Notice of Meeting

Notice is hereby given that the LGA Annual General Meeting will be held on

Friday 26 October 2018 at 11.00am

At the Adelaide Entertainment Centre
98 Port Road, Hindmarsh

Matt Pinnegar
Chief Executive Officer

26 September 2018
# Agenda

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9. **Late Reports** *(to be distributed separately)*

Nil

10. **Next Meeting**

The 2019 LGA Ordinary General Meeting will be held on Friday 12 April 2019 at the Adelaide Entertainment Centre.

11. **Close**
5.1 Minutes of the General Meetings held on 13 April and 13 July 2018

Minutes of Previous Meeting
From: Jacqui Kelleher, Office Manager
Meeting: Annual General Meeting 26 October 2018
ECM: 665880 Attachments: 660550, 662260

Recommendation
That the Annual General Meeting confirms the minutes of the meetings held on 13 April and 13 July 2018 as true and accurate records of the proceedings held.

Discussion
An Ordinary General Meeting of the membership was held on 13 April 2018 and a Special General Meeting was held on 13 July 2018. The draft minutes are provided within the agenda papers and confirmation of accuracy is sought from the meeting.
Draft Minutes of the LGA Ordinary General Meeting held on
Friday 13 April 2018 at 11:00am in the Auditorium, Adelaide
Town Hall, 128 King William Street, Adelaide

1. Open & Welcome

The President opened the meeting at 11.00am, welcomed members, staff and the
Minister for Local Government, Hon Stephan Knoll MP. The President indicated a
change to the order of agenda items 3 and 4 to allow for the Minister to address the
meeting immediately after delivery of her report.

Present:

LGA Secretariat:

LGA President  Mayor Lorraine Rosenberg
Chief Executive Officer  Matt Pinnegar
Executive Director Corporate & Member Services  Kathy Jarrett
Executive Director Public Affairs (Scrutineer)  Lisa Teburea
Senior Finance Officer (Scrutineer)  Ben Swan
Office Manager (Minutes)  Jacqui Kelleher

Member Councils (voting delegates):

Adelaide City Council  District Council of Elliston
Adelaide Hills Council  The Flinders Ranges Council
Adelaide Plains Council  Town of Gawler
Alexandrina Council  Goyder Regional Council
The Barossa Council  District Council of Grant
District Council of Barunga West  Holdfast Bay City Council
Berri Barmera Council  District Council of Karoonda East Murray
City of Burnside  District Council of Kimba
Campbelltown City Council  Kingston District Council
City of Charles Sturt  Light Regional Council
Clare & Gilbert Valleys Council  District Council of Lower Eyre Peninsula
District Council of Cleve  District Council of Loxton Waikerie
District Council of Coober Pedy  City of Marion
Coorong District Council  Mid Murray Council
District Council of Copper Coast  City of Mitcham
2. **Apologies**

District Council of Ceduna
District Council of Franklin Harbour
Kangaroo Island Council
District Council Peterborough
Municipal Council of Roxby Downs
Tatiara District Council (absent)
Wakefield Regional Council
4. **President’s Report**

The President provided a verbal report. The report is attached to these minutes.

The Minister for Local Government, the Hon Stephan Knoll MP addressed the meeting.

3. **Notices & Arrangements**

The Executive Director Corporate & Member Services outlined the notices and arrangements for the meeting.

5. **Minutes of Previous Meeting**

5.1 Minutes of the Annual General Meeting held 16 November 2017

Moved Port Adelaide Enfield Seconded Berri Barmera that the Ordinary General Meeting confirms the minutes of the Annual General Meeting held on 16 October 2017 as a true and accurate record of the proceedings held.

Carried

5.2 Resolutions and Actions from Previous Meetings

Moved Gawler Seconded Robe that the Ordinary General Meeting notes progress with resolutions resulting from the Annual General Meeting of 16 November 2017 and outstanding resolutions from previous meetings.

Carried

6. **Discussion Reports from the LGA Board**

6.1 LGA Governance Review / New Constitution

Moved Naracoorte Lucindale Seconded Burnside that the Ordinary General Meeting:

1. adopts the new LGA Constitution for commencement on 27 October 2018
2. adopts the transitional arrangements inserted into the existing LGA Constitution
3. notes the consultation being undertaken on the Ancillary Documents (listed below) to the new LGA Constitution:
   a. Membership Proposition
   b. Terms of reference for the South Australian Regional Organisation of Councils (SAROC)
c. Terms of reference for the Greater Adelaide Regional Organisation of Councils (GAROC)
d. Terms of reference for the Audit Committee
e. Terms of reference for the CEO Advisory Group
f. Meeting procedures.

Amendment

Moved Port Lincoln Seconded Holdfast Bay that the Ordinary General Meeting:

1. adopts the new LGA Constitution for commencement on 27 October 2018 with the removal of clauses 19.6.2 and 19.7 and consequential amendments to 19.4.2(e) and 19.9;
2. adopts the transitional arrangements inserted into the existing LGA Constitution;
3. notes the consultation being undertaken on the Ancillary Documents (listed below) to the new LGA Constitution:
   a. Membership Proposition
   b. Terms of reference for the South Australian Regional Organisation of Councils (SAROC)
c. Terms of reference for the Greater Adelaide Regional Organisation of Councils (GAROC)
d. Terms of reference for the Audit Committee
e. Terms of reference for the CEO Advisory Group
f. Meeting procedures.

That the Amendment become the Motion was Carried

Second Amendment

Moved Clare & Gilbert Valleys Seconded Mount Gambier that the Ordinary General Meeting:

1. adopts the new LGA Constitution for commencement on 27 October 2018 with the removal of clauses 19.6.2 and 19.7 and consequential amendments to 19.4.2(e) and 19.9 and with the deletion of the words “with relevant business and governance experience” from clause 21.2.4 and consequent amendments to Clauses 31.3 and 31.4;
2. adopts the transitional arrangements inserted into the existing LGA Constitution;
3. notes the consultation being undertaken on the Ancillary Documents (listed below) to the new LGA Constitution:
   a. Membership Proposition
   b. Terms of reference for the South Australian Regional Organisation of Councils (SAROC)
c. Terms of reference for the Greater Adelaide Regional Organisation of Councils (GAROC)
d. Terms of reference for the Audit Committee
e. Terms of reference for the CEO Advisory Group
f. Meeting procedures.
7. Information Reports from the LGA Board

7.1 Update of the LGA Policy Manual
Moved Tumby Bay Seconded Mid Murray that the Ordinary General Meeting:
1. authorises the LGA Secretariat to commence sector-wide consultation on the updated content of the LGA Policy Manual; and
2. notes that the outcomes of the consultation process and a final version of the LGA Policy Manual will be presented for endorsement at the 2018 AGM.

Carried

7.2 Advocacy Update
Moved Onkaparinga Seconded Coorong that the Ordinary General Meeting notes the report.

Carried

7.3 LGA Schemes Review Update
Moved Adelaide Seconded Mid Murray that the Ordinary General Meeting notes the report.

Carried

8. Council Notices of Motion

8.1 Little Corella Management (Alexandrina)
Moved Alexandrina Seconded Playford that the Ordinary General Meeting requests the LGA to vigorously lobby the State Government for the rapid progression of a state-wide strategy and response to the management and population control of Little Corellas, which should then be supported with financial assistance to Local Governments to assist with the implementation of medium and long term management options for this and other abundant bird species. The strategy should utilise recommendations of the Discovery Circle University of South Australia report to guide actions, which should be facilitated and implemented by state government with assistance from local government and other relevant agencies and stakeholders.

Carried
8.2 Potential Overseas Recycling Import Restrictions (Marion)
Moved Marion Seconded Gawler that the Ordinary General Meeting requests the Local Government Association to investigate whether there is sufficient evidence across local government to investigate the impact and risk to councils of potential overseas recycling import restrictions.

Carried

8.3 New Properties Application for Reticulation (AFR) (Marion)
Moved Marion Seconded Prospect that the Ordinary General Meeting requests the LGA to advocate for connection to telecommunication infrastructure being mandated in relevant legislation by writing to:

1. the South Australian Minister for Planning seeking that the Planning, Development and Infrastructure Act 2016 be amended to include telecommunications as an essential service for the purpose of issuing land division consents; and
2. the Department of Communications to seek more information on the awareness campaign being undertaken by the Department and communicate the information to councils.

Carried

8.4 South Australian Government’s Industry Participation Policy and Guideline (Adelaide)
Moved Adelaide Seconded Walkerville that the Ordinary General Meeting requests that the LGA works with the South Australian government to take all actions necessary to support Local Government adoption of the South Australian Government’s Industry Participation Policy and Guidelines.

Carried

8.5 Local Heritage Listing Policy and Procedure (Adelaide)
Moved Adelaide Seconded Marion that the Ordinary General Meeting requests that the LGA calls upon and works with all South Australian Councils to develop a consistent policy and procedure to identify and protect their historic building stock dating from the 19th and 20th century, to achieve more consistent local heritage and comprehensive historic character protection across all council areas in the State, in order to better meet community expectations.

The leave of the meeting was granted to remove the word “early” which was included in the original motion before the words “20th Century”.

Carried

8.6 Car Share Schemes Policy and Procedure (Adelaide)
Moved Adelaide that the Ordinary General Meeting requests that the LGA works with all South Australian Councils to develop, where appropriate, a
consistent policy and procedure in relation to Car Share Schemes operating in South Australia.

The Motion lapsed for the want of a Seconder

8.7 Bike Share Scheme Policy and Procedure (Adelaide)

Moved Adelaide Seconded Mitcham that the Ordinary General Meeting requests that the LGA works with all South Australian Councils to develop, where appropriate, a consistent policy and procedure for Bike Share Schemes operating in South Australia.

Carried

8.8 Developer Contributed Assets (Charles Sturt)

Moved Charles Sturt Seconded Mitcham that the Ordinary General Meeting requests the LGA to:

1. seek advice from the Department of Planning, Transport and Infrastructure (DPTI) on the timing of the development of the Design Standards and seek an assurance from DPTI that the Design Standards will be developed in consultation with local government; and

2. commission production of a template agreement for a council to enter with a developer, under which the council would agree to accept an asset constructed by the developer, providing that the asset was constructed to a relevant standard, and providing a mechanism to deal with a situation where the standard of such an asset was in dispute.

Carried

8.9 Building Code Standards for Accessible Car Parking (Prospect)

Moved Prospect Seconded Port Adelaide Enfield that the Ordinary General Meeting request the LGA to write to the relevant authority to seek amendments to the Building Code of Australia (or relevant Australian Standards) to establish a revised minimum height clearance standard for car parking including for car parking spaces and access to car parking facilities to enable Access Taxis and/or similar vehicles, designed for people with disability (or minimum distance from the site), to access appropriate parking spaces.

Carried

8.10 Potential Conflict of Interest (Salisbury)

Moved Salisbury Seconded Mitcham that the Ordinary General Meeting requests the LGA to lobby the State Government following the March election regarding:

a. legislative change that would require any candidate serving on council to take leave of absence with suspension of allowance following the issuing of the writs;
b. the LGA investigate changes to the legislation that suspends Elected Member allowances for the duration of extended leaves of absence greater than two months; and

c. investigate possible conflicts of interest of Elected Members who work as staff members of sitting MPs.

Amendment Moved Burnside Seconded Renmark Paringa that the Ordinary General Meeting requests the LGA to lobby the State Government following the March election regarding:

a. legislative change that would require any candidate serving on council to take leave of absence with suspension of allowance following the issuing of the writs; and

b. the LGA investigate changes to the legislation that suspends Elected Member allowances for the duration of extended leaves of absence greater than two months.

That the Amendment become the motion was Carried

The Motion as amended was put and was Carried

9. Late Reports
Nil.

10. Next Meeting
The 2018 LGA Annual General meeting will be held on Friday 26 October 2018 at the Adelaide Entertainment Centre, Port Road, Hindmarsh.

11. Close
The meeting was declared closed at 1.24 pm.

Minutes confirmed
2018 LGA OGM President’s Report

It is my pleasure to provide the President’s Report this morning to the 2018 LGA Ordinary General Meeting.

This is the first General Meeting that we have held in sixteen years where we are welcoming a new state government.

I would like to begin by congratulating Premier Marshall on his success in last month’s election, and say that we look forward to working with the Premier and his team as a partner in government and part of the solutions for South Australia.

I would also like to acknowledge the outgoing Labor government, with whom we worked closely across a range of portfolios.

We collaborated on public health, helping councils fulfil their responsibilities under the Public Health Act, and rolling out the popular and successful OPAL program.

We partnered in a Regional Youth Traineeship Program, giving young people their start in local government and helping to address issues of youth unemployment in regional SA.

We improved public health and amenity – and opened up new economic opportunities – by working with councils to install CWMS systems in regional and remote communities.

We helped facilitate investment in infrastructure – and drive jobs – by advocating for and then helping administer the State Local Government Infrastructure Program.

Last year we also provided administrative and procurement advice to the Government and councils for the first round of the Fund My Neighbourhood program.

We formalised the important role that councils play supporting state agencies during emergency events with the creation of the Local Government Functional Support Group.

And we turned around the financial performance and sustainability of councils with the national award winning Local Government Financial Sustainability Program.

These partnerships have greatly benefited our State, and I would like to acknowledge the former Premier Jay Weatherill and Minister for Local Government Geoff Brock for their willingness to work collaboratively with councils and the LGA.

A new government provides us with new opportunities, and new partners in building a better local government sector and stronger communities.

In a few moments, we are going to hear from our new Minister for Local Government, Stephan Knoll.

I’m looking forward to working with Minister Knoll and the new government and parliament towards making our sector, our communities, and our State even stronger.

We’ve already highlighted a wide range of ways we can do this though our state election platform South Australia. Uncapped potential.

It was great to see the Liberal Party commit to supporting some of these priorities – such as mobile black spot funding, and royalties for regions – in the lead up to the state election.
However, we will continue to advocate strongly for the many other opportunities highlighted in this document to the new government.

Given Minister Knoll is also the Minister for Planning, Transport and Infrastructure, we’ll be having a lot of these conversations with him.

One of our biggest priorities for working with the new government will be local government reform.

With the support of 50 member councils, we have campaigned strongly against the policy of rate capping.

As I mentioned often during this campaign, our issue is with a policy – not with a political party.

Our campaign was – and still is – against the idea that you can better serve communities by restricting the revenue available to fund important local services and infrastructure.

I truly believe that local government is already the most efficient sphere of government, but would be the first to acknowledge that we can always do things better.

Working with all of you, we’ve developed a reform agenda for our sector that will further improve transparency, and help councils deliver more efficient services to their communities.

We’ve proposed a comprehensive benchmarking system that will allow councils to identify and address opportunities for improvement in their operations.

It will also build on our sector’s reputation as the most efficient tier of government, and reinforce our commitment to continuous improvement.

A stronger, more effective code of conduct system will provide councils with the tools they need to deal with serious behavioural misconduct issues, without getting distracted from their core business by investigating trivial disputes.

Standardising council audit processes, and maximising the effectiveness of council audit committees will improve consistency across the sector, and provide even greater transparency.

Councillors in South Australia are ready for change, but we can’t do it alone – we need the support of the State Government and State Parliament.

I look forward to working with the new government and parliament on sensible, evidence-based reforms that will set our councils and their communities up for success.

Along with rate capping, one of the key issues we highlighted before the state election was cost shifting.

Cost shifting by the State Government is costing councils millions of dollars every year, often adding an extra percent or so on top of annual rates increases.

We are under pressure to keep annual rates increases as low as possible, but many of the costs being incurred by local government are outside of our control.

I am pleased that the Liberal Party understands the impact of cost shifting, and appreciate the commitment they made during their election campaign to stopping it.

As a priority, the LGA will be urging the government to look closely at a range of examples of cost shifting, and have asked them to start by freezing and reviewing the Solid Waste Levy, removing the mandatory 75% rate rebate for community housing, and scrapping “rubble royalty” payments.
As your association, we will continue to advocate for a better deal for councils and their communities – and will make sure that ratepayers are aware of every dollar that has been shifted to them through their council rates.

However, we need the support of a united sector if we are going to see real and significant change. Advocacy doesn’t begin and end with the LGA – it’s a shared responsibility.

We should all be ready to explain what we do, and how we could do it even better with access to fairer and more equitable funding, and a legislative framework that supports our sector.

I would encourage you to think about what your council needs be as efficient and effective as it can be in your community.

Local advocacy is often more powerful than a state-wide approach. It brings the issues to life and makes them real.

You know your communities, their needs, and their aspirations.

You understand who the decision makers are, and what the local politics are.

You can see where you can refine your messaging for different audiences, and who you can enlist as third party supporters.

Above all else though, you know the specific local examples that exemplify the need for change.

Our advocacy must always be backed up by evidence that clearly supports our position.

Moving beyond the State elections, the LGA will be focused this year on the council elections in November.

We want to see more candidates, more voters, and more diversity.

Our sector is only as strong as the 700 elected council members who give of their time and energy to make their communities better.

This year for the first time the LGA will manage - on behalf of ECSA - all three phases of the elections promotional campaign – enrol, nominate and vote.

We’ll be working closely with councils to run a coordinated campaign, with the goal of reaching potential voters and candidates right across our communities.

Finally, today’s Ordinary General Meeting will include a vote to endorse the LGA’s new Constitution.

We started reviewing our Constitution more than two years ago.

Since then we’ve looked closely at governance arrangements for interstate LGAs, and consulted extensively with you – our members – on what the governance of your association should look like.

You told us that it should include:

- Better representation and streamlined decision making;
- Strong policy engagement and better resourcing;
- Less bureaucracy, less meetings and more outcomes;
- More input from council administrations; and
- A focus on aggregating more local government spend to provide better, more innovative, cheaper, de-risked products and services to councils.
Our new Constitution addresses all of these priorities, and has been designed to serve the LGA and its members for many years into the future.

Please support the LGA’s new Constitution with your vote this morning.

As an association, and a sector, we can’t stay still.

We must continue to adapt and grow if we are to remain relevant, and provide our communities with the representation and services they deserve.

Thank you.
Draft Minutes of the LGA Special General Meeting held on
Friday 13 July 2018 at 12.30pm at Adelaide Town Hall, 128
King William Street, Adelaide

1. Open & Welcome

The President opened the meeting at 12:30pm and welcomed members and staff.

Present:
President
Cr Sue Clearihan

LGA Secretariat:
Chief Executive Officer
Matt Pinnegar

Executive Director Corporate & Member Services
Kathy Jarrett

Executive Director Public Affairs
Lisa Teburea

Office Manager (Minutes)
Jacqui Kelleher

Director, Finance (Scrutineer)
Andrew Wroniak

Senior Finance Officer (Scrutineer)
Ben Swan

Member Councils (voting delegates):
Adelaide City Council
Goyder Regional Council

Adelaide Hills Council
Holdfast Bay City Council

Adelaide Plains Council
District Council of Kimba

Alexandrina Council
Kingston District Council

The Barossa Council
Light Regional Council

Berri Barmera Council
District Council of Loxton Waikerie

City of Burnside
City of Marion

Campbelltown City Council
Mid Murray Council

City of Charles Sturt
City of Mitcham

Clare & Gilbert Valleys Council
Mount Barker District Council

District Council of Cleve
City of Mount Gambier

Coorong District Council
District Council of Mount Remarkable

District Council of Copper Coast
Rural City of Murray Bridge

District Council of Elliston
Naracoorte Lucindale Council

The Flinders Ranges Council
District Council of Orroroo/Carrieton
2. Apologies

Barunga West Council
District Council of Ceduna
District Council of Coober Pedy
District Council of Franklin Harbour
Town of Gawler
District Council of Grant
Kangaroo Island Council
District Council of Karoonda East Murray
District Council of Lower Eyre Peninsula

District Council of Peterborough
Port Augusta City Council
District Council of Robe
Municipal Council of Roxby Downs
Tatiara District Council
Wattle Range Council
City of Whyalla
Wudinna District Council

3. Notices & Arrangements

The Executive Director Corporate & Member Services outlined the notices and arrangements for the meeting.

4. Discussion Reports from the LGA Board

4.1 Local Government (Rate Oversight) Amendment Bill 2018

Moved Goyder Seconded Naracoorte Lucindale that the Special General Meeting:

1. notes the report;
2. notes the policy position unanimously adopted by LGA Members at the 2016 Ordinary General Meeting that decisions concerning council rates
are better informed, and the impacts better understood, when made by the respective councils in consultation with their communities;

3. requests that all South Australian councils carefully review the Local Government (Rate Oversight) Amendment Bill 2018 and advise the Local Government Association by Friday 3 August 2018 of the council’s endorsed position based on the following options:
   a. Council supports the Local Government (Rate Oversight) Amendment Bill 2018; or
   b. Council opposes the Local Government (Rate Oversight) Amendment Bill 2018.

4. supports the LGA using best endeavours to secure the best possible outcome for local government and the communities they serve and requests that councils provide to the LGA a list of the priority issues, amendments and concessions they would seek to address in the LGA’s discussions with political parties about this rate capping legislation;

5. notes that the Local Government Association Board will hold a special meeting to consider the endorsed positions of member councils; and

6. notes that the LGA Board will consider the matter on the basis of both a ‘one vote, one value’ counting method and a weighted voting method (using the same weighting system applied at LGA General Meetings). The Board will also use identified criteria to inform and resolve a position.

Carried

5. **Next Meeting**

   The 2018 Annual General Meeting will be held on Friday 26 October at Adelaide Entertainment Centre, 98 Port Road, Hindmarsh.

6. **Close**

   The meeting was declared closed at 1.07 pm.

Minutes confirmed

.................................................

Chairperson
5.2 Resolutions and Actions from Previous Meetings

Minutes of Previous Meeting
From: Jacqui Kelleher, Office Manager
Meeting Annual General Meeting 26 October 2018
ECM: 663075

Recommendation
That the Annual General Meeting notes progress with resolutions resulting from the ordinary general meeting of 13 April and special general meeting of 13 July 2018 and outstanding resolutions from earlier general meetings.

Discussion
The attachment shows progress of resolutions from previous general meetings of the LGA.
<table>
<thead>
<tr>
<th>Resolutions from the Special General Meeting – 13 July 2018</th>
<th>Action Taken / Progress</th>
<th>Officer</th>
<th>Report ECM</th>
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<tr>
<td><strong>4.1 Local Government (Rate Oversight) Amendment Bill 2018</strong></td>
<td>Since the LGA Special General Meeting on 13 July 2018 resolution was passed, the LGA requested all South Australian Councils carefully review the Local Government (Rate Oversight) Amendment Bill 2018 and advise the Local Government Association of their position by Friday 3 August. 56 councils formally voted to oppose the legislation and three councils voted in support. Subsequent to the feedback from councils, the LGA Board held special meeting on 10 August 2018 to consider its endorsed position on the policy. At the 10 August 2018 LGA Special Board meeting the board voted to unanimously oppose the Bill. Since the 10 August LGA Board meeting, the LGA President and CEO have held various meetings with the local government Minister, Shadow Minister and members of the cross bench to communicate the sector's strong opposition to the Local Government (Rate Oversight) Amendment Bill 2018 and to discuss alternative reforms. On 30 August 2018 Labor, SA Best and the Greens announced they would oppose the rate capping bill, whilst supporting a bill with an alternative range of reforms. The LGA continues to meet with the Local Government Minister, Shadow Minister and Cross Bench to discuss sensible reform measures.</td>
<td>MP</td>
<td>662513</td>
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5. notes that the Local Government Association Board will hold a special meeting to consider the endorsed positions of member councils; and
6. notes that the LGA Board will consider the matter on the basis of both a 'one vote, one value' counting method and a weighted voting method (using the same weighting system applied at LGA General Meetings). The Board will also use identified criteria to inform and resolve a position.

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<th>Action Taken / Progress</th>
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<th>Report ECM</th>
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<tr>
<td>6.1 LGA Governance Review / New Constitution</td>
<td>that the Ordinary General Meeting:</td>
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<td>1. adopts the new LGA Constitution for commencement on 27 October 2018 with the removal of clauses 19.6.2 and 19.7 and consequential amendments to 19.4.2(e) and 19.9;</td>
<td>The Constitution (adopted at the 2018 OGM) has been approved by the Minister. A series of workshops have been held across the state on the Ancillary Documents to obtain feedback from councils and they have been amended to reflect the feedback received. Refer separate report in these papers for a more detailed update on the Ancillary Documents.</td>
<td>KJ</td>
<td>659833</td>
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<td>2. adopts the transitional arrangements inserted into the existing LGA Constitution;</td>
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<td>3. notes the consultation being undertaken on the Ancillary Documents (listed below) to the new LGA Constitution:</td>
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<tr>
<td>a) Membership Proposition</td>
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<td>b) Terms of reference for the South Australian Regional Organisation of Councils (SAROC)</td>
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<td>c) Terms of reference for the Greater Adelaide Regional Organisation of Councils (GAROC)</td>
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<td>d) Terms of reference for the Audit Committee</td>
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<td>e) Terms of reference for the CEO Advisory Group</td>
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<td>f) Meeting procedures.</td>
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### 7.1 Update of the LGA Policy Manual

That the Ordinary General Meeting:

1. authorises the LGA Secretariat to commence sector-wide consultation on the updated content of the LGA Policy Manual; and
2. notes that the outcomes of the consultation process and a final version of the LGA Policy Manual will be presented for endorsement at the 2018 AGM.

Consultation with councils has occurred on a revised LGA Policy Manual.

A final draft is presented within the 2018 AGM Agenda for adoption by members.

### 8.1 Little Corella Management (Alexandrina)

That the Ordinary General Meeting requests the LGA to vigorously lobby the State Government for the rapid progression of a state-wide strategy and response to the management and population control of Little Corellas, which should then be supported with financial assistance to Local Governments to assist with the implementation of medium and long term management options for this and other abundant bird species. The strategy should utilise recommendations of the Discovery Circle University of South Australia report to guide actions, which should be facilitated and implemented by state government with assistance from local government and other relevant agencies and stakeholders.

The LGASA is continuing its efforts to advocate to the State Government, and support member councils with the management of little corellas.

On 30 April 2018, the LGA President wrote to the Minister for Environment and Water, David Speirs MP, seeking urgency from the State Government to provide for the state-wide management of little corellas, which should be supported with financial assistance to councils to assist with the implementation of medium and long-term management options for this and other abundant bird species.

The Minister has replied acknowledging the community’s concerns regarding little corellas and confirming that a state-wide strategy is being prepared by the Department for Environment and Water as a priority.

The Minister has signalled that the management of little corellas is an issue that the LGASA may want to provide specific feedback on in the development of the new Landscape South Australia Act. This will be incorporated into our forthcoming submission.

On 31 July 2018, the LGASA facilitated a discussion with a number of councils experiencing little corella issues and the Department, to further inform the detail of a state-wide strategy. At that meeting the
Department confirmed that there is no government funding available at this stage to support a strategy.

LGASA is currently preparing a sector-wide submission to the Parliament of South Australia’s Natural Resources Committee Inquiry into overabundant and pest species in South Australia.

8.2 Potential Overseas Recycling Import Restriction (Marion)

That the Ordinary General Meeting requests the Local Government Association to investigate whether there is sufficient evidence across local government to investigate the impact and risk to councils of potential overseas recycling import restrictions.

The LGA has acted quickly to lead a series of activities designed to support councils in managing the financial implications of the revised Chinese policy, and to discuss opportunities for growth and evolution of the local waste management industry in South Australia.

These activities have included:

- Participating in the “China import bans and restrictions on recyclables SA Working Group” with Green Industries SA (GISA) and the Environment Protection Authority and providing information and advice to feed into development of the State Government Support Package;
- Sharing results of the LGA commissioned “Market Analysis of South Australian Recyclables” report to assist councils in understanding their exposure;
- Working to understand the position of councils in re-negotiating waste management contracts and developing a model “rise and fall” clause to assist councils in re-negotiating these contracts to provide for risk sharing arrangements; and
- In conjunction with GISA, hosting a Waste Pathways Workshop “Beyond China Sword” on 5 June 2018 to explore the implications of the China Sword policy for the recycling industry in SA and discuss how the local government sector can be part of the solution.

The LGA was pleased that the State Government released its Recycling Industry Support Package on 12 May 2018, but was
disappointed that the package did not provide more direct assistance to councils.

Now that the State Government package has been announced, the China Import Bans Working Group is considering two program areas: sustainable procurement and recycling education campaign. The LGA will continue to engage with councils and the State Government on both of these important areas.

### 8.3 New Properties Application for Reticulation (AFR) (Marion)

That the Ordinary General Meeting requests the LGA to advocate for connection to telecommunication infrastructure being mandated in relevant legislation by writing to:

1. the South Australian Minister for Planning seeking that the Planning, Development and Infrastructure Act 2016 be amended to include telecommunications as an essential service for the purpose of issuing land division consents; and
2. the Department of Communications to seek more information on the awareness campaign being undertaken by the Department and communicate the information to councils.

The Commonwealth is of the view that telecommunications should be treated like other utilities, i.e. gas, water and electricity, and would encourage/welcome state governments including telecommunications requirements in state planning laws. The Commonwealth Government consider that telecommunications is an essential service, and while the number of delays in getting new developments connected to telecommunications services is overall low, the impact on the affected end-user is often significant.

The LGA has written to the Minister of Planning regarding this matter (no response received to date) and the Commonwealth Department of Communications and Art has also met with the SA Department of Planning about these issues.

The Department of Communications and the Arts will be looking to develop some additional information materials to raise awareness/educate prospective consumers and developers about the importance of telecommunications and to ensure such infrastructure is deployed in their new development. One group that they intend to focus on is small developers who are unlikely to be a member of an industry body or have extensive experience in undertaking a new subdivision, and so may not be aware of the complexities and timeframes involved in getting their new development connected to telecommunications services. The

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<td>SPS</td>
<td>659552</td>
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### 8.4 South Australian Government’s Industry Participation Policy and Guideline (Adelaide)

That the Ordinary General Meeting requests that the LGA works with the South Australian government to take all actions necessary to support Local Government adoption of the South Australian Government’s Industry Participation Policy and Guidelines.

The LGA has prepared and promoted a Local Government Industry Participation Policy Framework (a procurement tool for local councils) utilising funds from the Local Government Research and Development Scheme, which was endorsed by the LGA Board in March 2018. The Industry Advocate, Mr Ian Nightingale, is leading the promotion and adoption of the SA IPP to all SA councils.

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### 8.5 Local Heritage Listing Policy and Procedure (Adelaide)

That the Ordinary General Meeting requests that the LGA calls upon and works with all South Australian Councils to develop a consistent policy and procedure to identify and protect their historic building stock dating from the 19th and 20th century, to achieve more consistent local heritage and comprehensive historic character protection across all council areas in the State, in order to better meet community expectations.

The LGA Secretariat sought funding through the Local Government Research and Development Scheme to undertake this project, however the funding request was not successful. The LGA Secretariat has also approached the MLGG regarding funding of a project to progress this objective. The MLGG has indicated that given this has broader state-wide benefits interest should also be sought from the regional LGAs. It is anticipated that this matter will be reported back to GAROC following the receipt of advice from the regions.

The LGA prepared a submission to the South Australian Parliament’s Environment, Resources and Development Committee’s inquiry into the operation of South Australia’s heritage system. This submission was developed in consultation with councils, and included discussion about a consistent listing process for local heritage properties.

| SPS | 659576 |
### 8.7 Bike Share Scheme Policy and Procedure (Adelaide)

That the Ordinary General Meeting requests that the LGA works with all South Australian Councils to develop, where appropriate, a consistent policy and procedure for Bike Share Schemes operating in South Australia.

Funding of $15,000 has been made available in 2018-19 from the Local Government Research & Development Scheme. To carry out the project, the LGA has formed a small steering group, comprising policy officers at four metropolitan Councils (including Adelaide City), and an officer from DPTI. The steering group will assist in appointing a project officer to carry out this work. Commercial bike share operators have ceased operations in Adelaide, but it is anticipated that others will emerge in due course and this work will put councils in a favourable position to engage positively with a new operator. The LGA will keep the sector informed of this project via LGA Circular.

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### 8.8 Developer Contributed Assets (Charles Sturt)

That the Ordinary General Meeting requests that the LGA:

1. seek advice from the Department of Planning, Transport and Infrastructure (DPTI) on the timing of the development of the Design Standards and seek an assurance from DPTI that the Design Standards will be developed in consultation with local government; and
2. commission production of a template agreement for a council to enter with a developer, under which the council would agree to accept an asset constructed by the developer, providing that the asset was constructed to a relevant standard, and providing a mechanism to deal with a situation where the standard of such an asset was in dispute.

The LGA is liaising with DPTI on ‘design standards’ as part of the introduction of the planning reform system. Design Standards are an important part of the emerging planning system, and the LGA will continue to lobby and advocate ensuring that adequate consultation is undertaken on all elements that make up the new system.


Council adoption and usage of the Infrastructure Guidelines will reduce the need for a template agreement. To the extent that a template agreement might be regarded as advantageous, this would require legal services. The cost of such services has not been anticipated in the current LGA work plan. A Council might choose to apply to the LGR&DS for funding to develop such a template.

| PSS | 659579 |
### 8.9 Building Code Standards for Accessible Car Parking (Prospect)

That the Ordinary General Meeting request the LGA to write to the relevant authority to seek amendments to the Building Code of Australia (or relevant Australian Standards) to establish a revised minimum height clearance standard for car parking including for car parking spaces and access to car parking facilities to enable Access Taxis and/or similar vehicles, designed for people with disability (or minimum distance from the site), to access appropriate parking spaces.

