		
	1	2	3
Rural	Accountants	Environmental Health Officers	Plant Operators
Urban & Urban Fringe	IT Analysts	Engineers	Building Surveyors
Urban Regional	Commercial Manager		

Some of the other challenges relate to costs associated with using consultants in the absence of being able to attract skilled employees to regions or upskill existing staff to fill technical gaps.

Councils were also asked to consider a list of key professional and technical/trade occupations and to indicate against each if they are experiencing a current shortage, and given this shortage, if they were forced to recruit less skilled applicants. Thirdly, councils were asked to indicate if this skill shortage occupation would be a critical issue in the future.

The top ten professional skill shortage occupations listed by councils are:

Figure 7.2 – Top Professional Skill Shortage Occupations⁵³

Rank	Professional Occupations	Percentage of Councils		
		Current Shortage	Forced to Recruit Less Skilled Applicants	Critical Future Issue
1	Accountants	31.3%	12.5%	37.5%
2	Building Surveyors	25.0%	25.0%	18.8%
3	Engineers	25.0%	18.8%	31.3%
4	Environmental Health Officers	25.0%	6.3%	31.3%

⁵² Local Government Skills Shortage Survey 2017, LGWDG

⁵³ Local Government Skills Shortage Survey 2017, LGWDG

5	Computing ICT Professionals	18.8%	12.5%	31.3%
6	Assets & Facilities Managers	18.8%	6.3%	6.3%
7	Economic Development Managers	18.8%	6.3%	18.8%
8	Urban and Town Planners	18.8%	0.0%	25.0%
9	Computing ICT Technicians	12.5%	12.5%	18.8%
10	Project Managers	12.5%	12.5%	18.8%

The top ten technical and trade occupations experiencing skills shortages are:

Figure 7.3 – Top Technical and Trade Skill Shortage Occupations⁵⁴

Rank	Technical & Trade Occupations	Percentage of Councils		
		Current Shortage	Forced to Recruit Less Skilled Applicants	Critical Future Issue
1	Accounts/Pay Roll Clerk	27.3%	9.1%	27.3%
2	Tradesperson - Construction	18.2%	18.2%	27.3%
3	Water Treatment Operator	18.2%	9.1%	27.3%
4	Supervisors/Team Leaders	9.1%	18.2%	18.2%
5	Customer Service Worker	9.1%	9.1%	18.2%
6	IT/ICT Technicians	9.1%	9.1%	18.2%
7	Tradespersons - Mechanic	9.1%	9.1%	9.1%
8	Tradespersons- Horticulture	9.1%	0.0%	9.1%
9	Youth Support Worker	9.1%	0.0%	9.1%
10	Labourer	9.1%	0.0%	9.1%

There are some other skill shortage areas emerging, including:

- UX (User Experience) Designer
- CRM Developer

⁵⁴ Local Government Skills Shortage Survey 2017, LGWDG

	<p>Councils in South Australia expected that shortages would increase beyond 2017 levels in the following key areas:</p> <ul style="list-style-type: none"> • Accountants • Computing ICT Professionals • Engineers • Environmental Health Officers • Customer Service Workers • IT/ICT Technicians • Supervisors/Team Leaders • Tradespersons – Construction • Waste Water Treatment Operators <p>The key drivers and reasons behind the current skill shortages in order of importance are:</p> <ul style="list-style-type: none"> • Inability to compete with the private sector on remuneration • Lack of suitably-qualified and experienced candidates • Location – regional and remote locations • Lack of opportunity for career progression particularly in small councils.
<p>Are these issues unique to individual councils?</p>	<p>These issues are not unique. Also of note is that some roles are in short supply more broadly than Local Government.</p> <p>Emerging Issues that will impact on Council’s Future Skilling Needs</p> <p>Councils were asked to provide details of any internal or external factors that will impact on their future skill needs – things like changes to legislation or major new infrastructure projects planned in their region.</p> <p>The table below gives an overview of the key factors listed by South Australian councils. Of the 16 councils who responded to this question 37.5 per cent list changes to legislation as having the greatest impact on their future skilling needs.</p>

Figure 7.4 – Emerging Issues that will impact on Council’s Future Skilling Needs⁵⁵

Internal/External Factors	Impact
New Legislation/Regulation	<ul style="list-style-type: none"> - New legislation for Development Approvals – impact on employee resources - Local Nuisance & Litter Control Bill – compliance resourcing, impacting on workloads and staffing levels - Dog and Cat Management legislation – staff forced to take on additional roles - New Financial requirements – impact on employee resources
Budgetary Constraints	<ul style="list-style-type: none"> - Pressure on staff numbers – need to multi-skill - Work not being done or done to a lesser standard - Staff unavailable for training and development due to workload
Technological Change and Digitisation	<ul style="list-style-type: none"> - Automation of work – need to upskill staff - Online WHS system – need to train staff to operate iPad and computer - No IT staff to provide support for upskilling to meet community demands
Significant Infrastructure Projects	<ul style="list-style-type: none"> - Increased levels of service provision and infrastructure will require increased demand for skilled workforce - Drain on resources – financial implications
Growth within local government area	<ul style="list-style-type: none"> - Changing community demographic - Increased demand for additional services - Increased demand for infrastructure planning, delivery and maintenance - Increased usage and damage to major roads – safety and budgetary impacts
Ageing Workforce	<ul style="list-style-type: none"> - Expect to see a future skill shortage due to council’s inability to compete with larger industries - Retirement of long-term employees – loss of knowledge
New Systems	<ul style="list-style-type: none"> - Records Management – time and resourcing constraints on workforce
Leadership and Change Management Skills	<ul style="list-style-type: none"> - Inability to lead teams into the future
Remoteness	<ul style="list-style-type: none"> - Ongoing issue to have suitably qualified personnel - Employing staff without all required skills/qualifications - Need to promote from within – mentoring and training investment required
Change of State Government	<ul style="list-style-type: none"> - Introduction of rate capping - Possible changes to grant funding arrangements

⁵⁵ Local Government Skills Shortage Survey 2017, LGWDG

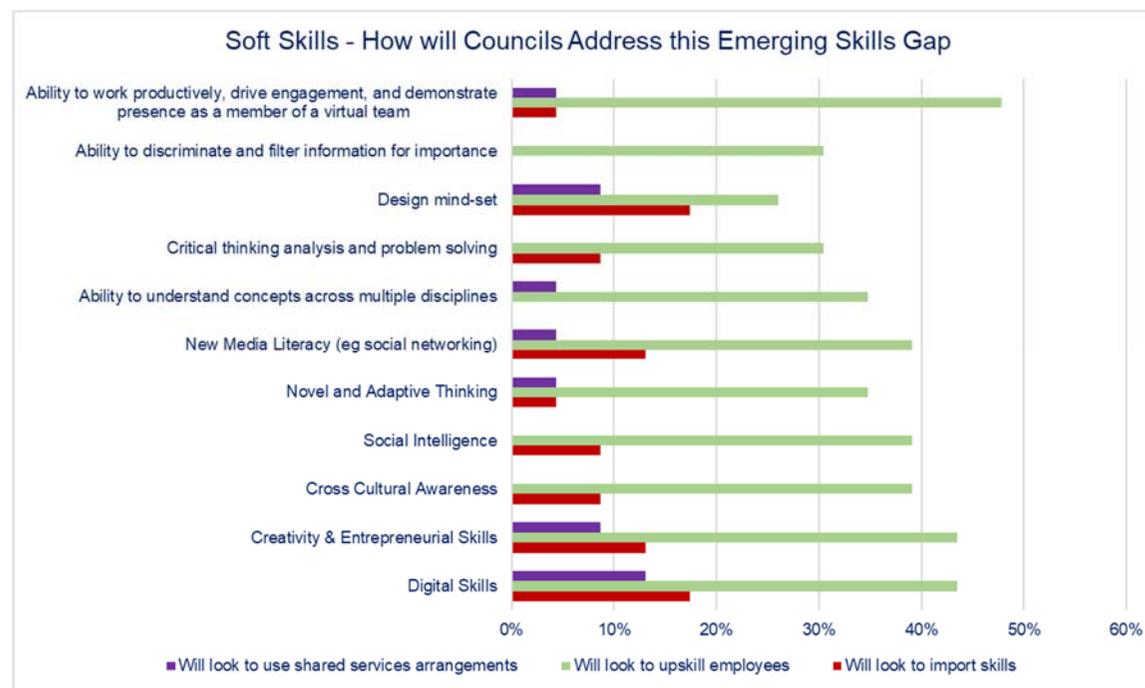
Is there value in a sector-wide or region-wide approach to workforce planning and the development of specific skills to support councils?

Consideration would need to be given to the benefits, pros and cons of a sector wide or region-wide approach to workforce planning and skills development along with the resourcing of this type of approach.

The LGA currently assists members via LGA Training which provides access to a broad range of training programs relevant to local government roles and skills.

The data below suggests that councils will predominately look to upskill employees to address emerging skills gaps and the greatest barrier to this is the availability of training. This supports the suggestion that there is value in a sector-wide or region-wide approach particularly around the development of specific skills to support councils.

