**Local Government Association Workers Compensation Scheme (LGAWCS)**

**Scheme Rules**

1. Operation of Rules

These Rules operate from 12:00am on 13 January 2022.

1. Definitions

In these Rules, the following words have the following meanings given to them:

* 1. "Claim" means any claim made upon a Member by an employee in respect of a compensable disability under the RTW Act, or a claim by another entity seeking recovery from a Member in respect of a compensable disability by any person.
  2. "Delegate" has the meaning given to that term in Rule 3.1.
  3. "Eligible Body" means:
     1. LGA;
     2. LGASA Mutual Pty Ltd (ACN 625 310 045);
     3. LGCS Pty. Ltd. (ABN 21 094 805 964);
     4. The Local Government Finance Authority of South Australia;
     5. All Councils (including their subsidiaries) constituted pursuant to the provisions of the LG Act;
     6. Any other body so prescribed by the provisions of the LG Act that is admitted to the membership of the Workers' Scheme; or
     7. Any other entity admitted to the membership of the Workers' Scheme by LGA in accordance with Rule 5.2.
  4. "Fund" means the fund established in accordance with Rule 6 and maintained in accordance with these Rules.
  5. “Indemnity Cover” means insurance or reinsurance cover purchased or procured by LGA for and on behalf of Members to satisfy and manage the Claims admitted to indemnity in the amount determined from time to time by LGA.
  6. "LG Act" means the Local Government Act 1999 (SA), and any Act of Parliament in addition to or in substitution for that Act.
  7. "LGA" means Local Government Association of South Australia (ABN 83 058 386 353) which for the purposes of the Workers' Scheme is treated as the employer of all workers employed by the Members pursuant to Section 129(12) of the RTW Act.
  8. "LGA Board" means the board of directors of LGA.
  9. "LGA Member" means any Council (including its subsidiaries) constituted pursuant to the LG Act that is admitted as a member of the LGA in accordance with clause 8 of the Constitution of the LGA from time to time.
  10. "Member" means an Eligible Body admitted to membership of the Workers' Scheme in accordance with Rule 5:
  11. "Notifier" has the meaning given to that term in Rule 19.1.
  12. "Objectives" means the objectives of the Workers' Scheme contained in Rule 4.
  13. "Ordinary Resolution" means a resolution passed by at least the majority of the votes cast by all persons present and entitled to vote at the meeting at which the resolution is put.
  14. "Recipient" has the meaning given to that term in Rule 19.1.
  15. "RTW Act" means the Return to Work Act 2014 (SA), and any Act of Parliament in addition to or in substitution for that Act.
  16. "Special Resolution" means a resolution passed by at least 75% of the votes cast by all persons present and entitled to vote at the meeting at which the resolution is put.
  17. "Workers' Scheme" means The Local Government Association Workers' Compensation Scheme first established in 1994 and conducted pursuant to the LG Act and in accordance with these Rules.