- Correspondence has been sent to Building Standards Australia regarding this matter. Building Standards Australia has advised that the CE-001 Parking Facilities technical committee is responsible for the above standards and are currently revising these standards. The ALGA are a member of this committee, however at this time have no nominated member. ALGA are currently discussing committee membership with Building Standards Australia.

### 8.10 Potential Conflict of Interest (Salisbury)

that the Ordinary General Meeting requests the LGA to lobby the State Government following the March election regarding:

- a) legislative change that would require any candidate serving on council to take leave of absence with suspension of allowance following the issuing of the writs; and
- b) the LGA investigate changes to the legislation that suspends Elected Member allowances for the duration of extended leaves of absence greater than two months.

- The proposal to require council members seeking election to the State Parliament to stand down from their position on council with their allowance suspended throughout the election campaign period has been included in the LGA’s local government reform package, which has been provided to members of the government, opposition, and cross bench.
  
  All parties have been briefed on the LGA’s local government elections reform proposals, and the LGA will continue to advocate for reform of the Local Government Elections Act and the Local Government 1999 as a priority following the 2018 council elections.
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<tr>
<th>Resolutions from the Annual General Meeting - 16 November 2017</th>
<th>Action Taken / Progress</th>
<th>Officer</th>
<th>Report ECM</th>
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<tr>
<td><strong>7.5 LGA Governance Review Update</strong>&lt;br&gt;that the Annual General Meeting&lt;br&gt;1 notes the report; and&lt;br&gt;2 notes the proposed new LGA governance structure, constitutional drafting notes and draft new LGA Constitution to be the subject of sector wide consultation prior to endorsement at the next general meeting of members of the LGA.</td>
<td>An update will be provided in the agenda for the 2018 OGM October 26, 2018 (Item 6.3 - Ancillary Documentation).</td>
<td>KJ</td>
<td>655567</td>
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<td><strong>8.1 Community Land Management Plans (Charles Sturt)</strong>&lt;br&gt;That the Annual General Meeting requests the LGA to undertake a comprehensive review of their Community Land – Classification and Management Plans Guidelines to ensure that these guidelines take into consideration the decision handed down by Justice Malcolm Blue in the Supreme Court.</td>
<td>The LGA has been working with Local Government Risk Services on two projects to respond to the Coast Park decision: a revised Public Consultation Policy - Model Policy document and revised Community Land Management Plan (CLMP) guidelines. The LGA has prioritised the project related to public consultation because of concerns raised by community engagement practitioners. This project is close to completion. Once completed, the LGA will re-commence work on the revised CLMP guidelines.</td>
<td>EHS</td>
<td>655308</td>
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<td><strong>8.2 Material Conflicts of Interest (West Torrens)</strong>&lt;br&gt;That the Annual General Meeting requests the LGA to seek the amendment of section 74 of the Local Government Act 1999 (LG Act) to enable a member of council who has declared a material conflict of interest in a matter to be discussed at a meeting of council, to be able to elect to remain in the meeting, participate in the debate and vote on the matter if the member is able to demonstrate that it is in the public interest for the member to do so particularly when nominating for community membership or conferences and seminars specifically related to local government</td>
<td>Extensive discussions were held with the previous State Government regarding the conflict of interest provisions in the Local Government Act 1999. Further engagement with the sector will be undertaken to clearly define the extent of the issues being experienced by councils, and the impact this is having on the efficient and effective management of council business. Following this, the LGA will re-engage with the current Minister for Local Government.</td>
<td>AS</td>
<td>655373</td>
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<td>Business</td>
<td>Local Government Association Annual General Meeting, Australian Local Government National Congress etc.</td>
<td>The LGA will continue to advocate for reform of the Local Government Act 1999 as a priority following the 2018 council elections.</td>
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<td><strong>8.3</strong> Rating of Electricity Generators (Wattle Range)</td>
<td>that the Annual General Meeting asks the LGA to investigate, in collaboration with Regional LGAs, the potential benefits of allowing councils to collect rates from electricity generators in the same manner as councils in Victoria as part of a broader review of rating equity for commercial and industrial land uses.</td>
<td>The LGA worked with Legatus Group to develop recommendations for a policy position on the rating of developments. Supported by the LGR&amp;DS, the Legatus Group commissioned a report (completed) to further explore this issue and provide recommendations to assist with removing rating constraints. At its meeting on 13 September 2018, the LGA Board adopted recommendations that will inform future advocacy to the State Government.</td>
<td>LB 655481</td>
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<td><strong>8.5</strong> Essential Services Property Reinstatement Policy (Prospect)</td>
<td>that the Annual General Meeting requests the Local Government Association to liaise with essential service providers to establish an agreed policy on reinstating public infrastructure to the satisfaction of councils after completion of works and remediation improvements.</td>
<td>The MLGG has agreed to fund a project led by the LGA. The LGA has sought responses from councils and essential service providers via a survey. The LGA has met with Adelaide City Council to discuss a project they are undertaking on a similar issue, and is currently in the process of reviewing the relevant legislation and is likely to establish a working group to process ideas from stakeholder.</td>
<td>LB 655433</td>
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<td><strong>8.6</strong> Establishing Local Government common data formats (Prospect)</td>
<td>that the Annual General Meeting requests the LGA to seek interest from the Local Government sector in: • establishing common formats for collecting data; • the LGA collating and sharing such data; and • ensuring the data is available to the public in a user friendly format.</td>
<td>UHY Haines Norton were engaged to source a number of existing databases and data to compile a report based on Council classifications. This report together with an interactive dashboard, which will allow users to review and analyse this data, is expected to be available before the AGM. At the same time LG Professional has commenced year two of its Performance Excellence program. The next step for the LGA is to consult the sector as to where it wishes to take this project, what should be made public, and what commentary needs to be added to assist the public to use the data, given the diversity of Councils.</td>
<td>AJ 655434</td>
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### 8.9 Use of independent experts for assessment of Regulated or Significant trees (Unley)

that the Annual General Meeting requests the LGA to:

1. investigate with councils and the Department of Planning, Transport and Infrastructure the development of a Planning Circular which outlines the ‘special circumstances’ which should apply to request an expert or technical report relating to a tree; and
2. advocate for arborists involved in the assessment of Significant and Regulated Trees to be included in the Accredited Professionals scheme and Code of Practice to be established under the Planning, Development and Infrastructure Act.

This matter was raised in the LGA Submission on the Accredited Professionals Scheme. "Providing advice on applications – these are a range of professionals who provide advice on applications on behalf of the applicant, these include arborists and traffic engineers. Councils are often required to seek further independent advice in relation to reports provided by external experts, which adds further cost and time to the assessment of applications. This could be overcome to some extent if these professionals were also accredited under the scheme and were then subject to professional code of conduct requirement and the complaint system where it was seen that their professional advice was not consistent with the planning policy”.

The recently released draft Accredited Professionals Scheme regulations did not address this issue. The LGA Secretariat is developing draft Guidelines relating to the Special Circumstances relating to regulated trees. These will be consulted on in early 2019.

### 9.1 Call for a cap on increases in taxes, levies on any future State Government (Clare & Gilbert Valleys)

that the Annual General Meeting requests the LGA to adopt the following policy positions and call on all South Australian political parties to publicly support these policies:

1. that a future State Government must cap all future increases in State Government taxes, levies, fees and charges (including government business units/enterprises) affecting local government in line with any capping proposal for Local Government;
2. that the percentage increase in total revenue collected through State Government taxes, levies, fees and charges

The issues raised in this motion have featured in LGA lobbying/advocacy activities including the State Election platform and State Budget submissions.
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<td>3.</td>
<td>That a future state government must not introduce any new State Government taxes, levies, fees and charges to be collected by Local Government and passed on to the State Government or its agencies;</td>
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<td>4.</td>
<td>That a future State Government must not transfer responsibility for services to Local Government without adequate and mutually agreed additional funding of Local Government; and</td>
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<td>5.</td>
<td>That a future State Government will not amend or introduce legislation that has a negative financial impact on Local Government without mutual agreement.</td>
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### 9.2 Administering the Construction Industry Training Fund Levy (Barossa)

That the Annual General Meeting requests the LGA to seek consideration by the State Government to change legislation to enact a simpler and efficient calculation or council allocation of the Construction Industry Training Fund Levy, based on either:

1. An annual fee based on council’s ratepayer base;
2. An annual fee based on capital expenditure; or
3. Explore other options for a simpler formula and / or method.

This issue was referred to the joint State-Local Government Red Tape Reduction taskforce.

The LGA has met with the Construction Industry Training Board Chief Executive Officer to discuss this issue, and a joint session with councils is currently being scoped to discuss the current process and opportunities to streamline and simplify calculation of the Fund.
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<tr>
<th>Resolutions from the Ordinary General Meeting – 21 April 2017</th>
<th>Action Taken / Progress</th>
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<td><strong>8.5 Deregulation of Liquor Licensing Public Campaign (Prospect)</strong></td>
<td>Off the Ordinary General Meeting requests the LGA to undertake a public campaign to positively influence the deregulation of Liquor Licensing for small bars across South Australia and in so doing ensure there is equity between metropolitan, regional areas and the Central Business District. Expanding small bars was included in the LGA’s state election platform, and has been raised with the Government following the election. It is understood that new Liquor Licensing Laws are being implemented in stages.</td>
<td>LB</td>
<td>647941</td>
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<td><strong>8.10 Innovation and Investment in Commercial Activities (Adelaide)</strong></td>
<td>that the Ordinary General Meeting requests the LGA to explore 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 our community. The MLGG has agreed to fund a project led by the LGA. A survey has been undertaken seeking feedback from councils, and further steps will be scoped following analysis of survey results.</td>
<td>FB</td>
<td>647971</td>
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<td><strong>8.15 National Centre for Local Government (Adelaide)</strong></td>
<td>that the Ordinary General Meeting requests the LGA to work with the Australian Local Government Association, the Federal and State governments and local universities to establish a National Centre for Local Government innovation, research and development in Adelaide. The Australian Centre of Excellence for Local Government (ACELG) formally concluded operations at the end of 2015 because there wasn't an appetite to fund such a body. The LGA will write to ALGA seeking their views as to the appetite for re-establishing such a Centre. In the meantime, the LGA has discussed the initiative with Professor Andrew Beer (UniSA) who believes a first step could be to ensure all local government research from across Australia is well indexed and available on line for easy access. Professor Beer is considering whether Commonwealth grant funding may be available for such an initiative. Discussions with Professor Beer are currently ongoing.</td>
<td>KJ</td>
<td>647970</td>
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<td>Resolutions from the LGA Annual General Meeting - 21 October 2016</td>
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| **8.9  Extended Producer Responsibility (Alexandrina)**  
that the Annual General Meeting requests the LGA to lobby the  
State and Federal Government to implement stronger legislation to  
reduce waste at the source such as Extended Producer  
Responsibility. | The LGA has undertaken advocacy on this issue through the review  
of the Product Stewardship Act 2011 and written to the Alexandrina  
Council to update them on activities. | SPS | 642949 |
| **8.10  Legislative Controls over Rivers and Creeks on Private  
Land (Adelaide Plains Council)**  
that the Annual General Meeting requests the LGA to investigate  
whether there is sufficient evidence across Local Government to  
liaise with the State Government in order to develop guidelines  
and/or appropriate legislation to enable the control and  
management of the flooding caused by rivers and creeks on private  
land. | The LGA engaged with (then) DEWNR to ascertain what investigations  
have previously been undertaken on this subject, and they  
have expressed their view that current arrangements are  
satisfactory.  
The LGA sought feedback from councils to determine if there is  
sufficient evidence across local government to undertake further  
action and there was not. | EHS | 643000 |
| **9.1  Occupational Licensing Complexity (Barossa)**  
that the Annual General Meeting requests the LGA to liaise with  
Consumer and Business Services (CBS) to advocate for a review of  
the occupational licensing system in South Australia to achieve a  
simplified and efficient system and that CBS implement an  
appropriate statewide training and education program. | This issue was raised with member councils as part of a procurement  
review, and the LGA received feedback that this is not a major issue for councils.  
No further work is occurring at this time, however the LGA has  
offered support to the Network of Procurement Professions to  
undertake further advocacy if required. | LT | 643586 |

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<th>Resolutions from the Annual General Meeting - 15 April 2016</th>
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| **6.3  Community Housing Update**  
that the Ordinary General Meeting:  
1. notes the report; and | The LGA has continued to advocate on this issue.  
The LGA President has previously written to the Government,  
Opposition, all South Australian cross-bench MPs and the Federal  
Treasurer highlighting the ongoing impacts that the escalating  
number of management transfers of SA Housing Trust (SAHT) | LB | 635995 |
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<td>2. supports the continued lobbying of the State Government to ensure councils do not incur any loss of rateable income in rebates to Community Housing Providers including the transfer of public housing stock.</td>
<td>properties to Community Housing Providers (CHPs) will have on councils and their communities. This issue was included in the LGA State Budget Submissions in 2017/18 and 2018/19, and in the LGA’s 2018 State Election Agenda. The LGA has sought policy commitments from parties ahead of the State Election to remove the mandatory 75% rate rebate that must be applied to community housing properties. Community Housing formed part of the LGA’s public campaign on cost shifting during the state election period. More details are available on the LGA website here: <a href="https://www.lga.sa.gov.au/community-housing">https://www.lga.sa.gov.au/community-housing</a> The LGA will continue to advocate on this issue will work collaboratively with the State Government and Community Housing Providers to seek a solution.</td>
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<td>8.3. Royalties for Rubble</td>
<td>In his speech at the LGA Road &amp; Works Conference on Friday 31 August 2018, the Hon. Stephan Knoll, Minister for Local Government, announced that the State Government would remove the requirement for councils to pay royalties on their borrow pits. Legislation will be required to remove this impost in the 2019-20 financial year. The commitment was confirmed within the 2018-19 State Budget that was handed down by the Treasurer on 4 September 2018. The LGASA has welcomed this announcement, which will save regional South Australian councils up to $1 million per year. The LGA and the Legatus Group had continued to lobby the State Government on this issue. Most recently, the LGA President wrote to the Treasurer, Rob Lucas MLC, on 7 May 2018, and a subsequent letter was sent to the Minister for Energy and Mining,</td>
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[The voice of local government.](#)
### 8.7. Mandatory Elected Member Training

that the Ordinary General Meeting requests:

1. that Elected Members receive accreditation from the Local Government Association for each completed module of the mandatory training requirements; and

2. that the Local Government Association investigates the development of a three hour refresher training module, to replace the four mandatory training modules, to be undertaken within twelve months of re-election by those Elected Members who have received such accreditation.

- The LGA is finalising the Elected Member Learning & Development Program that will be offered post the Council Elections 2018.
- This program will include the mandatory training, as well as other leadership and professional development opportunities. The mandatory training has been assessed against national accreditation standards and an appropriate service provider will facilitate the accredited mandatory training. The accreditation will be offered as an additional component of the mandatory training and will be optional.
- The mandatory training will be offered to both newly elected and returning elected members in 2018. For continuing elected members, the mandatory training standard states that refresher training is required for ‘legal responsibilities’ and ‘financial management responsibilities’. These will be offered as mandatory modules and will be open to returning elected members to participate in as refresher training.

### 8.9. LED Street Lighting

that the Ordinary General Meeting requests the LGA to undertake further negotiations with SA Power Networks and appropriate electricity regulators to produce a fair pricing agreement including a standard process, terms of agreement and fair and transparent cost structure for councils to have existing street lights converted to LED.

- The Executive Director Commercial has held numerous meetings with SA Power Networks to work towards a standard contract agreement for street lighting. There has been a focus on working towards greater transparency in relation to costs, operations and maintenance and future tariff calculations – that being through either the current NDS (Negotiated Distribution Service) or transitioning to an ACS (Alternative Control Service). A public
A lighting workshop was held at LG House on 24 August 2018 with SAPN in attendance. The LGASA is now seeking feedback from Councils to understand if they wish to negotiate with SAPN individually or collectively through the LGASA regarding the transition of street lights to LED. The collective approach should be undertaken with an appointed stakeholder group from a cross section of councils and an external consultant with specialised technical expertise in this space.

The areas of concern raised that require further clarification from SAPN are as follows:

- Will Councils who have signed up or sign up to an LED transition contract be disadvantaged when contracts move to the ACS model in 2020? There is an understanding that they will automatically transition to the new tariff rate set by the AER but there remains uncertainty around if this constitutes a break of contract and if break payments are applicable. SAPN has yet to advise of this in writing.
- How accurate is the current mapping of light types in each Council region (SAPN have acknowledged that their data is not entirely trusted)
- Can SAPN guarantee that the billing process is accurate (SAPN acknowledge that there are some issues regarding the integrity of the billing process)
- Can SAPN provide a more detailed understanding of their current and future operating and maintenance costs.
- There appears to be a great deal of goodwill between all parties and discussions are continuing.
6.1 LGA Policy Manual Endorsement

Discussion Reports from the LGA Board

From: Victoria Brown, Senior Policy Advisor
Key Initiative: K.I 1 Leadership and advocacy
Strategy: 1B Contribute to state-wide and local policy
Meeting Annual General Meeting 26 October 2018
ECM: 665500 Attachment: 664873

Recommendation

That the Annual General Meeting:

1. notes the report on outcomes of the sector-wide consultation on the updated content of the LGA Policy Manual; and
2. endorses the revised LGA Policy Manual to take effect from 26 October 2018.

Discussion

The current version of the LGA Policy Manual was endorsed by member councils at the October 2015 Ordinary General Meeting. The manual is a compendium of policies that are reviewed as required and endorsed at Annual and Ordinary General Meetings (AGMs) and (OGMs). These policies represent the broad directions for leadership and advocacy for the local government sector as a whole, and guide the LGA’s responses to policy issues through submissions, position papers, media and stakeholder relations.

A scheduled review of the manual in 2015/16 revealed that there were opportunities to improve the format, structure and content so that the policy positions contained in the manual are robust, consistent, concise and can be updated to reflect emerging issues that come to light in-between the formal meetings of the membership.

With the endorsement of the 2016 LGA AGM, the LGA Secretariat undertook a comprehensive review, and updated the LGA Policy Manual during 2017 in collaboration with member councils. A draft version of the updated LGA Policy Manual was presented to the 13 April 2018 OGM where authorisation was given to commence sector-wide consultation on the updated content of the LGA Policy Manual.

A commitment was made at the OGM that the LGA Secretariat would provide details and outcomes of the consultation process, and present a final draft of the updated LGA Policy Manual for endorsement at the 2018 AGM. This report provides that information, and the final draft of the updated LGA Policy Manual is attached to this report for adoption by the AGM.

The updated LGA Policy Manual was consulted on for an 8 week period concluding on 10 August 2018. The LGA advised councils of this consultation via LGA Circular 23.9 and through sending targeted emails to LGA council network groups such as the Environmental Sustainability Network, Local Government Inclusion Network, Community Managers Network and Planning Network.
The LGA Secretariat also included information on the consultation in the President’s and CEO’s newsletters and regional topical reports that were circulated to members throughout the consultation period.

Workshop sessions on the draft manual (available in-person or via webinar) were made available in June and July, but did not proceed due to lack of registrations.

Twelve (12) councils provided direct feedback on the updated LGA Policy Manual and a further 2 councils discussed the manual at their council meetings and endorsed the document without changes.

In the main, comments related to:

- phrasing, in terms of suggested re-wording of policies;
- policy gaps, in terms of adding policies;
- updating factual information in the policies relating to the passage of legislation;
- making additions to policies to include recently made federal/state commitments; and
- clarifications of terminology.

All comments were considered and incorporated into the version of the updated LGA Policy Manual, attached to this report. The LGA Board approved the final draft at its meeting on 13 September 2018 for endorsement of the 2018 AGM.

As informed at the 2018 OGM, it is intended that the manual will be presented as an online resource. Following endorsement of the updated LGA Policy Manual, the LGA Secretariat will begin development of a web platform and will offer demonstrations to councils on how to navigate the policy information.

The Regional Organisation of Councils (SAROC and GAROC) will play a strong role in the development of policy as per the new LGA Constitution, and positions developed through SAROC and GAROC (after consideration and determination by the LGA Board of Directors) will be presented to General Meetings for adoption by the membership.

Having an updated LGA Policy Manual will make it easier for members, media, stakeholders and the community to access LGA policy positions. The new policy development processes facilitated by the new LGA Constitution and proposed Ancillary Documents will also provide for greater member engagement and representation in policy development and advocacy, and create clearer pathways for submitting and approving policy positions.

It is recommended that the Annual General Meeting endorses the final draft of the LGA Policy Manual, which is provided as an attachment to this document.

**Financial and Resource Implications**

This activity has been anticipated in the LGA’s work program and resources are available to progress this work.
Draft Policy LGA
Policy Manual

Draft for endorsement
September 2018
Preface

The Local Government Association of South Australia (LGA) is pleased to present this online and interactive collection of Policy Statements of the South Australian Local Government Sector which comprise the content of the LGA Policy Manual.

LGA SA Policy Statements

These web pages comprise a number of Policy Statements grouped into seven main themes covering a range of issues currently affecting South Australian councils. Together, they provide guidance about how the sector can work together to tackle common issues recognising that there is strength in unity and being part of the solution.

The Policies associated with the Statements have been developed based on robust research, and provide an evidence base to support council planning and decision making processes. The Policies also identify how local government can be an important partner in government.

The Statements and Policies have been adopted by a majority vote of member councils at the Annual and Ordinary General Meetings of the LGA. These Policies will be used by the LGA and member councils in our joint advocacy on issues important to the sector.

The LGA Policy Statements will also be of interest to a range of other stakeholders, such as other levels of government, the media, local communities and those thinking of becoming involved in or with local government.

To learn more about the governance, roles and responsibilities of the LGA, [click here.]

To learn more about the governance, roles and responsibilities of South Australian Councils, [click here.]

To go to the online web platform, [click here.]
Governance

The Local Government Association of South Australia

The LGA is recognised as the peak representative body for local government in this state and prides itself on being the ‘voice of local government’ in South Australia. The LGA provides leadership to councils and representation outwards to state and federal governments and other key stakeholders.

Role and Function

Subclause 1(3) of Schedule 1 of the *Local Government Act 1999* constitutes the LGA as a public authority for the purpose of promoting and advancing the interests of local government.

The LGA Constitution sets out the way in which the LGA shall be governed, along with its purpose, objects and powers, which facilitate core LGA activities of providing leadership and representation for councils along with undertaking lobbying and advocacy activities to facilitate sector advancement and reform.

The Constitution also sets out the requirement for the LGA to develop Strategic Plans, Annual Business Plans and Annual Budgets. Combined, these outline the direction in which the LGA will provide leadership, representation, lobbying and advocacy activities.

Core Responsibilities

Core responsibilities of the LGA are to:

- act as the principle avenue of communication between member councils and state and federal governments while maintaining a non-partisan approach, to maximize leverage with all political parties for the advancement of the sector;
- monitor and evaluate state and federal government legislation, strategies, policies and programs which affect local government through liaising with member councils, preparing submissions and negotiating and advocating to achieve the best outcome for the sector;
- support and collaborate with the Australian Local Government Association (ALGA) as the federation of state and territory LGA’s (of which each state/territory is a party to), other state/territory LGA’s and professional associations to identify common areas of interest;
- provide leadership and initiate reform programs to enhance the role, function and performance of the sector, including its relationship with the other tiers of government; and
- foster strong and productive relationships with the media with a view to promoting a greater understanding of local government and ensuring that communities are well informed about current issues and council services.
LGA Services

The LGA provides direct services to its member councils which include [links to all of the relevant webpages]:

- Procurement
- Corporate
- Risk
- Workers Comp
- MLS
- LGFA
- LGR&DS
South Australian Councils

Councils use their own resources and/or resources provided under state or federal government programs, to deliver a diverse range of services in their local area. There are 68 individual councils and amalgamated outback communities managed by the Outback Communities Authority in South Australia, each covering a defined geographic area.

Role and Function

Local government operations are mandated by the State Government through a legislative framework via the Constitution Act 1934, the Local Government Act 1999 and the Local Government (Elections) Act 1999. The Local Government Act 1999 provides broad powers for councils to act in the interests of communities. It also sets out the way in which councils shall be governed.

Councils provide a wide range of services above and beyond those that are mandated in the Local Government Act 1999 and in other Acts with provision of powers or responsibilities for councils. This includes work on local roads, waste management, recycling, stormwater and libraries and the management and maintenance of parks.

Core Responsibilities

In summary, the Local Government Act 1999 prescribes that councils:

- shall provide services equitably;
- use resources effectively and efficiently;
- manage risks in relation to the community;
- engage with the community;
- place emphasis on sustainable management; and
- set public policy in collaboration with other councils, regions and state and federal governments.

Councils are responsible for achieving all of this in the context of good governance. As a result, there are structures and processes in place to ensure accountability, openness, transparency and ethical behaviour.

These structures and processes govern all aspects of council business including [not an exhaustive list](foot note to direct to exhaustive list):

- elections/ campaigns;
- meeting procedures;
- managing conflicts of interest;
- preventing fraud and corruption;
- roles, responsibilities and staff obligations;
- codes of conduct; and
- competitive tendering.
Navigating the Platform

The issues have been split across seven main themes.

Each theme has:

Level 1: A landing page, with a broad overview of the theme
        A list of Policy Statements grouped under the theme
        A link to each Policy Statement grouped under the theme

Level 2: A sub-page for each Policy Statement

Level 3: A list of Policies associated with the Policy Statement arranged by key word
        The key words allow for easy navigation across all Policy Statements for related issues

The themes are:

1. The Local Government Sector [click here]
2. Economic Development [click here]
3. Community Assets and Services [click here]
4. Environment and Natural Resources [click here]
5. Infrastructure and Assets [click here]
6. Planning and Development [click here]
7. Financial Sustainability [click here]
1. The Local Government Sector

This theme incorporates Policies relating to local government’s role and contribution to protecting and advancing local community interests.

Policy Statements:

1.1 Promoting the Interests of Local Government

1.2 Partners in Government
## Policy Statement Number 1.1

Promoting the Interests of Local Government

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**Statement:** Local government recognises the valuable contribution it makes to the ongoing prosperity of South Australia through working closely with its communities, and shall continue to rigorously promote recognition and autonomy of councils through lobbying and advocating activities.

### 1.1.1 Constitutional Recognition:
Local government deserves recognition in the Australian Constitution and legislation that entrenches its existence so that it can only be altered with a majority agreement of federal/state governments. Councils, through the LGA and ALGA shall continue to campaign for this recognition.

### 1.1.2 Direct Federal Funding:
Local government emphasises that financial contributions from federal government are vital and that Constitutional recognition would remove the significant red-tape currently surrounding these transactions. Until Constitutional recognition is achieved, local government will work with federal government to reduce red tape where practicable.

### 1.1.3 Federal/ State Government Funding:
Local government collects only 4% of national taxation and is not in a fiscal position to tackle all of the issues affecting local communities alone. Local government will continue to lobby federal/ state governments to provide fair and equitable resources and funding to tackle issues affecting local communities.

### 1.1.4 Autonomy:
Local government requires the ability to swiftly respond to the needs of their communities and provide the services required without being unreasonably hindered by conditions and approvals imposed by state government. Local government will continue to lobby state government to maintain the autonomy of the sector.

### 1.1.5 Council Amalgamations:
Amalgamations should only occur on a voluntary basis, where there is the support of council and their communities and strong supportive evidence. The LGA shall oppose any policy from state government or other entities that suggests the possibility of forced amalgamations.

### 1.1.6 Service Provisions:
Local government supports the achievement of cost savings and efficiencies through regionalisation and shared services, and shall continue to work with state government, its regional counterparts and other stakeholders to identify ways to streamline the way services are provided.

### 1.1.7 State-Wide Strategies:
Local government recognises its responsibilities to give due weight to the plans and strategies of other spheres of government, while continuing to be a key partner in their development. Local government shall continue to seek full and meaningful engagement with other spheres in the interests of consistency and alignment.
Policy Statement Number 1.2

Partners in Government

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Statement: Local government welcomes its role as a partner in government and shall continue to work closely with state and federal governments and other key stakeholders to seek solutions to issues that impact communities and effective local governance.

1.2.1 Legitimate Sphere: Local government has established its standing as a partner in government and as such, seeks the respect of federal and state government in all transactions between the spheres of government. The LGA shall continue to express the views of the sector with all stakeholders for the benefit of local government.

1.2.2 Accountability: Local government considers that councils should not be subject to accountability and transparency standards that do not apply to all tiers of government. Local government shall continue to advocate for legislative and regulatory frameworks that can be consistently applied.

1.2.3 Intergovernmental Agreements: Local government considers that formal agreements should be used to establish frameworks for communication and cooperation between local government and federal/ state governments based on mutual respect. The LGA (ALGA with regard to federal agreements) shall continue to negotiate and sign such agreements on behalf of its members.

1.2.4 Legislation: Local government considers it vital that federal and state governments adequately collaborate with the LGA and councils regarding legislation that affects the sector and that formal protocols should be developed. The LGA shall continue to lobby governments for introduction of protocols that provide certainty about engagement processes.

1.2.5 Representation: Local government considers that there must be local government representation on all appropriate state committees, commissions, working groups (not an exhaustive list) where the subject matter affects or is likely to affect local government. The LGA and councils shall continue to advocate for greater representation in the interests of the local government sector.

1.2.6 Cost shifting: Cost shifting and unsustainable increases in levies and charges from state government puts significant pressure on council rates, and creates fiscal impacts in councils. Local government will continue to rigorously object to cost shifting in any form, including mandatory revenue collection for federal or state government.

1.2.7 Self Raised Revenue: Local government recognises the importance of raising funds for services in non-traditional ways and shall continue to explore means of raising revenue so that they can increase the services on offer to the community to meet local needs. There should not be competition from other tiers of government in areas of primary local government revenue generation.
2. Economic Development

This theme includes Policies relating to local government’s commitment to achieving sustainable economic development, and includes the steps required to accomplish this.

Policy Statements:

2.1 Building Local Economies
2.2 State and Federal Government Investment
2.3 Regional Economies
Policy Statement Number 2.1

Building Local Economies

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**Statement:** Local government acknowledges that it has a shared responsibility for ensuring the economic wellbeing of South Australia, and shall continue to work within its local areas and across councils to identify and implement local measures that create a climate conducive to sustainable economic development.

2.1.1 Local Economy Role: Local government acknowledges its role in enabling, facilitating and enhancing opportunities and recognises that councils have complimentary roles to play in achieving economic outcomes. Councils should contribute equitably to secure economic growth, notwithstanding the significant responsibilities of federal and state government.

2.1.2 Private Sector Liaison: Local government plays a crucial leadership role in attracting new investment from the private sector by creating the right circumstances for private development. Councils shall continue to work with businesses, local, regional and multinational companies to attract and maintain investment in their local areas to create the right conditions for investment.

2.1.3 Skilled Workforce: Local government acknowledges the importance of ensuring its participation in employment programs is targeted at areas of occupational demand, and shall continue to collaborate with federal/state government, RDA Boards, industry, schools and registered training providers, to assist in addressing skill shortages in the local community.

2.1.4 Business Support: Local government recognises that it is in a unique position to facilitate business support information and services through council offices, libraries and community services. Councils shall continue to identify opportunities for business support through the delivery of its functions and services, either autonomously or in partnership with others.

2.1.5 Small and Medium Enterprises: Local government recognises that small businesses are vital to achieving social cohesion and identity, and shall continue to provide support to small business start-ups and successes through planning and infrastructure provision, networking and promotion of locally produced products.

2.1.6 Local Infrastructure: Local government recognises that the public realm and local infrastructure and assets attract businesses and residents, stimulating economic activity. Councils shall continue to consider economic prosperity as a principle of its planning, design, asset and infrastructure planning.

2.1.7 Small Bar Licencing: Local government supports opportunities to develop vibrant night-time economies by extending small bar licencing beyond the Adelaide CBD. Councils, through the LGA will continue to lobby state government to allow small bar licencing (where desired) for suburbs and South Australia's regional areas.
Policy Statement Number 2.2
State and Federal Government Investment

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**Statement:** Local government acknowledges that ensuring sustainable economic development is a shared responsibility of all tiers of government. Councils shall contribute equitably to identifying and implementing solutions to impacts on economic growth, while highlighting the significant responsibilities of federal and state government.

1.2.1 **Partnerships:** Local government acknowledges its role in influencing macro-economic policy through mutually advantageous inter-governmental and business relationships. Councils and the LGA shall continue to influence federal/state government activities in identifying and implementing programs that promote local aims and produce positive local outcomes.

1.2.2 **Funding:** Local government relies on federal/state government funding to implement a range of economic development activities, and shall continue to lobby for increased collaboration and funding, accompanied by program/funding agreements which specify objectives and funding schedules and are irrespective of election cycles.