Figure 7.5 – Soft Skills – How will councils address this emerging skills gap⁵⁶



⁵⁶ Local Government Skills Shortage Survey 2017, LGWDG

What might hinder staff gaining emerging skills?

Councils were asked to list the key factors that might hinder staff gaining these emerging soft skills needed in the future. The table below lists their responses.

Figure 7.6 – Factors hindering staff gaining soft skills⁵⁷



⁵⁷ Local Government Skills Shortage Survey 2017, LGWDG

Resource sharing

The Commission is seeking information and views on:

LGA comments

2.5 What is the potential for additional use of resource sharing to deliver efficiencies and other benefits to participating councils?

Over the past 5-10 years, the LGA has undertaken a considerable amount of research of resource sharing including analysis of various governance structures and business models. This information is made available to member councils through the LGA's research library.

Our member councils generally believe that there is opportunity to continue to explore resource sharing across the sector and to potentially achieve economies of scale. However, where councils generally have enough work for full time operative positions, then that is generally the preferred position.

Resource sharing generally lends itself to those administrative or soft service arrangements, particularly for smaller regional councils, for example a Planning Officer might be shared across multiple number of councils to fulfil a service need which might not necessarily be filled otherwise.

The sharing of equipment across councils also means no one council is responsible for the purchase of that equipment and costs can be shared across the organisations.

However, this would need to be considered on a case by case basis to determine the right level of return and ensure that the service standards across varying councils are maintained and not impacted negatively based on community expectation. Equity and value are important considerations for councils when assessing a resource sharing option.

In councils' experiences of resource sharing, what works and what does not? Why?

The sector supports resource sharing where it is appropriate and makes sense for the participating councils.

South Australia is a big state with a small population, distance can make resource sharing unviable and/or uneconomical.

There are certainly areas where a shared service delivery has generated benefit to one or the other councils. This has been seen in the management of data or technology to

	<p>support service delivery, and the delivery of corporate support services across councils. This needs to be assessed on a case by case basis and consistently measured to ensure ongoing viability of cost and service delivery.</p> <p>Member councils have advised that role descriptions and responsibilities often are mismatched between councils. This can create confusion with staff and the respective councils. The availability (or lack of) backfill resources also can hinder role sharing opportunities. Further, different corporate systems used by councils can be a limiting factor in managing data and resource sharing between councils.</p> <p>South Australian councils have had resource sharing success on many levels such as service delivery (sharing skills), equipment (co-purchasing plant and machinery) and enterprise creation (such as the development of Joint Planning Boards and Regional Assessment Panels).</p>
<p>Are there any impediments to the greater uptake of various forms of collaboration or resource sharing?</p>	<p>Our member councils indicate the following impediments:</p> <ul style="list-style-type: none"> • willingness of councils to participate in resource sharing. • the risk of not being able to maintain levels of service. • investment required and mutual benefit or return on investment between participating councils. <p>It should be noted that resource sharing can create an administrative overhead which needs to be offset by improved service levels, service flexibility and/or efficiencies from economies of scale.</p> <p>In terms of greater collaboration with other levels of Government, local government should be considered of separate but equal status, and should be provided with an early seat at table when there are proposed changes or works which will impact on councils.</p> <p>Councils devote significant time and resources towards the development of long-term strategic management plans (regarding finance and assets) for a period of at least ten years. These plans are consulted with communities and outline councils' long-term strategic priorities. Adjusting these priorities on short notice can be difficult and may require significant reworking of already agreed priorities and/or service standards. One SA</p>

What challenges, if any, do councils face in making use of the provisions contained in sections 42 and 43 and Schedule 2 of the Local Government Act 1999 to deliver effective and efficient services to their communities?

council recently declined a State Government request to co-fund a road upgrade in their area due, in part, to the late nature of the request.⁵⁸

There are gains or efficiencies of scale which could be realised if the potential impact on councils (and ratepayers) is given early consideration. For example, if councils were notified in advance of planned works or upgrades this would enable associated infrastructure works (road reseals, stormwater upgrades, and waste management routes) that may be required to cope with potential increased growth and/or service levels to be planned and accommodated appropriately within Infrastructure and Asset Management Plans or other strategic plans.

Councils are increasingly being required, through community expectations and changes in state legislation, to take on more responsibilities and deliver a broader range of services.

To support this expanding role and ensure long term financial sustainability, it has become necessary for councils to consider more commercial activity and innovative businesses practices.

Regional collaboration and partnerships provide a mechanism for state and local government to work together more closely in planning and service delivery.

The LGA Secretariat is currently exploring local, national and international business models used by the local government sector to manage commercial operations and explore any current legislative barriers or opportunities that would enable greater innovation and investment in commercial activities, in order to offset the cost of council services for the community. Based on the consultation undertaken to date, no significant legislative barriers have been identified.

The time it takes to gain approval for the establishment of a subsidiary has been previously raised.

One council has advised that from their perspective the Chief Executive Officer and others within the organisation have been heavily involved for several years now in developing sustainable private sector relationships for the provision of public and private infrastructure,

⁵⁸ <https://www.adelaidenow.com.au/messenger/north-northeast/tea-tree-gully-rejects-state-government-request-to-cofund-golden-grove-rd-upgrade/news-story/8efd319bd2f1250ad962101e0208b171>

basically to entice the use of private sector funding to produce items for the public good. These developments have of course needed to have a financial benefit for the private investors, and Council has recently had some success in obtaining positive taxation ruling to that effect.

Another council advised that the financial commitments to undertake ongoing measurement is an investment that requires demonstrable support and understanding as to its importance and subsequently its true ability to demonstrate return on investment. The challenge arises when mandated or core service investment requires increased funding and support to deliver on core requirements and expectations as well as working to ensure financial sustainability.

The variability of what's important to different councils means a structured approach in determining what is important to various communities is difficult to maintain and therefore measuring the delivery of effective and efficient service becomes a challenge to benchmarking activities.

Chapter 3 – Local government costs

Materials, contracts and other costs

The Commission is seeking information and views on:

	LGA comments
<p>3.1 What are the main drivers of materials, contracts and other costs for rural small and medium councils?</p>	<p>Drivers may include a lack of suppliers locally, remoteness of location and competition with the private sector.</p> <p>Some of our regional members advise that ‘local pricing’ is a driver, regional and rural councils are limited in the selection of providers or products and are sometimes forced to pay higher prices in order to deliver required projects, products and services.</p> <p>A prime example for some regional and rural councils is the supply of appropriate road making materials. A council may not have access to large amounts of quality road making materials which it can access by virtue of private agreement with land holders. Therefore quarried materials are purchased from private suppliers at a premium cost and are often transported over long leads to job sites adding additional costs to the capital replacement or renewal of infrastructure.</p> <p>Rubble Royalties – imposed as a road-building tax on the 23 smallest regional councils, although now abolished they were payable for four years 2015-2019. A survey of affected councils undertaken in 2015⁵⁹ indicated that the new impost as a percentage of the previous years (2013/14) rate revenue ranged from 0.07 per cent up to 5.47 per cent with an estimated average impact per ratepayer at affected councils of \$7.95.</p> <p>Extreme weather events may also result in consumption/deterioration of assets at a greater rate than expected:</p> <ul style="list-style-type: none"> the high river event of September to December 2016 resulted in the inundation (and temporary closure) of a number of local roads and other infrastructure such as footpaths in councils along the River Murray. Water inundation can result in the

⁵⁹ Survey – Effect of new Government rubble royalties tax on regional communities (ECM 628634)

<p>In what ways do current council procurement practices affect expenditure on materials, contracts and other costs?</p>	<p>erosion of the road base (pavement) under a sealed road or paved footpath and result in the asset needing additional maintenance and/or earlier renewal (resealing/resheeting/repaving).</p> <p>Procurement practices are becoming more sophisticated. Not only through the development of a council's own policy and procedures which have been refined and improved over the years, but also in regard to the ability of the sector to bulk purchase through a number of sector related procurement groups, locally, regionally, state wide and nationally.</p> <p>These opportunities provide councils with the means to reduce or contain costs, thereby providing savings to residents and ratepayers in the provision of services and development of infrastructure. Sometimes though local government because of its specific nature and/or requirements encounter limited supplier pools for service provision.</p> <p>The type of suppliers that participate in procurement processes can tend to be the ones that are willing to invest resources in responding to a Request for Quote / Tender (which is at a cost to tenderers with a risk of being unsuccessful).</p> <p>The clarity of the specification in the Request for Quote / Tender can also impact on the price offered by tenderers.</p> <p>Some councils make a policy decision to prioritise 'buying local' which may mean the pricing is less cost effective than if they were to purchase outside of the local area.</p> <p>Contractor management is also becoming increasingly important. The quality of the outcome and performance by the supplier under the contract can be dependent on the effectiveness of this contract management.</p> <p>Circular Procurement Pilot Project⁶⁰ In an Australian first, nine South Australian councils have recently signed a Memorandum of Understanding to prioritise buying products made from recycled materials.</p>
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⁶⁰ <http://www.lga.sa.gov.au/page.aspx?u=6868&c=86200>

This MOU is the beginning of a circular procurement pilot project, led by the LGA with the assistance of a \$96,500 Green Industries SA grant. The goal is to increase local demand for recycled materials, support the development of a circular economy in SA, and ultimately reduce waste and recycling costs for councils.