1. Delegation
   1. Subject to Rule 3.2, LGA may (but is not obliged to) delegate any power, function or duty under these Rules (including the power to sub-delegate) to an entity controlled by LGA which is responsible for the management of the Workers' Scheme ("Delegate") subject to such limitations and conditions as may be determined by LGA.
   2. LGA is not permitted to delegate any power, function or duty under Rules 5.2, 8.3, 9.6.1, 14.4, 15.1, 18.3, 18.7, 18.8, 19 and 20.1.
   3. LGA may revoke or amend a delegated power, function or duty at any time. LGA may at any time exercise, in its own right, any of the powers or functions delegated by it and any such exercise will not, without more, amount to the revocation of any delegation in favour of a Delegate.
   4. Subject only to any limitations or conditions in the delegation, the Delegate, in exercising delegated power, will be empowered under these Rules as if it were LGA.
2. Objectives of the Workers' Scheme
   1. The Objectives are to provide to Members assistance in respect of their potential and actual liabilities for any Claim for the rehabilitation of and/or payment of compensation to an employee or any other person so entitled for compensable disabilities under the RTW Act and including, but without limiting the generality of the foregoing, to provide:
      1. advice in respect of minimising the risk of occurrence and severity of all compensable disabilities;
      2. assistance in the administration, investigation and resolution of any Claim;
      3. assistance in the rehabilitation of employees suffering from compensable disabilities; and
      4. legal representation in respect of any Claim.
   2. financial assistance by way of discretionary grants in respect of Member liabilities for the rehabilitation and compensation of all employees suffering from compensable disabilities.
3. Admission to Membership
   1. The Eligible Bodies listed in Rules 2.3.1 to 2.3.6 inclusive are automatically entitled to membership of the Workers' Scheme.
   2. The LGA Board may from time to time by Ordinary Resolution, and subject to the terms of these Rules, admit to membership of the Workers' Scheme for a financial year any other entity which makes an application to LGA and upon their admission, such entity will be an Eligible Body for the purposes of Rule 2.3.7.
   3. In exercising discretion to admit an entity to membership of the Workers' Scheme pursuant to Rule 5.2, the LGA Board may take into account any matter which it considers relevant.
   4. Notwithstanding the admission of a Member to membership of the Workers' Scheme pursuant to Rule 5.1 or Rule 5.2, a Member shall only be entitled to the benefits of the Workers' Scheme if, at the relevant time, that Member has paid in full any contribution payable by it under Rule 11 or otherwise as required in accordance with these Rules.
   5. Payment of a contribution by a Member shall be evidence of the Member's agreement to be bound by these Rules.
4. Fund
   1. LGA shall establish and maintain the Fund to meet the Objectives and for that purpose, subject to Rule 5.4, may apply the Fund to meet:
      1. such Claims as may be made against any one or more of the Members during that year;
      2. such Claims as may have been made against any one or more of the Members during any previous year and which at the commencement of these Rules and any new financial year have not been settled;
      3. the premium payable to an appropriate indemnity insurer to provide Indemnity Cover for the Members during that year;
      4. the operating expenses of the Workers' Scheme for that year, including:
         1. the remuneration of LGA referred to in Rule 12.1; and
         2. any expenses of LGA or a Delegate referred to in Rule 12.2; and
      5. any grants or allocations to Members, or any other person or body for or on behalf of any Member, which LGA in its discretion may make.
   2. The Members must contribute to the Fund in the proportions and the amounts determined annually by LGA.
   3. LGA shall administer the Fund with the intent that upon the settlement of all Claims made in any financial year:
      1. any surplus remaining in the Fund attributable to that year shall be allocated at the absolute direction of LGA toward liabilities of the Fund for any other year whether future or past; and
      2. any deficiency in the Fund in that year may be met by additional contributions levied by LGA against each Member for that year in the proportion in which contributions were made to the Fund by each Member for that year.
5. Admission of Claim to Indemnity

LGA shall consider any Claim for which a Member seeks indemnity from the Fund and may in its sole and absolute discretion and either in whole or in part and upon such terms and conditions as LGA may consider appropriate determine whether it will grant indemnity and assistance for the Member from the Fund in respect of any such Claim.