1.2.3 **Education & Training:** Local government acknowledges that education is a major contributing factor of skills shortages and recognises the wider scope federal/state governments have to influence education/training. Councils and the LGA shall continue to lobby governments for increases in funding where deficits exist, while also considering future skills requirements.

1.2.4 **Infrastructure:** Local government recognises the significant responsibilities of federal/state government to invest in infrastructure that supports economic development and that current investment levels are not adequate. Councils and the LGA will continue to lobby governments for an increase in funding to meet local economic objectives.

1.2.5 **Tourism:** Local government recognises the importance of tourism to local, regional and state economies, and the responsibilities of federal/state government in identifying opportunities for tourism maintenance, creation and promotion across the State. Councils should continue to equitably contribute to activities relating to opportunities for tourism creation and retention.

1.2.6 **Red Tape Reduction:** Local government acknowledges that regulatory processes are in place to protect the public interest, but recognises that they can be a barrier to economic development and a source of friction. Local government will continue to work with federal/state government to simplify decision-making, planning and administration policies and practices.

1.2.7 **Population Policy:** Local government recognises the important influence that population policy and migration has had on Australia’s economy, and that creating the right circumstances for skilled migration is imperative. Councils (though the LGA and ALGA) shall continue to lobby federal government to make changes in immigration policy for the benefit of local economies.

1.2.8 **Decline of Traditional Industries:** Local government recognises that a number of traditional industries are no longer viable in the modern economy, and this has severe socioeconomic impacts on communities. Councils should continue to work with federal and state governments to identify means of diversifying the industrial sector and re-skilling local workforces.
Policy Statement Number 2.3

Regional Economies

Statement: Local government acknowledges the significant role that regional economies play in the economic stability of South Australia. In recognition of the specific needs of the regions, councils shall continue to work with federal and state government, Regional Development Australia Boards and key regional stakeholders to support regional economies.

2.3.1 Delivery Frameworks: Local government recognises the necessity to draw its economic planning/policy setting, delivery and support services from collaborative regional partnerships such as current tripartite RDA arrangements. Councils should continue to support regional delivery frameworks, notwithstanding the significant responsibilities of federal and state government.

2.3.2 State Regional Development Policy: Local government recognises that regional economic development strategies should address the specific needs of the regions. Councils, through the LGA, will continue to advocate to federal/state governments to recognise these specific needs in developing policy, programs and making policy commitments that impact on the regions.

2.3.3 Specific Funding Requirements: Local government recognises that development in the regions can only occur through coordinated investment by federal, state and local government, and through specific funding allocations being made to tackle issues primarily occurring in the regions. Councils, through the LGA, will continue to lobby for specific investment and funding models for regional development.

2.3.4 Royalties for Regions: Local government acknowledges the funding constraints for new priority investment in regional areas. Councils, through the LGA, will continue to lobby for state government to allocate at least 25% of mining royalty revenue to the regions to support regional investment.

2.3.5 Rubble Royalties: Local government has experienced a considerable increase in the costs of maintaining and constructing roads since the state government ‘rubble royalties’ tax was introduced. The LGA will support the removal of the tax as the legislation for its removal passes through Parliament.

2.3.6 Mining and Energy Resources: Local government recognises that the mining and energy sectors present opportunities for economic growth if activities are undertaken in ecological and socially responsible ways, and in consultation with local communities. Councils should maintain links with relevant companies, and lobby federal/state governments to create opportunities for operations in regional areas.

2.3.7 Primary Production: Local government recognises the impacts that a changing climate will have on primary production economic activities, and shall work with business/enterprise owners and federal/state governments to develop adaptation actions that will build resilience to future operations.
3. **Communities and Community Services**

This theme contains Policies recognising local government’s role in contributing to public health and safety, and incorporates Policies regarding how community assets and services will be maintained to support health, safety and wellbeing.

Policy Statements:

3.1 Public Health
3.2 Public Safety
3.3 Community Assets (Operations)
3.4 Community Services
Policy Statement Number 3.1

Public Health

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**Statement:** Local government acknowledges that protecting the health and wellbeing of its communities is a shared responsibility of all tiers of government and recognises the significant contributions that councils make in this area. Councils should contribute equitably to providing preventative and on-going health services, notwithstanding the significant responsibilities of federal and state government.

3.1.1 **Health Services:** Local government recognises federal and state governments have a responsibility to provide quality health care and that council’s role is limited to local or regional preventative public health activities. Councils should continue to liaise with federal and state governments to maximise the benefits of community preventative health activities offered.

3.1.2 **Resources:** Councils recognise the important statutory role that they play in delivering public health services. Under provisions of the *Public Health Act 2011*, councils shall require that they are adequately consulted on changes to the legislative framework and that federal and state governments provide adequate resources to councils to deliver local public health services.

3.1.3 **Preventative Care:** Local government recognises the requirement for federal and state governments to improve local preventative services such as immunisation and education programs through the review of current arrangements. Councils, through the LGA, will continue to lobby federal and state governments for reviews of these services and for adequate resources.

3.1.4 **Palliative Care:** Local government recognises the importance of providing palliative care, its role as a service provider and the difficulties of maintaining quality of care under current governance and funding arrangements. Councils, through the LGA, will continue to lobby federal and state governments for a review of arrangements and greater levels of funding.
Policy Statement Number 3.2

Public Safety

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**Statement:** Local government recognises the critical role that councils play in developing sustainable community safety protocols and programs for both environmental and social risks, and shall continue to provide support to state government law enforcement and emergency services in prevention, preparedness, response and recovery activities.

3.2.1 **Emergency Management:** Local government supports the concept of shared responsibility and agrees that all spheres of government, business and the community should actively partner to build resilience into communities against emergency events. Councils shall continue to work collaboratively to achieve sustainable community safety.

3.2.2 **Emergency Recovery:** Local government understands that there will be severe community impacts of emergency events, and shall continue to undertake local emergency management risk assessments and develop local plans in collaboration with regional emergency management stakeholders, in alignment with the hierarchy of emergency management plans.

3.2.3 **Crime Prevention:** Local government acknowledges its supporting role in preventing and reducing crime in their communities. Councils should continue to collaborate with the police and not-for-profit organisations to tackle criminal activities from occurring in their local areas through participating in appropriate community programs.

3.2.4 **Antisocial Behaviour:** Councils recognise the issues that arise as a result of excessive consumption of alcohol or the use of illicit drugs in the public realm, and reserve the right to impose sanctions such as ‘dry zones’ and ‘spot checks’ in their areas to reduce antisocial behaviour. Councils shall continue to seek more substantial powers to tackle these issues for the safety of its communities.

3.2.5 **Local Nuisance and Litter Control:** Local government recognises its statutory obligations under the *Local Nuisance and Litter Control Act 2016* and the necessity for clean and high amenity communities. Councils, through the LGA, shall continue to lobby to secure ongoing financial assistance from the EPA for support to discharge these obligations.
Policy Statement Number 3.3
Community Assets (Operations)

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**Statement:** Local government acknowledges providing assets such as libraries, community centres and recreational facilities (community assets) creates focal points for social cohesion, and shall continue to provide financial and in-kind contributions to maintenance and improvement of these assets, notwithstanding the significant financial responsibilities of federal and state governments.

3.3.1 **Libraries:** Local government acknowledges its partnership with the State Government as vital, but recognises funding cuts by the State Government to councils will reduce capability to maintain libraries. Local government shall continue to lobby for levels of funding to meet objectives of the local/ state partnership agreement for libraries while also seeking federal government contributions.

3.3.2 **Sports and Recreation Facilities:** Local government recognises the importance of providing these facilities for the health and wellbeing of the community, and shall continue to work with non-government bodies, community organizations, and the private sector to maintain appropriate facilities, while also seeking federal and state government contributions.

3.3.3 **Arts and Cultural Development:** Local government is committed to maintaining a culturally diverse, tolerant and open society, and shall equitably contribute to facilitating arts and cultural development activities and programs that promote social cohesion and harmony, notwithstanding the responsibilities of federal and state governments.

3.3.4 **Educational Collaboration:** Local government supports the establishment of joint use facilities with educational institutions and shall identify and implement collaborative arrangements where appropriate to achieve cost savings and improvement of services.

3.3.5 **Volunteers:** Local government recognises the significant contribution made by volunteers in both the running of community facilities and in the carrying out of community services, and shall continue to improve systems and practices which provide safe and rewarding opportunities for volunteers for the benefit of the community.
Policy Statement Number 3.4

Community Services

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Statement: Local government acknowledges that providing tailored support services for community groups with specific needs is key to creating equitable, cohesive communities, and that reinstatement, maintenance and increases in funding for these activities from federal and state government is vital to councils providing on-going services.

3.4.1 Aging: Local government recognises that there is an aging population in South Australia that will require governments to allocate more resources to ensure better outcomes for our communities as they age. Notwithstanding the significant obligations of federal/ state governments, councils should equitably contribute to meeting the needs of an aging population.

3.4.2 Migrants: Local government acknowledges the contribution of migrants from both other parts of Australia and internationally to the diversity and prosperity of local communities. Councils should identify means of attracting, supporting and retaining migrants who positively contribute to South Australian society.

3.4.3 Youth: Local government acknowledges the important role that young people play in the social, economic and cultural progression of communities, and support their right to be informed, consulted and heard on all matters that affect them. Councils should continue to respect the contribution of young people and shall implement engagement processes that allow their views to be considered.

3.4.4 National Disability Insurance Scheme: Local government recognises that the rollout of the National Disability Insurance Scheme (NDIS) represents a major shift in the way that disability services are delivered and is concerned that new provisions may not be adequate. Local government shall continue to lobby federal/ state governments to ensure nobody ‘falls through the gaps’ as a result of these reforms.

3.4.5 Disability Inclusion Action Planning: Local government recognises the benefits of Disability Access and Inclusion Plans (DAIP) and ensuring adequate provisions for those with a disability are put in place. Local government shall continue to lobby for adequate resources to carry out the new statutory services contained in the Disability Inclusion Act 2018.

3.4.6 Access and Inclusion: Local government recognises the imperative in insuring all individuals can access community services and facilities to tackle issues contributing to social exclusion. Councils shall continue to explore and implement strategies through planning and community functions that promote access and inclusion for all individuals.

3.4.7 Aboriginal & Torres Strait Islander People: Local government acknowledges and recognizes Aboriginal and Torres Strait Islander people as the First Peoples of Australia and respects their culture and practices. Councils, along with federal and state governments need to make an ongoing commitment to working together to provide services to support Aboriginal and Torres Strait Islander communities.
4. Environment and Natural Resources

This theme outlines Policies supporting local government’s role in protecting the environment, as well as building resilience into communities to mitigate the risks of extreme weather events and incremental changes to the climate. This theme also includes Policies recognising the importance of managing waste and recognises that waste can be utilised as a resource.

Policy Statements:

4.1 The Natural Environment
4.2 Waste & Resource Recovery
4.3 Water Resource Management
4.4 Managing the Risks of Climate Change
Policy Statement Number 4.1
The Natural Environment

Statement: Local government recognises the importance of managing the network of legally designated natural areas and fauna, along with the ongoing provision and maintenance of natural areas within communities, and will play an active role in managing and protecting all natural areas and species of national, state and local significance.

4.1.1 Research and Development: Local government recognises that there are significant data gaps for undertaking risk management processes to identify solutions to environmental impacts. Councils should share their research and development data with stakeholders based on mutually agreeable terms, on the understanding that stakeholders will also share their data with councils.

4.1.2 Community Natural Areas: The physical and mental health benefits of providing local natural areas in communities are widely accepted. Councils shall appropriately manage and maintain local natural areas as part of their overall public open space strategies and practices.

4.1.3 Verges and Corridors: Local government recognises the fiscal impacts placed on councils for managing roadside and utility corridors that are 'gifted' to them as part of state government or private development activities. Local government shall continue to lobby for changes to the Highways Act 1926 to devolve its statutory responsibilities to instead be able to negotiate management responsibilities.

4.1.4 Bio-Security: Local government acknowledges that feral animals and noxious plants can have significant environmental impacts and that managing these impacts is a shared responsibility of all tiers of government. Councils should work with neighbouring councils, federal and state governments to address bio-security threats, recognising the obligations of other parties.

4.1.5 Native Vegetation: Local government supports retention and remediation of native vegetation outside of townships and that opportunities to expand or remediate native vegetation within townships should be fully explored. Councils shall adhere to native vegetation guidelines while maximising opportunities in all planning and development activities.

4.1.6 Bushfire Management: Local government supports a balance between the protection of native vegetation and the necessity to develop bushfire prevention strategies that may include back-burning or cold burns. Councils shall ensure that clear evidence is developed to support back-burning/ cold-burning proposals and ensure vegetation is only disturbed when vital to the protection of communities.

4.1.7 Coasts and Marine: It is accepted that sea level rise and storm surges will have significant impacts on coastal settlements and that it is a shared responsibility of all tiers of government to tackle these impacts. Local government shall continue to rigorously lobby federal and state governments to acknowledge their responsibilities and to provide the equitable and significant resources.
4.1.8 **NRM Governance Frameworks**: Local government considers the way natural resources are currently managed is fragmented and unequitable and that many decisions should be devolved locally for increased community benefits. Local government shall continue to lobby state government for administration and decision making reform in this area to maximise value of our natural resources.
Policy Statement Number 4.2

Waste & Resource Recovery

Statement: Local government is committed to providing high quality, innovative and sustainable waste management services that meet the needs of the community while complying with environmental protection requirements, and shall endeavour to advance in this area notwithstanding the significant financial responsibilities of state government.

4.2.1 Waste Management: Local government recognises its statutory obligation of managing municipal waste and its vital role in waste resource recovery. Councils shall continue to promote improved waste management practices in accordance with the waste hierarchy and work with residents and businesses to further limit the creation of waste.

4.2.2 Solid Waste Levy: Local government recognizes the use of fees, charges and levies as legitimate tools for waste management, but the level at which the solid waste levy is currently set is too high. Local government shall continue to lobby for an independent inquiry to determine the optimal level for the solid waste levy with regard to community benefits.

4.2.3 State Government Partnerships: Local Government recognizes the need for strong and mutually beneficial partnerships with the state government in providing waste and resource recovery services. Local government shall continue to collaborate with the State Government along with lobbying for greater resources and easier access to funds.

4.2.4 Private Sector Partnerships: Local government recognises the importance of partnerships with private waste management and export companies in achieving further reductions in the production of waste and shall continue to identify and capitalise on private sector collaborations for the benefit of local communities.

4.2.5 Circular Economy: Local government recognises that the ultimate goal for waste management is the achievement (as far as is practicable) of a circular economy. Councils shall continue to work with local markets and reduce their reliance on overseas commodity markets to develop sustainable waste management practices in South Australia, including via the procurement of recycled materials.

4.2.6 EPA Waste Reform Agenda: Local government acknowledges that the waste and resource recovery sector is highly regulated and recognises its role in this framework. Local government shall continue to lobby against further legislative and regulatory changes that result in councils incurring an even greater expense in providing waste management services.

4.2.7 Education: Local government recognises the significant role it plays in educating the community with regard to waste management and recycling. Local government shall continue to maximise opportunities to educate the community through implementing information sessions and undertaking awareness campaigns where funds allow.
Policy Statement Number 4.3

Water Resource Management

<table>
<thead>
<tr>
<th>Origin/Endorsement:</th>
<th>Responsible Officer:</th>
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<td>Linkages:</td>
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<td>Key Words:</td>
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**Statement:** Local government recognises its obligation to conserve water resources, protect water quality, provide water for the environment and effectively manage storm and flood water. Councils shall contribute equitably to improving water management infrastructure and processes, notwithstanding the responsibilities of federal and state governments.

4.3.1 **Water Efficiency:** Local government recognises that reducing water demand is a shared responsibility of governments, businesses and the community. Councils shall continue to consider water demand in its strategic and operational processes and practices, including in the upgrading of assets and landscape management.

4.3.2 **Education:** Local government recognises its position as a role model for efficient water use, and shall continue to provide information and educational opportunities for communities to raise awareness of the issues and solutions in collaboration with key partners.

4.3.3 **Water Policy:** Local government acknowledges its responsibility to incorporate principles of good management in considering federal and state government strategies. Councils shall continue to play a significant role in development of regional/state strategies and expect the same consideration in development of regional/state water strategy and policy development processes.

4.3.4 **Water Supply:** Local government understands the importance of water quality to community health, safety and liveability and shall continue to support federal/state level catchment strategies for the protection of water resources and reticulation avenues against environmental damage.

4.3.5 **Water Quotas:** Local government recognises the demand placed on the River Murray for water, and the requirement to reduce that reliance, and shall work with governments, businesses and regional subsidiaries to implement alternatives to saving/obtaining water while lobbying to ensure equitable and affordable supply of water for local interests.

4.3.6 **Water Sensitive Urban Design:** Local government recognises its obligation to promote sustainable use and re-use of water in urban developments and buildings and shall continue to promote and pioneer Water Sensitive Urban Design principles in all of its external decisions and those made internally by council.
Policy Statement Number 4.4

Managing the Risks of Climate Change

Statement: Local government acknowledges that it has a shared responsibility for safeguarding communities against the adverse impacts of climate change, and will collaborate with federal and state governments, communities and business/industry to identify and implement measures to prepare and protect communities from these impacts.

4.4.1 Partnerships: Local government accepts that negative impacts from climate change are inevitable, and that building resilience to these impacts is a joint responsibility. Councils shall continue to be key partners in delivering a strategic response to climate risks, recognising obligations of other parties.

4.4.2 Funding and Strategic Investment: Building resilience to climate impacts will require significant funding and investment, both now and into the future. Councils shall continue to provide equitable levels of funding and investment, recognising it is incumbent on federal and state governments to subsidise the majority of expenditure required.

4.4.3 Embedding Climate Considerations: Climate risk and vulnerability assessments are vital in identifying climate impacts and determining appropriate actions. Councils shall ensure assessments are conducted with full consideration of available relevant information as part of all council strategic and operational planning processes across all functions and services.

4.4.5 Decision Making: Local government understands that decisions made by councils must take account of all currently available climate data. Councils shall expand their knowledge base (such as development, tree management, coastal management) to ensure they are ‘best informed to make well rounded decisions’ (LGMLS).

4.4.6 Consultation and Engagement: Tackling the impacts of climate change will require a societal shift in values. Councils should not solely rely on scientific/expert input, science and data when making decisions relating to climate change, but will also place emphasis on the outcomes of stakeholder and public consultation.

4.4.7 Energy Reduction and Storage: Reduction and storage technology costs have dramatically decreased resulting in short pay-back periods. Councils should undertake audits of facilities and practices that are energy intensive, and seek to reduce energy usage through installation of energy reduction and storage technologies.

4.4.8 Greenhouse Gas Reduction Mechanisms: There were significant environmental benefits to the carbon pricing scheme that was in effect from 2012-14 without causing detrimental effects on the economy. Local government supports the reintroduction of carbon pricing as an equitable means of reducing carbon emissions.

4.4.9 Integrity: Local Government supports the Paris Agreement (2016) and the Kyoto Protocol (2005) for the reduction of global greenhouse gas emissions and shall contribute towards the commitments made by the Federal Government to achieve national carbon emission reduction targets.
6.2 Inclusive Representation in Local Government

Discussion Reports from the LGA Board
From: Lisa Teburea, Executive Director Public Affairs
Key Initiative: K.I 1 Leadership and advocacy
Strategy: 1C Lead reform
Meeting: Annual General Meeting 26 October 2018
ECM: 665522

Recommendation
That the Annual General Meeting:

1. notes the report;
2. notes the actions undertaken by the Local Government Association to support inclusive representation in local government in South Australia; and
3. encourages all councils in South Australia to implement strategies and actions to increase participation in local government by all members of the community.

Discussion
At the 2016 LGA Annual General Meeting, the following motion from the City of Prospect Council was passed:

“that the Annual General Meeting requests the LGA work in partnership with key stakeholders in order to address the low representation of women in Local Government, currently 29 percent, compared to the proportion of women in society, currently 51 percent of the population.”

Providing targeted support for councils in each local government election campaign to promote greater participation and representation of underrepresented groups, including women, is an ongoing objective of the LGA.

An external review of the LGA’s council election activities in 2014 found the Association’s promotional activities aimed at increasing representation of women to be adequate. However, following the successful AGM motion, and with support from the sector, the LGA has been considering and commencing the longer-term strategies and actions that can be implemented by both the LGA and councils to address the underrepresentation of women, and other underrepresented groups, in local government.

This report summarises the actions that have already been implemented by the LGA and outlines a number of long-term strategies that can be incorporated into the work plan of the LGA and councils.
Research project - Inclusive representation of women and under-represented groups

The LGA appointed a consultant to consult widely with councils and stakeholders to determine what is required to effectively promote inclusive representation in local government.

The consultation and engagement undertaken in this project included surveys, metropolitan and regional workshops and face-to-face interviews with council members, peak bodies and not-for-profit organisations.

The project brief included a desktop review of local, national and international studies on the topic of increasing representation of women in government and other sectors of society.

The consultation and engagement questions looked at the following 3 issues:

- commitment to increasing representation
- adequate resourcing of awareness raising activities; and
- changes to systems and policy that support inclusive representation

A key conclusion of this report is that significant and systemic change cannot be achieved in a short timeframe or by a single organisation (i.e. the LGA). A long-term commitment is needed from the local government sector as a whole, including but not limited to adequate financial resourcing to action recommendations and sustained action throughout each council’s term to achieve systemic change.

The findings of this research report have been used to develop the recommended strategies and actions for the LGA and councils that are outlined in this report.

Communications and engagement guide

In February 2018 the LGA launched a Communications and Engagement Guide to assist councils to develop communication and awareness strategies to increase the participation of underrepresented groups in council elections. This resource provides practical guidance to councils to understand and address barriers to participation, developing strong key messages, inclusive communications and engagement tactics, and a communications plan checklist.

The launch of this guide was reported in the media as a part of the LGA’s strategy to increase the diversity of representation in local government.

A copy of this guide is available on the LGA website here.

The development and launch of this guide is consistent with the recommended strategies for the LGA.

Sector development

The LGA, through the support to councils in the 2018 council elections, has placed stronger emphasis on the opportunity to retain, attract and develop effective leadership capability of elected members.

Research shows that some impediments to diverse representation are known to be related to the impact of inappropriate behaviour of some councillors in their leadership roles. The sector in 2017 led significant discussion on the need to improve Code of Conduct provisions to enable councils to better self-manage patterns of inappropriate behaviour. This work culminated in a submission to the State Government and is an important instrument in building upon the leadership of elected members.
The LGA has placed significant effort into improving the pre and post-election education and training offer for members. The education and training program emphasises the critical opportunity to build upon and attract the leadership attributes and capability that Elected Members need to be effective. Focus group discussions and feedback from member councils have informed new materials, like the ‘leadership self-assessment’ tool in the ‘Make a difference – nominate for council’ booklet (available here) and an ‘early induction planning’ education and training program for council staff. The LGA’s education and training, to be delivered post the election, is also being overhauled to ensure greater focus on building effective leadership capability.

LGA ‘Make a Difference’ workshop and resources

The LGA’s Education & Training service has completed a comprehensive review, restructure and redevelopment of the sector wide, leadership capability framework to underpin the training for elected members, potential candidates and newly elected councillors. The former ‘So you want to be on council’ was completely re-written and restructured to be the ‘start’ of this new leadership capability training offering. The replacement ‘Make a difference – nominate for council’ booklet and training kit was rolled out between July and September at all the candidate training sessions held across the State prior to the open of nominations for the 2018 council elections.

The LGA delivered twelve ‘Make a Difference’ candidate sessions in partnership with the Electoral Commission of SA. These were held across the state, covering all the local government regions with over 260 people attending. This significantly contrasts to the 2014 Elections when only two candidate sessions were held.

Potential candidates were given a broad understanding of local government, what the role of an elected member involves and insights on how to navigate the election process. Participants heard from the experiences of current elected members and what it takes to be effective representative of the community.

The value of a diverse representation on Council was strongly emphasised in these sessions and the ‘make a difference’ booklet also reinforced this message.

In addition to these sessions, the LGA provided all 68 Councils with a comprehensive kit to run their own candidate sessions, including a template powerpoint presentation with key messages emphasising the importance of diversity.

The mandatory training for council members has also been overhauled to incorporate the leadership capability framework, and is being finalised for roll-out at the conclusions of the elections in November.

LGA 2018 Council Elections promotion

The LGA creative strategy and promotional material that has been implemented for the 2018 council elections was prepared and made available to councils in November 2017, 12 months prior to the council elections. These resources are being widely used by 65 councils to promote the council elections locally.

The key strategy for the creative concept was the use of local people as the faces of the campaign, with an emphasis on unrepresented groups. This was a considered and informed strategy and included five women and two men, and people from Aboriginal and CALD communities.

To specifically promote women in local government, the LGA placed a featured article in all Messenger newspapers where former female elected members shared stories about their time on council, and encouraged other women to participate in local government.
Analysis undertaken by the LGA suggests the number of women nominating for council has increased by approximately 20 per cent since the last election – from 381 candidates in 2014 to approximately 460 in 2018.

Data on the cultural background of candidates is not collected by ECSA on the nomination form, and we are unable to accurately assess whether there has been any change in the cultural diversity of people standing for council.

**Chiefs for Gender Equity - local government representation**

The Chiefs for Gender Equity (CfGE) is a group is made up of senior business, industry and government leaders that come together with the common aim of advancing gender equity. The group is convened by the Commissioner for Equal Opportunity.

Participation of a local government representative on this group was a recommendation of the research project commissioned by the LGA on inclusive representation.

Victoria MacKirdy, CEO of the City of Victor Harbor has been appointed to the CfGE as the local government representative following an expression of interest process undertaken by the Commissioner for Equal Opportunity.

The role of a Chief for Gender Equity includes:

- Actively working to increase the number of women in leadership roles in their organisations and in non-traditional roles.
- Engaging with other organisations in their sector to identify the barriers to gender equity and working with other leaders in their sector to implement initiatives that address these barriers collectively.
- Promoting and encouraging other leaders in their sector and in the community generally undertake gender equity initiatives.

The LGA Secretariat will work closely with Ms MacKirdy to share information and resources that will be of assistance to the LGA and councils in pursuing gender equity strategies.

**Recommended strategies for the LGA and councils**

As we are aware through the research undertaken, significant and systemic change cannot be achieved in a short timeframe or by a single organisation. A long-term commitment is needed from the local government sector as a whole, including but not limited to adequate financial resourcing to action recommendations and sustained action throughout each council’s term to achieve systemic change.

Based on the research and engagement work completed by the LGA in consultation with councils and stakeholders, an Inclusive Representation Plan 2018 – 2022 has been prepared with recommended long-term actions for both the LGA and councils to achieve greater representation of women are outlined in an attachment to this report.

The recommendations are based on four overarching strategies identified through previous work, namely:

**Strategy 1** - Increase knowledge of local government and council processes

**Strategy 2** - Create a leadership pathway for inclusive representation

**Strategy 3** - Provide structures in local government to support inclusive representation
Strategy 4 – Enhance the local government culture to support collaborative relationships

The recommended actions that can support strategies are further outlined in the Inclusive Representation Plan 2018-2022 provided as an attachment to this report.

The LGA Board considered these strategies in July 2018, and resolved to:

- support the strategies and actions listed in the Inclusive Representation Plan 2018-2022 being incorporated in LGA long-term work plans with sufficient resources sourced to support these actions; and
- support the LGA encouraging councils to adopt and implement the council strategies and actions listed in the Inclusive Representation Plan 2018-2022.

The LGA has commenced the implementation of the actions outlined in the Inclusive Representation Plan 2018-2022, and with ongoing support and commitment from members, further actions will be considered in future annual business plans and budgets.

The Annual General Meeting is asked to consider the council actions outlined in the Inclusive Representation Plan 2018-2022, and to encourage all councils in South Australia to implement strategies and actions to increase participation in local government by all members of the community.

Financial and Resource Implications

Several of the activities outlined in the Inclusive Representation Action Plan 2018-2022 have been anticipated in the LGA’s work program and there are funds available to implement some of the recommended actions, particularly those related to the 2018 council elections work. For the LGA, the promotion and evaluation of the 2018 council elections is the priority focus in 2018/19.

Longer-term actions will need to be integrated in future work plans and funds may be sought from the Local Government Research and Development Scheme to support the activities of both the LGA and councils.

A decision by the LGA Annual General Meeting to encourage councils to consider the actions they might take locally does not bind councils to commit resources or funding to these actions. Decisions about any actions to be undertaken will remain with individual councils.
### Inclusive Representation Action Plan 2018 - 2022

<table>
<thead>
<tr>
<th>LGA actions</th>
<th>Council actions</th>
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<tbody>
<tr>
<td><strong>Time</strong></td>
<td><strong>Time</strong></td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td><strong>2022</strong></td>
</tr>
<tr>
<td><strong>(S1)</strong> Increase promotional material and communication detailing the role of councils to better inform women (and CALD)**</td>
<td><strong>(S3)</strong> Securing a commitment from senior management and council elected body to support initiatives</td>
</tr>
<tr>
<td><strong>(S1)</strong> Fully utilise the opportunities provided by social media as part of LGA campaign activities **</td>
<td><strong>(S3)</strong> Securing funds and resources to undertake initiatives in current and long-term work plans</td>
</tr>
<tr>
<td><strong>(S2)</strong> Use narratives from women already on council to provide insights as to their experiences and use this to inform the communications &amp; engagement and inform campaign strategies **</td>
<td><strong>(S4)</strong> Develop a ‘Multicultural Action Plan’ to identify and implement actions to increase the representation of CALD communities</td>
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| **(S2)** Hold training sessions related to:  
  - Reducing unconscious bias  
  - Being more assertive  
  - Building resilience to external negative influences  
  - Stress management  
  - Upskilling  
  - Inclusion of women in council leadership positions to share their insights/experiences at candidate briefings | **(S3)** Fully incorporate and elevate information about opportunities for all community groups to participate local government through the enrol, nominate and vote phases in the lead up to a council election. Provision of more than one or two candidate information sessions for community members. |
| **(S3)** Build principles of sector-wide leadership capability into elected member inductions and other programs that support the elected body** | **(S3)** Assist candidates in understanding the requirements of being a council member and provision of appropriate and ongoing support and mentoring for councillors. |
| **(S4)** Capture information from councils collected when women exited local government to inform and action improvements | **(S3)** Promote attendance at council meetings so that communities and encouraged to come and observe to find out more about participating in local government |
| **(S1/4)** Build stronger partnerships with the Electoral Commission SA (ECSA)**, the Equal Rights Commission SA and other stakeholders such as the Australian Local Government Women’s Association (ALGWA)** | **(S3)** Set diversity targets where possible, including council committees etc |
| **(S1/4)** Increase coordination of efforts between ECSA**, the Office of Local Government and councils to provide better advocacy in this area | **(S3)** Be flexible in arrangements that are made for council business to make it easier to manage other commitments (remote meeting technologies and childcare for example) |
| **(S3)** Facilitate local government representation on the Male Champions of Change (MCC) Committee and participation in the Chiefs for Gender Equity (CfGE) initiative | **(S4)** Capture information from women exiting local government to help inform and action improvements |

- (S.) refers to where the recommendations for into the overarching strategies identified by the review and listed in the report.
- (** )Implemented and rolled out within the 2018 council elections campaign
6.3 Ancillary Documentation

Discussion Reports from the LGA Board

From: Andrew Johnson, Corporate Projects
Key Initiative: K.I 3 Best practice and continuous improvement
Strategy: 3C Improve LGA governance and operations with a focus on people, finances and our members
Meeting: Annual General Meeting 26 October 2018
ECM: 665707 Attachments: 659261; 659260; 663114; 659259; 659258; 659256

Recommendation

That the Annual General Meeting adopts the Ancillary Documents (listed below) to the new LGA Constitution:

a. Membership Proposition
b. Terms of reference for the South Australian Regional Organisation of Councils (SAROC)
c. Terms of reference for the Greater Adelaide Regional Organisation of Councils (GAROC)
d. Terms of reference for the Audit & Risk Committee
e. Terms of reference for the CEO Advisory Group
f. Meeting procedure

Discussion

At the April 2018 Ordinary General Meeting, the LGA membership adopted a new Constitution and transitional arrangement. At this meeting the LGA Membership also noted the consultation being undertaken on the Ancillary Documents, which together with the new constitution provide the foundation to the new LGA Governance structure.

The object of the new governance arrangements, incorporating the new constitution and ancillary documents is to:

- Establishes a contemporary corporate governance framework enabling the LGA’s contribution to public value through the promotion and advancement of the interests of local government.
- Maintains Member participation and establishes a strong emphasis on collaborative councils, assisted by a strong LGA.
- Provides a focus on leadership and advocacy at all levels: state-wide, regional and individual members.
- Streamlines and integrates consistent engagement and resourcing across the system.
• Delivers a more efficient structure for LGA decision making with a smaller LGA Board of Directors (10 members), and regional structures with aligned strategic and annual planning processes and budgets.

• Ensures key expert advice to the LGA and the sector through the CEO advisory group and LGA Audit Committee. These structures future proof the Association.

The LGA has undertaken extensive consultation on the ancillary documents since the OGM. This has included placing the documents out for initial consultation (circular 21.9) and engaged URPS to hold a number of workshops around the state seeking feedback from Councils on the ancillary documents. The results of this feedback lead to a number of changes to these documents being endorsed by the LGA Board in July. Details of the Board’s response to the URPS report and member feedback was communicated to members via Circular 32.3.