Through the MOU, these councils have committed to prioritising the purchase of recycled-content products through the procurement process, and tracking and reporting on recycled-content purchasing by weight.

Most also adopted a rolling target for the purchase of recycled plastic products, working towards eventually buying back recycled materials equivalent to half the weight of plastics collected in their council area.

Examples of products made of recycled materials that can be purchased by councils include road and construction materials, street furniture, bollards, office stationery and compost.

Population density

The Commission is seeking information and views on:

LGA comments

3.2	How does increasing population density and urban infill impact on council service costs?	<p>Growth areas may require councils to increase service levels and/or introduce additional services, may also speed up consumption of assets.</p> <p>The development of appropriate infrastructure, land management or social services agreements between councils and developers ought to take account of asset provision and consumption, and therefore the future council role or expectation around meeting those provided services. Appropriate information fed into continually evolving Infrastructure and Asset Management Plans ought to provide real time data for the evolution of the rates revenue and development of capital renewal budgets to ensure that council remains on track with service provision requirements.</p> <p>Similar to increasing population, increasing tourism can also impact on council costs with the requirement for councils to provide increased infrastructure such as parks, gardens, amenities and roads along with services such as rubbish collection, maintenance of increasing infrastructure and maintaining the amenity of these areas.</p> <p>New medium to high rise residential developments place increased pressure on existing infrastructure, and often require investment in new or significant upgraded infrastructure in the vicinity of new residential developments. In turn this increases the pressure on the infrastructure (capital works) program, especially when intervention is required before infrastructure assets have reached the end of their useful lives.</p> <p>From an operational perspective, there is an increase in infrastructure maintenance costs, especially where there is increased amenity with gardens that require maintaining and public spaces that require lighting and CCTV. These developments also require consideration of waste management, and investment in new waste management practices.</p>
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Sector wide service standards

The Commission is seeking information and views on:	LGA comments
<p>3.3 How do councils currently define and measure standards of service delivery?</p>	<p>Councils are at various stages of understanding service delivery and measurement of service standards.</p> <p>Some councils undertake formal service reviews and/or community surveys to ensure the services they provide are relevant to their communities and are financially sustainable in the long term. A number of known examples of these have been provided to the Commission as part of the LGA's previous submissions.</p>
<p>What measures could be developed on a sector wide basis to measure quality standards for either mandated or non-mandated services?</p>	<p>Appropriateness of service delivery regarding community expectation needs to be a driver in this example. Given the discretionary nature of non-mandated services which are principally driven by community need or expectation this is not necessarily solely an efficiency (cost) driven measure.</p> <p>A sector-wide approach would need to start small and build in terms of what might be appropriate for the South Australian sector as the maturity across the sector builds.</p> <p>The LGA proposes the development of a best practice guide to undertaking service reviews. Service reviews should consider service levels, unit costs, community demand, community satisfaction, alternative providers and links to financial sustainability. Standardising the approach to measuring and reporting these factors will assist councils and communities to understand the value of the financial and community value of the services delivered.</p> <p>A prescriptive approach to undertaking service reviews must be avoided to ensure that efficiency gains are not eroded by additional red tape and compliance costs.</p>

Cost shifting

The Commission is seeking information and views on:

LGA comments

3.4 To what extent do councils receive external funding or an ability to charge fees for delivery of mandatory services?

South Australian councils receive the lowest total revenue per capita of all mainland states, and this is in part attributed to the significant gap between the fees and charges that can be raised by interstate councils for undertaking regulatory functions such as planning and building assessments and food safety inspections.

The LGA continues to advocate, as part of our Local Government Reform agenda, for a comprehensive review of local government fees and charges regulated by the State Government to establish modern price setting principles which promote efficiency, flexibility and fairness in service delivery.

To what extent are councils able to fully recover costs for the mandatory services listed in appendix 4?

The LGA's submission in response to the Commission's Methodology Paper outlined:

Cost recovery – fees and charges

The LGA and the South Australian Financial Management Group (FMG) has raised concerns for some years regarding fees and charges that are fixed by State Government Statute. Many of these fees and charges have not been reviewed for many years and there has been concern that the lack of review is leaving councils with a burden of legislated work without being able to charge adequate fees and charges to cover costs.

Planning and Development

Councils are covering a large portion the cost of implementing the new e-planning system under the Planning, Development and Infrastructure Act 2016. The fees applicable to councils to support the cost of maintaining the SA Planning Portal are a significant impost for many councils. There are also costs and fees incurred by both professional staff and/or councils under the new accredited professional schemes. Further, there is a significant shortfall in the development and compliance income councils receive from undertaking these functions. Our member councils tell us that their total income is only 29 percent of total costs and that development assessment income only covers 31 percent of their assessment costs.

How are service scope and standards determined for mandatory services?

Many mandatory services have scope and service levels defined in legislation. This needs to be taken into consideration when determining appropriate standards and the legislative boundaries in which councils operate when considering appropriate levels of service.

Where services are not driven by a legislative requirement, councils strive to understand community service level expectations and balance this with technical standards to ensure they can operate in a financially sustainable manner.

SA councils are required to:

- develop an Annual Business Plan and Budget which outlines amongst other things:
 - (i) the council's objectives for the financial year; and
 - (ii) the activities that the council intends to undertake to achieve those objectives; and
 - (iii) the measures (financial and non-financial) that the council intends to use to assess the performance of the council against its objectives over the financial year.

Council's individual process may also include the review of workforce planning requirements, the development of individual business cases for operations, initiatives and capital project items which are then considered both at management and council levels, the development or review of the four-year budget predictions and how they fit with the long-term financial planning of the council.

Councils are asked to provide further information on instances of cost shifting and quantify how they have impacted on councils' costs.

The LGA's previous submissions to the Commission included information on broad cost shifting areas such as Solid Waste Levy and Community Housing mandatory rebates.

Where a State Government role or function is to be undertaken by Local Government on the State's behalf (mandated or by agreement) then those roles and functions must come with an appropriate level of funding and/or fees structures which actually recover the cost of service arrangements.

Libraries

Many public libraries have been affected by cost shifting as a result of the availability of internet access and the 'free of charge' support of library staff. The increasing transition

to online-only access of a growing range of government and non-government services continues to exacerbate the impost on staff within libraries.

Council libraries are asked to perform lots of tasks which relate to responsibilities of the State Government (e.g. adult literacy, preschool learning, etc) and Federal Government through the provision of internet access and helping people with navigating My Gov, Centrelink, ATO and the State Government's Dogs and Cats Online (DACO) system along with Passport assistance, mobile phone technologies and much more.

The LGA are currently investigating this more thoroughly to collect quantifiable data.

As another example, Australian public libraries are being encouraged to support the My Health Record (MHR) initiative – a program run in partnership with the Australian Bureau of Statistics and the Australian Public Library Alliance (with the support of the Australian Library Information Association) in the run up to the 2021 Census. Past experience suggests that councils are highly likely to receive requests for support about MHR matters⁶¹.

It is acknowledged that support for professional development and training is sometimes provided to council staff to support these programs however the shift in public perception that libraries are now the 'contact point' for these services and queries and the ongoing provision (including costs in time) is of growing concern.

As technologies and lifestyles change, the public library is becoming a much more in-demand service for a much wider range of skills

Allergen Inspection and Investigation

Historically, SA Health has taken the lead on allergen investigations, as most incidents related to undeclared allergens in packaged foods. SA Health has recently (August 2019) written to SA councils regarding 'the increasing need to monitor and enforce allergen controls in food businesses, and the role of local government when conducting food safety inspection of businesses in their areas'. SA Health advised that they will be providing allergen training to 'support local government'. The letter noted that 'other

⁶¹ <https://www.alia.org.au/news/17376/my-health-record-opt-out-information-libraries>

jurisdictions that have incorporated allergen review as part of food business inspections indicate resource requirements for local government have not been extensively impacted.' There was no consultation undertaken prior to the apparent transfer of this activity and the resourcing impact on SA councils is therefore unknown. This is an example of where the Commission's recommendation to the State Government to adopt a strong review process for any measures affecting local government would be welcomed.

Supported Residential Facilities (SRFs)

Local government Environmental Health Officers (EHOs) are currently the authorised officers under the *Supported Residential Facilities Act 1992* (SRF Act) and Regulations. Nationally, SRFs are primarily regulated by State Governments through health, residential or community services legislation. In South Australia, SRFs are regulated through local government.

Cost recovery issues - The fees that may be charged by councils to assist in cost recovery remained stagnant for many years. The LGA was successful in starting the indexation of these fees in 2016-17 and continues to lobby to get these fees adjusted to reflect cost recovery due to the previous lack of indexation.