1. Powers, Duties and Functions of LGA
   1. LGA will administer and manage the Workers' Scheme in the pursuit of the Objectives.
   2. LGA shall be empowered for and on behalf of the Members to do all the following things namely:
      1. levy Members for contributions in accordance with Rule 11, including differential contributions in respect of each Member to the Fund having regard to any matter which it considers relevant;
      2. invest all contributions received from Members and other monies received comprising the Fund which are not immediately required to meet the liabilities of the Workers' Scheme;
      3. expend the contributions of, and income earned by, the Fund in respect of each financial year in and towards:
         1. the general administration of the Workers' Scheme;
         2. assistance to Members by way of any advice in respect of their potential and actual liabilities in respect of compensable disabilities;
         3. assistance to Members in respect of the rehabilitation of employees suffering from compensable disabilities;
         4. assistance to Members in the administration, investigation and resolution of Claims;
         5. legal representation for Members in respect of any Claims;
         6. financial assistance by way of discretionary grants to Members in respect of their liabilities to rehabilitate and compensate employees suffering from compensable disabilities;
         7. any remuneration of LGA referred to in Rule 12.1; and
         8. any expenses of LGA or a Delegate referred to in Rule 12.2.
   3. LGA may make such additional rules to be observed by a Member or the Members as it may deem fit with respect to the terms and conditions upon which a Member or Members will be eligible for assistance from the Workers' Scheme provided that no such rule shall be made in terms inconsistent with these Rules and further provided that no such rule shall operate and take effect in respect of any Member until a copy thereof shall have been served upon such Member or Members.
   4. LGA will enter into all such agreements for and on behalf of Members as are necessary for or incidental to the proper administration of the Workers' Scheme in the pursuit of the Objectives.
   5. LGA will carry out investigations of such relevant matters and make submissions to such relevant bodies as LGA may deem to be necessary for or incidental to, the proper administration of the Workers' Scheme in the pursuit of the Objectives.
   6. The duties of LGA shall include:
      1. to achieve and implement the Objectives;
      2. to ensure from a financial perspective that the Workers' Scheme is viable;
      3. to keep records of all activities for and on behalf of the Workers' Scheme;
      4. to review the performance and function of the Workers' Scheme;
      5. to be responsible for the financial management of the Workers' Scheme to the extent that it shall:
         1. annually determine the total amount of contributions to be levied against all Members in respect of the Fund;
         2. from time to time undertake an assessment of Members or any of them and their activities to assist in the determination, in conjunction with actuarial advice, of the proportion in which the Members are to contribute to the Fund in any year and may upon the conclusion of any such investigation direct the Members as to the procedures to be adopted by them to prevent losses or to minimise Claims;
         3. annually prepare the operating budget and the financial statements of the Workers' Scheme and report to the Members on any items arising from those statements;
         4. annually determine the extent of Claims to be indemnified from the Fund;
         5. annually determine the amount and nature of Indemnity Cover to be purchased for the Members from the Fund for any term and to determine the indemnity insurer for this purpose; and
         6. be responsible for the assessment of the Members to determine, in conjunction with actuarial advice, the proportion in which they are to contribute to the Fund in each year from the total contributions determined in accordance with Rule 8.6.5.1;
      6. to manage Claims made against each Member including:
         1. the investigation and assessment of those Claims;
         2. the provisions of loss prevention and risk minimisation guidelines;
         3. the keeping of the accounts of the Fund for each year; and
      7. the conduct of any investigation or audit of the activities of a Member so as to identify and assess risk, to give notice to a Member to take action to minimise risk and to report to the Board the outcome of such investigation or audit including detail of any notice given to a Member and the Member's response to such notice.
   7. The annual operating budget and financial statements referred to in Rule 8.6.5.3 shall deal separately with the following items:
      1. the projected income of the Fund by way of contributions interest or other sources;
      2. the liabilities of the Fund for estimated Claims and Claims adjustment costs;
      3. the amounts to be allowed to provide for the cost of arranging Indemnity Cover;
      4. general and administrative costs to be charged against the Fund; and
      5. any grants in accordance with Rules 6.1.5 and 10.7.
   8. LGA may at its discretion alter the amounts to be expended in respect of the items listed in the budget for each year where necessary to meet the purposes of the Workers' Scheme.
   9. Where it becomes apparent to LGA that for any year the Fund will be insufficient to meet Claims payable from the Fund, LGA may at any time require the payment by the Members for that year of an additional contribution in the same proportions as the contribution paid by each of the Members to the Fund for that year in order to ensure that all Claims upon the Fund for that year are able to be met.
   10. LGA shall report annually to the Members on all aspects of the operation of the Workers' Scheme for the preceding year, including details in relation to:
       1. outstanding Claims (including an assessment as to the liability of outstanding Claims and the ability of the Fund to meet the assessment of liability);
       2. further contributions required, if any;
       3. the investment of the moneys of the Fund not immediately required;
       4. the allocation of surplus moneys in the Fund, if any;
       5. any remuneration received by LGA pursuant to Rule 12.1; and
       6. any expenses of LGA (or its Delegate) referred to in Rule 12.2.
   11. LGA shall be available at all times to the Members to answer any questions on the conduct of the activities of the Workers' Scheme.
   12. LGA may establish such committees as it considers necessary to be constituted by such persons as LGA may determine to investigate and report to LGA on any matter relevant to the Workers' Scheme.
2. Claims and Indemnity
   1. Indemnity Cover

LGA shall purchase Indemnity Cover to an amount determined by LGA from year to year.