As a result of the feedback received, the Terms of Reference for SAROC and GAROC were amended and endorsed by the Board at its July 2018 meeting for the purposes of conducting the 2018 LGA elections. The new constitution and transitionary arrangements were also approved by the Minister in July.

Following the Board’s consideration of the URPS report and the member feedback received, the resultant changes made to the ancillary documents were again put out to members for feedback (via Circular 32.3).

In addition, the LGA Audit Committee have reviewed their draft Terms of Reference on a number of occasions and have recommended several changes to this document, which have been incorporated in the attached Audit & Risk Committee Terms of Reference.

As reported in Circular 32.3, there are still a number of outstanding issues that will need to be addressed over the next six months. These include:

• Undertaking further consultation with GAROC members to confirm their desire to form regions within the metropolitan area and define what these regions should be.

• Undertaking further consultation with those councils which indicated that they may be interested in forming a peri-urban region.

• Working with SAROC, GAROC and the Board to determine how they should operate, their budget and their priorities.

The above issues relate to the implementation of the ancillary documents and/or refining their content and do not affect members from adopting all of the ancillary documents, as attached to this report.

It is now believed that the AGM should consider adopting the six ancillary documents to the new constitution, as attached to this report.
1. **Membership Proposition**

1.1. The Local Government Association of South Australia (**LGA**) is constituted as a public authority under the *Local Government Act 1999* for the purpose of promoting and advancing the interests of local government.

1.2. The object of the LGA is to achieve public value through the promotion and advancement of the interests of local government by:

   1.2.1. advocating to achieve greater influence for local government in matters affecting councils and communities;

   1.2.2. assisting Members to build capacity and increase sustainability through integrated and coordinated local government; and

   1.2.3. advancing local government through best practice and continuous improvement.

1.3. The LGA is a member-based organisation which fulfils its object through the active participation of its Members.

1.4. As contemplated by the *Local Government Association of South Australia Constitution and Rules* (adopted April 13, 2018) (**Constitution**) the Members have endorsed this document (**Membership Proposition**) providing for the relationship between the LGA and its Members.

1.5. The Membership Proposition may be altered only:

   1.5.1. By resolution passed at a General Meeting of which at least 30 days’ notice has been given to Members; and

   1.5.2. with approval of the Minister.

1.6. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

1.7. To the extent of any inconsistency between the Constitution and this Membership Proposition, the Constitution will prevail.

2. **Membership applications**

2.1. **Entitlement to Membership**

   2.1.1. Each Council and Community Council which applies in writing to the LGA will be granted membership of the LGA (**Membership**) provided that the terms set out in this clause 2 are satisfied.

   2.1.2. The Board of Directors may accept an application for Membership from an applicant who does not satisfy the criteria set out in clause 2.2.3.
2.2. Criteria for Membership

2.2.1. The applicant must either be:

(a) a Council constituted under the Local Government Act (including a Council in administration under section 273 of that Act); or

(b) the governing entity for any of:

(i) the Anangu Pitjantjatjara Community;
(ii) the Maralinga Tjarutja Community;
(iii) the Yalata Community;
(iv) the Nepabunna Community;
(v) the Gerard Community; and
(vi) the Outback Communities Authority.

2.2.2. The applicant must have passed a resolution to comply with the Constitution.

2.2.3. The applicant must not be in default of an obligation to pay Fees to the LGA.

2.2.4. A Council or Community Council which is a Member at the end of the membership period specified in clause 3 may renew its membership for the next membership period by paying the applicable annual subscription fee. Clause 2.2.2 does not apply to the renewal of a Council or Community Council’s membership.

2.3. Grounds for rejecting an application

Subject to clause 2.1.2, the Board of Directors must reject an application from an applicant which does not satisfy the criteria in clause 2.2.

3. Membership term

Membership is for a period of 12 months commencing on 1 July.

4. Membership benefits

4.1. Members will be a part of a unified and single voice for the discussion and resolution of issues facing the local government sector and its communities.

4.2. The LGA will provide:

4.2.1. advocacy and representation for Members with other spheres of government, the community and stakeholders;

4.2.2. frontline support and assistance to Members; and

4.2.3. specialist and commercial services for Members.
4.3. Members are able to:

4.3.1. contribute to the development of policy positions and strategy with regard to issues which affect the local government sector and, thereby inform the advocacy undertaken by the LGA on behalf of the sector;

4.3.2. obtain the assistance of the LGA to build capacity and increase sustainability, including by coordination and knowledge sharing among Members facilitated by the LGA;

4.3.3. access services provided by the LGA;

4.3.4. be supported by the LGA to achieve best practice and a culture of continuous improvement through training programs and governance guidance developed and disseminated by the LGA; and

4.3.5. contribute to, and receive the benefit of, LGA activities and initiatives for key focus areas aligned to community needs.

4.4. Each year the LGA will publish:

4.4.1. a ‘Value Proposition’ which will outline and value the specific membership benefits provided to Members in the preceding financial year. The Value Proposition will be annexed to this Membership Proposition will be replaced each time the Value Proposition is updated; and

4.4.2. a pricing methodology for the services provided by the LGA to its Members.

5. Membership rights

5.1. Rights under the Constitution

Members have the rights provided under the Constitution to:

5.1.1. nominate candidates for, and elect, the LGA President;

5.1.2. participate in elections for members of the South Australian Region Organisation of Councils (SAROC) or the Greater Adelaide Region Organisation of Council (GAROC) (as relevant to the Member);

5.1.3. participate in General Meetings;

5.1.4. call a Special General Meeting in the circumstances provided in the Constitution; and

5.1.5. access the activities of SAROC and GAROC including to propose to SAROC or GAROC (as relevant) an item of business for:

   (a) an Annual General Meeting or Ordinary General Meeting; or

   (b) a meeting of the Board of Directors.

5.2. Participation in the development of policy and strategy

Members are able to participate in the development of policy and strategy on issues relevant to the local government sector by:
5.2.1. raising a matter for consideration by SAROC or GAROC (as relevant);

5.2.2. proposing to SAROC or GAROC (as relevant) an item of business for consideration at an Annual General Meeting, Ordinary General Meeting or by the Board of Directors; and

5.2.3. contributing to forums, consultations, discussion papers and other strategies being implemented by the LGA.

5.3. Access to services

Members are able to access LGA services either for free or on a subsidised fee-for-service basis or through group purchasing arrangements.

5.4. Access to information

Subject to confidentiality requirements as determined by the Board of Directors or in accordance with terms of reference for a committee, each Member is entitled to access approved minutes of General Meetings, the Board of Directors and committees of the LGA.

6. Membership obligations

6.1. Conduct

6.1.1. A Member must comply with the Constitution.

6.1.2. A Member must provide to the LGA such information and support as the LGA reasonably requests to carry out the object of the LGA.

6.1.3. A Member will assist its council members and staff adopt leadership standards which will contribute to the strength of the local government sector.

6.2. Fees

6.2.1. A Member must pay Fees owing to the LGA by the due date for payment (or such later date as may be determined by the Board of Directors).

6.2.2. Where the Membership of a Member commences after 1 July in any year:

(a) that Member is liable for annual subscription and any annual special purpose levy for the period from the date on which the Membership commences to the next occurring 30 June on a per diem basis calculated from the first day of the month following the month in which their Membership commences; and

(b) payment of the annual subscription and any annual special purpose levy is due 1 calendar month after the date on which the Membership commences.

7. Revocation of Membership Automatic Revocation

Membership of the LGA will be automatically revoked for a Member who fails to pay an annual subscription or special purpose levy to the LGA by the due date for payment (or such later date as may be determined by the Board of Directors).
7.2. Revocation of Membership by Board of Directors

The Board of Directors may revoke the Membership of any Member, if the Member:

7.2.1. fails to comply with an obligation under the Constitution or this Membership Proposition; or

7.2.2. in the reasonable opinion of the Board of Directors, the Member has brought the local government sector or the LGA into disrepute.

7.3. Consequences of revocation

7.3.1. Following a revocation of a Membership, the former Member:

(a) will have no rights under the Constitution (other than the right to apply for Membership under clause 8.1 of the Constitution); and

(b) has no entitlement to the services provided by the LGA to its Members.

7.3.2. Revocation of a Membership does not:

(a) relieve the former Member from any obligation to pay Fees to the LGA which accrued prior to the date of revocation; or

(b) entitle the former Member to a refund of any Fee previously paid to the LGA.

8. Resignation of a Member

8.1. A Member may resign its Membership by providing written notice to the Board of Directors.

8.2. The resignation of a Member will take effect 3 months from the date on which the notice of resignation is received by the Board of Directors or such later date as is specified in the notice, unless an earlier date is determined by the Board of Directors in consultation with the resigning Member.

8.3. Any Member who resigns its Membership during a financial year:

8.3.1. remains liable to pay:

(a) the full annual subscription and any annual special purpose levy for the financial year in which the resignation takes effect; and

(b) any service charges payable for a service provided by the LGA up until the date on which the service ceases; and

8.3.2. is not entitled to refund of any Fee previously paid to the LGA.
1. **Establishment**

In accordance with clause 19 of the Local Government Association of South Australia Constitution and Rules (adopted April 13, 2018) (**Constitution**) there are 2 regional organisations of Members: the South Australian Region Organisation of Councils (**SAROC**) and the Greater Adelaide Region Organisation of Councils (**GAROC**).

2. **Terms of Reference**

2.1. These Terms of Reference set out the functions to be discharged by SAROC.

2.2. The operation of the Terms of Reference may be altered by the Board of Directors either generally or in respect of specific circumstances by resolution with the exception of Clauses 4.2, 4.3 and 4.4. A resolution for the purposes of this clause 2.2 will be reported to the chairperson of SAROC within 24 hours of the meeting of the Board of Directors at which the resolution was passed.

2.3. These Terms of Reference will be presented to the Members at a General Meeting for ratification annually (or more frequently as determined by the Board).

2.4. Clauses 4.2, 4.3 or 4.4 of this Terms of Reference may be altered only:

2.4.1. By resolution passed at a General Meeting of which at least 30 days’ notice has been given to Members; and

2.4.2. With approval of the Minister.

2.5. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

3. **Status**

SAROC is a committee of the LGA and is responsible to the Board of Directors for the discharge of its functions.

4. **SAROC**

4.1. **Role**

The role of SAROC is regional advocacy, policy initiation and review, leadership, engagement and capacity building in the regions.

4.2. **Membership**

4.2.1. Each SAROC Regional Grouping of Members listed in the schedule to these Terms of Reference will elect in accordance with clauses 4.3 and 4.4 from the Members of the SAROC Regional Grouping 2 Council Members of Members in the SAROC Regional Grouping to SAROC provided that each person elected is from a different Member.
4.3. Nominations for election to SAROC

4.3.1. The members of SAROC will be elected biennially.

4.3.2. In the year in which SAROC members will be elected, and at least 3 months before the Annual General Meeting, the Chief Executive shall write to all SAROC regions, as listed in the schedule, calling for nominations for the membership of SAROC.

4.3.3. A person nominating as a member of SAROC must be a representative of a member on the relevant SAROC Regional Grouping

4.3.4. Only a Council Member can be nominated to GAROC

4.3.5. A nomination of a person as a member of SAROC must be received by the Chief Executive Officer not later than 5 pm on the day specified for the closure of nominations (Close of Nominations). A nomination must be signed by the candidate indicating his or her willingness to stand for election and be in the form determined by the Chief Executive

4.4. Election to SAROC

4.4.1. The Chief Executive shall be the returning officer for any election of members to SAROC.

4.4.2. After the Close of Nominations, the Chief Executive will notify Members of each SAROC Regional Grouping of the candidates for membership of SAROC nominated by the Regional Grouping of Members.

4.4.3. If the only nominations received from a Regional Grouping of Members by the Close of Nominations match the membership positions described in clause 4 then the Chief Executive will declare those persons duly elected to those membership positions.

4.4.4. If the number of persons nominated by the Close of Nominations by the Regional Grouping of Members exceeds the number of membership positions described 4.2.1 then an election for the purpose of clause 4.2.1 must be held in accordance with this clause.

4.4.5. In the event of an election being required, the regional groupings in consultation with the Chief Executive shall conduct an election.

4.4.6. The Chief Executive, in consultation with the regional groupings shall nominate the date, time and place for the counting of votes and shall invite each candidate and a person nominated as the candidate’s scrutineer to be present;

(a) at the counting of the votes the Chief Executive shall produce unopened envelopes marked “Ballot Paper” and if satisfied that all votes are valid, count the number of votes received by each candidate;

(b) in respect of an election for the purposes of clause 4.2.1, the 2 candidates with the most votes shall be deemed elected and the Chief Executive shall declare the candidates elected at the Annual General Meeting.
(c) in the case of candidates for membership positions described in clause 4.2.1 receiving the same number of votes, the Chief Executive shall draw lots at the counting of the votes to determine which candidate is elected.

4.4.7. The Chief Executive may, in his or her discretion, appoint a deputy returning officer and delegate any of his or her powers, functions or duties to that person who shall act accordingly.

4.4.8. The Chief Executive may, in his or her discretion, delegate any of his or her powers, functions or duties to regional LGA Executive Officers who shall act accordingly for the conduct of their respective regional LGA SAROC elections.

4.5. Term of office

The term of office for members of SAROC shall commence after the Annual General Meeting of the year in which the member is elected. Each member of SAROC will serve for a period of 2 years or until a circumstance causing a casual vacancy as described in clause 4.8.1 occurs.

4.6. Duties

4.6.1. Each member of SAROC must:

(a) undertake his or her role as a SAROC member honestly and act with reasonable care and diligence in the performance and discharge of functions and duties;

(b) not make improper use of information acquired by virtue of his or her position as a SAROC member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA;

(c) not make improper use of his or her position as a SAROC member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA; and

(d) not act in any matter where the SAROC member has a conflict of interest (provided that an interest shared in common with all or a substantial proportion of the members of SAROC will not be an interest giving rise to a conflict of interest).

4.7. Absences and casual vacancies

4.7.1. A leave of absence may be granted to a member of SAROC by resolution of SAROC. A replacement member of SAROC will be appointed for the period of the leave of absence by resolution of the majority of Members comprising the SAROC Regional Grouping relevant to the person the subject of the leave of absence.

4.7.2. A casual vacancy will occur in the office of a member of SAROC if the member of SAROC:

(a) dies;

(b) resigns from SAROC;
(c) is dismissed by resolution of the Board of Directors from SAROC for Misconduct; or

(d) ceases to be a Council Member,

or an administrator is appointed to administer the affairs of the Member for which the member of SAROC is a Council Member.

4.7.3. If there is a casual vacancy in the membership of SAROC then the SAROC Regional Grouping relevant to the SAROC member the subject of the casual vacancy will appoint by resolution of the majority of Members comprising the SAROC Regional Grouping another Council Member to serve as a member of SAROC for the balance of the membership term.

5. Responsibilities

5.1. Board of Directors

5.1.1. The role of the Board of Directors is to oversee corporate governance of the LGA and provide strategic direction and leadership.

5.1.2. The duties of the Board of Directors are to ensure that:

(a) the LGA acts in accordance with applicable laws and this Constitution;

(b) the LGA acts ethically and with integrity, respecting diversity and striving for gender balance participation in all activities;

(c) the activities of the LGA are conducted efficiently and effectively and that the assets of the LGA are properly managed and maintained;

(d) subject to any overriding fiduciary or other duty to maintain confidentiality, the affairs of the LGA are undertaken in an open and transparent manner; and

(e) the LGA performs to its business plan and achieves or betters the financial outcomes projected in its budget.

5.1.3. The Board of Directors may from time to time refer matters to SAROC for consideration.

5.1.4. The Board of Directors will receive, consider and respond to any report and recommendations provided to the Board of Directors by SAROC.

5.1.5. The Board of Directors will periodically review the performance of SAROC.

5.2. SAROC

5.2.1. SAROC will fulfil its functions under these Terms of Reference in a timely, objective and professional manner consistent with the ‘LGA Strategic Management Framework’.

5.2.2. SAROC may, through the Chief Executive and at the LGA’s expenses, seek external legal, financial or other advice on matters within its functions or concerning these Terms of Reference.
5.3. Chief Executive

5.3.1. The Chief Executive will make available to SAROC information of the LGA which is relevant to the functions of SAROC.

5.3.2. The Chief Executive will ensure that administrative support and other resources are made available to SAROC as included in the SAROC approved annual business plan and budget to enable SAROC to discharge its obligations under these Terms of Reference.

5.3.3. Resources made available to SAROC will include resourcing by the LGA Office or external resources considered appropriate by the Chief Executive acting in consultation with SAROC.

6. Functions of SAROC

6.1. LGA Object

6.1.1. The object of the LGA is to achieve public value through the promotion and advancement of the interests of local government by:

   (a) advocating to achieve greater influence for local government in matters affecting councils and communities;

   (b) assisting member councils to build capacity and increase sustainability through integrated and coordinated local government; and

   (c) advancing local government through best practice and continuous improvement.

6.1.2. SAROC will assist in the achievement of the LGA’s object by:

   (a) supporting the activities of the LGA at a regional level;

   (b) promoting communication between Members and between Members and the LGA;

   (c) advocating in respect of matters which affect the SAROC Regional Group;

   (d) encouraging engagement of Members within the SAROC Regional Group with SAROC and the LGA; and

   (e) participating in policy development and implementation.

6.2. Consideration and referral of Member items of business

6.2.1. Any Member of the SAROC Regional Grouping may raise an item of business for the consideration of the Board of Directors or a General Meeting with SAROC. The item of business must be clearly described in writing, including an indication as to whether the impact of the item is confined to the Member or has broader implications for the local government sector.

6.2.2. SAROC will consider each item of business raised with SAROC by a Member.

6.2.3. A Member may be invited by SAROC to address a meeting of SAROC in respect of the proposed item of business.
6.2.4. Where considered appropriate by SAROC on the basis of the nature, scope and impact or potential impact of the item on the local government sector, SAROC will refer the item to either the Board of Directors or a General Meeting.

6.2.5. SAROC will inform the Member which has raised the item of business as to whether or not the item will be referred to the Board of Directors or a General Meeting.

6.2.6. Where an item of business is not referred to the Board of Directors or a General Meeting, SAROC may provide assistance or guidance to the Member in respect of progressing the matter.

6.3. Proposals for policy development

6.3.1. SAROC may develop proposals for policy positions for consideration at a General Meeting either in response to an issue raised by a Member within the SAROC Regional Grouping or independently.

6.3.2. A policy position developed by SAROC will be referred to the Board of Directors for consideration and determination as to whether or not the position should be put for consideration and adoption to a General Meeting.

6.4. Election to Board of Directors

6.4.1. SAROC will elect 3 members of SAROC (each of which must be a Council Member with relevant business and governance experience) to the Board of Directors.

6.4.2. In addition to Directors elected under clause 6.4.1, the chairperson of SAROC will be a Director.

6.4.3. The term of office as a Director of the 3 persons elected to the Board of Directors by SAROC and the chairperson of SAROC will commence after the Annual General Meeting of the year in which the person is elected and shall be for 2 years or until a casual vacancy in that office occurs.

6.4.4. Persons elected under clause 6.4.1 are eligible for re-election for subsequent terms.

6.5. Strategic and annual business planning

6.5.1. SAROC will develop, in consultation with the members within the SAROC Regional Group, a 4 year strategic plan for regional advocacy, policy initiation and review, leadership, engagement and capacity building in the SAROC region. The strategic plan will be reviewed and updated annually by SAROC by June each year.

6.5.2. SAROC will develop, in consultation with the members within the SAROC Regional Group, an annual business plan for the next financial year by June each year.

6.5.3. The strategic plan and annual business plan for the next financial year will be presented to the Board of Directors for approval by June each year.
6.6. Other functions

SAROC will undertake any other functions:

6.6.1. of SAROC set out in the Constitution; or

6.6.2. delegated by the Board of Directors to SAROC.

7. Budget

7.1.1. SAROC will by June each year develop and adopt a budget to cover anticipated expenses of activities under the strategic plan and annual business plan during the next financial year. After adoption by SAROC, the budget will be provided to the Board of Directors for consideration and approval.

7.1.2. SAROC will provide a financial report to the Board of Directors no later than September providing a true and correct record of the expenditure of SAROC against the annual budget.

7.1.3. The chairperson of SAROC will meet with the Audit Committee of the LGA or the LGA’s external auditor on request to discuss the SAROC financial report.

8. Committees

SAROC may establish committees consisting of any person with relevant experience, skill or expertise for any purpose and determine the terms of reference for such committees.

9. Meetings of SAROC

9.1. Resolution of the Board of Directors

Requirements under this clause 9 may be altered, supplemented or replaced by resolution of the Board of Directors.

9.2. Frequency of meetings and venue

9.2.1. SAROC will meet at least once in each 2 month period at such times and places as shall be determined by the Chief Executive.

9.2.2. Any member of SAROC or the Board of Directors may convene additional meetings of SAROC.

9.2.3. Notice of a meeting of SAROC will be provided in writing to members of SAROC by the Chief Executive no less than 7 days prior to the meeting providing the date, time and place of the meeting and the proposed business to be conducted at the meeting.

9.3. Chairperson

9.3.1. The chairperson of SAROC will be a Council Member appointed by SAROC.

9.3.2. The chairperson will be the official spokesperson for SAROC.

9.3.3. If the chairperson of SAROC is absent from a meeting of SAROC then the members attending the SAROC meeting will appoint a chairperson for the purposes of that meeting.
9.4. Decision making

9.4.1. All questions arising at a meeting of SAROC shall be decided by a simple majority vote of the members of SAROC present and voting on each question.

9.4.2. The Chair of the meeting has a deliberative vote and, if there are equal numbers of votes on any question, a casting vote.

9.5. Meeting procedure

The meeting procedures determined by the Board of Directors from time to time will apply to meetings of SAROC.

9.6. Attendance

9.6.1. Meetings of SAROC will be closed to the public.

9.6.2. SAROC may invite any person to attend its meetings.

9.7. Minutes

9.7.1. Minutes will be kept of all SAROC meetings including a record of the actions of SAROC.

9.7.2. Within 48 hours of a SAROC meeting, the chairperson will review and confirm the draft minutes. The draft minutes will then be circulated to SAROC members for comment and if necessary amendment before being certified as correct by the chairperson.

9.8. Quorum

The quorum for a meeting of SAROC is one half of the members of SAROC, plus 1 member of SAROC (provided that at least 1 member elected by each SAROC Regional Grouping must be present except for a SAROC Regional Grouping with no representation on SAROC).

9.9. Performance assessment

SAROC will assess its performance against:

9.9.1. the strategic plan and annual business plan each quarter; and

9.9.2. these Terms of Reference annually.

9.10. Reporting

9.10.1. A Director elected by SAROC will provide a verbal report to the Board of Directors on key matters being considered by SAROC at each Board of Director’s meeting at which the minutes of SAROC are to be considered by the Board of Directors.

9.10.2. Any matter relevant to regional advocacy, policy initiation and review, leadership, engagement and capacity building in the regions considered to be of significance to the corporate governance, strategic direction and leadership of the LGA will be reported by SAROC to the Board as soon as practicable after SAROC has considered the matter.

9.10.3. SAROC will provide an annual report to the Board of Directors by September each year summarising:
(a) the discharge of SAROC’s responsibilities and functions under these Terms of Reference and against the strategic plan and annual business plan;

(b) the activities of SAROC during the financial year;

(c) items of business referred to the Board of Directors or a General Meeting during the financial year; and

(d) items being considered by SAROC which have not been reported to the Board of Directors and the intended actions in respect of those matters.

10. **Access to information**

10.1.1. SAROC is entitled, acting though the Chief Executive, to access any information or discuss matters with staff of the LGA Office.

10.1.2. A copy of the agenda for a SAROC meeting, reports to be considered by SAROC and minutes of SAROC meetings certified under clause 9.7.2 will be available to all Directors.

10.1.3. Subject to confidentiality requirements as determined by the Board of Directors or SAROC, a copy of the SAROC agenda, reports and minutes certified under clause 9.7.2 will be published on the LGA website for review by Members.

11. **Administration**

11.1. Subject to clause 11.2, an administrator appointed to administer the affairs of the Member may exercise the rights and satisfy the obligations of the administered Member under these Terms of Reference.

11.2. An administrator is ineligible to be a member of SAROC.
<table>
<thead>
<tr>
<th>SAROC Regional Grouping</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern &amp; Hills Councils</td>
<td>Alexandrina, Mount Barker, Victor Harbor, Yankalilla, Kangaroo Island</td>
</tr>
<tr>
<td>Legatus Councils</td>
<td>Adelaide Plains, Barossa, Barunga West, Clare &amp; Gilbert Valleys, Copper Coast, Goyder, Light, Mount Remarkable, Northern Areas, Orroroo/ Carrieton, Peterborough, Wakefield, Yorke Peninsula, Flinders Ranges</td>
</tr>
<tr>
<td>Eyre Peninsula</td>
<td>Ceduna, Cleve, Elliston, Franklin Harbor, Kimba, Streaky Bay, Tumby Bay, Wudinna, Lower Eyre Peninsula, Port Lincoln</td>
</tr>
<tr>
<td>Limestone Coast</td>
<td>Grant, Kingston, Mount Gambier, Naracoorte &amp; Lucindale, Robe, Tatiara, Wattle Range</td>
</tr>
<tr>
<td>Murraylands &amp; Riverland</td>
<td>Loxton/ Waikerie, Mid Murray, Karoonda/ East Murray, Coorong District, Southern Mallee, Berri/Barmera, Renmark/Paringa, Murray Bridge</td>
</tr>
<tr>
<td>Spencer Gulf Cities</td>
<td>Port Augusta, Port Pirie, Whyalla</td>
</tr>
</tbody>
</table>
Local Government Association of South Australia

GAROC Terms of Reference

[insert date of adoption]

1. Establishment

In accordance with clause 19 of the Local Government Association of South Australia Constitution and Rules (adopted April 13, 2018) (Constitution) there are 2 regional organisations of Members: the South Australian Region Organisation of Councils (SAROC) and the Greater Adelaide Region Organisation of Councils (GAROC).

2. Terms of Reference

2.1. These Terms of Reference set out the functions to be discharged by GAROC.

2.2. The operation of the Terms of Reference may be altered by the Board of Directors either generally or in respect of specific circumstances by resolution with the exception of Clauses 4.2, 4.3 and 4.4. A resolution for the purposes of this clause 2.2 will be reported to the chairperson of GAROC within 24 hours of the meeting of the Board of Directors at which the resolution was passed.

2.3. These Terms of Reference will be presented to the Members at a General Meeting for ratification annually (or more frequently as determined by the Board).

2.4. Clauses 4.2, 4.3 or 4.4 of this Terms of Reference may be altered only:

2.4.1. By resolution passed at a General Meeting of which at least 30 days' notice has been given to Members; and

2.4.2. With approval of the Minister.

2.5. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

3. Status

GAROC is a committee of the LGA and is responsible to the Board of Directors for the discharge of its functions.

4. GAROC

4.1. Role

The role of GAROC is regional advocacy, policy initiation and review, leadership, engagement and capacity building in the region(s).

4.2. Membership

4.2.1. The GAROC Regional Grouping of Members listed in the schedule to these Terms of Reference will elect in accordance with clause 4.3 and 4.4 from the Members of the GAROC Regional Grouping eight (8) Council Members of Members in the GAROC Regional Grouping to GAROC provided that each person elected is from a different Member.
4.2.2. In addition to the members of GAROC elected in accordance with clause 4.2.1, the Lord Mayor of the City of Adelaide or his or her nominee (also being a Council Member of the City of Adelaide) will be a standing member of GAROC.

4.3. Nominations for election to GAROC

4.3.1. The members of GAROC will be elected biennially.

4.3.2. In the year in which GAROC members will be elected, and at least 3 months before the Annual General Meeting, the Chief Executive shall write to all Members of GAROC as listed in the schedule calling for nominations for the membership of GAROC.

4.3.3. Only a Council Member can be nominated to GAROC

4.3.4. A nomination of a person as a member of GAROC must be by resolution of the Member received by the Chief Executive not later than 5 pm on the day specified for the closure of nominations (Close of Nominations). A nomination must be signed by the candidate indicating his or her willingness to stand for election and be in the form determined by the Chief Executive.

4.4. Election to GAROC

4.4.1. The Chief Executive shall be the returning officer for any election of members to GAROC.

4.4.2. After the Close of Nominations, the Chief Executive will notify Members of the GAROC Regional Grouping of the candidates for membership of GAROC nominated in the Regional Grouping of Members.

4.4.3. If the only nominations received from a Regional Grouping of Members by the Close of Nominations match the membership positions described in clause 4.2.1 then the Chief Executive will declare those persons duly elected to those membership positions.

4.4.4. If the number of persons nominated by the Close of Nominations by the Regional Grouping of Members exceeds the number of membership positions described 4.2.1 then an election for the purpose of clause 4.2.1 must be held in accordance with this clause.

4.4.5. In the event of an election being required, the Chief Executive shall conduct the election as follows:

(a) at least six weeks before the Annual General Meeting, the Chief Executive shall deliver ballot papers to each Member of the Regional Grouping of Members;

(b) the ballot papers shall:

(i) list the candidate or candidates for election;

(ii) specify the day of closure of the election; and

(iii) be accompanied by an envelope marked "Ballot Paper" and a second envelope marked "Returning Officer";
(c) each Member shall determine by resolution the candidate or candidates (as relevant) it wishes to elect;

(d) the chair of the meeting for that Member shall mark the ballot paper with an "X" next to the candidate or candidates (as relevant) that the Member wishes elected and seal the ballot paper in the envelope marked "Ballot Paper" inside the envelope marked "Returning Officer". Before sealing the second envelope the chair must indicate the Member’s name on the inside flap of the envelope. The envelope may then be sealed and delivered to the Returning Officer;

(e) on receipt of the envelopes the Chief Executive must:

(i) open the outer envelope addressed to the "Returning Officer" and record the name of the Member which appears on the inside flap of the envelope on the roll of Member’s eligible to vote; and

(ii) place the envelope marked "Ballot Paper" unopened into the ballot box;

(f) the Chief Executive shall nominate the date, time and place for the counting of votes and shall invite each candidate and a person nominated as the candidate’s scrutineer to be present;

(g) at the counting of the votes the Chief Executive shall produce unopened envelopes marked "Ballot Paper" and if satisfied that all votes are valid, count the number of votes received by each candidate;

(h) in respect of an election for the purposes of clause 4.2.1, the 8 candidates with the most votes shall be deemed elected and the Chief Executive shall declare the candidates elected at the Annual General Meeting.

(i) in the case of candidates for membership positions described in clause 4.2.1 receiving the same number of votes, the Chief Executive shall draw lots at the counting of the votes to determine which candidate is elected.

4.4.6. The Chief Executive may, in his or her discretion, appoint a deputy returning officer and delegate any of his or her powers, functions or duties to that person who shall act accordingly.

4.5. Term of office

The term of office for members of GAROC shall commence after the Annual General Meeting of the year in which the member is elected. Each member of GAROC will serve for a period of 2 years or until a circumstance causing a casual vacancy as described in clause 4.7.2 occurs.

4.6. Duties

4.6.1. Each member of GAROC must:
(a) undertake his or her role as a GAROC member honestly and act with reasonable care and diligence in the performance and discharge of functions and duties;

(b) not make improper use of information acquired by virtue of his or her position as a GAROC member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA;

(c) not make improper use of his or her position as a GAROC member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA; and

(d) not act in any matter where the GAROC member has a conflict of interest (provided that an interest shared in common with all or a substantial proportion of the members of GAROC will not be an interest giving rise to a conflict of interest).

4.7. Absences and casual vacancies

4.7.1. A leave of absence may be granted to a member of GAROC by resolution of GAROC. A replacement member of GAROC will be appointed for the period of the leave of absence by resolution of the majority of Members comprising the GAROC Regional Grouping relevant to the person the subject of the leave of absence.

4.7.2. A casual vacancy will occur in the office of a member of GAROC if the member of GAROC:

(a) dies;

(b) resigns from GAROC;

(c) is dismissed by resolution of the Board of Directors from GAROC for Misconduct; or

(d) the Member for which the member of GAROC is a Council Member is no longer a member of the Local Government Association, or

(e) an administrator is appointed to administer the affairs of the Member for which the member of GAROC is a Council Member.

4.7.3. If there is a casual vacancy in the membership of GAROC then the GAROC Regional Grouping relevant to the GAROC member the subject of the casual vacancy will appoint by resolution of the majority of Members comprising the GAROC Regional Grouping another Council Member to serve as a member of GAROC for the balance of the membership term.

5. Responsibilities

5.1. Board of Directors

5.1.1. The role of the Board of Directors is to oversee corporate governance of the LGA and provide strategic direction and leadership.
5.1.2. The duties of the Board of Directors are to ensure that:

(a) the LGA acts in accordance with applicable laws and this Constitution;
(b) the LGA acts ethically and with integrity, respecting diversity and striving for gender balance participation in all activities;
(c) the activities of the LGA are conducted efficiently and effectively and that the assets of the LGA are properly managed and maintained;
(d) subject to any overriding fiduciary or other duty to maintain confidentiality, the affairs of the LGA are undertaken in an open and transparent manner; and
(e) the LGA performs to its business plan and achieves or better the financial outcomes projected in its budget.