Non-compliances - If an SRF licence is cancelled by council due to non-compliances, the licensing authority must impose an administrator to manage the facility and to provide care for the residents. The fees for such an appointment must be paid by the proprietor of the facility. In doing so, the administrator must report to council, meaning that the council becomes responsible for the care of the residents. If the Proprietor cannot pay, then it is incumbent on the council to recover the cost. The appointment of an administrator has previously occurred in South Australia and the cost of appointing an Administrator can be in excess of \$100,000. An indemnity fund is established under s.56 of the Act to assist councils, although only a prescribed percentage (currently 10 per cent) of all license fees, expiation fees and any fines recovered are paid to the fund; which is very minimal. The 2019/2020 State Budget Paper 4, Volume 3 Agency Statement, noted that the Supported Residential Facilities Fund generated \$4000 from

receipts and \$1000 from interest received.⁶² In the past the relevant Minister has topped up the fund to cover the cost of an Administrator, should this cease to occur in the future, councils would be placed at significant risk should they be required to fund the entirety of the costs.

Reduced support for councils - Since the commencement of the SRF Act, the supports provided to councils to administer the legislation has significantly reduced. There was previously a dedicated SRF team within the Department for Human Services that provided support to councils and SRFs. This has all but disappeared.

The provision of housing and accommodation for vulnerable groups is in the realm of the State Government. The overwhelming sentiment from members councils is that they do not believe that local government should be involved in the licensing and registration of SRFs, in line with other states.

⁶² https://statebudget.sa.gov.au/budget-docs/2019-20_agency_statements_volume_3.pdf pg 100

Compliance costs

The Commission is seeking information and views on:	LGA comments
<p>3.5 Councils are asked to provide further examples of compliance costs and quantify how they have impacted on councils' costs.</p>	<p>The LGA's previous submissions to the Commission included broad information on Local Government Elections, Nuisance and Litter Control Act and implications of changes to the heritage system.</p> <p>In general, when legislation does not provide clarity, councils are required to obtain external legal advice to provide further clarity regarding compliance.</p> <p>Other examples include:</p> <p>Vehicle search fees - Thirty (30) per cent increase in vehicle search fees from \$7 to \$10 per search as part of the 2019-20 SA Government Budget. The City of Adelaide (CoA) advised that while the net increase expenditure increase (relative to the total budget) is below one per cent, it does contribute to the increasing cost pressures experienced by the CoA.</p> <p>Dog and Cat Management Act - Pursuant to changes commencing in 2017, Veterinary surgeons, dog and cat breeders, cat owners and animal shelters all have new obligations to report information on the State government's DACO database. Council staff are required to support these new classes of users, with provision of information and data entry.</p> <p>Please also refer to information provided on page 32 under <i>Changes in the volume, scope and quality of services.</i></p>

Cost pressures

The Commission is seeking information and views on:

LGA comments

3.6 What are the most significant cost pressures (and their impact on costs) which councils expect to face over the next 5 years?

Reforming Local Government Proposals

On 5 August 2019, the State Government released a discussion paper on Local Government Reform, with 72 proposals for change.

Consideration should be given to the cost to implement any proposed changes and that this doesn't become an additional cost driver that works against local government's efforts to put downward pressure on council rates.

Local issues

There will always be issues that potentially create cost pressures in individual councils or regional areas including the identification of new risks and/or changes to risk appetite, with consequent resources required to mitigate risk.

For example, the plan to release a carp virus as part of a national carp control plan would impact a number of councils along the River Murray. The Murraylands and Riverland LGA advise that they are not opposed to the release of the virus, however local government's concern has been and will continue to be on the matter of clean up and that this effort is properly resourced. Currently it remains unclear who would be responsible for the clean up, local government has no understanding that the task would fall on them without significant help from the other governments.

For coastal councils the issue of rising sea levels will create potential future cost pressures. These councils will need to consider retreat strategies, moving assets and caravan parks away from the coast and councils are expecting to lose portions of their coasts due to sand movement and coast erosion. Local government are also brainstorming ways to mitigate the potential impacts on local tourism.

Legislative change

For example, the Automated External Defibrillators (Public Access) Bill⁶³ is currently before the Legislative Council of the South Australian Parliament.

The Bill proposes to require the installation and registration of Automated External Defibrillators (AEDs) in certain buildings and facilities open to the public including swimming pools, libraries, local government offices, town halls, prescribed sporting facilities, venues where artistic or cultural performances are provided, as well as other buildings or facilities that may be prescribed by regulations.

There would be costs for councils associated with the purchase of AEDs, signage and the ongoing maintenance costs.

There was no consultation with the LGA or local government about this Bill.

Workforce trends

In the future councils are predicting the following workforce trends:

- A small decrease in the use of Full-Time Employees
- A significant increase in the use of Part-Time Employees
- A significant increase in the use of Casual Employees
- A small increase in the use of Volunteers
- A small increase in the use of Independent Contractors
- No change in the use Labour Hire arrangements or Service Centres.

The ageing profile of local government employees is expected to present a risk to the sector as the cost of managing injury claims is generally higher in older age groups.

Other factors may also include:

- industrial relations – staff turnover/competition in labour market
- properly accounting for and maintaining important infrastructure
- ageing assets and infrastructure
- technology advancements

⁶³ <http://www.lga.sa.gov.au/page.aspx?u=6736&t=uList&ulistId=0&c=86429>

- | | |
|--|---|
| | <ul style="list-style-type: none">• grant timing and reliability• increase in supplier costs• climate change/increased number of force majeure events (bushfires, floods)• shift in demographics (causing significant increase/decrease in demand for services/assets)• skills shortage in region• change in economic contributor to region (major redundancy, industry/market failure in region)• cost shifting/sharing• change to regulations and/or legislation (including requirements to consult on decisions and report information to State Government departments)• limits on other revenue sources including user pays fees• ratepayer expectations• red tape. |
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Chapter 4 – Local government efficiency and productivity

Performance reporting

The Commission is seeking information and views on:

LGA comments

4.1 How can these lessons from state-wide performance reporting frameworks in other jurisdictions be applied to South Australia?

The Victorian Government has produced a council benchmarking website⁶⁴ that provides extensive information on a wide range of matters. Information from each council in each category is compared with (i) the Victorian average and (ii) “similar councils”.

The New South Wales Government has recently launched a similar council comparison website⁶⁵, which presents data on individual councils and allows for comparisons of ‘groupings’ of councils. The information presented on each council is quite high level and an individual report on each council can be downloaded providing a demographic and economic profile of the council area and a summary of the council’s financial performance against indicators similar to those captured in the LGA’s annual Financial Indicators report.

The West Australian Department of Local Government benchmarking website⁶⁶ has less information (income, expenditure, rates, financial health). Expenditure is broken down to general areas (e.g. transport, housing, governance, community amenities, etc.), rather than the specific programs that the Victorian website reports on and compares.

Consideration should be given to the cost to implement any proposed model and that this doesn’t become an additional cost driver that works against local government’s efforts to put downward pressure on council rates.

Consideration should also be given to ensuring the qualitative (and not just quantitative) nature of the reported data. Numbers alone only tell a part of the story and can be misinterpreted if they are not contextualised.

⁶⁴ <https://knowyourcouncil.vic.gov.au/>

⁶⁵ <https://yourcouncil.nsw.gov.au/your-council/>

⁶⁶ <https://mycouncil.wa.gov.au/Council/CompareAllCouncil>

	<p>Rather, councils should be carefully consulted on what information would enable them to make more informed decisions, that would increase council efficiency. The LGA is proposing to undertake extensive consultation with councils on this subject in 2019/20.</p> <p>Councils should be provided with assistance to implement reporting systems, and care should be taken to limit duplication with any existing data collections (so councils don't have to replicate data with slightly different requirements, time periods and formats).</p> <p>In other words, future improved performance reporting frameworks must be easily attached to existing reporting frameworks or replace those frameworks without duplicating effort.</p> <p>In addition, consideration needs to be given to how return on investment can be measured against the cost to implement and deliver the requirements within the performance reporting frameworks.</p> <p>There is a risk that good performance in one council may look different for another and this narrative needs to be able to be explored.</p> <p>There are dangers in requiring councils to report on everything, as the 'Know Your Council' system in Victoria appears to have done. The LGA understand that significant resources are incurred collecting large amounts of information on almost every council service. The potential benefits derived from this data are outweighed by the costs.</p>
<p>Which indicators used in other jurisdictions would be appropriate for South Australian councils?</p>	<p>Achieving consistent data reporting across 68 councils will be a resource intensive exercise and consideration will need to be given to prioritising the items that are reported, to ensure that they deliver strategic, operational and policy benefit.</p> <p>The framework would need to be strong to ensure consistency in measurement and robust auditability and allow community value to be a driver within the indicators used.</p>

Partial productivity estimates

The Commission is seeking information and views on:

LGA comments

4.2	What do these partial productivity estimates tell us about local government efficiency?	<p>Technical efficiency is an important element in defining efficiency but this should also be underpinned by the principles of meeting community needs or desires (which may include a request for increased service levels), achievement against strategic management plans, achieving increased/enhanced community/social outcomes and sound asset management practices (where higher quality costs may be deemed to be relatively less technically efficient but are optimising asset lifecycle costs or performance).</p> <p>A true estimation of local government efficiency should consider additional indicators at an individual council level such as the existing Financial Indicators, community satisfaction survey results and an assessment of achievements against Annual Business Plans.</p> <p>As part of scoping a sector-wide performance measurement and reporting framework, the LGA will further consider those councils which are showing higher relative productivity estimates with a view to understanding whether this is a result of good management practices and identifying further opportunities for shared learning.</p>
	What other partial productivity estimates can be used with currently available data?	<p>Achieving consistent data reporting across 68 councils will be a resource intensive exercise and consideration will need to be given to the items that are reported to ensure that they deliver some strategic, operational and policy benefit.</p> <p>A number of councils participate in the Performance Excellence benchmarking exercise undertaken by PWC.</p>

What additional data would councils be able to report on for minimal additional cost which would improve our understanding of council efficiency?