* 1. Excess

Each Member will be liable for the first amount of any Claim to be known as the "Excess" which shall be determined by LGA. The Excess may be a differential amount for each Member and for each Claim or a combination of both.

* 1. Defaulting Member

LGA may by written notice to a Member in default of these Rules exclude that Member from any or a defined entitlement to indemnity from the Fund for a particular year or years.

* 1. Special Risks

LGA may by written notice to a Member exclude a Member from any or a defined entitlement to indemnity from the Fund for a Claim in respect of a "special risk" as determined by LGA.

* 1. Other Insurance

A Member is not entitled to indemnity from the Fund for any Claim for which, at the time of the happening of the event giving rise to the Claim, the Member was otherwise indemnified or insured by or would, but for the existence of this Workers' Scheme be indemnified or insured by any other Policy or Policies of Insurance or otherwise, except in respect of any liability beyond the amount which would have been payable under such other Policy or Policies had this Workers' Scheme not been in existence.

* 1. Failure to Notify and False Notification
     1. Where a Member fails to notify LGA as required by Rules 10.1 and 10.3, breaches Rule 10.2, submits a false Claim or provides false information contrary to Rule 10.4 or fails to comply with any requirement or notice issued pursuant to Rule 13, LGA may (in lieu of terminating the membership of the defaulting Member pursuant to Rule 18 and in addition to any other power under these Rules) levy an additional contribution to be paid by a defaulting Member or remove any benefit which may otherwise have accrued to the benefit of the Member under these Rules as a condition precedent for the Claim against the Member to be considered for indemnity from the Fund.
     2. A decision by LGA to levy an additional contribution against a Member in default, or to remove any benefit in lieu of termination of membership or any other sanction, does not preclude LGA from exercising the power to terminate the membership of the defaulting Member if there is any repeat of the default or failure by the Member to adequately address the issue of concern identified by LGA (including the payment of the additional contribution) or any other relevant performance or risk management issue.

1. Claims Procedure
   1. Notice

A Member shall, as a condition precedent to a Claim to be indemnified under these Rules and, subject to the default provisions, as a condition of continued entitlement to the benefits of membership of the Workers' Scheme, forthwith give to LGA written notice of each of the following:

* + 1. any circumstance or occurrence of which the Member shall become aware or should reasonably be aware which is likely to give rise to a Claim;
    2. receipt of any notice, written or oral, from any person of any intention to make a Claim; and
    3. every Claim whether the quantum of the Claim exceeds the Excess or not.
  1. Not admit liability

A Member shall not admit liability for, compromise, settle or make or promise any payment in respect of, any Claim which may be the subject of indemnity hereunder or incur any costs or expenses in connection therewith without the written consent of LGA which if it so wishes shall be entitled to take over and conduct in the name of the Member the defence and/or settlement of any such Claim for which purpose the Member shall give all such information and assistance as LGA may reasonably require.

* 1. Increase in Risk

A Member shall forthwith give to LGA full particulars in writing of any material increase in the risk of any Claim and shall pay such additional contribution and shall comply with such other terms and conditions, if any, as may be required by LGA in respect of such Claim.

* 1. Fraudulent Claim and False Information

If a Member shall submit a Claim for indemnity from the Fund knowing the Claim to be false or fraudulent as regards amount or otherwise or shall provide any false information with respect to a Claim the entitlement to indemnity from the Fund shall become void and all benefits hereunder relating to that Claim shall be forfeited.

* 1. Continued support

During the continuance of any Claim which is to be indemnified from the Fund the Member shall provide LGA with whatever information and support (including technical and professional support if requested) as is requested to enable the adequate investigation defence and resolution of any such Claim.

* 1. Subrogation

Every Member seeking indemnity from the Fund shall by membership of the Workers' Scheme have agreed to subrogate to LGA its rights to investigate, defend and resolve any Claim.

* 1. Special Assistance

Any Member requiring special assistance by way of a grant or otherwise to manage any risk which may result in a Claim may make written application for such to LGA whereupon LGA shall deal with the matter and in doing so may request any information from the Member and may resolve to refuse the grant or make the grant on such terms and conditions as it deems appropriate.