5.1.3. The Board of Directors may from time to time refer matters to GAROC for consideration.

5.1.4. The Board of Directors will receive, consider and respond to any report and recommendations provided to the Board of Directors by GAROC.

5.1.5. The Board of Directors will periodically review the performance of GAROC.

5.2. GAROC

5.2.1. GAROC will fulfil its functions under these Terms of Reference in a timely, objective and professional manner consistent with the ‘LGA Strategic Management Framework’.

5.2.2. GAROC may, through the Chief Executive and at the LGA’s expenses, seek external legal, financial or other advice on matters within its functions or concerning these Terms of Reference.

5.3. Chief Executive

5.3.1. The Chief Executive will make available to GAROC information of the LGA which is relevant to the functions of GAROC.

5.3.2. The Chief Executive will ensure that administrative support and other resources are made available to GAROC as included in the GAROC approved annual business plan and budget to enable GAROC to discharge its obligations under these Terms of Reference.

5.3.3. Resources made available to GAROC will include resourcing by the LGA Office or external resources considered appropriate by the Chief Executive acting in consultation with GAROC.

6. Functions of GAROC

6.1. LGA Object

6.1.1. The object of the LGA is to achieve public value through the promotion and advancement of the interests of local government by:
(a) advocating to achieve greater influence for local government in matters affecting councils and communities;
(b) assisting member councils to build capacity and increase sustainability through integrated and coordinated local government; and
(c) advancing local government through best practice and continuous improvement.

6.1.2. GAROC will assist in the achievement of the LGA’s object by:
(a) supporting the activities of the LGA at a regional level;
(b) promoting communication between Members and between Members and the LGA;
(c) advocating in respect of matters which affect the GAROC Regional Group;
(d) encouraging engagement of Members within the GAROC Regional Group with GAROC and the LGA; and
(e) participating in policy development and implementation.

6.2. Consideration and referral of Member items of business
6.2.1. Any Member of the GAROC Regional Grouping may raise an item of business for the consideration of the Board of Directors or a General Meeting with GAROC. The item of business must be clearly described in writing, including an indication as to whether the impact of the item is confined to the Member or has broader implications for the local government sector.

6.2.2. GAROC will consider each item of business raised with GAROC by a Member.

6.2.3. A Member may be invited by GAROC to address a meeting of GAROC in respect of the proposed item of business.

6.2.4. Where considered appropriate by GAROC on the basis of the nature, scope and impact or potential impact of the item on the local government sector, GAROC will refer the item to either the Board of Directors or a General Meeting.

6.2.5. GAROC will inform the Member which has raised the item of business as to whether or not the item will be referred to the Board of Directors or a General Meeting.

6.2.6. Where an item of business is not referred to the Board of Directors or a General Meeting, GAROC may provide assistance or guidance to the Member in respect of progressing the matter.

6.3. Proposals for policy development
6.3.1. GAROC may develop proposals for policy positions for consideration at a General Meeting either in response to an issue raised by a Member within the GAROC Regional Grouping or independently.
6.3.2. A policy position developed by GAROC will be referred to the Board of Directors for consideration and determination as to whether or not the position should be put for consideration and adoption to a General Meeting.

6.4. Election to Board of Directors

6.4.1. GAROC will elect 3 members of GAROC (each of which must be a Council Member with relevant business and governance experience) to the Board of Directors.

6.4.2. In addition to Directors elected under clause 6.4.1, the chairperson of GAROC will be a Director.

6.4.3. The term of office as a Director of the 3 persons elected to the Board of Directors by GAROC and the chairperson of GAROC will commence after the Annual General Meeting of the year in which the person is elected and shall be for 2 years or until a casual vacancy in that office occurs.

6.4.4. Persons elected under clause 6.4.1 are eligible for re-election for subsequent terms.

6.5. Strategic and annual business planning

6.5.1. GAROC will develop, in consultation with the members within the GAROC Regional Group, a 4 year strategic plan for regional advocacy, policy initiation and review, leadership, engagement and capacity building in the GAROC region. The strategic plan will be reviewed and updated annually by GAROC by June each year.

6.5.2. GAROC will develop, in consultation with the members within the GAROC Regional Group, an annual business plan for the next financial year by June each year.

6.5.3. The strategic plan and annual business plan for the next financial year will be presented to the Board of Directors for approval by June each year.

6.6. Other functions

GAROC will undertake any other functions:

6.6.1. of GAROC set out in the Constitution; or

6.6.2. delegated by the Board of Directors to GAROC.

7. Budget

7.1.1. GAROC will by June each year develop and adopt a budget to cover anticipated expenses of activities under the strategic plan and annual business plan during the next financial year. After adoption by GAROC, the budget will be provided to the Board of Directors for consideration and approval.

7.1.2. GAROC will provide a financial report to the Board of Directors no later than September providing a true and correct record of the expenditure of GAROC against the annual budget.
7.1.3. The chairperson of GAROC will meet with the Audit Committee of the LGA or the LGA’s external auditor on request to discuss the GAROC financial report.

8. Committees

GAROC may establish committees consisting of any person with relevant experience, skill or expertise for any purpose and determine the terms of reference for such committees.

9. Meetings of GAROC

9.1. Resolution of the Board of Directors

Requirements under this clause 9 may be altered, supplemented or replaced by resolution of the Board of Directors.

9.2. Frequency of meetings and venue

9.2.1. GAROC will meet at least once in each 2 month period at such times and places as shall be determined by the Chief Executive.

9.2.2. Any member of GAROC or the Board of Directors may convene additional meetings of GAROC.

9.2.3. Notice of a meeting of GAROC will be provided in writing to members of GAROC by the Chief Executive no less than 7 days prior to the meeting providing the date, time and place of the meeting and the proposed business to be conducted at the meeting.

9.3. Chairperson

9.3.1. The chairperson of GAROC will be a Council Member appointed by GAROC.

9.3.2. The chairperson will be the official spokesperson for GAROC.

9.3.3. If the chairperson of GAROC is absent from a meeting of GAROC then the members attending the GAROC meeting will appoint a chairperson for the purposes of that meeting.

9.4. Decision making

9.4.1. All questions arising at a meeting of GAROC shall be decided by a simple majority vote of the members of GAROC present and voting on each question.

9.4.2. The Chair of the meeting has a deliberative vote and, if there are equal numbers of votes on any question, a casting vote.

9.5. Meeting procedure

The meeting procedures determined by the Board of Directors from time to time will apply to meetings of GAROC.

9.6. Attendance

9.6.1. Meetings of GAROC will be closed to the public.

9.6.2. GAROC may invite any person to attend its meetings.
9.7. Minutes

9.7.1. Minutes will be kept of all GAROC meetings including a record of the actions of GAROC.

9.7.2. Within 48 hours of a GAROC meeting, the chairperson will review and confirm the draft minutes. The draft minutes will then be circulated to GAROC members for comment and if necessary amendment before being certified as correct by the chairperson.

9.8. Quorum

The quorum for a meeting of GAROC is one half of the members of GAROC, plus 1 member of GAROC (provided that at least 1 member elected by each GAROC Regional Grouping must be present except for a GAROC Regional Grouping with no representation on GAROC).

9.9. Performance assessment

GAROC will assess its performance against:

9.9.1. the strategic plan and annual business plan each quarter; and

9.9.2. these Terms of Reference annually.

9.10. Reporting

9.10.1. A Director elected by GAROC will provide a verbal report to the Board of Directors on key matters being considered by GAROC at each Board of Director’s meeting at which the minutes of GAROC are to be considered by the Board of Directors.

9.10.2. Any matter relevant to regional advocacy, policy initiation and review, leadership, engagement and capacity building in the region(s) considered to be of significance to the corporate governance, strategic direction and leadership of the LGA will be reported by GAROC to the Board as soon as practicable after GAROC has considered the matter.

9.10.3. GAROC will provide an annual report to the Board of Directors by September each year summarising:

(a) the discharge of GAROC’s responsibilities and functions under these Terms of Reference and against the strategic plan and annual business plan;

(b) the activities of GAROC during the financial year;

(c) items of business referred to the Board of Directors or a General Meeting during the financial year; and

(d) items being considered by GAROC which have not been reported to the Board of Directors and the intended actions in respect of those matters.
10. Access to information

10.1.1. GAROC is entitled, acting though the Chief Executive, to access any information or discuss matters with staff of the LGA Office.

10.1.2. A copy of the agenda for a GAROC meeting, reports to be considered by GAROC and minutes of GAROC meetings certified under clause 9.7.2 will be available to all Directors.

10.1.3. Subject to confidentiality requirements as determined by the Board of Directors or GAROC, a copy of the GAROC agenda, reports and minutes certified under clause 9.7.2 will be published on the LGA website for review by Members.

11. Administration

11.1. Subject to clause 11.2, an administrator appointed to administer the affairs of the Member may exercise the rights and satisfy the obligations of the administered Member under these Terms of Reference.

11.2. An administrator is ineligible to be a member of GAROC.
### Schedule: List of Regional Groupings of Members

<table>
<thead>
<tr>
<th>GAROC Regional Grouping</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Region</td>
<td>Adelaide, Adelaide Hills, Burnside, Campbelltown, Charles Sturt, Gawler, Holdfast Bay, Marion, Mitcham, Norwood/Payneham &amp; St Peters, Onkaparinga, Playford, Port Adelaide Enfield, Prospect, Salisbury, Tea Tree Gully, Unley, Walkerville, West Torrens</td>
</tr>
</tbody>
</table>
Local Government Association of South Australia

Audit and Risk Committee Terms of Reference

(insert date of adoption)

1. Establishment

In accordance with clause 24.3 of the Local Government Association of South Australia Constitution and Rules (adopted April 13, 2018) (Constitution) the Board of Directors (the Board) of the Local Government Association of South Australia (LGA) has resolved to establish a committee to operate as an independent and objective advisory committee to the Board and to discharge the functions of an audit committee as determined by the Board (Audit Committee).

2. Terms of Reference

2.1. These Terms of Reference set out the functions to be discharged by the Audit Committee.

2.2. The operation of the Terms of Reference may be altered by the Board either generally or in respect of specific circumstances by resolution. A resolution for the purposes of this clause 2.2 will be reported to the chairperson of the Audit Committee within 24 hours of the meeting of the Board at which the resolution was passed.

2.3. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

3. Status

3.1. The Audit Committee is a committee of the LGA and is responsible to the Board for the discharge of its functions.

3.2. Clause 23 of the Constitution provides that the duties of the Board are to ensure that:

   3.2.1. the activities of the LGA are conducted efficiently and effectively and that the assets of the LGA are properly managed and maintained; and

   3.2.2. the LGA performs to its business plan and achieves or better the financial outcomes projected in its budget.

3.3. The activities of the LGA include the activities of LGA controlled entities including LGASA Mutual Pty Ltd and LGCS Pty Ltd (trading as LGA Procurement).

3.4. Having regard to Clauses 3.2 and 3.3 above, and in accordance with Clause 24.3 of the Constitution, the Board vests in the Audit Committee responsibility to investigate and keep under consideration the matters outlined in this Terms of Reference.

4. Objectives

4.1. The primary objective of the Audit Committee is to protect and create value for the Board and its stakeholders. It will provide advice and recommendations to the Board, contributing to a systematic and disciplined approach to evaluating and improving the effectiveness of financial management, risk management, internal controls and governance processes.
4.2. As part of the LGA’s governance commitment to its Members, the Board has constituted the Audit Committee to facilitate:

4.2.1. Oversight of relevant activities to facilitate achieving the LGA’s objectives in an effective, efficient and orderly manner including the delivery of advocacy, and non-commercial (assist) and commercial (advance) services to Members.

4.2.2. Advisory services and oversight as required relating to the activities of the LGA’s controlled entities in the context of their ongoing value and return on investment to Members.

4.2.3. Enhancing the credibility and objectivity of internal and external financial auditing and reporting.

4.2.4. Effective management of risk and the protection of the LGA’s assets.

4.2.5. Compliance with laws and regulations as well as use of best practice guidelines.

4.2.6. The effectiveness of systems of internal control.

4.2.7. The provision of an effective means of communication between the external auditor, other service providers as applicable, management and the Board.

5. Membership

5.1. The Audit Committee will comprise of:

5.1.1. at least 3 independent members ensuring there is always a majority of independent members; and

5.1.2. 1 Director of the Board (Director Member) (who is not the President) appointed by the Board.

5.2. The term of office for members of the Audit Committee will be:

5.2.1. 3 years for independent members; and

5.2.2. 2 years for the Director.

5.3. Board Member Representative

5.3.1. Ideally, the Board Member on the Audit Committee will have experience in either business, legal, risk, governance, audit or financial management / reporting knowledge and experience.

5.3.2. Appointment of the LGA Board Member to this Committee will be made by the LGA Board, as resolved from time to time.

5.3.3. The Board may appoint a proxy for the Board Member representative to attend meetings of the Committee in the event that the Board Member representative is unavailable.

5.3.4. The Board may resolve to re-appoint the Board Member on this Committee for consecutive terms.
5.3.5. If required, training and development will be sourced and provided to the Board Member representative and the Board Member Proxy on matters/subjects within the Audit Committee’s Terms of Reference.

5.4. Independent Members

5.4.1. Ideally, independent members will collectively bring the following knowledge, skills and experience:

- Sound business, financial management, insurance, procurement, legal and audit skills
- an understanding of local government and / or member based organisations
- high levels of common sense, integrity, independent judgement, dedication and commitment
- significant industry experience in the finance and insurance sectors
- significant board and / or audit committee experience

5.4.2. At least one external independent member will have expertise and knowledge in financial management/reporting

5.4.3. Independent members will not be elected members or employees of LGA Member Councils, or employees of related local government organisations

5.4.4. Appointment of independent members will generally be made by the Board for a three-year term.

5.4.5. To ensure succession planning for the Committee, the terms of appointment should be arranged on a rotational basis thus ensuring there is continuity of membership despite changes to the Board’s elected representatives. The Board may resolve to re-appoint an independent member for consecutive terms.

5.4.6. If the Board proposes to remove an independent member from the Committee prior to the conclusion of their appointed term, it must give written notice to the independent member of its intention to do so and provide that independent member with the opportunity to be heard at a Board meeting, if that independent member so requests.

5.5. Each member of the Audit Committee must:

5.5.1. Undertake his or her role as a committee member honestly and act with reasonable care and diligence in the performance and discharge of functions and duties;

5.5.2. Not make improper use of information acquired by virtue of his or her position as a committee member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA or any of its controlled entities;
5.5.3. Not make improper use of his or her position as a committee member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA or any of its controlled entities; and

5.5.4. Not act in any matter where the committee member has a conflict of interest (provided that an interest shared in common with all or a substantial proportion of the members of the Audit Committee will not be an interest giving rise to a conflict of interest).

6. Basis of Operation

6.1. The Audit Committee is responsible to the Board. It does not have any delegations or authority to implement actions in areas over which the Chief Executive Officer has responsibility.

6.2. The Committee does not have any management functions and is therefore independent of management.

6.3. The Board considers that the ability of the Audit Committee to operate in a manner that adds value and also maintains independent judgement is vital. As such, the Board has based this Terms of Reference on better practice (drawing on ASX Corporate Governance Principles and Recommendations and other expert sources such as Australian Standard AS 8000-2003 Good Governance Principles).

7. Responsibilities

7.1. Board

7.1.1. The Board, the Boards of LGA controlled entities or the respective Chief Executive Officers may from time to time refer matters to the Audit Committee for consideration, including in relation to the financial affairs or performance of the LGA or a controlled entity or the undertaking or proposed undertaking of any activity by the LGA or a controlled entity.

7.1.2. The Board or the Board of a controlled entity will receive, consider and respond to any report or recommendation provided to the respective Board by the Audit Committee.

7.2. Audit Committee

7.2.1. The Audit Committee will report to the Board outcomes from Audit Committee meetings.

7.2.2. The Audit Committee will make recommendations to the Board or the Board of a controlled entity regarding any matter considered by the Committee.

7.2.3. The Audit Committee will fulfil its functions under these Terms of Reference in a timely, objective and professional manner.

7.3. Director Member

7.3.1. The Director Member will act as a conduit between the Audit Committee and the Board of Directors.
7.3.2. The Director Member will raise matters (within the scope of the Audit Committee Terms of Reference) with the Audit Committee, on behalf of the Board.

7.3.3. The Director Member will present any report of the Audit Committee to the Board and provide context for any recommendation of the Audit Committee.

7.3.4. The Director Member will provide a verbal report to the Board on key matters being considered by the Audit Committee at each Board meeting at which the minutes of the Audit Committee are to be considered by the Board.

7.4. Chief Executive

7.4.1. The Chief Executive will make available to the Audit Committee information of the LGA which is relevant to the functions of the Audit Committee.

7.4.2. The Chief Executive will ensure that administrative support and other resources are made available to the Audit Committee to enable the committee to discharge its obligations under these Terms of Reference.

8. Functions of the Audit Committee

8.1. External Audit

8.1.1. The Audit Committee will recommend to the Board an external auditor to be appointed by the Board for the purposes of clause 34 of the LGA Constitution.

8.1.2. The Audit Committee will review and advise the Board of:
   (a) the adequacy of the terms of engagement and audit fees for the external auditor prior to the commencement of each audit;
   (b) the independence and objectivity of the external auditor and its compliance with all relevant requirements; and
   (c) the adequacy of the external auditor’s proposed audit plan, approach and scope, including materiality levels.

8.1.3. The Audit Committee will meet with the external auditor without the presence of the Chief Executive or any staff of the LGA Office at least once each year to discuss the external audit process and outcomes.

8.1.4. Representatives of the external auditor must be invited to attend meetings of the Audit Committee at which the end of year financial report and outcomes of the external audit will be considered.

8.1.5. The Audit Committee may recommend to the Board that the external auditor or another appropriately qualified person examine and report on any matter related to financial management, risk management, internal controls and governance processes that would not otherwise be addressed as part of the annual external audit.

8.2. Financial reporting and prudential requirements

8.2.1. The Audit Committee will review and comment on the LGA’s annual financial statements (and any significant amendment of the financial statements
previously considered by the Audit Committee prior to adoption by the Board of Directors). The Audit Committee will include in its considerations:

(a) compliance with accounting standards, policies and practices and any other reporting requirements, and any changes in these since the last annual financial statement were compiled;

(b) the process used to make significant accounting estimates;

(c) significant adjustments to the financial reports (if any) arising from the external audit process;

(d) significant variance in the financial statements from prior years;

(e) trends which have become evident from the annual financial statements over the last 5 year period;

(f) management representations attesting to the accuracy of the end of year financial statement and any significant matters evident from these statements; and

(g) the external auditor’s summary management report detailing the results and significant findings from the audit and management responses.

8.2.2. The Audit Committee will review the LGA’s strategic management plans, annual business plans and budget and provide recommendations to the Board regarding actions which may be taken to enhance financial governance and sustainability.

8.2.3. The Audit Committee will review recommendations contained in business cases developed by, or for, the LGA Office in respect of significant activities, commercial services or major projects. The Audit Committee will consider prudential management principles when undertaking a review for the purpose of this clause.

8.3. Internal audit, internal controls and compliance

The Audit Committee will monitor and advise the Board on:

8.3.1. any internal audit project or special assignments that may be undertaken from time to time as requested by the Board or the Chief Executive;

8.3.2. internal controls over revenue, expenditure, assets and liability processes;

8.3.3. the adequacy of internal controls, including both financial and non-financial management control systems;

8.3.4. the efficiency, effectiveness and sustainability of significant LGA programs and activities; and

8.3.5. compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.

8.4. Commercial activities and related entities

8.4.1. The Audit Committee will monitor and advise the Board on LGA subsidiaries and entities associated with the LGA, including:
(a) LGCS Pty Ltd (trading as LGA Procurement)
(b) LGASA Mutual Pty Ltd;
(c) LGA Commercial Services; and
(d) the Local Government Research and Development Scheme.

8.4.2. The Audit Committee will include in its considerations for the purposes of clause 8.4.1:
(a) service design, market testing and transitioning to new arrangements;
(b) the effectiveness and value of services offered by the LGA, subsidiaries and associated entities to the Members; and
(c) the ongoing adequacy of service models and governance arrangements in terms of achieving the local government sector’s desired outcomes and creating value for Members.

8.4.3. The Audit Committee will monitor and advise the Board on significant activities of the LGA, including activities where the LGA is the conduit for State government funding to Members.

8.5. Risk Management

The Audit Committee shall,

8.5.1. at least annually, review the LGA and associated entities’ risk register, risk strategy and mitigation measures
8.5.2. provide comment to the Board on the appropriateness of the LGA’s risk framework, risk appetite and management of risks
8.5.3. receive and provide advice to the Board on any risk or governance audits undertaken on the LGA and its activities

8.6. Other functions

The Audit Committee will:

8.6.1. provide feedback on the systems of control in respect of ethical standards, codes of conduct and conflicts of interest for its directors, senior executives and employees are adequate;
8.6.2. address issues brought to the attention of the Audit Committee, including responding to requests for advice within these Terms of Reference from the Board or the Chief Executive;
8.6.3. review the LGA’s arrangements for its employees to raise concerns, in confidence, that the LGA or a controlled entity is not acting lawfully, ethically or in a socially responsible manner and that there are suitable protections if they do;
8.6.4. oversee that the LGA and its controlled entities have in place and disclose a fraud and corruption policy;
8.6.5. ensure that the Board is informed of:
8.6.5.1. any material breaches of ethical standards, codes of conduct, conflicts of interest and fraud and corruption policy by a director or senior executive; and

8.6.5.2. any other material breaches of ethical standards, codes of conduct, conflicts of interest and fraud and corruption that call into question the culture of the LGA or its controlled entities about which the Committee becomes aware

8.6.6. make recommendations to the Board of Directors on any matter relevant to these Terms of Reference.

9. Meetings

9.1. Resolution of the Board

Requirements under this clause 9 may be altered, supplemented or replaced by resolution of the Board.

9.2. Frequency of meetings and venue

9.2.1. The Audit Committee will:

(a) meet at least once each quarter at a venue and time determined by the Committee and documented in an annual schedule of meetings; and

(b) consider holding at least 1 joint workshop with the Board each year.

9.2.2. Any member of the Audit Committee or the Board may convene additional meetings of the Audit Committee.

9.2.3. A meeting of the Audit Committee must be convened in response to a request by the external auditor to meet with the Audit Committee.

9.3. Chairperson

9.3.1. The chairperson of the Audit Committee will be an independent member of the Committee appointed by the Board.

9.3.2. If the chairperson of the Audit Committee is absent from a meeting of the Audit Committee then the members attending the Audit Committee meeting will appoint a chairperson for the purposes of that meeting.

9.4. Meeting procedure

The Audit Committee will determine its own meeting practice, processes and procedures.

9.5. Attendance

9.5.1. Meetings of the Audit Committee will be closed to the public.

9.5.2. The Chief Executive may attend all meetings of the Audit Committee on an ex officio basis, except as provided for in clause 8.1.3 or as otherwise determined by the Audit Committee.

9.5.3. The Audit Committee may invite any person to attend its meetings.
9.6. Minutes

9.6.1. Minutes will be kept of all Audit Committee meetings including a record of the actions of the Audit Committee.

9.6.2. Within 48 hours of an Audit Committee meeting, the chairperson will review and confirm the draft minutes. The draft minutes will then be circulated to the Audit Committee members for comment and if necessary amendment before being certified as correct by the chairperson.

9.7. Quorum

A quorum for an Audit Committee meeting is 3 members, provided that a LGA Board Director (or their proxy) must be present at each Audit Committee meeting.

10. Other

10.1. Performance assessment

10.1.1. The Audit Committee will assess its performance against these Terms of Reference annually.

10.1.2. The process for evaluating the performance of the Committee will be disclosed in the annual report of the Audit Committee and whether a performance evaluation was undertaken in accordance with that process.

10.2. Induction and continuing professional development

10.2.1. There will be a program for inducting new members to the Audit Committee.

10.2.2. The annual performance assessment of the Audit Committee will include reviewing whether there is a need for any professional development to maintain the skills and knowledge needed by Audit Committee members to perform their role effectively.

10.3. Reporting

10.3.1. Any matter relevant to the corporate governance, financial management, risk management and process improvement of the LGA considered to be of significance to the corporate governance, strategic direction, leadership and culture of the LGA will be reported by the Audit Committee to the Board as soon as practicable after the Audit Committee has become aware of and considered the matter. The Audit Committee will outline the nature of the matter highlighting any opportunities and risks for the LGA and endeavour to include recommendations in respect of the matter reported to the Board.

10.3.2. The Audit Committee will provide an annual report to the Board of Directors at the same meeting at which the Annual Financial Statements are presented each year summarising:

(a) the discharge of the Audit Committee’s responsibilities and function under these Terms of Reference;

(b) the activities of the Audit Committee during the previous year;
(c) issues referred to the Board during the previous year and whether or not the issue was resolved or addressed; and

(d) issues being considered by the Audit Committee which have not been reported to the Board and the intended actions in respect of those matters.

11. Access to information

11.1 The Audit Committee is entitled, acting though the Chief Executive, to access any information or discuss matters with staff of the LGA Office.

11.2 The Committee is authorised, at the LGA’s expense, to obtain outside legal or other professional advice on any matter within its Terms of Reference.

11.3 A copy of the agenda for an Audit Committee meeting, reports to be considered by the Audit Committee and minutes of Audit Committee meetings certified under clause 9.6.2 will be available to all Directors.

11.4 Subject to confidentiality requirements as determined by the Board or the Audit Committee, a copy of the Audit Committee agenda, reports and minutes certified under clause 9.6.2 will be published on the LGA website for review by Members.

12. Remuneration and Expenses

12.1. Remuneration of independent and Board member representatives on the Audit Committee will be resolved on an annual basis by the Board, to be ratified by Members at the Annual General Meeting each year.

12.2. Expenses reasonably incurred in carrying out the role of a member of the Audit Committee will be reimbursed by the LGA.

12.3. The fact and the extent of payment and to who payable will be disclosed in a note to the audited financial statements of that financial year.

13. Indemnity insurance

Independent members of the Audit Committee will be indemnified for civil liability claims by the Local Government Association Mutual Liability Scheme in accordance with the rules applying to that scheme from time to time.
Local Government Association of South Australia

CEO Advisory Group Terms of Reference

[insert date of adoption]

1. Establishment

In accordance with clause 24.3 of the Local Government Association of South Australia Constitution and Rules (adopted [insert date] April 13, 2018) (Constitution) the Board of Directors of the Local Government Association of South Australia (LGA) has resolved to establish a CEO Advisory Group.

2. Terms of Reference

2.1. These Terms of Reference set out the functions to be discharged by the CEO Advisory Group.

2.2. The operation of the Terms of Reference may be altered by the Board of Directors either generally or in respect of specific circumstances by resolution. A resolution for the purposes of this clause 2.2 will be reported to the chairperson of CEO Advisory Group within 24 hours of the meeting of the Board of Directors at which the resolution was passed.

2.3. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

3. Status

The CEO Advisory Group is a committee of the LGA and is responsible to the Board of Directors for the discharge of its functions.

4. Membership

4.1. The CEO Advisory Group is comprised of:

4.1.1. 4 chief executive officers of Members within SAROC Regional Groupings of Member, with no more than one coming from the same regional grouping; and

4.1.2. 4 chief executive officers of Members within GAROC Regional Groupings of Member, with no more than one coming from the same regional grouping once regional groups are implemented for GAROC

appointed by the Board of Directors for a term of [insert time period] 2 years.

4.2. Each member of the CEO Advisory Group must:

4.2.1. undertake his or her role as a committee member honestly and act with reasonable care and diligence in the performance and discharge of functions and duties;

4.2.2. not make improper use of information acquired by virtue of his or her position as a committee member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA;

4.2.3. not make improper use of his or her position as a committee member to gain, directly or indirectly, an advantage for himself or herself or for another person or to cause detriment to the LGA; and
4.2.4. not act in any matter where the committee member has a conflict of interest (provided that an interest shared in common with all or a substantial proportion of the members of the CEO Advisory Group will not be an interest giving rise to a conflict of interest).

4.3. A member of the CEO Advisory Group may be removed from the CEO Advisory Group by the Board of Directors. The Board of Directors will provide a member with an opportunity to address the Board of Directors on his or her proposed removal from the CEO Advisory Group prior to the Board of Directors resolving to remove the member from the CEO Advisory Group.

5. Responsibilities

5.1. Board of Directors

5.1.1. The role of the Board of Directors is to oversee corporate governance of the LGA and provide strategic direction and leadership.

5.1.2. The duties of the Board of Directors include ensuring that:

(a) the LGA acts in accordance with applicable laws and this Constitution;
(b) the activities of the LGA are conducted efficiently and effectively and that the assets of the LGA are properly managed and maintained;
(c) subject to any overriding fiduciary or other duty to maintain confidentiality, the affairs of the LGA are undertaken in an open and transparent manner; and
(d) the LGA performs to its business plan and achieves or betters the financial outcomes projected in its budget.

5.1.3. Consistent with this role and these duties the Board of Directors has appointed the CEO Advisory Group to provide advice and input to LGA on matters within the group’s functions.

5.1.4. The Board of Directors may from time to time refer matters to the CEO Advisory Group for consideration.

5.1.5. The Board of Directors will receive, consider and respond to any report and recommendations provided to the Board of Directors by the CEO Advisory Group.

5.1.6. The Board of Directors will periodically review the performance of the CEO Advisory Group.

5.2. CEO Advisory Group

5.2.1. The primary responsibility of the CEO Advisory Group is to advise the Board of Directors on the design and delivery of policy and services to members.

5.2.2. The CEO Advisory Group may, through the Chief Executive and at the LGA’s expenses, seek external legal, financial or other advice on matters within its functions or concerning these Terms of Reference.

5.2.3. The CEO Advisory Group will fulfil its functions under these Terms of Reference in a timely, objective and professional manner.
5.3. Chief Executive

5.3.1. The Chief Executive will make available to the CEO Advisory Group information of the LGA which is relevant to the functions of the CEO Advisory Group.

5.3.2. The Chief Executive will ensure that administrative support and other resources are made available to the CEO Advisory Group to enable the committee to discharge its obligations under these Terms of Reference.

5.3.3. Resources made available to the CEO Advisory Group will include resourcing by the LGA Office or external resources considered appropriate by the Chief Executive acting in consultation with the CEO Advisory Group.

6. Function of the CEO Advisory Group

6.1. The CEO Advisory Group will provide advice to the LGA Board on the design and delivery of policy and services to members. Key considerations for the CEO Advisory Group will be:

6.1.1. assessing the value and validity of the services offered by the LGA to its Members;

6.1.2. considering proposals for the further development of existing or new services by the LGA; and

6.1.3. the effectiveness of operational policies adopted by the LGA in connection with Member services.

6.2. The CEO Advisory Group will as necessary to its functions:

6.2.1. liaise with staff of the LGA Office and subsidiaries of the LGA providing commercial services;

6.2.2. liaise with other committees of the LGA;

6.2.3. consider the ‘Value Proposition’ offered by the LGA to its Members; and

6.2.4. consider any Member feedback received by the LGA.

7. Meetings

7.1. Resolution of the Board of Directors

Requirements under this clause 7 may be altered, supplemented or replaced by resolution of the Board of Directors.

7.2. Frequency of meetings and venue

7.2.1. The CEO Advisory Group will:

(a) meet at least once each quarter at a venue and time determined by the committee and documented in an annual schedule of meetings; and

(b) consider holding at least 1 joint workshop with the Board of Directors each year.
7.2.2. Any member of the CEO Advisory Group or the Board of Directors may convene additional meetings of the CEO Advisory Group.

7.3. Chairperson

7.3.1. The chairperson of the CEO Advisory Group will be selected by the CEO Advisory Group.

7.3.2. If the chairperson of the CEO Advisory Group is absent from a meeting of the CEO Advisory Group then the members attending the CEO Advisory Group meeting will appoint a chairperson for the purposes of that meeting.

7.4. Meeting procedure

The CEO Advisory Group will determine its own meeting practices, processes and procedures.

7.5. Attendance

7.5.1. Meetings of the CEO Advisory Group will be closed to the public.

7.5.2. The CEO Advisory Group may invite any person to attend its meetings.

7.6. Minutes

7.6.1. Minutes will be kept of all CEO Advisory Group meetings including a record of the actions of the CEO Advisory Group.

7.6.2. Within 48 hours of a CEO Advisory Group meeting, the chairperson will review and confirm the draft minutes. The draft minutes will then be circulated to the CEO Advisory Group members for comment and if necessary amendment before being certified as correct by the chairperson.

7.7. Quorum

A quorum for a CEO Advisory Group meeting is 5 members.

7.8. Reporting

7.8.1. The CEO Advisory group will provide a written report to the Board of Directors after each CEO Advisory Group meeting providing an update on any matters being considered by the group.