Feedback from member councils suggest a review the existing information provided through the Annual Report format, the Annual Financial Statement, the Grants Commission Information and Roads Statements on an annual basis at the outset and determine the relevancy of that data. Other relevant data is provided directly to DPTI through monthly planning development returns and the like.

Also important will be the capacity to analyse and interpret the data collected. This analysis will then need to be communicated to council decision-makers in a manner that encourages maximum engagement.

Is there any other evidence of an expansion in the scope of council services, or improvement in quality over this time period?

Social expectations drive a majority of non-mandated services. As we move towards a climate conscious society the need to respond to community concerns grows and so does the need to deliver a more diverse set of services.

Please also refer to information provided on page 32 under ***Changes in the volume, scope and quality of services.***

Is the current reporting to the SALGGC an appropriate process for any additional reporting by councils? Is there value in making any changes to this reporting?

Enhancing the collection and presentation of data provided by councils to the Local Government Grants Commission would provide a good starting point for centralised and consistent reporting of information about councils.

An assessment of service categories would ensure that services are aligned with what councils are expected to deliver today and can be articulated this to a greater level of accuracy service cost is assessed.

The timing of the collection and presentation of this data may need to be reviewed as there is currently a time lag (i.e. the most current database reports are for the 2017/18 financial year).

The Local Government Grants Commission and the Office of Local Government have limited resources and therefore the resourcing needs that any additional reporting would create would need to be considered.

The LGA, would be well placed to lead this work and this could be accelerated with an appropriate contribution from the State Government,

Service-specific efficiency

The Commission is seeking information and views on:

LGA comments

4.3 Acknowledging the gaps in data currently available, how can data quality be improved in order to measure service-specific efficiency across councils?

The LGA recognises the need for a sector-led performance management system, with a primary aim of providing reliable data with which councils can make informed decision.

Much of the data is already collected by councils and stored on their corporate IT systems. Optimally, a central system would automatically extract the required data from the 68 councils, collate, analyse and present it in a meaningful manner. In doing so, such a system could increase council efficiency and reduce the considerable time currently devoted to collection, analysis and reporting of data.

A performance measurement system with subsequent analysis of information would lead to a more efficient local government sector and, hence, a more productive state. As such there is a case for state government financial support for the scoping and establishment of such a system.

It has been noted that the majority of metro councils in South Australia operate a business improvement function that have a focus on service reviews in various forms. These functions have the capacity to identify opportunities to improve service-based information that enables the development of the right data and available metrics to make decisions and monitor and manage performance at a service level. The investment required to invest in technology across the sector to make this information easily accessible and available across all services requires a more considered approach and investment in building this requirement to prioritise system upgrades into each council's enterprise architecture and long-term financial plans.

The opportunity to undertake this at a sector level may require support from larger councils to co-manage data through a warehousing opportunity for small councils to manage the investment requirement and level of return.

LGA members have acknowledged that community response to service delivery is critical to form confidence in community investment and determine accurate service levels that meet community demands and that any legislative framework can guide best practice, but the approach needs to be flexible to allow the sector to respond to the requirements of their elected member body.

Efficiency changes through time

The Commission is seeking information and views on:

LGA comments

4.4	How can the change in volume, scope or quality of services be quantified or otherwise incorporated into an evaluation of local government efficiency?	<p>To build trust, communities require certainty that councils are delivering the right services using the most efficient mix of resources. A best practice program of services reviews with strong community engagement will assist in building community confidence and demonstrating efficiencies.</p> <p>Many councils already undertake regular reviews of key services to ensure they are meeting community needs, being delivered in an efficient manner and not impacting on the long-term financial sustainability of the council. Sometimes difficult and unpopular decisions need to be made about reducing or consolidating services for the sake of greater efficiency and sustainability. It is important that these decisions about the range and level of local services provided remain in the hands of councils and their communities.</p> <p>The LGA proposes to develop a best practice guide to undertaking service reviews. Service reviews should consider service levels, unit costs, community demand, community satisfaction, alternative providers and links to financial sustainability. A sector-led consistent approach to measuring and reporting these factors will assist councils and communities to understand the value of the financial and community value of the services delivered.</p> <p>This shouldn't be about mandating an approach but rather building the baseline to assess change and developing the maturity across the sector to consistently measure performance against community and elected council member expectation.</p>
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Factors that influence estimated council efficiency

The Commission is seeking information and views on:	LGA comments
<p>4.5 What other factors can explain the estimated efficiency differences between councils or over time?</p>	<p>Some of these noted in the consultation process, including submissions are outlined below⁶⁷:</p> <ul style="list-style-type: none"> • multiple towns/service delivery centres • large land mass/small population • climatic factors • soil types • topographic differences • coastal versus inland setting • tourism • quality of services • distance to the supply chain • distance within a council boundary (between sites / work zones etc) • connectivity (telecommunications and internet) disparity • access to required skill sets.
<p>What factors can explain the estimated productivity differences between councils over time?</p>	<p>Multi representative sites provide for interesting dynamics on a daily basis in terms of council's operations. For example, delivery of mail and correspondence between the various council sites, transporting hard copy documents across the district, telecommunications, ICT systems and communications, meeting attendances, staff travel, etc.</p>

⁶⁷ South Australian Productivity Commission Draft Report – Inquiry into Local Government Costs and Efficiency (page 124)

What other possible data sources can improve this analysis?

Much of the data is already collected by councils and stored on their corporate IT systems.

Enhancing the collection and presentation of data provided by councils to the Local Government Grants Commission would provide a good starting point for centralised and consistent reporting of information about councils.

City of Adelaide (CoA) undertakes a “Business Insights” survey which may provide a basis for sector-wide analysis on economic growth and development opportunities.

What further information could be considered to analyse and interpret estimated partial and global efficiency scores?

Achieving consistent data reporting across 68 councils will be a resource intensive exercise and consideration will need to be given to the items that are reported to ensure that they deliver some strategic, operational and policy benefit.

Chapter 5 – Costs and efficiency improvements

Employee costs

The Commission is seeking information and views on:	LGA comments
5.1 Are there any benefits from streamlining the current industrial relations arrangements by moving to sector-wide enterprise bargaining?	<p>The LGA has started looking at opportunities to streamline processes within local government through an industry-wide industrial relations framework which enables a culture of meaningful, open and respectful engagement between employees, management and unions.</p> <p>Our work to date demonstrates there is an opportunity to align the sector workforce through a modernised industrial relations framework. An aligned workforce will provide individual councils with continued success and simultaneously deliver wellbeing to employees through shared values and commitments; support individual council's strategic and business plans; secure a multi-skilled and engaged workforce; foster flexibility and continuous improvement in the local government sector; enhance productivity and significantly reduce duplicated costs and effort.</p> <p>The LGA is well placed to continue this discussion with councils and be a part of the solution through the provision of support and services to member councils.</p>

Quality and quantity of data

The Commission is seeking information and views on:

LGA comments

5.2 How can councils be assisted to work collectively to improve the quantity and quality of the available data on inputs, outputs and outcomes for services?

The LGA would welcome a local government-led Local Government Efficiency Program, which would:

- capture and report on local government performance measurement data in a consistent way
- enhance integration of Asset Management Plans, Long Term Financial Plans and Strategic Management Plans
- be based on a maturity model - that helps councils assess their current effectiveness and identifies the capabilities that are needed in order to improve their performance.

Not all measures will be comparable across all councils and financial information will tell only one side of the story. It is important that there be a suite of meaningful performance measures that build a more complete picture of the financial and governance health of the sector and the public value of the services and programs delivered by councils.

Enhancing the collection and presentation of data provided by councils to the Local Government Grants Commission (LGGC) would provide a good starting point for centralised and consistent reporting of information about councils.

As previously discussed, there are issues relating to time lags and appropriate resourcing levels. The LGA would be well placed to undertake this work, and this could be accelerated with an appropriate contribution from the State Government.