1. Contributions
   1. Contributions for each year shall be as determined by LGA having regard to any matter which it determines relevant. Contributions so determined must be paid by each Member as requested by LGA.
   2. Contributions once paid by a Member to the Fund shall not be recoverable in whole or in part by the Member for any reason, including in the event of the resignation or early termination of membership of the Workers' Scheme under Rule 18, or a decision by LGA not to indemnify a Claim or to impose a condition for indemnity.
   3. Contributions by each Member shall be applied by LGA at its discretion toward the accumulation of the Fund, the purchase for and on behalf of each Member (as one of a group of Members of the Workers' Scheme) of Indemnity Cover in respect of Claims of each Member and otherwise in furtherance of the Objectives.
   4. Contributions for each Member shall be determined by LGA from year to year and may be differential in respect of each Member to the Fund. For the purpose of determining the appropriate contribution for each Member, the Member shall provide LGA such information as is required to determine:
      1. the history of Claims against the Member;
      2. operating and risk management procedures of the Member in all of its activities; and
      3. any other matter requested by LGA.
   5. Additional contributions for any year may be levied by LGA against any Member or Members or all of the Members at any time for any of the following reasons:
      1. purchasing additional Indemnity Cover in any year;
      2. to cover special risks as determined by LGA;
      3. to cover an increase in risk of Claims of a Member;
      4. to compensate the Fund for the actions of a defaulting Member or Members;
      5. to compensate the Fund for conditional risk, non-compliance with a request resulting in a loss to the Fund, or the failure by a Member to abide by a reasonable direction of LGA;
      6. for any of the reasons contemplated by Rule 9.6.1; and
      7. any other reason determined by LGA to be a relevant reason.
   6. LGA may, having regard to the advice of an actuary, operate a "bonus/penalty" scheme and the Members shall be bound to accept such a decision by LGA.
2. LGA's Remuneration, Costs and Expenses
   1. The LGA is entitled to reserve for itself from the contributions an amount in consideration of the conduct and management of the Workers' Scheme (**LGA's Remuneration**). LGA's Remuneration will be determined on an annual basis by LGA and reported to Members annually as contemplated by Rule 8.10.5.
   2. LGA or its Delegate (as the case requires) shall be entitled to be reimbursed from the Fund for any operating expenses incurred by it in respect of the conduct and management of the Workers' Scheme.
3. Member's Obligations
   1. The primary obligation of a Member is to comply strictly with the technical requirements, and the spirit and intent of these Rules so as to ensure the integrity and viability of the Workers' Scheme which has been established as a discretionary mutual indemnity scheme for the benefit of all Members.
   2. In the spirit of mutual obligation every Member must not only comply with the technical requirements of these Rules and the direction of LGA but must also respect the spirit and intent of the Workers' Scheme by ensuring that timely and comprehensive notification is given to LGA of any incident, circumstance or matter which may give rise to a Claim or be a circumstance or matter which may be a risk capable of causing a compensable disability to any person, and by ensuring that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of such a claim or compensable disability to any person.
   3. It is also the obligation of every Member to notify LGA in advance of any activity to be undertaken by a Member or by any other person on a Member's premises or under a Member's control or influence which has by its nature a risk profile which is different to the risk profile of the usual and known activities of the Member, that is, usual activities of the Member actually known about by LGA.
   4. LGA may at any time undertake a risk management audit of a Member's activities, including those activities over which a Member has control or influence, and every Member is obliged to fully and honestly assist LGA to conduct such an audit by providing LGA with all information as requested by LGA and by giving LGA access to all property, premises, records and any other material requested by LGA for the purposes of the audit.
   5. A Member must modify or cease activities which LGA determines to be an unacceptable risk and about which LGA has issued a notice to the Member.
   6. A Member must comply with any notice given by LGA under these Rules.
4. Financial Provisions
   1. LGA shall in the name of the Workers' Scheme open an account with a Bank of its choice.
   2. LGA may authorise a person to operate the bank account.
   3. All moneys received in respect of the Workers' Scheme shall be immediately deposited to the credit of the bank account and can be invested as follows:
      1. with the Local Government Finance Authority of South Australia;
      2. with the Superannuation Funds Management Corporation of South Australia trading as Funds SA
      3. subject (to the extent practicable in the circumstances) to consulting with the Treasurer, in any security or investment authorised by the Trustee Act; or
      4. in any security or investment authorised by the LG Act or prescribed for the purposes of that Act.
   4. LGA may borrow moneys for the purposes of meeting the Objectives and for that purpose may secure the repayment of such loans by granting security over the assets of the Workers' Scheme or the Fund.
   5. LGA shall keep or cause to be kept all such accounting records for the Workers' Scheme as fully and correctly explain the transactions and financial position of the Workers' Scheme.
   6. The accounting records shall be prepared and maintained in such a manner as will enable:
      1. true and fair accounts of the Workers' Scheme to be prepared from time to time; and
      2. the accounts of the Workers' Scheme to be conveniently and properly audited annually.
5. Auditor
   1. LGA shall appoint an auditor to audit the book of account kept in respect of the Workers' Scheme and the Fund.
   2. The Members (and the authorised representatives of each of the Members) and the Auditor shall be entitled at all times to have access to the accounting and all other records of the Workers' Scheme.
   3. The Auditor:
      1. shall audit the Workers' Scheme's accounting records;
      2. shall examine and report on the adequacy of the Workers' Scheme's internal controls, including whether the internal controls provide a reasonable assurance that the relevant financial transactions have been recorded accurately and reliably; and
      3. may, at the request of LGA, examine and report on the efficiency and economy with which the resources of the Workers' Scheme are managed or used,