7.8.2. The CEO Advisory Group will provide an annual report to the Board of Directors by 1 September each year summarising:

(a) the discharge of the CEO Advisory Group’s responsibilities and function under these Terms of Reference;

(b) the activities of the CEO Advisory Group during the previous financial year;

(c) the issues referred to the Board of Directors during the previous financial year and whether or not each issue was resolved or addressed; and
(d) issues being considered by the CEO Advisory Group which have not been reported to the Board of Directors and the intended actions in respect of those matters.

7.9. Access to information

7.9.1. The CEO Advisory Group is entitled, acting through the Chief Executive, to access any information or discuss matters with staff of the LGA Office.

7.9.2. A copy of the agenda for a CEO Advisory Group meeting, reports to be considered by the CEO Advisory Group and minutes of CEO Advisory Group meetings certified under clause 7.6.2 will be available to all Directors.

7.9.3. Subject to confidentiality requirements as determined by the Board of Directors or the CEO Advisory Group, a copy of the CEO Advisory Group agenda, reports and minutes certified under clause 7.6.2 will be published on the LGA website for review by Members.
Local Government Association of South Australia

Meeting Procedures

[insert date of adoption]

1. Meeting Procedures

1.1. As contemplated by the *Local Government Association of South Australia Constitution and Rules* (adopted April 13, 2018) (*Constitution*) the Board of Directors of the LGA has resolved to adopt the meeting procedures set out in this document (*Meeting Procedures*) to regulate the mode and conduct of proceedings at any General Meeting, and meetings of the Board of Directors, SAROC or GAROC and LGA committees (*Meetings*).

1.2. These Meeting Procedures may be altered by the Board of Directors either generally or in respect of specific circumstances by resolution. A resolution for the purposes of this clause 1.2 will not take effect until the resolution has been published in an LGA Circular.

1.3. A capitalised term not defined in this document has the meaning provided for the term in the Constitution.

1.4. These Meeting Procedures are ancillary to the Constitution. To the extent of any inconsistency between the Constitution and these procedures, the Constitution will prevail.

1.5. To the extent matters are not dealt with by the Meeting Procedures, *Joske’s Law and Procedure and Meetings in Australia* will be the source of procedural rules.

2. Procedures applicable to all Meetings

2.1. Guiding principles for Meeting procedures

2.1.1. Where there is a discretion with respect to the meeting procedures to be adopted at a Meeting the guiding principles in this clause should be applied.

2.1.2. Meeting procedures should:

(a) be fair and contribute to open, transparent and informed decision-making;

(b) encourage appropriate participation by persons present at the Meeting;

(c) reflect levels of formality appropriate to the nature and scope of the responsibilities exercised at the Meeting; and

(d) be sufficiently certain to give Members and other key stakeholders confidence in the deliberation undertaken at the Meeting.

2.2. Meeting commencement

2.2.1. A Meeting must commence at the appointed time for the Meeting unless a quorum is not present at this time (in which case the Meeting will, subject to clause 2.2.2, commence once a quorum is in attendance).
2.2.2. If no quorum is present at a Meeting within 30 minutes after the time appointed for a Meeting, the chair may adjourn the Meeting to a determined date, time and place, provided that the date is no earlier than 7 days after the adjourned Meeting (or in the case of a General Meeting convened to consider a special resolution no earlier than 30 days after the notice of the adjourned Meeting is provided to Members).

2.3. Meeting adjournment

2.3.1. Persons attending a Meeting who are entitled to vote at that Meeting may determine by majority to adjourn the Meeting to a specified place, date and time.

2.3.2. Notice of the adjourned Meeting will be provided to all persons entitled to attend the Meeting.

2.4. Meeting cancellation

2.4.1. A Meeting may be cancelled by the chair if the number of apologies in advance of the date of the Meeting indicates that a quorum will not be present.

2.4.2. Persons entitled to attend the Meeting will be notified of the place, date and time of the rescheduled meeting in accordance with the notice period applying to that Meeting.

2.5. Confidential matters

2.5.1. Where the nature of a matter requires the matter to remain confidential, the matter will be marked ‘Confidential’ in agendas, reports and other papers (Meeting Papers) dealing with the matter by the Chief Executive prior to distribution to Meeting participants.

2.5.2. The Meeting will consider the nature of any matter marked ‘Confidential’ in accordance with clause 2.5.1 and will determine whether or not to pass a resolution that the matter be treated confidentially.

2.5.3. The guiding principle contained in clause 2.1.2(a) and circumstances listed in section 90(3) of the Local Government Act 1999 must be considered for the purpose of determining the confidentiality of a matter under clause 2.5.1 and 2.5.2, however other circumstances may also be taken into account.

2.5.4. Where a resolution is passed for the purposes of clause 2.5.2 requiring that a matter be treated confidentially, the chair of the Meeting may exclude all persons not entitled to participate in the Meeting. The chair may determine that specific persons not entitled to participate in the Meeting may remain at the Meeting, even though a confidential matter is to be discussed.

2.5.5. The confidentially of matters must be preserved by all persons having access to the Meeting Papers. This requirement is not intended to prevent discussion within the LGA Office which occurs in order to progress or address confidential matters in the manner determined by the Meeting at which the confidential matters were considered.

2.5.6. A person receiving a Meeting Paper marked ‘Confidential’ must not provide that paper to any other person or discuss or disseminate information
contained in that paper, unless the Meeting has resolved that the matter not be treated confidentially.

3. **Use of technology**

A Meeting may occur from two or more venues through the use of technology provided that the persons entitled to attend the Meeting have a reasonable opportunity to participate in the meeting.

4. **Minutes**

4.1. **Obligation to take and maintain minutes**

4.1.1. Minutes will be taken of all proceedings and actions arising from a Meeting. Minutes will be provided to the LGA for inclusion in the minute books and on the LGA’s web site within 5 days of the Meeting to which the minutes relate.

4.1.2. Minute books will be kept by the LGA at its principal office either in hardcopy or electronic form.

5. **Procedures applicable to General Meetings**

5.1. **Items of business**

5.1.1. Any Member may propose an item of business for a General Meeting to SAROC, GAROC or the Board of Directors.

5.1.2. Only SAROC, GAROC or the Board of Directors may determine to place an item of business on the agenda for a General Meeting.

5.2. **Motions**

5.2.1. Where an item of business has been put on the agenda of a General Meeting under clause 5.1.2, the Member which raised the item of business with SAROC, GAROC or the Board of Directors may put a motion with respect to the item of business.

5.2.2. A motion will lapse if it is not seconded at the appropriate time.

5.2.3. A Member moving or seconding a motion will speak once to the motion at the time of moving or seconding the motion, excepting that a Member may provide an explanation of a material part of his or her speech later in a debate on the motion.

5.2.4. A member may only speak once to a motion except—

(a) to provide an explanation in regard to a material part of his or her speech, but not so as to introduce any new matter; or

(b) with leave of the meeting; or

(c) as the mover in reply.

5.2.5. A Member must not speak for more than 5 minutes without the leave of the General Meeting.
5.2.6. A member who has spoken to a motion may not at a later stage of the debate move or second an amendment to the motion.

5.2.7. A Member may propose an amendment to a motion before a General Meeting, provided that, subject to clause 5.2.10, only 2 amendments to the motion may be proposed.

5.2.8. An amendment will lapse if it is not seconded at the appropriate time.

5.2.9. A person proposing an amendment may speak to the amendment and, if he or she does so, will be taken to have spoken on the motion to which the amendment has been proposed.

5.2.10. The mover of a motion or amendment may, with the consent of the seconder, request leave of the General Meeting to vary, alter or withdraw a motion or amendment.

5.2.11. Each resolution considered at a General Meeting will be decided by the majority value of the votes of the Delegates present at the Meeting and voting on the resolution.

5.3. **Addresses by Members**

5.3.1. A Member must not speak for more than 5 minutes without the leave of the General Meeting.

5.3.2. A Member may, with the leave of the General Meeting, raise a matter of urgency.

5.4. **Manner of voting**

5.4.1. The Chief Executive will read out a motion before a vote is taken.

5.4.2. Voting may occur electronically.

5.4.3. Each Delegate must cast a vote on each motion put to the Meeting.

5.5. **Suspension of Meeting Procedures**

5.5.1. The chair of the General Meeting may suspend the operation of some or all of these Meeting Procedures for a period of time to facilitate informal discussions, with the approval of the General Meeting.

5.5.2. The chair or the majority of the Meeting may determine that the period of suspension should end.

5.6. **Points of order**

5.6.1. The chair of the General Meeting may call to order a Member who is in breach of these Meeting Procedures.

5.6.2. A Member may bring to the attention of the chair an alleged breach of these Meeting Procedures.

5.6.3. A point of order takes precedence over all other business until the point of order had been determined.

5.6.4. The chair of the General Meeting will rule on the point of order. However, a motion may be put to the General Meeting that the chair’s ruling not stand.
The chair may make a statement regarding the ruling prior to the motion being put.

5.7. **Interruptions**

5.7.1. A Member must not act in an improper or disorderly manner at any General Meeting.

5.7.2. A Member must not interrupt another Member who is speaking, except to object to the words used by the speaking Member or to raise a point of order.

5.7.3. Where a Member is alleged to have contravened clause 5.7.2:

(a) that Member must be allowed to make a personal explanation before leaving the General Meeting while the matter is considered by the Meeting; and

(b) the General Meeting must consider whether a contravention of clause 5.7.2 has occurred and, if so, whether the Member should be suspended for a part or the remainder of the Meeting.

5.7.4. A personal explanation of a Member may not be debated.

6. **Procedures applicable to Meetings of the Board of Directors**

6.1. **Oath of elected office**

6.1.1. At the first Board of Directors Meeting to be attended by a Director, the Director will provide the oath of office, declaring that the Director will, to the best of his or her ability:

(a) undertake their Board role conscientiously and in accordance with the Constitution and Rules of the LGA;

(b) consider the interests of the LGA and the Councils the LGA represents;

(c) ensure they are informed of the views and interests of Councils;

(d) actively contribute to the Board; and

(e) support the decisions and actions of the Board.

6.1.2. A failure to provide the oath of office does not remove the person from the Board.

7. **Provisions applicable to Meetings of SAROC/GAROC**

7.1.1. Unless provided for in the SAROC/GAROC Terms of Reference, these Meeting procedure will also apply to SAROC/GAROC.

7.1.2. The LGA Board can create separate meeting procedure for GAROC and SAROC

8. **Provisions applicable to LGA committees**

8.1.1. Unless provided for in a LGA Committee’s Terms of Reference, these Meeting procedure will also apply to LGA Committees.

8.1.2. The LGA Board can create separate meeting procedure for LGA Committees.
6.4 LGA Board Director Remuneration

Discussion Reports from the LGA Board

From: Kathy Jarrett, Executive Director Corporate & Member Services
Key Initiative: K.I 3 Best practice and continuous improvement
Strategy: 1A Listen to, and represent members
Meeting Annual General Meeting 26 October 2018
ECM: 665749

Recommendation

That the Annual General Meeting adopts the following remuneration structure for LGA Board Directors:

<table>
<thead>
<tr>
<th>Role</th>
<th>Remuneration Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGA President</td>
<td>$47,982 (unchanged from the current allowance)</td>
</tr>
<tr>
<td>Directors (x 9 including the Immediate Past President)</td>
<td>$4,291 (unchanged from the current allowance paid to Vice Presidents) plus reasonable expenses for directors to attend meetings</td>
</tr>
</tbody>
</table>

Discussion

Clause 6.10 of the LGA Constitution adopted by Members at the 13 April Ordinary General meeting and approved by the Minister for Local Government provides that for the purpose of fulfilling the Objects and undertaking its functions, the LGA has the power to determine remuneration for Directors or members of committees established under the Constitution.

Best practice corporate governance principles developed by the ASX Corporate Governance Council recommend that no individual director or committee member should be involved in deciding their own remuneration.

Accordingly, the purpose of this report is to seek Members' endorsement of the proposed remuneration structure for LGA Board Directors.

Proposed Structure

At their meeting on 13 September 2018, the LGA Board considered an independent review of Board director remuneration prepared by Godfrey Remuneration Group (GRG), a specialist consultancy dealing with remuneration benchmarking.

In reviewing and making recommendations regarding LGA Board director remuneration, the LGA Board considered the following factors:

- Total revenue from ordinary and project activities $50m
- Meetings to be held at least bi-monthly
- Duration of meetings: 3-4 hours
- Preparation for meetings and other interactions with LGA business: ½ to 1 day per meeting
- Annual total work approximately 6-9 days
• Significant additional workload for the President
• The LGA is a member-based organisation operating in a public environment using public funds
• ‘Member elect’ directors perform the role as part of their mayoral / councillor role and hence should be paid consistent with their substantive role
• Council member allowances recently set by the Remuneration Tribunal. In this regard, the average allowance of all council groups was considered as was an average annual workload for councillors in order to set a day rate.

In considering the above factors, the following remuneration structure for LGA Board directors is now recommended to Members:

<table>
<thead>
<tr>
<th></th>
<th>Current</th>
<th>Proposed</th>
<th>Basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>$47,982</td>
<td>$47,982</td>
<td>• Generally consistent with SA Government Boards and Committees with broadly similar mandates</td>
</tr>
<tr>
<td>Directors</td>
<td></td>
<td></td>
<td>• Relative to LGA Board allowances for other jurisdictions</td>
</tr>
<tr>
<td>(x 9 including the Immediate Past President)</td>
<td></td>
<td></td>
<td>• Controls the current expenses of the LGA by retaining the existing President remuneration</td>
</tr>
<tr>
<td>Vice Presidents</td>
<td>$4,291</td>
<td>$4,291</td>
<td>• Retains current remuneration paid to Vice Presidents</td>
</tr>
<tr>
<td>Board members</td>
<td>$100 per meeting attended</td>
<td>Plus reasonable travel expenses incurred by Board directors to attend meetings</td>
<td>• Maintains internal remuneration equity of all members</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Within the range of allowances paid to council members based on the 2018 Remuneration Tribunal determination and estimated annual workloads</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Controls the current expenses of the LGA with a minor increase e.g. 2017/18 Board fees not including the President were $27,727. This proposed remuneration will result in Board fees (not including the President) of $38,619.</td>
</tr>
</tbody>
</table>

**Financial and Resource Implications**

This activity has been anticipated in the LGA’s work program and resources are available to progress this work.
### 6.5 Annual Report 2017/18

**Discussion Reports from the LGA Board**

From: Kathy Jarrett, Executive Director Corporate and Member Services  

Key Initiative: K.I. 3 – Best Practice and Continual Improvement  

Strategy: 3D Develop, review and improve LGA commercial enterprises  

Meeting: Annual General Meeting 26 October 2018  

ECM: 665703 Attachment: To be distributed separately

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**Recommendation**

That the Annual General Meeting receives and adopts the LGA of SA Annual Report for the year 2017/2018.

**Discussion**

The LGA’s 2017/18 Annual Report is currently being prepared, and will include the abridged financials approved by the LGA Board on 13 September 2018. The Annual Report will be distributed to members as additional information, and printed copies will be available at the meeting.

Note that the consolidated audited financial statements for the year ending 30 June 2018 are presented as a separate report to the Annual General Meeting (Item 6.6).
6.6 Financial Statements 2017/18

Discussion Reports from the LGA Board

From: Andrew Wroniak, Director Corporate Services

Key Initiative: K.I 3 Best practice and continuous improvement

Strategy: 3C Improve LGA governance and operations with a focus on people, finances and our members

Meeting: Annual General Meeting 26 October 2018

ECM: 665700 Attachment: 665900

Recommendation

That the Annual General Meeting receives and adopts the LGA of SA and controlled entities Financial Statements for the year 2017-18.

Discussion

The attached consolidated financial statements for 2017-18 include the financial results for the following entities:

- LGA Secretariat - Operations and Project activity (Parent Entity) - $960,000 surplus
- LGA Procurement (the trading name of LGCS Pty Ltd) - $12,000 deficit
- Mutual Liability and Workers Compensation Schemes - $2.384 million deficit

The Schemes are reporting a deficit result in the attached financial statements following a distribution of $5 million to members from surplus funds from the Workers Compensation Scheme and Mutual Liability Scheme.

Apart from some minor amendments by the LGA’s external auditor and the identification of a correction in the LGA’s reserve balances, the attached financial statements are as approved by the LGA Board on 13 September. The changes made are deemed immaterial by audit but are necessary to ensure the statement’s balances remain correct in future years.

A breakdown of each of the 2017/18 entity results is as follows:

LGA Secretariat and Projects (Parent Entity) - $960,000 surplus

The LGA Parent Entity Secretariat, excluding projects, recorded an operating deficit of $111,000 compared to its budgeted deficit of $337,000. With the inclusion of project activities and the income from the fitout of the third floor that was acquired by the LGA at no cost, the overall LGA result is a surplus of $960,000.

The secretariat budget deficit was approved by the LGA Board to fund the establishment of the LGA’s Commercial Solutions "Innovating with councils to benefit our communities" initiative. Operations have now commenced with the first three initiatives being LGASA Energy, LGASA Legal Connect and LGASA Travel. It is expected that these initiatives will save costs and improve efficiencies within the local government sector.
The LGA also administers grant-funded programs for the benefit of members and the community. All unspent funds must be spent in accordance with funding agreements or legislation. The LGA receives funding at the commencement of many projects and distributes funds once councils achieve specific project milestones or performance criteria.

In 2017/18, $32.278 million was spent on project activity, a significant increase from $9.576 million in 2016/17. The increase was mostly due to $24.074 million of grants from the State Local Government Infrastructure Partnership program. 28 Councils received funding from the program which was established in partnership with the State Government and when combined with Councils’ investments, will result in the expenditure of $132 million for the benefit of communities over the next three years.

The State Government renewed its commitment to fund the Community Waste Management Scheme program for another ten years. The new agreement which is administered by the LGA will provide $47 million of subsidies with up to 2,500 new wastewater connections being provided in regional towns across the state supporting up to $100 million of actual infrastructure construction.

At the end of 2017-18, the project reserve balance was $7.086 million, an increase of $406,000 from 2016/17. This increase was due to additional grant funding being accrued in 2017/18 for future project activities.

**LGA – Procurement - $12,000 deficit**

LGA Procurement adopted a deficit budget of $162,000 for 2017/18 as it had included expenditure to grow its business. The entity outperformed its budget expectations reporting only a small operating deficit of $12,000 while retaining a strong cash position. During 2017/18, LGA Procurement increased its procurement consultancy activities, assisting over 30 councils to meet their individual tendering requirements. LGA Procurement offers 26 contracts under supplier panel arrangements, these were renewed and continue to provide councils with savings of up to 20%. LGA Procurement also renegotiated the state wide electricity contracts for 64 councils also providing significant benefits to the Councils.

**LGA – Schemes $2.384 million deficit**

The deficit has arisen as a result of an accounting treatment when the surplus funds from the Mutual Liability Scheme and Workers Compensation Scheme are distributed back to member councils. $5 million was distributed to councils in 2017/18 leaving the Schemes with net assets of $49.160 million at 30 June 2018. After adjusting for the distribution, the Scheme posted a joint profit of $2.616 million in 2017/18.

The LGA and Scheme operators Local Government Risk Services (JLT) are finalising new agreements for the operation of the schemes which will commence shortly. The LGA has established a new entity, LGASA Mutual Pty Ltd and recently appointed a new board to improve the governance arrangements of the Schemes.

**Conclusion**

The Financial Statements for 2017-18 have been reviewed by the LGA’s auditor Grant Thornton and have been certified by the LGA’s Board. The report presents fairly the LGA’s performance and cash flows for the financial year and complies with Australian Accounting Standards and relevant legislative requirements.
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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## LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

**FOR THE YEAR ENDED 30 JUNE 2018**

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated Entity 2018</th>
<th>Consolidated Entity 2017</th>
<th>Parent Entity 2018</th>
<th>Parent Entity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue from ordinary activities</td>
<td>5</td>
<td>45,017,594</td>
<td>43,882,575</td>
<td>8,970,435</td>
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<tr>
<td>Project income</td>
<td>7</td>
<td>32,853,386</td>
<td>7,405,125</td>
<td>32,853,386</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td></td>
<td>77,870,980</td>
<td>51,287,700</td>
<td>41,823,821</td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td>6(a)</td>
<td>4,641,156</td>
<td>4,107,199</td>
<td>4,016,345</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>6(a)</td>
<td>719,654</td>
<td>685,463</td>
<td>712,288</td>
</tr>
<tr>
<td>Project expenditure</td>
<td>7</td>
<td>32,278,872</td>
<td>9,576,542</td>
<td>32,278,872</td>
</tr>
<tr>
<td>Net claims expense</td>
<td>6(b)</td>
<td>10,491,237</td>
<td>10,350,534</td>
<td>-</td>
</tr>
<tr>
<td>Workcover levy</td>
<td>1</td>
<td>1,506,782</td>
<td>1,358,398</td>
<td>-</td>
</tr>
<tr>
<td>Risk management fees</td>
<td>2</td>
<td>3,726,766</td>
<td>3,290,084</td>
<td>-</td>
</tr>
<tr>
<td>Catastrophe insurance expense</td>
<td>8</td>
<td>8,214,316</td>
<td>8,109,525</td>
<td>-</td>
</tr>
<tr>
<td>Other scheme expenses</td>
<td>5</td>
<td>3,597,704</td>
<td>3,492,583</td>
<td>-</td>
</tr>
<tr>
<td>Distribution back to Policy Holders</td>
<td>9</td>
<td>5,000,000</td>
<td>4,000,000</td>
<td>-</td>
</tr>
<tr>
<td>Other expenses from ordinary activities</td>
<td>10</td>
<td>9,135,707</td>
<td>8,023,270</td>
<td>3,855,905</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>79,312,194</td>
<td>52,993,598</td>
<td>40,863,410</td>
</tr>
<tr>
<td><strong>Profit / (Loss) from ordinary activities</strong></td>
<td></td>
<td>(1,441,214)</td>
<td>(1,705,898)</td>
<td>960,411</td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation gain - LGA House</td>
<td>-</td>
<td>-</td>
<td>3,141,875</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total comprehensive profit / (loss) for the year</strong></td>
<td></td>
<td>(1,441,214)</td>
<td>1,435,977</td>
<td>960,411</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
# Statement of Financial Position

## For the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>11</td>
<td>35,865,133</td>
</tr>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td>12</td>
<td>20,128,952</td>
</tr>
<tr>
<td><strong>Other current assets</strong></td>
<td>13</td>
<td>287,245</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td>14</td>
<td>28,089,278</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>84,370,608</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trade and other receivables</strong></td>
<td>12</td>
<td>31,192,621</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td>14</td>
<td>14,124,576</td>
</tr>
<tr>
<td><strong>Property, plant and equipment</strong></td>
<td>15</td>
<td>22,799,737</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>68,116,934</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>152,487,542</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Trade and other payables</strong></td>
<td>16</td>
<td>3,390,832</td>
</tr>
<tr>
<td><strong>Short term borrowings</strong></td>
<td></td>
<td>2,056,462</td>
</tr>
<tr>
<td><strong>Short term provisions</strong></td>
<td>17</td>
<td>726,524</td>
</tr>
<tr>
<td><strong>Unearned member contributions</strong></td>
<td>18</td>
<td>10,481,513</td>
</tr>
<tr>
<td><strong>Outstanding claims liability</strong></td>
<td>19</td>
<td>16,391,035</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>33,046,366</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Long term provisions</strong></td>
<td>17</td>
<td>220,631</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td></td>
<td>22,017,835</td>
</tr>
<tr>
<td><strong>Outstanding claims liability</strong></td>
<td>19</td>
<td>21,157,552</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>43,396,018</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td>76,442,384</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>76,045,158</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Reserves</strong></td>
<td>20</td>
<td>16,389,136</td>
</tr>
<tr>
<td><strong>Retained profits</strong></td>
<td></td>
<td>59,656,022</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td></td>
<td>76,045,158</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
# LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

<table>
<thead>
<tr>
<th>Consolidated Entity</th>
<th>Retained Profits</th>
<th>Building Maintenance &amp; Equipment Reserve</th>
<th>Risk Incentive Reserve</th>
<th>Asset Revaluation Reserve</th>
<th>Project Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Equity as at beginning of year</td>
<td>63,063,158</td>
<td>-</td>
<td>-</td>
<td>7,743,304</td>
<td>6,679,910</td>
<td>77,486,372</td>
</tr>
<tr>
<td>Total profit for the year</td>
<td>(1,441,214)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,441,214)</td>
</tr>
<tr>
<td>Other comprehensive income - Revaluation gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transfer (to)/from reserves</td>
<td>(406,275)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>406,275</td>
</tr>
<tr>
<td>Transfer (to)/from retained earnings</td>
<td>(1,559,647)</td>
<td>-</td>
<td>1,559,647</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity as at 30 June 2018</td>
<td>59,656,022</td>
<td>-</td>
<td>1,559,647</td>
<td>7,743,304</td>
<td>7,086,185</td>
<td>76,045,158</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>Retained Profits</th>
<th>Building Maintenance &amp; Equipment Reserve</th>
<th>Employee Entitlement Reserve</th>
<th>Asset Revaluation Reserve</th>
<th>Project Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Equity as at beginning of year</td>
<td>58,562,929</td>
<td>3,219,215</td>
<td>701,671</td>
<td>4,601,429</td>
<td>8,965,151</td>
<td>76,050,395</td>
</tr>
<tr>
<td>Total profit for the year</td>
<td>(1,705,898)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,705,898)</td>
</tr>
<tr>
<td>Other comprehensive income - Revaluation gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,141,875</td>
<td>-</td>
<td>3,141,875</td>
</tr>
<tr>
<td>Transfer (to)/from reserves</td>
<td>3,142,411</td>
<td>(884,725)</td>
<td>27,555</td>
<td>-</td>
<td>(2,285,241)</td>
<td>-</td>
</tr>
<tr>
<td>Transfer (to)/from retained earnings</td>
<td>3,063,716</td>
<td>(2,334,490)</td>
<td>(729,226)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Equity as at 30 June 2017</td>
<td>63,063,158</td>
<td>-</td>
<td>-</td>
<td>7,743,304</td>
<td>6,679,910</td>
<td>77,486,372</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
## Statement of Changes in Equity
### For the Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>Parent</th>
<th>Retained Profits</th>
<th>Building Maintenance &amp; Equipment Reserve</th>
<th>Employee Entitlement Reserve</th>
<th>Asset Revaluation Reserve</th>
<th>Project Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Equity as at beginning of year</td>
<td>10,952,012</td>
<td>-</td>
<td>-</td>
<td>7,743,304</td>
<td>6,679,910</td>
</tr>
<tr>
<td></td>
<td>Total (loss) for the year</td>
<td>960,411</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other comprehensive income - Revaluation gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Transfer (to)/from reserves</td>
<td>(406,275)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>406,275</td>
</tr>
<tr>
<td></td>
<td>Transfer (to)/from retained earnings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Equity as at 30 June 2018</td>
<td>11,506,148</td>
<td>-</td>
<td>-</td>
<td>7,743,304</td>
<td>7,086,185</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2017</th>
<th>Retained Profits</th>
<th>Building Maintenance &amp; Equipment Reserve</th>
<th>Employee Entitlement Reserve</th>
<th>Asset Revaluation Reserve</th>
<th>Project Reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Equity as at beginning of year</td>
<td>6,334,796</td>
<td>3,219,217</td>
<td>701,673</td>
<td>4,601,429</td>
<td>8,965,151</td>
</tr>
<tr>
<td></td>
<td>Total (loss) for the year</td>
<td>(1,588,915)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Other comprehensive income - Revaluation gain</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,141,875</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Transfer (to)/from reserves</td>
<td>3,142,411</td>
<td>(884,725)</td>
<td>27,555</td>
<td>-</td>
<td>(2,285,241)</td>
</tr>
<tr>
<td></td>
<td>Transfer (to)/from retained earnings</td>
<td>3,063,720</td>
<td>(2,334,492)</td>
<td>(729,228)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Equity as at 30 June 2017</td>
<td>10,952,012</td>
<td>-</td>
<td>-</td>
<td>7,743,304</td>
<td>6,679,910</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements.
# LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

## STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated Entity 2018</th>
<th>Consolidated Entity 2017</th>
<th>Parent Entity 2018</th>
<th>Parent Entity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Cash from operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from operations</td>
<td>25,773,549</td>
<td>48,838,283</td>
<td>(13,769,260)</td>
<td>9,542,352</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(24,432,340)</td>
<td>(22,620,424)</td>
<td>(7,135,500)</td>
<td>(7,219,345)</td>
</tr>
<tr>
<td>Project funding received</td>
<td>30,796,925</td>
<td>7,405,125</td>
<td>30,796,925</td>
<td>7,405,125</td>
</tr>
<tr>
<td>Project funding expensed</td>
<td>(32,278,872)</td>
<td>(9,576,542)</td>
<td>(32,278,872)</td>
<td>(9,576,542)</td>
</tr>
<tr>
<td>Outward reinsurance premium paid</td>
<td>(9,093,574)</td>
<td>(8,854,101)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Claims paid</td>
<td>(10,549,431)</td>
<td>(11,920,623)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Distribution back to Policy Holders</td>
<td>(5,000,000)</td>
<td>(4,000,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest received</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cash (used in) / from operating activities</td>
<td>(22,591,445)</td>
<td>1,566,335</td>
<td>(22,327,884)</td>
<td>222,336</td>
</tr>
<tr>
<td><strong>Cash from investing activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from financial assets</td>
<td>23,993,779</td>
<td>3,000,002</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Payment for property, plant and equipment</td>
<td>(131,733)</td>
<td>(43,884)</td>
<td>(131,733)</td>
<td>(12,816)</td>
</tr>
<tr>
<td>Proceeds on sale of plant and equipment</td>
<td>12,727</td>
<td>53,723</td>
<td>12,727</td>
<td>37,268</td>
</tr>
<tr>
<td>Total cash from / (used in) investing activities</td>
<td>23,874,773</td>
<td>3,009,841</td>
<td>(119,006)</td>
<td>24,454</td>
</tr>
<tr>
<td><strong>Cash from financing activities:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from borrowings</td>
<td>23,574,296</td>
<td>500,000</td>
<td>23,574,296</td>
<td>500,000</td>
</tr>
<tr>
<td>Total cash (provided by) financing activities</td>
<td>23,574,296</td>
<td>500,000</td>
<td>23,574,296</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Net cash increase / (decrease) in cash and cash equivalents</strong></td>
<td>24,857,625</td>
<td>5,076,176</td>
<td>1,127,406</td>
<td>746,790</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the year</td>
<td>11,007,508</td>
<td>5,931,332</td>
<td>2,869,703</td>
<td>2,122,913</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the year</td>
<td>35,865,133</td>
<td>11,007,508</td>
<td>3,997,109</td>
<td>2,869,703</td>
</tr>
</tbody>
</table>

The accompanying notes form part of the financial statements
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNT POLICIES

General Information
This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian Legislation.

The financial statements include the consolidated entity of Local Government Association of South Australia and controlled entities, and Local Government Association of South Australia as an individual entity. Local Government Association of South Australia is a body corporate established under the Local Government Act 1999 and a not-for-profit entity.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions
The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

(a) Income Tax
The Local Government Association of SA is exempt from income tax under the Income Tax Assessment Act.

(b) Principles of Consolidation
A controlled entity is any entity Local Government Association of SA has the power to control the financial and operating policies so as to obtain benefits from its activities.

A list of controlled entities is noted below and contained in Note 23 to the financial statements.
All controlled entities have a June financial year end.
- Local Government Mutual Liability Scheme
- Local Government Workers Compensation Scheme
- LGCS Pty Ltd
- LGASA Mutual Pty Ltd
- LGCS Trust No.1 trading as Local Government Association Procurement

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

LGA Mutual Pty Ltd was established on the 29 March 2018. No transactions were incurred during the 2017-18 financial year.

(c) Property, Plant and Equipment
Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property
Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction), based on periodic, but at least triennial, valuations by external valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (CONT)

(c) Property, Plant and Equipment (Cont)

Plant and equipment
Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation
The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated using a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<table>
<thead>
<tr>
<th>Class of Asset</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2.5%</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>7.5 - 33%</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>25%</td>
</tr>
<tr>
<td>Building refurbishments</td>
<td>10%</td>
</tr>
</tbody>
</table>

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(d) Financial Instruments

Recognition
Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss
A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the profit or loss in the period in which they arise.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments
These investments have fixed maturities, and it is the consolidated entity's intention to hold these investments to maturity. Any held-to-maturity investments held by the entity are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets
Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.
(d) Financial Instruments (Cont)

Financial liabilities
Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment
At each reporting date, the consolidated entity reviews the carrying values to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

(e) Impairment of Non-Financial Assets
At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Wages & salaries, annual leave and sick leave
Provision is made for the consolidated entity's liability for employee entitlements arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year arising from wages and salaries and annual leave have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. No liability for sick leave is recognised.

Long service leave
A liability for employee long service leave is recognised, and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employees and period of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

(g) Unearned Contributions
A liability of $10,481,513 (2017: $10,239,976) for contributions billed in advance has been recognised. These amounts offset equivalent amounts in contributions owing.
(h) **Workers Compensation Claims**

Claims incurred expense and liability for outstanding claims are recognised in respect of direct business. The liability covers claims incurred but not yet paid, incurred but not yet reported claims, and the anticipated costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating unmodified claims and settlement costs using statistical and actuarial techniques. The liability for outstanding claims is measured as the present value of the expected future payments reflecting the fact that all the claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and 'superimposed inflation'.