Strengthening councils' accountability and transparency

The Commission is seeking information and views on:	LGA comments
<p>5.3 How can the South Australian Government strengthen the accountability and transparency of councils?</p> <p>Possible instruments include:</p> <ul style="list-style-type: none"> • funding; • legislation and monitoring of implementation through audits of the processes of local government decision making; and • an agreement with councils and regular dialogue to reinforce the expectation that councils will conduct audits of the processes of local government decision making. 	<p>A one-off investment contribution from the State Government, to assist with the scoping and establishment of a performance measurement system, would deliver the sector and communities larger (and on-going) savings.</p> <p>Councils are already highly transparent and accountable. Care needs to be taken that the 'benefits' of each new regulatory requirement is not outweighed by the compliance costs of (i) the particular measure proposed and (ii) the cumulative impact of governance compliance requirements.</p> <p>The <i>Local Government Act 1999</i> requires a council to have an audit committee to review the financial statements of the council, provide advice on council's Strategic Management Plan and Annual Business Plan and review the adequacy of council's internal controls and financial management systems. Audit committees have become embedded as an important part of local government's financial and governance performance measurement framework.</p> <p>Many councils have voluntarily expanded the role of their audit committee beyond what is legally required. Each audit committee must have at least one independent member and it is widely acknowledged within the sector that having more than one independent member, including an independent Chair is best practice.</p> <p>The role of audit committees can be strengthened by use of a best practice model that includes:</p> <ul style="list-style-type: none"> • requiring a majority of independent members, while recognising the importance of maintaining elected member participation; • diversifying the skill sets and knowledge of audit committee members; • appointing an independent chair' and

	<ul style="list-style-type: none"> expanding responsibilities to include greater oversight of strategic management plans, rating practices, performance monitoring, quality of financial management, and the council's use of public resources. <p>Contemplation of legislative change should include review of the availability and costs of attracting qualified and skilled members to council audit committees, particularly in country areas, and to propose solutions that assist all councils to achieve best practice standards.</p> <p>This might include the option of a 'shared service' approach to establishing audit committees in regional areas, or providing exclusions from some requirements for regional or remote councils. The way in which many councils have established their audit committees demonstrates that a heavy-handed legislative response is not always required to achieve positive change within local government.</p> <p>The legislative framework should enable a best practice approach without unnecessary heavy prescription, and provide appropriate exemptions to assist regional councils.</p>
<p>Should councils be required to undertake an independent external audit of their expenditure and efficiency in the event of that they record relatively high operating expenditure growth in a given period?</p>	<p>Measures including Audit Committees (with majority of Independent Members), internal reviews and financial statement review processes are already in place. Council audits are already undertaken by independent entities who must be appropriately qualified.</p> <p>Over the past decade, the SA LG Financial Managers Group and the Local Government External Auditors Group have made significant improvements in council accounting and auditing practices, including the adoption of sector-wide standards and interpretation of Australian Accounting Standards.</p> <p>No external review, including by the SA Auditor General, has found deficiencies in the external audit functions of South Australian councils.</p> <p>A heavy-handed legislative response is not always required to achieve positive change within local government, the LGA proposes to use a best practice approach to encourage councils to make the best use of their audit committees.</p>

Consideration should be given to the cost to implement any proposed model and that this doesn't become an additional cost driver that works against local government's efforts to put downward pressure on council rates.

There are also existing Prudential Review provisions within section 48 of the *Local Government Act 1999*:

Without limiting subsection (aa1), a council must obtain and consider a report that addresses the prudential issues set out in subsection (2) before the council—

(b) engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body)—

(i) where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or

(ii) where the expected capital cost of the project over the ensuing five years is likely to exceed \$4 000 000 (indexed); or

(iii) where the council considers that it is necessary or appropriate.

Would growth in operating expenditure over any three-year period (normalised for population growth) which exceeds the rise in the Local Government Price Index for that period be an appropriate trigger for such an audit?

Operating expenditure is influenced by many factors, this may be a natural extension of or form part of the annual business plan and budgetary cycle.

A more important aim is for each council to have a robust Long-term Financial Plan, which should focus councils on longer term planning and reduce the pressures imposed by the electoral cycle. The local government sector wishes to avoid pointless reporting and 'doubling-up'. The sector hopes to have discussions with the state government about cutting some of the ever-increasing red tape, so we balance the need for transparency and accountability, on the one hand, with council priorities of efficiently providing services to our communities.

Current legislation requires councils to publicly report broadly on where their revenue comes from. Councils are not currently required to adopt a revenue policy describing what mix, of this suite of revenue options, it proposes to adopt for each of its services and why it has made such choices. A revenue policy would create a single point of reference to enable the community to understand how a council proposes to pay for the services it chooses to deliver over a period of time, taking into account rates, grants, fees and charges and commercial activities.

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Local Government Association
of South Australia

2019

Council Best Practice

s h o w c a s e

+ LGA Ordinary General Meeting

Thursday 11 & Friday 12 April




keynote speaker
Craig Reucassel

Draft
Program

Adelaide Entertainment Centre, Hindmarsh

showcase

+ LGA Ordinary General Meeting

Thursday
11 April

Day one

- 8.30am **Registrations open**
- 8.45am **Welcome to Country**
- 9.00am **LGA President's Welcome**
Mayor Sam Telfer
- 9.15am **Keynote address**
Craig Reucassel
 *Craig is an Australian writer and comedian who is best known for his work with the ABC on The Chaser and The War on Waste series which saw him challenge Australians about their waste and recycling habits.*
- 9.55am **Gold sponsor**
- 10.00am **Morning tea**



Traditional showcase stream

- 10.30am **Investing in Leadership**
Tea Tree Gully, Limestone Coast & Onkaparinga
Discover how these three councils have found innovative ways to develop the capacity of residents. Focusing on building a range of skills, from public speaking to peer mentoring, entrepreneurship to financial management, their programs focus on emerging and existing leaders, as well as young people who are just starting out. Recognising the wide community benefits, these three councils are committed to developing exciting programs attracting enthusiastic participants with tangible results for the community.
- 11.30am **Inclusive Communities**
Adelaide, Marion, Onkaparinga & Legatus
This session provides an opportunity to hear from councils that are leading the way in creating and sustaining inclusive communities. The Cities of Adelaide and Salisbury have developed comprehensive Disability Inclusion Action Plans, and are now looking towards sharing their experiences and learnings with councils across the State. The City of Marion has worked with the State Government to design and build the first fully inclusive play ground in South Australia, which can be used by children of all abilities. Councils in the Yorke and Mid North and greater Adelaide regions have collaborated through the Legatus Group and the Community Managers Network to understand the impacts of the NDIS on their communities, and how they can continue to support their communities during this major shift in the way that disability services are provided.

Waste and recycling stream

- 10.30am **National context**
David O'Loughlin, ALGA President
Prospect Mayor and ALGA President David O'Loughlin will give an overview of action being taken at the Federal level to address the recent issues in waste and recycling including development of the "2018 National Waste Policy: Less Waste, More Resources" and national action plan.
- 10.45am **State context**
Vaughan Levitzke, GISA & Tony Circelli, EPA
This session will explore the State Government's response to problems in the waste and recycling industry, including the 2018 State Government Recycling Industry Support Package, and the recently announced reviews of single-use plastics and the Container Deposit Scheme.
- 11.05am **Driving growth through resource recovery**
NAWMA
This session will explore the drivers for establishing strong local markets for recyclable materials in South Australia and how local government bodies are uniquely placed to lead this response.
Driving growth through the green bin – How is recovered organic waste being reprocessed into valuable product?
Marina Wagner, FRWMA & Peter Wadewitz, Peats Soils
Marina will explore the importance of local government's role in recovering food and organic waste, and the range of benefits this brings for sustainability of waste management services. Peter will explain how his company, Peats Soils, is using recovered food and organic waste to create value for many South Australian industries, and how local government can help achieve further growth and better sustainability outcomes in this space into the future.
- 12.05pm **Panel discussion "How do you achieve change?"**
Craig Reucassel, Mayor David O'Loughlin & third panelist tbc

12.35pm **Lunch**

1.25pm **A boy, a pelican, lots of bikes, big ships and the internet**
Alexandrina & Port Lincoln
Hear how the movie Storm Boy, hosting a stage of the Santos Tour Down Under, cruise ships and a passenger welcoming program, and a re-imagined online tourism presence have been used to leverage the visitor economy to maximum effect.

2.10pm **Coastal management and BUF**
Limestone Coast, Spencer Gulf & Adelaide
The first part of this session outlines the SA Coastal Alliance Project, which is a strategic collaboration between South Australia's 34 coastal councils. The presentation will elaborate on the project, and how you can get involved in your council to manage coastal protection issues. Moving away from the coast, the second part of this session provides information on Building Upgrade Finance. Building Upgrade Finance can be used to improve the environmental and economic performance of commercial and heritage buildings, with potential policy and economic development opportunities for councils.

1.25pm **Educating others in the waste space**
Charles Sturt & East Waste Management Authority
This session will explore innovative methods of reaching the community, and enabling others to be champions for change both in their own homes and within their spheres of influence.

2.10pm **Stepping towards the solution**
Marion & Adelaide
Hear from two councils that have had enough of being part of the waste problem, and have taken steps toward being part of the solution. Marion has banned single use plastics at council events, and Adelaide's sustainability guidelines have been a game-changer for locally - held events.