annually during the currency of the Workers' Scheme or more frequently as LGA may direct.

* 1. The Auditor shall cause a written report to be sent to LGA on the completion of each annual audit in respect of the accounting, records of the Workers' Scheme and other records relating to the accounts prepared therefrom.
  2. The Auditor's report shall state whether in the. Auditor's opinion the accounting records aforesaid have been kept in accordance with generally accepted accounting principles and if the Auditor considers that the records have not been so kept the Auditor shall specify the reason for not being satisfied with them.

1. Actuary
   1. LGA shall appoint an actuary to advise LGA on all aspects of the Workers' Scheme.
   2. LGA will procure actuarial advice as and when required and at least annually for the purpose of preparing the annual budget.
   3. The annual actuarial report will be provided to LGA.
2. Accumulation

LGA is permitted to accumulate and to retain for purposes consistent with these Rules any money or contributions from Members in any one or more financial year for any purpose consistent with the Objectives.

1. Cessation of Membership
   1. Subject to Rule 18.2, each Member's membership of the Workers' Scheme will automatically renew at the commencement of each financial year.
   2. A Member may resign as a Member at any time by notice in writing to LGA. Any resignation under this Rule 18.2 will take effect from the date that is ninety (90) days from the date on which the notice of resignation is received by the LGA or such later date as is specified in the notice.
   3. The LGA Board may by Ordinary Resolution terminate a Member's membership of the Workers' Scheme in the event that a Member:
      1. fails to comply with any notice issued under these Rules or the reasonable direction of LGA as to the conduct of its operations so as to minimise Claims and the risk of exposure to Claims or compensable disability of any person;
      2. fails to allow and/or accommodate a risk management audit to be undertaken by LGA or its nominee;
      3. fails to pay any contributions, additional contributions, costs or expenses within the time prescribed by LGA;
      4. commences or continues to undertake an activity which in the opinion of LGA is an activity which should not be undertaken or continued by the Member because it creates an unreasonable risk for the Member and the Workers' Scheme;
      5. conducts its activities in such a way as to put at risk the self-insurance status of LGA and the Members under the RTW Act;
      6. fails to notify LGA of any incident which may give rise to a Claim;
      7. commits any other breach of these Rules; or
      8. has, in the reasonable opinion of the LGA Board, brought the Workers' Scheme into disrepute.
   4. Any termination pursuant to Rule 18.3 is effective forthwith upon the decision being made by the LGA Board or on such other later date as is determined by the LGA Board whereupon the Member is thereafter from the effective date of the decision of the LGA Board not entitled to any benefits of membership under the Workers' Scheme.
   5. The resignation or termination of a Member's membership of the Workers' Scheme in accordance with Rule 18.2 or Rule 18.3 shall not vary or waive the obligations of the continuing Members. For the avoidance of doubt, any Member who resigns as a Member in accordance with Rule 18.2 or has its membership terminated in accordance with Rule 18.3:
      1. remains liable to pay any unpaid contribution in accordance with these Rules for the financial year in which the resignation or termination takes effect; and
      2. is not entitled to a refund of any contribution previously paid in respect of the Workers' Scheme.
   6. The resignation or termination of a Member's membership of the Workers' Scheme in accordance with Rule 18.2 or Rule 18.3 (as the case may be) shall not otherwise affect any entitlement to indemnity for any Claim already admitted to indemnity by virtue of Rule 7 nor vary or waive the obligations of the Member to comply with the provisions of the Rules in respect of any year during which the Member was a member of the Workers' Scheme.