Superimposed inflation refers to factors such as trends in court awards, for example increases in the level and period of compensation for injury. The expected future payments are then discounted to a present value at the reporting date using discount rates based on investment opportunities available to the organisation on the amounts of funds sufficient to meet claims as they became payable.

The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inflation rate</td>
<td>3.50%</td>
<td>3.50%</td>
</tr>
<tr>
<td>Super imposed inflation</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

(i) **Outstanding Insurance Claims**

A provision of $37,548,587 (2017: $34,909,518) has been made for the estimated cost of claims notified but not settled at year end for the cost of claims incurred by year end but not reported until after that date. This amount has been based on a methodology by consulting actuaries which incorporates the claims history of the scheme's prior year of operation.

(j) **Excesses and Recoveries**

Excesses and other recoveries are brought to account only where a definite set of circumstances exist which will support the credibility of the justification of obtaining either a recovery of excess from a member or a recovery of claim cost from a third party.

(k) **Investments**

All short-term deposits are invested with the Local Government Finance Authority of South Australia (LGFA) at market rates.

(l) **Premium Revenue**

Direct premium comprises amounts charged to the policy holder or other insurers, but excluding stamp duties and other amounts collected on behalf of third parties.

The earned portion of premiums received and receivable, is recognised as revenue. Premium is treated as earned from the date of the attachment of risk.

The pattern of recognition over the policy is based on time, which is considered to closely approximate the pattern of risks undertaken.

(m) **Revaluation of Non-Current Assets**

Land and buildings are revalued to reflect their fair values on a regular basis.

To the extent that the revaluation decrement reversed a revaluation increment previously credited to and still included in the balance of the asset revaluation reserve, the decrement was debited directly to that reserve. Otherwise the decrement is recognised as an expense in the statement of profit or loss.
NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (CONT)

(n) **Trade and Other Payables**
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(o) **Trade and Other Debtors**
Trade debtors are recognised for the major business activities as follows:
- Subscriptions
- Premiums
- Rent
- Administration charges
- Consulting fees

(p) **Cash and Cash Equivalents**
Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(q) **Revenue**
Income is measured at the fair value of the consideration received or receivable.

- Investment income is taken into account on an accrual basis and includes any changes in the net market value of investments during the financial year.
- Grants, contributions and project funding that were received on the condition that they be expended in a particular manner have been recognised as income in the year received as it is the intention of the LGA to spend these funds in the manner intended. Unspent monies are recognised in a reserve for allocation of expenditure in future years.
- Revenue arising from the grant of monies is recognised when the LGA gains control of the grant or the right to receive the grant and is recognised on an accruals basis. Grant monies outstanding at year end to be distributed in accordance with the terms of the funding agreement are recognised as a liability.
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Revenue from the rendering of services is recognised upon the delivery of the service to the customers.
- All revenue is stated net of the amount of goods and services tax (GST).

**Member contributions - Schemes**
Member contributions comprise amounts charged to members of the schemes for liability protection, net of amounts returned to members as bonuses. Member contribution revenue is recognised in the statement of profit or loss and other comprehensive income when it has been earned. The proportion of members’ contribution received or receivable not earned is recognised in the statement of financial position as an unearned member contribution liability.

Member contributions are treated as earned from the date of attachment of risk. The pattern of recognition over the period of cover is based on time, which is considered to closely approximate the pattern of risks underwritten.
NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (CONT)

(q) Revenue (Cont)

Reinsurance and other recoveries - Schemes
Reinsurance and other recoveries on paid claims, reported claims not yet paid and IBNR (claims Incurred But Not Reported) are recognised as revenue.

Reinsurance recoveries receivable on outstanding claims liabilities are measured as the present value of the expected future receipts calculated on a similar basis as the liability for outstanding claims.

Other recoveries receivable are recognised when certainty exists as to recovery from a third party and are measured at the present value of the expected future receipts calculated on the same basis as the liability for outstanding claims.

A provision for reinsurer default has been raised. The credit rating of the major current and historical reinsurance companies has been assessed. The actuary has assessed the appropriate provision based on the Australian and New Zealand cumulative default rates.

(r) Classification of Insurance Contracts - Schemes
The Schemes are Mutual Risk Products as defined by the Australian Securities and Investment Commission and are neither authorised under, nor subject to, the provisions of the Insurance Act. The Schemes are not a product regulated by the Australian Prudential Regulation Authority.

For the purposes of these financial statements only, the arrangements entered into with members to provide indemnity cover are treated as insurance contracts.

These arrangements exist whereby the Schemes may accept significant insurance risk from the members by making discretionary decisions on whether to compensate the members for a future civil liability event.

Insurance risk is risk, other than financial risk.

(s) Unexpired Risk Liability - Schemes
At each reporting date the Schemes assess whether the unearned members’ contribution liability sufficient to cover all expected future cash flows relating to future claims against current insurance contracts. This assessment is referred to as the liability adequacy test and is performed separately for each group of contracts subject to broadly similar risks and managed together as a single portfolio.

Provision is made for unexpired risks arising from general business where the expected value of claims and expenses attributed to the unexpired periods of policies in force at the balance date exceeds the unearned members’ contribution liability in relation to such policies.

If the present value of the expected future cash flows relating to future claims plus the additional risk margin to reflect the inherent uncertainty in the central estimate exceeds the unearned members’ contribution liability then the unearned contribution liability is deemed to be deficient.

The entire deficiency, gross and net of reinsurance, is recognised immediately in the statement of profit or loss and other comprehensive income. As the Schemes do not have any intangible assets or deferred acquisition costs, the deficiency would be recorded in the statement of financial position as an unexpired risk liability.

(t) Outwards Reinsurance - Schemes
Premium ceded to reinsurers are recognised as outwards reinsurance premium expense in accordance with the pattern of reinsurance service received over the membership or indemnity periods based on time.
Notes to the Financial Statements
For the Year Ended 30 June 2018

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (CONT)

(u) Claims - Schemes
The liability for outstanding claims is measured as the central estimate of the present value of the expected future payments for claims incurred at the reporting date, with an additional risk margin to allow for the inherent uncertainty in the central estimate.

Claims expense and a liability for outstanding claims are recognised as losses occur. The liability for outstanding claims includes claims reported but not yet paid, claims incurred by not yet reported (IBNR) and the anticipated direct and indirect cost settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating settlement costs of not reporting claims using statistics based on past experience and trends.

Excess amounts recoverable from a Scheme member are payable and are treated as a contribution towards settlement of a claim.

The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all the claims do not have to be paid out in the immediate future.

The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation. The expected future payments are discounted to present value at balance date using a risk free rate.

Outstanding claim provisions were determined taking into account an actuarial review of the Schemes in August 2018, by Cumpston Sarjeant Pty Ltd. This review was based on initial claims data to 31 March 2018 with findings in their report issued in May 2018. This report was updated with claims data to 30 June 2018 and included in their report issued in August 2018.

An Actuarial peer review is conducted every three years. A peer review was conducted for the financial period ended 30 June 2017 by Taylor Fry Pty Ltd, consulting actuaries and analytical professionals.

The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all claims do not have to be paid out in the immediate future. The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation. The expected future payments are discounted to present value at balance date using a risk free rate.

(v) Catastrophe Margin - LGA - Workers Compensation Scheme
In addition to claims outstanding in Note 1(u) the Scheme has recognised the likelihood of future claims in relation to asbestos related illnesses. The provision is reviewed annually and the Scheme takes guidance from the Actuary in setting the amount provided.

(w) Distribution back to Policy Holders
The Mutual Liability Scheme and Workers Compensation Scheme set maximum levels of accumulated funds that should be held each year. When funds exceed the maximum level, a distribution of funds is provided to member councils.
X) Assets Backing General Insurance Liabilities - Schemes

The Scheme’s investment strategies manage the funds invested with the Local Government Finance Authority of South Australia.

The Schemes have determined that all assets are held to back its insurance liabilities and their accounting treatment is described below. As these assets are managed on a fair value basis, they have been valued at fair value through profit or loss.

The accounting policies applying to assets held to back general insurance activities are:

Financial Assets

The Schemes value financial assets and any assets backing insurance activities at fair value through profit or loss. Details of fair value for the different types of financial assets are summarised below:

- Cash assets and bank overdrafts are carried at face value of the amounts deposited or drawn. The carrying amounts of cash assets and bank overdrafts approximate to their fair value. For the purposes of the statement of cash flows, cash includes cash on hand, call deposits and deposits held where maturity is less than 3 months, net of bank overdrafts.

- Fixed interest securities are recorded at amounts based on valuation using rates of interest equivalent to the yields obtainable on comparable investments at balance date.

Receivables

Contributions due from members and amounts due from reinsurers under the reinsurance program are initially recognised at face value, being the amounts due. They are subsequently measured at fair value that is approximated by taking the initially recognised amount and reducing it for impairment as appropriate.

A provision for impairment of receivables is established when there is objective evidence that the Scheme will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows. The discount is calculated using the original effective interest rate. Where there is impairment a charge is recognised in the statement of profit or loss and other comprehensive income.

Y) Capital Management Policy

The LGA inclusive of the Scheme’s objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide services to members.

In order to maintain or adjust the capital structure, the LGA may adjust the amount of contribution received from its members, adjust the excess surplus to its members via special distributions or enter into debt agreements.

The LGA monitors capital on the basis of the total accumulated surplus. A special distribution may be made to its members where the total accumulated surplus exceeds the Board’s targeted surplus.

Z) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows as a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.
NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNT POLICIES (CONT)

(aa) Comparative Figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(ab) New and revised standards that are effective for these financial statements
A number of new and revised standards became effective for the first time to annual periods beginning on or after 1 July 2017. Information on the more significant standard(s) is presented below.

**AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative:**
Amendments to AASB 107

**AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities**
Standards issued but not yet effective Australian Accounting Standards and Interpretations that are issued, but are not yet effective, up to the date of issuance of the LGA’s financial statements are disclosed below. The LGA intends to adopt these standards, as applicable, when they become effective.

**AASB 9 Financial Instruments**
In December 2014, the AASB issued the final version of AASB 9 Financial Instruments that replaces AASB 139 Financial Instruments: Recognition and Measurement and all previous versions of AASB 9. AASB 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. AASB 9 is the LGA plans to adopt the new standard on the required effective date and will not restate comparative information. The LGA is currently undergoing a detailed assessment of AASB 9 and the impact on the consolidated financial statements.

**AASB 15 Revenue from Contracts with Customers**
AASB 15 was issued in December 2014, and amended in May 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Australian Accounting Standards. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The LGA is currently undergoing a detailed assessment of the introduction of AASB 15 and AASB 1058.

**AASB 16 Leases**
AASB 16 was issued in February 2016 and it replaces AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases-Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. AASB 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies AASB 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard’s transition provisions permit certain reliefs. In 2019, the LGA will continue to assess the potential effect of AASB 16 on its consolidated financial statements.
NOTE 2 - ACCOUNTING ESTIMATES AND JUDGEMENTS

The Schemes make estimates and assumptions in respect of certain key assets and liabilities. Estimates and judgements are continually reviewed and are based on past experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas in which critical estimates and judgements are applied are described below:

a. Estimation of outstanding claims liability

Provision is made at the year-end for the estimated cost of claims incurred but not settled at the reporting date, including the cost of claims incurred but not yet reported (“IBNR”) to the Schemes.

The Schemes take all reasonable steps to ensure that it has appropriate information regarding its claims exposure. However, given the uncertainty in establishing claims provisions, it is likely that the final outcome may be different from the original liability established.

Provisions are calculated gross of all recoveries. A separate estimate is made of the amounts that will be recoverable from reinsurers and any third party.

The determination of an appropriate outstanding claims provision involves:

(i) Establishing a case estimate for each reported claim at year-end taking into account legal advice where appropriate on larger claims;

(ii) A development allowance on the net outstanding balance of reported claims and confirmed as appropriate by the Actuary;

(iii) Allowances for re-opened and incurred but not reported claims as confirmed by the actuarial review in July 2018;

(iv) An allowance for recoveries that reduce the liability to the member, confirmed by the actuarial review in July 2018;

(v) A zero allowance for claim settlement expenses on open claims and a small allowance, as assumed by the Actuary for claim settlement expenses on IBNR claims;

(vi) Allowances for discount at 2.00% (2017: 2.00%), as assumed by the Actuary;

(vii) A risk margin of 25% (2017: 25%) of net outstanding claims after the effect of reinsurance has been applied, as assumed by the Actuary.

b. Assets arising from reinsurance contracts

Details of specific actuarial assumptions used in deriving the outstanding claims liability at year-end are detailed in note 3.

Assets arising from reinsurance contracts were estimated for each accident year, from the payments to date and an estimated outstanding claims history at 30 June 2018, taking into account the reinsurance terms applying to the accident year. In calculating the present value of reinsurance recoveries on the outstanding claims liability, allowance was made for an average recovery delay of three months, as assumed by the actuary. Although all relevant insurers are solvent a provision for failure of an insurer to pay has been raised. The reinsurer default provision is $77,818 (2017 $74,727) calculated at a rate of 0.63% (2017 0.63%) on the discounted value of the total reinsurance recoveries.
NOTE 3 - ACTUARIAL ASSUMPTIONS AND METHODS - SCHEMES:

Actuarial Assumptions
The following assumptions have been made in determining the outstanding claims liabilities.

<table>
<thead>
<tr>
<th>Key Actuarial Assumptions</th>
<th>Local Government Mutual Liability Scheme</th>
<th>Local Government Workers Compensation Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case estimate development</td>
<td>2018: 20.0%</td>
<td>2018: -</td>
</tr>
<tr>
<td></td>
<td>2017: 7.5%</td>
<td>2017: -</td>
</tr>
<tr>
<td>Wage inflation</td>
<td>2018: 3.50%</td>
<td>2018: 3.50%</td>
</tr>
<tr>
<td></td>
<td>2017: 3.00%</td>
<td>2017: 3.00%</td>
</tr>
<tr>
<td>Superimposed inflation</td>
<td>2018: 2.00%</td>
<td>2018: 2.00%</td>
</tr>
<tr>
<td></td>
<td>2017: 2.00%</td>
<td>2017: 2.00%</td>
</tr>
<tr>
<td>Discount rate</td>
<td>2018: 2.00%</td>
<td>2018: 2.00%</td>
</tr>
<tr>
<td></td>
<td>2017: 1.50%</td>
<td>2017: 1.50%</td>
</tr>
</tbody>
</table>

Process used to determine actuarial assumptions
A description of the processes used to determine the above key actuarial assumptions is provided below.

In their reviews on 26 July 2018, the Actuary was provided with claims data on claims incurred net of excesses and anticipated recoveries to reduce the liability of members. The Actuary allowed for:

- Developments in case estimates on reported claims based on an explicit case development parameter or Projected Case Estimates method.
- Claims incurred but not reported and potential recoveries were all estimated by an inflation adjusted Payment per Claim Incurred method based on ultimate non-zero claim numbers projected by a Chain Ladder method and 5 year averages of late reported claims;
- Cost of claims likely to be reopened were estimated by an inflation adjusted Payment per Claim Incurred method based on ultimate non-zero claim numbers projected by a Chain Ladder method and 5 year averages of reported claims;
- Expected investment earnings by applying a fitted payment pattern to the undiscounted sum of the above components and then discounting at the assumed discount rate;
- There were no recoveries either due or expected from reinsurance contracts.

Case estimate development
Development in net case estimates applied to open claims was -20.0% (2017: -7.5%) for all accident years.

Wage inflation
The Actuary assumed wage inflation of 3.50% (2017: 3.50%) per annum, based on recent inflation levels in South Australia.

Claim administration expense
The Actuary has not made an allowance for claim administration expenses on open claims as the amount of fees already represent about 4.5% of payments. However, an allowance of $116,498 was made in respect of IBNR claims. The amounts allowed are comparable to those normally made by public liability and professional indemnity insurers.
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3 - ACTUARIAL ASSUMPTIONS AND METHODS (CONT)

Superimposed inflation
The Actuary assumed future superimposed inflation, the rate at which claims increase in excess of wage inflation, per annum as follows.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Mutual Liability Scheme</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
<tr>
<td>Local Government Workers Compensation Scheme</td>
<td>2.00%</td>
<td>2.00%</td>
</tr>
</tbody>
</table>

Superimposed inflation occurs due to non-economic effects such as court settlements increasing at a faster rate than wages or CPI inflation. Though there is no discernible trend of superimposed inflation in inflated claims insured, the Actuary felt it prudent to make a nominal allowance for such inflation in future claims.

Discount rate
The estimates of the outstanding claims liabilities were discounted to allow for future investment income gains attributable to the liabilities. The estimates of Reinsurance recovery assets were discounted to allow for future income losses attributable to the assets. The Actuary assumed a discount rate of 2.00% per annum (2017: 1.50%) based on current medium-term bond yields.

Sensitivity Analysis
The outstanding claims liability included in the reported results are calculated based on the key actuarial assumptions as disclosed above. The movement in any of the above key actuarial assumptions will impact the performance and total accumulated funds of the Scheme.

The table below describes how a change in each of the assumptions will affect the outstanding claims liabilities.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Impact of movement in variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage inflation</td>
<td>Expected future payments are inflated to take account of inflationary increases. An increase or decrease in the assumed levels of economic inflation would have a corresponding impact on claims expense, with particular reference to longer tail claims</td>
</tr>
<tr>
<td>Superimposed inflation</td>
<td>In addition to the general economic inflation rate an amount is superimposed to take account of non-economic inflationary factors, such as increases in court awards. Such rates of superimposed inflation are specific to the model adopted. An increase or decrease in the assumed levels of superimposed inflation would have a corresponding impact on claims expense, with particular reference to longer tail claims.</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>The outstanding claims liability is calculated by reference to expected future payments. These payments are discounted to adjust for the time value of money. An increase or decrease in the assumed discount rate will have an opposing impact on total claims expense.</td>
</tr>
<tr>
<td>Case Estimate</td>
<td>Case estimates are initially established in accordance with established guidelines and by reference to the known facts. Where new information becomes available the initial case estimate will change. This development movement is applied to open claims and will have a corresponding impact on claims expense.</td>
</tr>
</tbody>
</table>
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3 - ACTUARIAL ASSUMPTIONS AND METHODS (CONT)

Impact of changes in key variables

(i) Local Government Association Mutual Liability Scheme

<table>
<thead>
<tr>
<th>Variable</th>
<th>Movement in Variable</th>
<th>Movement by applying variable Gross of reinsurance</th>
<th>Net of reinsurance</th>
<th>Total Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage inflation</td>
<td>3%</td>
<td>968,000</td>
<td>67,000</td>
<td>(45,000)</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>(850,000)</td>
<td>(59,000)</td>
<td>41,000</td>
</tr>
<tr>
<td>Superimposed inflation</td>
<td>3%</td>
<td>981,000</td>
<td>54,000</td>
<td>(40,000)</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>(860,000)</td>
<td>(48,000)</td>
<td>36,000</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>3%</td>
<td>(1,007,000)</td>
<td>(55,000)</td>
<td>45,000</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>1,219,000</td>
<td>66,000</td>
<td>(53,000)</td>
</tr>
<tr>
<td>Case-estimate development</td>
<td>5%</td>
<td>(285,000)</td>
<td>12,000</td>
<td>(3,000)</td>
</tr>
<tr>
<td></td>
<td>(5%)</td>
<td>(268,000)</td>
<td>(11,000)</td>
<td>3,000</td>
</tr>
</tbody>
</table>

(ii) Local Government Association Works Compensation Scheme

<table>
<thead>
<tr>
<th>Variable</th>
<th>Movement in Variable</th>
<th>Movement by applying variable Gross of reinsurance</th>
<th>Net of reinsurance</th>
<th>Total Accumulated Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage inflation</td>
<td>3%</td>
<td>543,000</td>
<td>543,000</td>
<td>(543,000)</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>(437,000)</td>
<td>(437,000)</td>
<td>437,000</td>
</tr>
<tr>
<td>Superimposed inflation</td>
<td>3%</td>
<td>552,000</td>
<td>552,000</td>
<td>(552,000)</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>(443,000)</td>
<td>(443,000)</td>
<td>440,000</td>
</tr>
<tr>
<td>Discount Rate</td>
<td>3%</td>
<td>(1,238,000)</td>
<td>(1,238,000)</td>
<td>1,238,000</td>
</tr>
<tr>
<td></td>
<td>(3%)</td>
<td>1,517,000</td>
<td>1,517,000</td>
<td>(1,517,000)</td>
</tr>
</tbody>
</table>

NOTE 4 - INSURANCE CONTRACTS - RISK MANAGEMENT - SCHEMES

Risk management objectives and policies for mitigating insurance risk

The Schemes are established by legislation contained in the Local Government Act 1999. Membership is available to local government councils and prescribed bodies. The Schemes operate in South Australia to provide a claims management service to members in respect of their potential and actual liabilities. A member may seek indemnity from the Schemes in respect of a claim.

Under the Scheme Rules, The Local Government Association may in its sole and absolute discretion determine whether indemnity will be granted in respect of a claim. Should indemnity be granted the Scheme offers unlimited cover.

Actuarial models, using information from the Scheme’s management information systems are used to confirm contributions and monitor claim patterns. Past experience and statistical methods are used as part of the process.
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 - INSURANCE CONTRACTS - RISK MANAGEMENT (CONT)

Risk management objectives and policies for mitigating insurance risk (Cont)
The principal risk is that the frequency and severity of claims is greater than expected. Civil Liability Risk events are, by their nature, random, and the actual number and size of events during any one-year may vary from those estimated using established statistical techniques.

Objectives in managing risk arising from insurance and policies for mitigating those risks
The Schemes have an objective to control insurance risk thus reducing the volatility of its operating surplus. In addition to the inherent uncertainty of civil liability risks, which can lead to variability in the loss experience, operating surpluses can also be affected by external factors such as competition and movements in asset values.

The Schemes rely on a strong relationship with its members and actively encourages them to adopt practices of risk management that reduce the incidence of claims to the Schemes.

Reinsurance strategy
The Schemes adopt a conservative approach towards management of risk and does this by utilising various risk transfer options. The Board of the schemes determine the level of risk, which is appropriate for the Schemes having regards to ordinary concepts of prudence and regulatory constraints. The risk transfer arrangements adopted by the Schemes include the utilisation of commercial reinsurance arrangements arrangements adopted by the Schemes include the utilisation of commercial reinsurance arrangements and the negotiation of an indemnity agreement with the South Australian State Government Treasurer. These risk transfer arrangements assist the Schemes to limit its liability on single large claims and catastrophic events. These programs are regularly reviewed each year to ensure that they continue to meet the risk needs of the Schemes.

In the past ten years, the Schemes have managed its reinsurance program and risk transfer arrangements so that the exposure to each claim has been markedly reduced. The Schemes have maintained its Treasurer’s Indemnity on a ong-term basis with an expiry in 2021.

Terms and conditions of membership
Membership to the Schemes is offered to eligible bodies and renewed annually on 30th June. Payment of the annual contribution confirms continuation of membership. Termination of membership is subject to at least 90 days written notice of intention as laid out by the Scheme Rules. Once a claim is accepted and indemnity granted each claim is handled individually on the circumstances peculiar to the claim.

Product features (Mutual Liability Scheme)
The Schemes operates in South Australia. Should a claim be accepted the Scheme provides indemnity to the member in respect of their civil liabilities for an unlimited amount, subject to any excess for any claim incurred anywhere throughout the world.

Operating surpluses arise from the total contributions charged to members less the amounts paid to cover claims and the expenses incurred by the Scheme.

Product features (Workers Compensation Scheme)
The Scheme operates in South Australia, whereby the Local Government Association of South Australia is a group self-insurer which enables the scheme to operate under a delegated authority as described in the Return to Work Act 2014 (RTW Act). Should a claim be accepted, the Scheme provides indemnity to the member in respect of their workers’ compensation liabilities for amounts and benefits detailed in the RTW Act.

Operating surpluses arise from the total contributions charged to members less the amounts paid to cover claims and the expenses incurred by the Scheme.
NOTE 4 - INSURANCE CONTRACTS - RISK MANAGEMENT (CONT)

Management of risks
The key insurance risks that affect the Schemes are contribution risk, and claims experience risk.

Contribution risk is the risk that the Scheme does not charge contributions appropriate for the indemnity cover it provides. The Scheme partially manages contribution risk through its proactive approach to risk management that addresses all material risks both financial and non-financial. There are no specific terms and conditions that are expected to have a material impact on the financial statements.

Claims experience risk is managed through the non-financial risk assessment and risk management and reinsurance management process. Claims experience is monitored on an on-going basis to ensure that any adverse trending is addressed. The Scheme is able to reduce the claims experience risk of severe losses through the reinsurance program, and by managing the concentration of insurance risks.

Concentration of insurance risks
Insurance risk is managed by taking a long term approach to setting the annual contribution rates that eliminates price fluctuations, appropriate investment strategy, reinsurance and by maintaining an active state-wide risk management profile. It is vital that the Scheme’s keep abreast of changes in the general economic, legal and commercial environment in which it operates.

Interest rate risk
The reinsurance indemnity contracts contain no clauses that expose the Scheme, directly to interest rate risk. The reinsurance contracts are long term arrangements, reviewed and payable annually.

Credit risk
The Scheme is exposed to credit risk on insurance contracts as a result of exposure to reinsurers. The credit risk to reinsurers is managed through the Scheme regularly monitoring the financial rating of the reinsurers both prior to and during the reinsurance program.

In relation to the reinsurance and other receivables disclosed in note 12 in relation to the Mutual Liability Scheme, the credit risk exposure is equal to the undiscounted aggregate value of claims. As at 30 June 2018 this amounted to $16.49 million (2017: $15.72 million).

NOTE 5 - REVENUE

<table>
<thead>
<tr>
<th>Subscriptions and Contributions</th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>2,227,613</td>
<td>2,173,287</td>
</tr>
<tr>
<td>Member contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross earned member contributions</td>
<td>49,720,455</td>
<td>48,061,599</td>
</tr>
<tr>
<td>Rebate to members</td>
<td>(15,735,794)</td>
<td>(14,895,687)</td>
</tr>
<tr>
<td>Net member contribution revenue</td>
<td>33,984,661</td>
<td>33,165,912</td>
</tr>
<tr>
<td></td>
<td>36,212,274</td>
<td>36,453,145</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees, Charges and Other Revenue</th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Interest received</td>
<td>1,840,659</td>
<td>2,140,958</td>
</tr>
<tr>
<td>Administration charges</td>
<td>1,221,494</td>
<td>1,278,753</td>
</tr>
<tr>
<td>Contract income (1)</td>
<td>836,842</td>
<td>1,113,946</td>
</tr>
<tr>
<td>Rent and outgoings</td>
<td>745,404</td>
<td>1,154,958</td>
</tr>
<tr>
<td>Assets received free of charge</td>
<td>668,000</td>
<td>-</td>
</tr>
<tr>
<td>Other revenue</td>
<td>3,492,921</td>
<td>2,854,761</td>
</tr>
<tr>
<td></td>
<td>8,805,320</td>
<td>7,429,430</td>
</tr>
<tr>
<td></td>
<td>45,017,594</td>
<td>43,882,575</td>
</tr>
</tbody>
</table>

(1) Contract income includes revenue from LGA Procurement activities
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>(b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note 6 - (Loss) from Ordinary Activities**

(Loss) from ordinary activities has been determined after:

(a) Expenses
Depreciation of non-current assets 719,654 685,463 712,288 676,699

(b) Net Claims Expense

**Direct Business**
Current period claims relate to risk borne in the current financial year. Prior period amounts relate to a reassessment of the risk borne in all previous financial years.

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>Prior</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross claims (credit) / expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross claims and related expenses - undiscounted</td>
<td>15,240,489</td>
<td>(1,970,195)</td>
<td>13,270,294</td>
</tr>
<tr>
<td>Discount</td>
<td>(433,704)</td>
<td>193,420</td>
<td>(240,284)</td>
</tr>
<tr>
<td>Net claims expense</td>
<td>14,806,785</td>
<td>(1,776,775)</td>
<td>13,030,010</td>
</tr>
</tbody>
</table>

Reinsurance and other recoveries revenue

Reinsurance and other recoveries revenue - undiscounted | (1,977,267) | (557,193) | (2,534,460) |

Discount | 130,062 | (134,375) | (4,313) |

Reinsurance and other recoveries - discounted | (1,847,205) | (691,568) | (2,538,773) |

Net claims (credit) / incurred | 12,959,580 | (2,468,343) | 10,491,237 |

<table>
<thead>
<tr>
<th>Year</th>
<th>Current</th>
<th>Prior</th>
<th>Net</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross claims (credit) / expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross claims and related expenses - undiscounted</td>
<td>18,383,204</td>
<td>(3,815,450)</td>
<td>14,567,754</td>
</tr>
<tr>
<td>Discount</td>
<td>(652,053)</td>
<td>209,532</td>
<td>(442,521)</td>
</tr>
<tr>
<td>Net claims expense</td>
<td>17,731,151</td>
<td>(3,605,918)</td>
<td>14,125,233</td>
</tr>
</tbody>
</table>

Reinsurance and other recoveries revenue

Reinsurance and other recoveries revenue - undiscounted | (5,058,529) | 965,171 | (4,093,358) |

Discount | 391,985 | (73,326) | 318,659 |

Reinsurance and other recoveries - discounted | (4,666,544) | 891,845 | (3,774,699) |

Net claims (credit) / incurred | 13,064,607 | (2,714,073) | 10,350,534 |
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 - PROJECT INCOME AND EXPENDITURE

The Local Government Association of South Australia Incorporated received project funding from external sources, including State and Federal Governments. These funds are then distributed to and spent by Council's and other Local Government Authorities in accordance with the funding agreements in place.

Project funds received and paid during the year and the effect this has had on the operating result is set out below:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Opening balance 1 July</td>
<td>6,679,910</td>
<td>8,965,151</td>
</tr>
<tr>
<td>Income</td>
<td>32,853,386</td>
<td>7,450,808</td>
</tr>
<tr>
<td>Employee Expenses</td>
<td>(824,436)</td>
<td>(733,632)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>(83,517)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(31,454,437)</td>
<td>(8,650,281)</td>
</tr>
<tr>
<td>Total project expenses</td>
<td>(32,278,873)</td>
<td>(9,467,430)</td>
</tr>
<tr>
<td>Net project income / (expense)</td>
<td>574,513</td>
<td>(2,016,622)</td>
</tr>
<tr>
<td>Adjustment for internal charges</td>
<td>(168,238)</td>
<td>(268,619)</td>
</tr>
<tr>
<td>Closing balance 30 June</td>
<td>7,086,185</td>
<td>6,679,910</td>
</tr>
</tbody>
</table>

(1) Income in 2017-18 includes grants received from the State Government of SA of $24.074 million for the State Local Government Infrastructure Partnership program.

NOTE 8 - LIABILITY ADEQUACY TEST - SCHEMES

The liability adequacy test conducted by the Actuary has identified a surplus.

Local Government Association Mutual Liability Scheme

The liability adequacy test identified the central estimate of the present value of future cash flows for future claims to be $4,002,000 (2017: $4,504,000) with an additional component of present value of expected future cash flows in relation to risk margin, net of reinsurance, to be $25,000 (2017: $29,000).

In performing this test a risk margin of 25% was used to secure a 75% probability of adequacy.

The probability of adequacy for the outstanding claims liability is set at a level that is appropriate and sustainable to cover the Scheme’s claims obligations after having regard to the prevailing market environment and prudent industry practice.

Local Government Association Workers Compensation Scheme

The liability adequacy test identified the central estimate of the present value of future cash flows for future claims to be $10,475,000 (2017: $10,974,000) with an additional component of present value of expected future cash flows in relation to risk margin to be $2,157,000 (2017: $2,260,000).

In performing this test a risk margin of 20% was used to secure a 75% probability of adequacy.

The probability of adequacy for the outstanding claims liability is set at a level that is appropriate and sustainable to cover the Scheme’s claims obligations after having regard to the prevailing market environment and prudent industry practice.
NOTE 9 - KEY MANAGEMENT PERSONNEL COMPENSATION

<table>
<thead>
<tr>
<th></th>
<th>Short-term Benefit</th>
<th></th>
<th>Post Employment Benefit</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total compensation</td>
<td>253,985</td>
<td></td>
<td>20,009</td>
<td></td>
<td>273,994</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total compensation</td>
<td>233,810</td>
<td></td>
<td>30,763</td>
<td></td>
<td>264,573</td>
</tr>
</tbody>
</table>

NOTE 10 - AUDITORS’ REMUNERATION

Remuneration of the auditor of the parent entity for:
(i) auditing or reviewing the financial report:
   - Grant Thornton 36,000 35,000 36,000 35,000
(i) non-auditing services
   - Grant Thornton 5,375 6,500 5,375 6,500

Remuneration of other auditors of Schemes for:
(i) auditing or reviewing the financial report of subsidiaries
   - Grant Thornton 8,250 8,000 - -
   - Price Waterhouse Coopers 62,225 70,000 - -

Consolidated Entity 2018 2017 Parent Entity 2018 2017
$ $ $ $ $ $
111,850 119,500 41,375 41,500

NOTE 11 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents 35,865,133 11,007,508 3,997,109 2,869,703

The effective interest rate on short-term deposits was 1.50% (2017: 2.00%).