2.55pm **Afternoon tea**

3.15pm **Citizen connectivity using data analytics and a Town Hall**
Gawler & Playford
Two fantastic examples of how to increase community wellbeing. One is an iconic, bricks and mortar community hub transformed to connect people and businesses and the other is driving internal change and innovation via data analytics to be more efficient and effective, and improve service delivery.

4.00pm **Sustainable communities – looking out, looking in**
Limestone Coast, Burnside & Playford
Three thought provoking projects aimed at developing sustainable communities, either by looking out at the regional economy, or looking in at how councils can better manage assets, or better assist ratepayers to manage their council rates in a sustainable manner.

3.15pm **Closing the loop**
Mt Gambier & Charles Sturt
Hear from two councils that are taking a holistic approach to managing waste, focusing not just on collection and processing but also getting serious about the need to "reduce, re-use, recycle".

4.00pm **Regional challenges in waste**
AHRWMA & FRWMA
Hear from two different regional subsidiaries about the unique challenges and opportunities they have encountered in waste, and some recent success stories.

5.00pm **Close**

6.30pm **Networking Dinner**
Includes: Presentation of Service Certificates and Joy Baluch Award

Day two

8.30am **Registrations open**

9.00am **LGA President's Welcome**
Mayor Sam Telfer

9.10am **Keynote address**
The Mayor, The Hon. Philip Ruddock, Hornsby Shire Council
Just months out from the Federal Election, Mayor Ruddock will share his observations as a former Member of the Commonwealth Parliament, and Mayor of Hornsby Shire Council. Philip will provide a unique perspective and insight about working relationships between the two spheres of government, including how to forge stronger partnerships with the Federal Government, local federal representatives, and what it means for local government into the future.



9.50am **Minister's Excellence in Public Health Awards**

10.10am **Platinum sponsor**
LGA Mutual Liability Scheme and Workers Compensation Scheme

10.15am **Morning tea**
Business card draws

10.55am **National Anthem**

11.00am **LGA Ordinary General Meeting**
Lunch (to follow OGM)

2.30pm **Close**

Friday
12 April

LGA Members offer

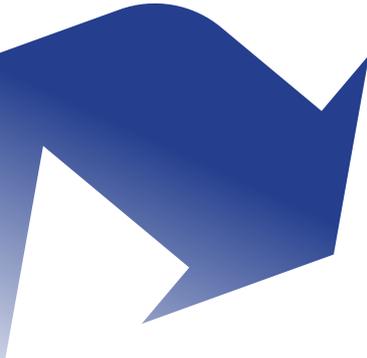
Offer 1: If your council registers additional delegates (full Showcase and OGM eg more than the number it sent to Showcase in 2018) they will receive one free registration. In addition, for every four delegates you register for the full event (both days and dinner) the fifth registration is free. Please note that the free registration only applies if you register for the full Showcase pass (both days and dinner)*

Offer 2: We will again be offering two streams at this Showcase event, however for the first time one stream will focus on waste and recycling. Given this focus the LGA has recognised that some councils might have staff or elected members interested in this stream. Therefore the LGA is also offering a one day registration deal. If you register two delegates for the Showcase, you will receive one pass for free.*

* Conditions apply

Event contact

Rebecca Wake (08) 8224 2047 or
rebecca.wake@lga.sa.gov.au



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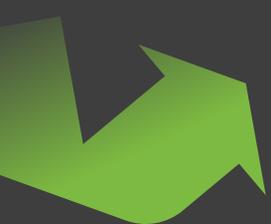
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Council Best Practice

s h o w c a s e

+ LGA Ordinary General Meeting
Thursday 11 & Friday 12 April



BUILDING BETTER REGIONS FUNDED PROJECTS

Applicant Organisation	Project Name	Project Description	Project Location	Grant Approved	Total Project Cost
Round one Infrastructure					
District Council Of Loxton Waikerie	Fitness for Horticulture Recreation Facilities	The construction of multiple new community and sporting facilities in the Murray Darling Basin town of Loxton.	Loxton	\$4,527,879	\$10,061,954
District Council Of Ororoo Carrieton	Southern Flinders Business and Services Growth Strategy- Ororoo CWMS	Construction of new community wastewater management scheme.	Ororoo	\$387,337	\$1,137,337
Light Regional Council	Freeling Agriculture Multi-Purpose Centre	Construction of a new display facility which will provide space for agricultural trade shows, events and export orientated show. Extension and education activities for the fodder industry will be a key part of the facility.	Freeling	\$2,191,500	\$4,870,000
Mid Murray Council	Murray River Maritime Trail Mid Murray	Upgrade to the facilities at the Murray River Trail including work on the moorings and pontoon to create better access to the river.	Mannum	\$402,263	\$804,527
Round two infrastructure projects					
District Council of Grant	Mount Gambier Airport Redevelopment to Unlock the Region's Potential	The project will involve the redevelopment of the Mount Gambier Airport to cater for larger aircraft and air freight.	Mount Gambier	\$3,510,000	\$9,200,000
District Council of Tumby Bay	Agriculture and Mining Industrial Land Project	The project will build and upgrade stormwater drainage swale, incorporating culvert and wetland detention areas, a levee bank, and retention basins to capture redirected local stormwater.	Tumby Bay	\$2,493,637	\$3,836,365
Kangaroo Island Council	Prospect Hill Kangaroo Island Trail Redevelopment and Enhancement	The project will minimise environmental degradation in the areas immediately surrounding the walking paths on Kangaroo Island with the creation of a new short walk as well as removing and redeveloping parts of existing paths and lookouts.	Kangaroo Island	\$750,000	\$1,000,000
Mount Barker District Council	Mount Barker Regional Sports Hub Stage 1	The project will build a premier standard Australian rules football oval and centre, two soccer pitches and associated infrastructure.	Mount Barker	\$4,400,000	\$16,300,000
Rural City of Murray Bridge	Murray Bridge Learning & Innovation Hub	The project will develop a student, business and community work and meeting space.	Murray Bridge	\$270,359	\$541,359
Round 3 Infrastructure Projects					
District Council Of Franklin Harbor	Healthy Oysters, Healthy Tourism, Cowell Foreshore	<p>The district council of Franklin Harbour is teaming up with the Oyster Industry, the Cowell area school aquaculture program, tourism operators and the community to redevelop the foreshore for our key industries of aquaculture and tourism.</p> <p>The project will redevelop the foreshore precinct which will include expanded marina, improved road infrastructure, commercial and restaurant buildings, an expanded visitor information centre, and outdoor public space with adventure playground.</p> <p>The project will provide critical alternative employment for farmers in this time of drought. Foreshore safety is a significant issue as tractors and oyster punts do not mix with children and tourists.</p> <p>The program 'Healthy Oysters, Healthy Tourism, Cowell Foreshore' is for construction of infrastructure to separate and support both the oyster and tourism industry. The added benefit is that with the devastation of agriculture and the loss of farm jobs on the Eyre Peninsula, this project will improve productivity and provide jobs.</p>	Cowell	\$3,000,000	\$6,471,300
Wakefield Regional Council	Lake Bumbunga Tourism Infrastructure and Facilities	Lake Bumbunga in Lochiel is South Australia's premier pink lake and a burgeoning tourist attraction, drawing a rapidly increasing number of visitors to the Clare Valley region each week. Currently there are no visitor facilities at the lake and tourists and locals have noticed a need for new businesses, visitor experiences and value-add services to be established. This project will enhance the visitor experience and attract more visitors through provision of infrastructure catered to tourists needs such as toilets, picnic and playground facilities and interpretive signage. Lochiel's pink lake is a newly discovered unique tourist attraction which presents an opportunity to entice new businesses to establish in Lochiel and surrounds.	Lochiel	\$236,380	\$472,760
Mid Murray Council	Energising Bowhill	<p>The project will deliver the undergrounding of existing power lines overhanging the Bowhill Engineering site, as well as installation of solar power systems at the Bowhill Community Centre and General Store.</p> <p>"Energising Bowhill" is part of the Mid-Murray Council's plan to upgrade the power supply of the Bowhill Township. Several power outages have increased the need for power reliability. Under-grounding of Bowhill's existing power line is expected to boost employment and economic activity. Further, the installation of solar power systems at Bowhill's General Store and Community Centre will ensure proper access to a range of goods and services throughout the year and enable cost-savings back into the local economy and community.</p> <p>An expected 22 additional FTE employment will be achieved in the private sector through this project.</p>	Bowhill	\$339,287	\$678,575
Rural City Of Murray Bridge	Implementation of the Sturt Reserve Recreation Precinct and Boat Ramp	A project to deliver the Recreation Precinct, together with a renewed boat ramp facility within Sturt Reserve at Murray Bridge. The Council's Riverfront Strategy and Sturt Reserve Masterplan identify four precincts within Sturt Reserve. One of these precincts, the Recreation Precinct, will provide a new Rowing Club facility, a new toilet and showering facility, improved connectivity through the site and a new rowing launching / landing facility. The project will complement the Murray Bridge Rowing Club's new facility and will deliver all the remaining elements of the precinct. This, together with a new boat ramp and parking, will help unlock the tourist and community potential of the site and improve access to the Murray River.	Murray Bridge	\$1,350,000	\$3,000,000
Renmark Paringa Council	Project REVIVE: The Activity Precinct	Project REVIVE: The Activity Precinct is a transformative social infrastructure development with a mission. The mission is to transform Renmark's town centre from a neat functional zone to a captivating centre for recreation, dining and retail. The proposed location for The Precinct is an underutilised riverfront parkland at the centre of the town's business and dining precinct. The infrastructure development will include construction of a water play area, river viewing deck, public artwork, landscaping, new shelters, furniture and barbecues. The Activity Precinct will enhance the region's tourism appeal and provide a compelling reason for visitors to spend more time in the town thereby delivering economic benefits to local businesses.	Renmark	\$1,394,385	\$3,884,385
Kingston District Council	Kingston SE Main Streets Stimulus Project	<p>The project will unite the streetscapes of three main streets in Kingston to improve access to local businesses for residents and visitors.</p> <p>The amalgamation of Kingston's three main streets will result in a range of people friendly amenities and deliver a linked Bridge-to-Beach experience where residents and visitors can meet and shop and where local businesses are well-placed to take advantage of the increased pedestrian traffic. Continuity of street design and streetscape along with widened footpaths the lengths of Agnes, Holland and Hanson Streets will provide unsurpassed all-age-friendly access and accommodate desired alfresco dining opportunities.</p>	KINGSTON SE SA	\$668,500	\$1,337,000