   7. If a Member is in default in payment of any contribution, additional contribution, costs or expenses, or in any other way so that the Fund suffers or is likely to suffer any financial loss or incur additional expense, LGA may, as an alternative to termination under Rule 18.3, require the defaulting Member to pay to the Fund an amount to be determined by LGA to reimburse the Fund for the loss or additional expense. A certificate issued by LGA specifying the amount so payable by the defaulting Member shall be final and binding upon the Member. The amount in the Certificate may be recovered against the member by LGA as a debt payable by the defaulting Member.
   8. If Member fails to comply with a notice or direction as contemplated by Rule 18.3.1, LGA may (in its absolute discretion), as an alternative to termination, require the Member pay an additional contribution to the Fund to cover the additional risk of Claims or as compensation for the default.
   9. A decision by the LGA Board under Rule 18.3 to terminate membership of any Member is final and binding on all Members, including the terminated Member.
   10. In any situation where membership is terminated or limited LGA shall forthwith provide formal notification of the fact to the Minister responsible for Local Government and the Minister responsible for Industrial Relations.
2. Determination of Disputes
   1. If any dispute or difference (other than a decision of the LGA Board under Rule 18.3 to terminate a membership) shall arise between any Member and LGA out of or in connection with the operations of the Workers' Scheme then either the Member or LGA ("Notifier") may give written notice of dispute which adequately identifies and provides details of the dispute to the other person ("Recipient"). Notwithstanding the existence of a dispute the Notifier and the Recipient shall continue to perform their respective obligations under the Rules.
   2. Within fourteen (14) days after receiving a notice of dispute, the Notifier and Recipient shall confer at least once and in good faith to resolve the dispute or to agree on methods of doing so. All aspects of every such conference, except the fact of the occurrence of the conference, shall be privileged. If either of the Notifier or the Recipient has not made a reasonable or meaningful attempt at a resolution within 28 days of service of the notice of dispute, that dispute shall be referred to arbitration.
   3. If, within a further fourteen (14) days of the dispute being referred to arbitration under Rule 19.2, the Notifier and the Recipient have not agreed upon an arbitrator, the dispute shall be referred to a Solicitor or Barrister of the Supreme Court of South Australia appointed for this purpose by the President for the time being of the Law Society of South Australia and all proceedings shall be subject to the provisions of the Commercial Arbitration Act 1986.
   4. Except where the Notifier and the Recipient otherwise agree in advance in writing, the Notifier and the Recipient shall each bear its own costs and pay one half of the fees and expenses of the arbitration.
   5. The decision of the Arbitrator shall be final and binding upon the Notifier and the Recipient.
3. Amendment to Rules
   1. These Rules may be amended at any time by Special Resolution of the LGA Board.
   2. Amendments to these Rules shall operate prospectively and not retrospectively and will be binding on all Members from the date on which the amended Rules are published in the South Australian Government Gazette.
   3. Notice of any amendment shall be given forthwith to all Members and to the Minister responsible for Local Government and the Minister responsible for Industrial Relations.
4. Term of Workers' Scheme and Termination
   1. The Workers' Scheme will continue until it is terminated by an Act of the Parliament of the State of South Australia.
   2. Upon termination of the Workers' Scheme, unless the Parliament of the State of South Australia determines otherwise, the Fund remaining after satisfying all liabilities will be paid by LGA for the benefit of the Members at that time in such manner as is determined by LGA in its absolute discretion for the purpose of minimising the risk of Claims arising in the future.