Round One Community Investments Stream					
Adelaide Hills Council	Gumeracha Main Street Master Plan	Development of a design Master Plan for Gumeracha's main street.	Gumeracha	\$20,000	\$20,000
Adelaide Hills Council	Digital Knowledge Bank for the Mount Lofty Ranges World Heritage Bid	The establishment of a digital knowledge bank (DKB) platform for strategic planning and information sharing for the Mount Lofty Ranges World Heritage collaborative bid.	Gumeracha	\$40,000	\$80,000
Central Local Government Region of South Australia Inc	Yorke and Mid North Regional Leadership Program	A Regional Leadership Course comprised of four group learning modules, a group research project and structured mentoring from a regional mentor.	Clare	\$16,000	\$20,000
District Council Of Mount Remarkable	Melrose Caravan Park Expansion Study	Conduct a research study and make recommendations to guide the expansion of the Melrose Caravan Park.	Melrose	\$18,000	\$20,000
District Council Of Mount Remarkable	Rail Trail Development Research Study	Development of a plan, designs and recommendations to complete unfinished sections of a walking and cycling track on disused railway lines within the District Council of Mount Remarkable, finishing the Southern Flinders Rail Trail from Yacka to Wilmington. Completion of the trail will link several towns in the area and result in a multi-use trail.	Melrose	\$18,000	\$20,000
District Council Of The Copper Coast	Copper Coast Economic Development and Marketing Plan	Strategic Planning for tourist sector of the economy and employment generation.	Kadina	\$50,000	\$100,000
Kangaroo Island Council	Kangaroo Island Growth Project	Development of strategies that will drive regional planning and expand regional leadership capabilities through leadership courses and workshops.	Kingscote	\$155,300	\$235,300
Round Two Community Investment Stream					
Barunga West Council	Port Broughton Community Services Strategies and Directions Project	The project will develop a strategic plan which aims to accelerate community based activities or services providing a platform for sustainable future jobs growth specifically in the childcare and allied health services particularly in the Port Broughton area.	Port Broughton	\$20,000	\$20,000
City of Mount Gambier	Guides of Mount Gambier - An Inclusive Visitor Economy Project	The project will grow existing and new tourism businesses through workshops and support for tour guides and operators.	Mount Gambier	\$20,000	\$20,000
District Council of Streaky Bay	Ingrained: Ephemeral Eco Art Project - Sand sculpture installation.	The project will create a strategic plan for the VISIBLE Festival to add a new portion to the event with sand-related activities.	Streaky Bay	\$17,350	\$28,100
Limestone Coast Local Government Association	Limestone Coast Leadership Program	The project will deliver a pilot regional leadership program and build a framework that will enable the delivery of an ongoing, sustainable program that is designed and supported by the region.	Mount Gambier	\$40,000	\$80,000
Mid Murray Council	All Steamed Up 2018: Boats, Engines, Steam and Blacksmith Festival	The project will expand the festival format to include the only working replica of Australia's first steam car which will be built as part of the project.	Mannum	\$79,500	\$159,500
Town of Gawler	Gawler Cycle Tourism Strategy and Action Plan	The project will deliver a cycle tourism strategy that will contribute to the economic and social revitalisation of Gawler and the wider region.	Gawler	\$19,900	\$19,900
Round 3 Community Investments Stream					
District Council Of Karoonda East Murray	Karoonda East Murray Economic Development and Tourism Strategy	The project will deliver a strategy for economic and tourism development in the Karoonda and Murraylands region, resulting in greater investment and employment opportunities to reverse the trend in population and economic decline.	Karoonda	\$20,000	\$20,000
City Of Victor Harbor	Fleurieu Cruise Ship and Boating Tourism Planning Study	The project will develop a Fleurieu Cruise Ship and Boating Tourism Study.	Victor Harbor	\$20,000	\$20,000
Alexandrina Council	Ngoppen Ngarrindjeri Ruwe 'Walking Ngarrindjeri Land' at Goolwa Wharf	The project will work with Ngarrindjeri people to produce an Aboriginal Cultural Tourism Strategy, Ngoppen, Ngarrindjeri Ruwe (Walking Ngarrindjeri Land).	Goolwa	\$25,000	\$50,000
District Council Of Peterborough	Peterborough Live, Play, Stay Branding Strategy	The project will engage a consultant to develop a branding strategy for the Peterborough region.	Peterborough	\$17,915	\$20,000
Murray And Mallee Local Government Association	Riverland Social Indicators Project	The project will deliver a statistical report based on a comprehensive set of social indicators, which will be used to facilitate better decision making and targeted application of resources for the Riverland region.	Renmark	\$77,440	\$154,880
Town Of Gawler	Gawler Economic Development Strategy	The project will deliver a strategic plan to identify how the Town of Gawler can leverage assets and relationships to increase economic activity, create jobs and enhance business development opportunities in the region.	Gawler East	\$20,000	\$20,000
City Of Playford	Maximising Economic & Social Benefits on the Northern Adelaide Plains	This project will undertake research, consultation and analysis to result in an industry-led strategic plan for the Northern Adelaide Plains horticulture industry.	Virginia	\$49,600	\$99,200
Naracoorte Lucindale Council	Naracoorte World Heritage Festival and Fun Run	The project will deliver an event incorporating a fun run and a festival of cultural and social activities. The event will celebrate the Naracoorte Caves 50 year anniversary of the discovery of one of the world's 10 greatest fossil sites and 25 years since the Naracoorte Caves were added to the World Heritage list.	Naracoorte	\$20,000	\$40,400
Central Local Government Region Of South Australia Inc	Building a culture for encouraging regional youth into volunteering.	The project will undertake research on youth volunteering in the Mid North region of South Australia. The research outcomes will be utilised to implement plans for creating a youth volunteering culture in the region.	Clare	\$17,000	\$20,000
Clare & Gilbert Valleys Council	Clare Valley New Tourism Experiences Opportunity Roadmap	The project will develop a roadmap to identify and assess tourism assets in the Clare Valley region that can be developed into new products and experiences.	Clare	\$16,025	\$32,050
Barunga West Council	Barunga West Council Strategic Tourism Plan	The project will develop a strategic plan that will promote and encourage growth of the tourism industry in the region.	Port Broughton	\$20,000	\$20,000
Naracoorte Lucindale Council	The Limestone Coast Red Meat Cluster: Into the Future	The project will develop a strategic plan for the red meat cluster value chain in the Limestone Coast region. The plan will examine the businesses, business needs, innovation and skills needs.	Naracoorte	\$15,000	\$15,000
District Council Of Yankalilla	Growing the Festival of Nature	The project will expand the existing six day Festival of Nature through additional marketing activities, a high profile guest speaker for the Sustainable Living Expo and increasing the Festival period to nine days.	Yankalilla	\$8,000	\$16,500
Light Regional Council	Agents for Economic Growth Project	The project will conduct a regional skills audit, assessing the skills and health of critical community group members supporting the tourism industry, and strengths, weaknesses, opportunities, and threats analysis of community groups' sustainability and vitality.	Kapunda	\$17,600	\$19,600
Yorke Peninsula Council	YOU Rock fEst	The project will deliver a free, family-friendly music festival aimed at supporting and building the local music industry, and raising awareness of mental health and wellbeing issues.	Ardrossan	\$37,500	\$75,000
Mid Murray Council	Mid Murray Regional Brand Strategy-Creating Economic & Tourism Growth	The project will develop a 10-year plan and vision for the Mid Murray region, aimed to increase tourism growth and new business investment.	Mannum	\$19,990	\$19,990
Mid Murray Council	Mid Murray Cultural and Heritage Tourism Strategy	The project will deliver a strategic plan to identify deficits in heritage and cultural tourism assets of the Council.	Mannum	\$15,000	\$20,000
TOTAL				\$26,851,647	\$65,080,982