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents 35,865,133 11,007,508 3,997,109 2,869,703
### NOTE 12 - TRADE AND OTHER RECEIVABLES

#### CURRENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $</th>
<th>2017 $</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>913,098</td>
<td>962,009</td>
<td>350,305</td>
<td>625,818</td>
</tr>
<tr>
<td>Member contribution receivable</td>
<td>11,554,516</td>
<td>11,285,914</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>State Local Govt Infra Partnership receivable</td>
<td>2,046,461</td>
<td>-</td>
<td>2,046,461</td>
<td>-</td>
</tr>
<tr>
<td>ATO receivable</td>
<td>32,754</td>
<td>-</td>
<td>32,754</td>
<td>-</td>
</tr>
<tr>
<td>Accrued income</td>
<td>2,026,822</td>
<td>1,755,439</td>
<td>1,484,600</td>
<td>1,231,279</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td>20,128,952</td>
<td>16,750,300</td>
<td>3,914,120</td>
<td>1,857,097</td>
</tr>
</tbody>
</table>

#### NON-CURRENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $</th>
<th>2017 $</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Local Govt Infra Partnership receivable</td>
<td>22,017,835</td>
<td>-</td>
<td>22,017,835</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total non-current trade and other receivables</strong></td>
<td>31,192,621</td>
<td>9,160,084</td>
<td>22,017,835</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Member contributions (Schemes) moved to quarterly in advance billing cycle from annual for the annual year for the 2017/18 financial year.

(2) In 2017/18 the LGA entered into an agreement with the State Government to deliver the State Government Local Infrastructure Partnership Program. Under this program the LGA provided funding to Councils valued at $24.074 million in 2017/18. The State Government will provide a grant to the LGA over the next ten years covering the expenditure incurred in delivering this program. The LGA is recognising a current receivable of $2.046 million and a non-current receiveable of $22.018 million in 2017/18.

### NOTE 13 - OTHER ASSETS

#### CURRENT

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $</th>
<th>2017 $</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments</td>
<td>287,245</td>
<td>675,453</td>
<td>25,372</td>
<td>36,782</td>
</tr>
<tr>
<td><strong>Total other current assets</strong></td>
<td>287,245</td>
<td>675,453</td>
<td>25,372</td>
<td>36,782</td>
</tr>
</tbody>
</table>

### NOTE 14 - FINANCIAL ASSETS

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $</th>
<th>2017 $</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available-for-sale financial assets</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Deposits - LGFA</td>
<td>42,213,852</td>
<td>66,511,240</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Less: non-current portion</td>
<td>14,124,574</td>
<td>49,459,454</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Current portion</strong></td>
<td>28,089,278</td>
<td>17,051,786</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

(1) Investments comprise deposits at call and deposits for terms with varying maturity dates at market rates with the Local Government Finance Authority of South Australia (LGFA). Investments are initially brought to account at cost and subsequently remeasured to fair value through the profit and loss.
## LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

### NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 30 JUNE 2018**

### NOTE 14 - FINANCIAL ASSETS (CONT)

**a. Available-for-sale Financial Assets comprise:**

- Shares in Local Super Pty Ltd
  - at cost  
  - Investment in LGCS Pty Ltd and LGCS Trust No 1
  - at cost
  - less impairment

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity 2018</th>
<th>Parent Entity 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Shares in Local Super Pty Ltd</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Investment in LGCS Pty Ltd and LGCS Trust No 1</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>- less impairment</td>
<td>(50,000)</td>
<td>(50,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

### NOTE 15 - PROPERTY, PLANT AND EQUIPMENT

#### LAND AND BUILDINGS

**Freehold land**
- at valuation

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity 2018</th>
<th>Parent Entity 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Freehold land</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
<tr>
<td>- at valuation</td>
<td>3,500,000</td>
<td>3,500,000</td>
</tr>
</tbody>
</table>

**Buildings**

- at valuation
- less: accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity 2018</th>
<th>Parent Entity 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Buildings</td>
<td>17,700,000</td>
<td>17,700,000</td>
</tr>
<tr>
<td>- at valuation</td>
<td>17,700,000</td>
<td>17,700,000</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(551,610)</td>
<td>(551,610)</td>
</tr>
<tr>
<td>Total land and buildings</td>
<td>17,148,390</td>
<td>17,148,390</td>
</tr>
<tr>
<td></td>
<td>20,648,390</td>
<td>20,648,390</td>
</tr>
</tbody>
</table>

#### PLANT AND EQUIPMENT

**Building improvements**
- at cost
- less: accumulated depreciation

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity 2018</th>
<th>Parent Entity 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Building improvements</td>
<td>290,996</td>
<td>290,996</td>
</tr>
<tr>
<td>- at cost</td>
<td>290,996</td>
<td>290,996</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>(236,716)</td>
<td>(236,716)</td>
</tr>
<tr>
<td>Total plant and equipment</td>
<td>1,931,608</td>
<td>1,931,608</td>
</tr>
<tr>
<td></td>
<td>22,799,737</td>
<td>22,799,737</td>
</tr>
</tbody>
</table>

The LGA's land and buildings were revalued at 31 March 2017 by independent valuers, Maloney Field Services. Valuations were made on the basis of open market value. The revaluation surplus was credited to a revaluation reserve.
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 15 - PROPERTY, PLANT AND EQUIPMENT (CONT)

(a) Movements in Carrying Amounts

<table>
<thead>
<tr>
<th></th>
<th>Consolidated</th>
<th>Freehold Land &amp; Buildings $</th>
<th>Building Improvements $</th>
<th>Office Furniture &amp; Equipment $</th>
<th>Motor Vehicles $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of year</td>
<td>21,089,678</td>
<td>103,172</td>
<td>1,368,527</td>
<td>173,279</td>
<td>22,734,656</td>
<td></td>
</tr>
<tr>
<td>Contributions free of charge</td>
<td>-</td>
<td>-</td>
<td>668,000</td>
<td>-</td>
<td>668,000</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>93,265</td>
<td>38,319</td>
<td>131,584</td>
<td></td>
</tr>
<tr>
<td>Revaluation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Capital work in progress</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14,849)</td>
<td>(14,849)</td>
<td></td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(441,288)</td>
<td>(48,892)</td>
<td>(198,184)</td>
<td>(31,290)</td>
<td>(719,654)</td>
<td></td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>20,648,390</td>
<td>54,280</td>
<td>1,931,608</td>
<td>165,459</td>
<td>22,799,737</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Parent</th>
<th>Freehold Land &amp; Buildings $</th>
<th>Building Improvements $</th>
<th>Office Furniture &amp; Equipment $</th>
<th>Motor Vehicles $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of year</td>
<td>21,089,678</td>
<td>103,172</td>
<td>1,368,527</td>
<td>127,093</td>
<td>22,688,470</td>
<td></td>
</tr>
<tr>
<td>Contributions free of charge</td>
<td>-</td>
<td>-</td>
<td>668,000</td>
<td>-</td>
<td>668,000</td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>-</td>
<td>93,265</td>
<td>38,319</td>
<td>131,584</td>
<td></td>
</tr>
<tr>
<td>Revaluation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Capital work in progress</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(14,849)</td>
<td>(14,849)</td>
<td></td>
</tr>
<tr>
<td>Impairment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(441,288)</td>
<td>(48,892)</td>
<td>(198,184)</td>
<td>(23,924)</td>
<td>(712,288)</td>
<td></td>
</tr>
<tr>
<td>Carrying amount at the end of year</td>
<td>20,648,390</td>
<td>54,280</td>
<td>1,931,608</td>
<td>126,639</td>
<td>22,760,917</td>
<td></td>
</tr>
</tbody>
</table>

The LGA received contributed assets during the year totalling $668,000, the value of these assets were determined by an independent valuation completed by Jones Lang Lasalle with a valuation date of 30 June 2018.

NOTE 16 - TRADE AND OTHER PAYABLES

CURRENT

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity 2018 $</th>
<th>2017 $</th>
<th>Parent Entity 2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade payables</td>
<td>915,721</td>
<td>598,100</td>
<td>816,445</td>
<td>592,020</td>
</tr>
<tr>
<td>Sundry creditors and accruals</td>
<td>1,356,620</td>
<td>1,157,407</td>
<td>640,520</td>
<td>158,139</td>
</tr>
<tr>
<td>Australian Taxation Office payable</td>
<td>1,050,799</td>
<td>1,065,995</td>
<td>-</td>
<td>30,728</td>
</tr>
<tr>
<td>The Jim Crawford Award Trust</td>
<td>67,692</td>
<td>66,713</td>
<td>67,692</td>
<td>66,713</td>
</tr>
<tr>
<td></td>
<td>3,390,832</td>
<td>2,888,215</td>
<td>1,524,657</td>
<td>847,600</td>
</tr>
</tbody>
</table>

Page 26
## NOTE 17 - PROVISIONS

<table>
<thead>
<tr>
<th></th>
<th>Catastrophe margin</th>
<th>Annual leave</th>
<th>Long service leave</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Parent</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 June 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>275,080</td>
<td>454,148</td>
<td>729,228</td>
</tr>
<tr>
<td>At 30 June 2018</td>
<td></td>
<td>302,752</td>
<td>478,012</td>
<td>780,764</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30 June 2017</td>
<td></td>
<td>275,936</td>
<td>454,225</td>
<td>815,161</td>
</tr>
<tr>
<td>At 30 June 2018</td>
<td></td>
<td>340,475</td>
<td>521,680</td>
<td>947,155</td>
</tr>
</tbody>
</table>

### Analysis of Total Provisions

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>726,524</td>
<td>581,408</td>
</tr>
<tr>
<td>Non-current</td>
<td>220,631</td>
<td>233,753</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>947,155</td>
<td>815,161</td>
</tr>
</tbody>
</table>

### NOTE 18 - UNEARNED MEMBER CONTRIBUTION LIABILITY

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2017</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned members' contribution liability at 1 July</td>
<td>10,239,976</td>
<td>33,273,082</td>
</tr>
<tr>
<td>Members' contribution written in the year</td>
<td>34,226,198</td>
<td>10,132,806</td>
</tr>
<tr>
<td>Earning of members' contribution during the year</td>
<td>(33,984,661)</td>
<td>(33,165,912)</td>
</tr>
<tr>
<td>Unearned members' contribution liability at 30 June</td>
<td>10,481,513</td>
<td>10,239,976</td>
</tr>
</tbody>
</table>

Member contributions (Schemes) moved to quarterly in advance billing cycle from annual for the annual year for the 2017/18 financial year.
NOTE 19 - OUTSTANDING CLAIMS LIABILITY

(a) Calculation

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Estimate (A)</td>
<td>34,445,244</td>
<td>31,947,039</td>
</tr>
<tr>
<td>Discount to present value (B)</td>
<td>(1,854,262)</td>
<td>(1,613,978)</td>
</tr>
<tr>
<td>Claims Handling cost (B)</td>
<td>620,082</td>
<td>606,355</td>
</tr>
<tr>
<td>Risk Margin (C)</td>
<td>4,337,523</td>
<td>3,970,102</td>
</tr>
<tr>
<td>Gross Outstanding Claims Liability</td>
<td>37,548,587</td>
<td>34,909,518</td>
</tr>
</tbody>
</table>

(b) Risk Margin

Process used to determine the risk margin

The risk margin is an additional allowance for uncertainty in the ultimate cost of claims. The Board determines the overall margin adopted after considering the uncertainty in the portfolio, industry trends and the Scheme's risk appreciation.

To determine the margin adopted the Actuary concluded that a risk margin of 20% or 25% of net outstanding claims would be reasonable, if the Scheme was to have approximately 75% probability of its claim provisions proving reliable. In making this consideration the Actuary commented that this risk margin was not intended to make any provision for the possibility of reinsurers failing to fully meet their obligations.

The risk margin is added to the central estimate of net outstanding claims liability reduced by the appropriate reinsurance recoveries provided.

Risk margin applied

The risk margins applied for 75% level of adequacy are:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Government Association Mutual Liability Scheme</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Local Government Association Workers Compensation Scheme</td>
<td>20%</td>
<td>20%</td>
</tr>
</tbody>
</table>

(c) Reconciliation of movement in discounted outstanding claims liability

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 1 July</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>34,909,518</td>
<td>(11,907,021)</td>
</tr>
<tr>
<td>Current year claims incurred</td>
<td>14,806,782</td>
<td>(1,847,205)</td>
</tr>
<tr>
<td>Previous years claims incurred</td>
<td>(1,776,775)</td>
<td>(691,568)</td>
</tr>
<tr>
<td>Claims (credit)/expense</td>
<td>13,030,007</td>
<td>(2,538,773)</td>
</tr>
<tr>
<td>All claims paid during year</td>
<td>(10,390,940)</td>
<td>1,715,707</td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td>37,548,585</td>
<td>(12,730,087)</td>
</tr>
</tbody>
</table>
NOTE 20 - RESERVES

(a) Asset revaluation reserve
The asset revaluation reserve records realised gains on the revaluation of land and buildings.

(b) Project reserves
The project reserves records funds received by the Local Government Association of South Australia from external providers. These funds are then distributed as per the relevant funding agreement. Also included are LGA funded projects with carry forward balances.

NOTE 21 - CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities represent items that, at 30 June 2018, are not recognised in the Statement of Financial Position because there is significant uncertainty at that date as to the necessity for the entity to receive or make payments in respect of them.

The Board are not aware of any contingent assets or liabilities at 30 June 2018.

NOTE 22 - EVENTS SUBSEQUENT TO REPORTING DATE

No significant events have occurred since reporting date that would impact on the financial position of the Association disclosed in the statement of financial position as at 30 June 2018 or on the results or cash flows of the Association and its controlled entities for the year ended on that date.

The financial statements were authorised for issue by the Board of Directors of the LGA on 13 September 2018.

NOTE 23 - INVESTMENT AND CONTROLLED ENTITIES

<table>
<thead>
<tr>
<th>Country of Incorporation</th>
<th>Percentage Owned (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Local Government Mutual Liability Scheme(^1)</td>
<td>Australia</td>
</tr>
<tr>
<td>Local Government Workers Compensation Scheme(^1)</td>
<td>Australia</td>
</tr>
<tr>
<td>LGCS Pty Ltd</td>
<td>Australia</td>
</tr>
<tr>
<td>LGASA Mutual Pty Ltd</td>
<td>Australia</td>
</tr>
<tr>
<td>LGCS Trust No. 1</td>
<td>Australia</td>
</tr>
</tbody>
</table>

\(^1\) The Local Government Association of South Australia has the capacity to control these entities pursuant to the Local Government Act 1999 and they have been consolidated on that basis.
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 24 - RELATED PARTIES

LGA Board
The names of persons who were members or proxy members of the Local Government Association of South Australia LGA Board at any time during the financial year are as follows:

Mayor Gillian Aldridge  Deputy Mayor Arthur Mangos
Cr Rosalina Bouchee    Mayor Peter Mattey
Mayor Robert Bria      Mayor David O'Loughlin
Mayor Dave Burgess     Mayor Keith Parkes
Acting Mayor Janet Byram Mayor David Parkin
Mayor Denis Clark      Mayor Karen Redman
Cr Susan Clearihan    Mayor John Rohde
Mayor Angela Evans     Mayor Lorraine Rosenberg
Mayor Bruce Green      Mayor Glen Rowlands
Mayor Peter Hunt       Mayor Richard Sage
Mayor Neville Jaensch  Mayor Glenn Spear
Mayor Dean Johnson     Mayor William Spragg
Mayor Sam Johnson      Mayor Sam Telfer
Mayor Kevin Knight     Mayor Erika Vickery
Cr Michael Lange       Mayor Jan-Clarie Wisdom
Mayor Brenton Lewis

Transactions with Local Government Authorities having LGA Board representation are on normal commercial terms and conditions.

Transactions with related parties
The Local Government Association of South Australia and Jardine Lloyd Thompson Pty Ltd, the Scheme Manager, have entered into a Joint Venture and have contemporaneously executed a Joint Venture Management Agreement dated 1 July 2001 and a Joint Venture Operations Agreement dated 1 July 2001.

The agreements state that both parties have agreed to co-operate together as joint venturers in respect only of the management and operation of the Scheme. This arrangement remains in place for the 2017/18 financial year.

Jardine Lloyd Thompson Pty Ltd supplies all services to the Scheme.

The Local Government Finance Authority Act, 1983 requires a representative from the Local Government Association of South Australia to be a member of the Local Government Finance Authority of South Australia Board.
NOTE 24 - RELATED PARTIES (CONT)

Aggregate amounts included in the determination of the parent entity's operating result that resulted from transactions with controlled entities are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity</th>
<th></th>
<th>Parent Entity</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2017</td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Administration charges received:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workers' Compensation Scheme</td>
<td>-</td>
<td>-</td>
<td>528,143</td>
<td>506,585</td>
</tr>
<tr>
<td>- Local Government Mutual Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme</td>
<td>-</td>
<td>-</td>
<td>445,353</td>
<td>439,758</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>973,496</td>
<td>946,343</td>
</tr>
<tr>
<td>Insurance paid:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Mutual Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheme</td>
<td>42,906</td>
<td>51,366</td>
<td>42,906</td>
<td>51,366</td>
</tr>
<tr>
<td>Investment income received:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Finance Authority of South Australia</td>
<td>1,995,714</td>
<td>2,346,631</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Management fees paid:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>3,597,704</td>
<td>3,492,582</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Outward reinsurance premium paid:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Insurance Broker</td>
<td>8,094,910</td>
<td>7,850,809</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- South Australian Government Financing Authority</td>
<td>119,406</td>
<td>258,716</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>8,214,316</td>
<td>8,109,525</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Risk management fees paid:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>3,694,801</td>
<td>3,236,574</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Injury Management Ageing workforce</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>41,250</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Injury Management Services - legislative compliance &amp; management</td>
<td>-</td>
<td></td>
<td>135,000</td>
<td>118,128</td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>OHS Core Systems Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>912,000</td>
<td>1,404,132</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Risk audit fee - Airports:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>88,001</td>
<td>87,997</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LGA Building Sector Morale Program Contribution:</td>
<td>-</td>
<td></td>
<td>120,000</td>
<td>-</td>
</tr>
<tr>
<td>- Local Government Association of South Australia</td>
<td>-</td>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Association of South Australia</td>
<td>-</td>
<td></td>
<td>80,000</td>
<td>-</td>
</tr>
<tr>
<td>WHS Training &amp; Projects Work</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>32,555</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rail Interface</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>24,300</td>
<td>94,800</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Emergency Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>105,734</td>
<td>170,668</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- Local Government Association of South Australia</td>
<td>-</td>
<td></td>
<td>37,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>105,734</td>
<td>170,668</td>
<td>37,000</td>
<td>-</td>
</tr>
<tr>
<td>Irsponda</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>-</td>
<td></td>
<td>175,000</td>
<td>-</td>
</tr>
<tr>
<td>Mock Courts</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Jardine Lloyd Thompson Pty Ltd as Scheme Manager</td>
<td>110,000</td>
<td>95,000</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

NOTE 24 - RELATED PARTIES (CONT)

Transactions with related parties

<table>
<thead>
<tr>
<th></th>
<th>Consolidated Entity 2018 $</th>
<th>Consolidated Entity 2017 $</th>
<th>Parent Entity 2018 $</th>
<th>Parent Entity 2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued interest receivable:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Finance Authority of South Australia</td>
<td>401,850</td>
<td>450,473</td>
<td>11,494</td>
<td>-</td>
</tr>
<tr>
<td>Investments at face value:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Finance Authority of South Australia</td>
<td>47,083,030</td>
<td>72,560,340</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Prepayments:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- South Australian Government Financing Authority</td>
<td>261,873</td>
<td>137,602</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debenture/Loans</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Finance Authority of South Australia</td>
<td>24,074,296</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rent received from Scheme/LGCS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Local Government Association of South Australia</td>
<td>-</td>
<td>-</td>
<td>412,868</td>
<td>311,387</td>
</tr>
</tbody>
</table>

NOTE 25 - SCHEME REPORTING

The Association operates predominantly as a service provider to local government in South Australia.

The Local Government Associations Workers Compensation Scheme provides workers compensation liability cover and the management of associated claims for Local Government solely within South Australia.

The Local Government Association Mutual Liability Scheme provides civil liability cover and the management of associated claims for Local Government within South Australia.

<table>
<thead>
<tr>
<th>Local Government Association Workers Compensation Scheme</th>
<th>Local Government Association Mutual Liability Scheme</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 $</td>
<td>2017 $</td>
</tr>
<tr>
<td>Member contributions and other income</td>
<td>24,198,838</td>
</tr>
<tr>
<td>Profit</td>
<td>(859,557)</td>
</tr>
</tbody>
</table>

Statement of Profit or Loss and Other Comprehensive Income

| Current assets | 55,354,735 | 30,093,756 | 20,353,713 | 9,634,055 |
| Non-current assets | - | 24,210,105 | 23,299,360 | 34,409,431 |
| Total assets | 55,354,735 | 54,303,861 | 43,653,073 | 44,043,486 |
| Current liabilities | 18,004,912 | 17,083,057 | 10,600,257 | 9,690,788 |
| Non-current liabilities | 11,107,792 | 10,119,216 | 10,134,760 | 9,910,403 |
| Total liabilities | 29,112,704 | 27,202,273 | 20,735,017 | 19,601,171 |
| Net Assets | 26,242,031 | 27,101,588 | 22,918,056 | 24,442,315 |
NOTE 26 - CASH FLOW INFORMATION

(a) Reconciliation of Net Cash provided by / (used in) operating activities to operating surplus / (deficit)

Net profit/(loss) for the year

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,441,214)</td>
<td>(1,705,898)</td>
<td>960,411</td>
<td>(1,588,915)</td>
<td></td>
</tr>
</tbody>
</table>

Non-cash flows in profit from ordinary activities

- Depreciation of non-current assets
  | 2018    | 2017    |
  | 719,654 | 768,980 |

- Loss on disposal of non-current assets
  | 2018    | 2017    |
  | 2,273   | (9,740) |

- Assets received free of charge
  | 2018    | 2017    |
  | (668,000) | - |

- Fair value movement in investments (net)
  | 2018    | 2017    |
  | 305,324 | 212,771 |

Changes in assets and liabilities

- (Increase)/decrease in trade and term receivables
  | 2018    | 2017    | 2018   | 2017    |
  | (25,339,658) | 26,029,800 | (24,878,829) | 825,407 |

- (Increase)/decrease in other assets
  | 2018    | 2017    |
  | (363,635) | (938,606) |

- (Increase)/decrease in prepayments
  | 2018    | 2017    |
  | (124,271) | - |

Increase/(decrease) in trade payables

- Increase/(decrease) in outstanding claims and unearned contributions
  | 2018    | 2017    |
  | 2,880,604 | (20,710,060) |

Increase/(decrease) in provisions

Cash flow from / (used in) operations

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(22,591,445)</td>
<td>1,566,335</td>
<td>(22,327,884)</td>
</tr>
</tbody>
</table>

(b) Non-cash financing and investing activities

There were no non-cash financing or investing activities during the year that were material to the Local Government Association of South Australia or to the consolidated group.
NOTE 27 - FINANCIAL RISK MANAGEMENT

The association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and from subsidiaries, bills and leases.

<table>
<thead>
<tr>
<th>Financial Assets</th>
<th>Consolidated Entity</th>
<th>Parent Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$35,865,133</td>
<td>$11,007,508</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>$51,321,573</td>
<td>$25,910,384</td>
</tr>
<tr>
<td>Financial assets at fair value through the profit and loss:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with LGFA</td>
<td>$42,213,854</td>
<td>$66,511,240</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>$129,400,560</td>
<td>$103,429,132</td>
</tr>
</tbody>
</table>

| Financial Liabilities                     | $3,390,832          | $2,888,215    | $1,524,657 | $847,600 |
| Loan and other payables                   | $2,056,462          | $500,000      | $2,056,462 | $500,000 |
| Total financial liabilities               | $5,447,294          | $3,388,215    | $3,581,119 | $1,347,600 |

The main purpose for non-derivative financial instruments is to raise finance for group operations.

The Consolidated Entity does not have any non-derivative financial instruments at 30 June 2018 (2017: Nil).

The Local Government Association of South Australia holds a $12 million finance facility with the Local Government Finance Authority of South Australia with a variable interest rate. The value of the undrawn amount at 30 June 2018 was $12 million (2016: $11.5 million).

Specific Financial Risk Exposure and Management
The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk.

(a) Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Consolidated Entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Entity.

The average credit rating of the Scheme's reinsurance companies is 'A'. However, the Scheme's do recognise that there may be the likelihood of a reinsurance company failing to meet its obligations. A reinsurer default provision has been raised to cover this.

(b) Liquidity risk
The Consolidated Entity manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.
### Local Government Association of South Australia and Controlled Entities

#### Notes to the Financial Statements

**For the Year Ended 30 June 2018**

#### Note 27 - Financial Risk Management (Cont)

**(b) Liquidity Risk (Cont)**

<table>
<thead>
<tr>
<th>Consolidated Entity</th>
<th>Within 1 year</th>
<th>1 to 2 years</th>
<th>Over 2 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>35,865,133</td>
<td>11,007,508</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>20,128,952</td>
<td>16,750,300</td>
<td>31,192,621</td>
<td>9,160,084</td>
</tr>
<tr>
<td>Deposits with LGFA</td>
<td>28,089,278</td>
<td>17,051,786</td>
<td>14,124,576</td>
<td>49,459,454</td>
</tr>
</tbody>
</table>

| **Financial Liabilities**     |       |       |       |       |       |       |       |       |
| Trade and other payables      | 3,390,832 | 2,888,215 | -     | -     | -     | 3,390,832 | 2,888,215 |
| Borrowings                    | 2,056,462 | 500,000 | -     | -     | -     | 2,056,462 | 500,000 |
| **Total Financial Liabilities** | 5,447,294 | 4,983,240 | -     | -     | -     | 5,447,294 | 4,983,240 |
NOTE 27 - FINANCIAL RISK MANAGEMENT (CONT)

(b) Liquidy risk (Cont.)

<table>
<thead>
<tr>
<th>Parent Entity</th>
<th>Within 1 year</th>
<th>1 to 2 years</th>
<th>Over 2 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,997,109</td>
<td>2,869,703</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3,914,120</td>
<td>1,857,097</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>7,911,229</td>
<td>4,808,421</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financial Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>1,524,657</td>
<td>847,600</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Borrowings</td>
<td>2,056,462</td>
<td>500,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Financial Liabilities</td>
<td>3,581,119</td>
<td>1,347,600</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
NOTE 27 - FINANCIAL RISK MANAGEMENT (CONT)

(c) Market risk
The Association’s main interest rate risk arises from financial assets at fair value through profit or loss and short term deposits with banks. Investments at variable rates expose the Scheme to cash flow interest rate risk. Investments at fixed rates expose the Scheme to fair value interest rate risk. All investments are held with Local Government Finance Authority. The Scheme has no formal policy in respect of the percentage of investments at fixed rates. Investments at fixed rates are made as and when opportunities arise.

Sensitivity analysis
The following table illustrates sensitivities to the Association’s exposure to changes in interest rates. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

<table>
<thead>
<tr>
<th></th>
<th>Carrying Value 2018</th>
<th>Carrying Value 2017</th>
<th>Consolidated Entity 2018</th>
<th>Consolidated Entity 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>+/- 1% in interest rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>35,865,133</td>
<td>11,007,508</td>
<td>358,651</td>
<td>110,075</td>
</tr>
<tr>
<td>Investments in term deposits</td>
<td>42,213,854</td>
<td>66,511,240</td>
<td>422,139</td>
<td>665,112</td>
</tr>
<tr>
<td></td>
<td>78,078,987</td>
<td>77,518,748</td>
<td>780,790</td>
<td>775,187</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>+/- 1% in interest rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>3,997,109</td>
<td>2,869,703</td>
<td>39,971</td>
<td>28,697</td>
</tr>
<tr>
<td>Investments in term deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>3,997,109</td>
<td>2,869,703</td>
<td>39,971</td>
<td>28,697</td>
</tr>
</tbody>
</table>
NOTE 28 - FAIR VALUE MEASUREMENT

The financial and non-financial assets recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets of liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for assets or liability that are not based on observable market data (unobservable inputs) (Level 3).

<table>
<thead>
<tr>
<th>Economic Entity</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>2018</strong> Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with LGFA</td>
<td>-</td>
<td>42,213,852</td>
<td>-</td>
<td>42,213,852</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>-</td>
<td>-</td>
<td>20,648,390</td>
<td>20,648,390</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>42,213,852</td>
<td>20,648,390</td>
<td>62,862,242</td>
</tr>
<tr>
<td><strong>2017</strong> Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits with LGFA</td>
<td>-</td>
<td>69,636,709</td>
<td>-</td>
<td>69,636,709</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>-</td>
<td>-</td>
<td>18,394,935</td>
<td>18,394,935</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>69,636,709</td>
<td>18,394,935</td>
<td>88,031,644</td>
</tr>
</tbody>
</table>

**Parent Entity**

| **2018** Assets                  |         |         |         |         |
| Available for sale financial assets | -     | 2       | -       | 2       |
| Property, plant and equipment     | -       | -       | 20,648,390 | 20,648,390 |
|                                  |         |         |         |         |
| **Total**                       | -       | 2       | 20,648,390 | 20,648,392 |

| **2017** Assets                  |         |         |         |         |
| Available for sale financial assets | -     | 2       | -       | 2       |
| Property, plant and equipment     | -       | -       | 18,394,935 | 18,394,935 |
|                                  |         |         |         |         |
| **Total**                       | -       | 2       | 18,394,935 | 18,394,939 |

The Association's land and buildings were revalued at 30 April 2017 by independent valuers, Maloney Field Services. Valuations were made on the basis of open market value. Movement during the year relates to depreciation on the building.

Fair value of the Association’s land and building is estimated based on appraisals performed by independent, professionally-qualified property valuers, Maloney Field Services. Valuations were made on the basis of open market value. Movement during the year relates to revaluation of the land and building and depreciation of building.

Further information about the valuation of the land is set out below.

The appraisal was carried out using a market approach that reflects observed prices for current rental income for properties offers same space and car park and incorporates expected future rental increase, recent yields on rental properties,

The land was revalued on 31 March 2017. The land was previously revalued in June 2013.

The significant unobservable input is market yield and estimated future increase in rent.
NOTE 29 - PRIOR PERIOD RESTATEMENT

During the 2018 year, the Mutual Liability Scheme and Workers Compensation Scheme reviewed the accounting treatment of transactions with the introduction of AASB 9 Financial Instruments and AASB 15 Revenue from Customer Contracts from 1 July 2019. This review identified that the distribution to owners did not satisfy the requirement of an equity distribution and this has now been presented within the Statement of Profit or loss for the current year and the comparative year.

The below summarises the changes to the financial statement with this prior period restatement:

<table>
<thead>
<tr>
<th>Statement of profit or loss</th>
<th>Previous Balance</th>
<th>Adjustment</th>
<th>Restated Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution back to Policy Holders</td>
<td>-</td>
<td>4,000,000</td>
<td>4,000,000</td>
</tr>
<tr>
<td>Profit/ (Loss) from ordinary activities</td>
<td>2,294,102</td>
<td>(4,000,000)</td>
<td>(1,705,898)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Statement of cash flows</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cashflows from operating activities</td>
<td>5,566,335</td>
<td>(4,000,000)</td>
<td>1,566,335</td>
</tr>
<tr>
<td>Cashflows from financing activities</td>
<td>(3,500,000)</td>
<td>4,000,000</td>
<td>500,000</td>
</tr>
</tbody>
</table>

This restatement did not have any effect to the amounts reported in the statement of changes in equity.

NOTE 30 - ASSOCIATION DETAILS

Registered office and principal place of business

The registered office and principal place of business of the association is:

Local Government Association of South Australia
Local Government House
148 Frome Street
ADELAIDE SA 5000
LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA AND CONTROLLED ENTITIES

STATEMENT BY THE BOARD
FOR THE YEAR ENDED 30 JUNE 2018

In the opinion of the LGA Board, the financial report presents a true and fair view of the financial position of Local Government Association of South Australia and Controlled Entities as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

At the date of this statement, there are reasonable grounds to believe that Local Government Association of South Australia and Controlled Entities will be able to pay its debts as and when they fall due.

During the financial year no member of the LGA Board or officer of the association, nor:

- a firm of which the member of the LGA Board or officer is a member; nor
- a body corporate in which the member of the LGA Board or officer has a substantial interest has received or become entitled to receive a benefit as a result of a contract between the officer firm or corporate and the association.

The following members received the following amounts to conduct the affairs of the association:

<table>
<thead>
<tr>
<th>Member</th>
<th>Position</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cr Susan Margaret Clearihan</td>
<td>President from 13 June 2018 - Vice President</td>
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<td>Mayor Lorraine Florence Rosenberg</td>
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<td>Mayor David Thomas Parkin</td>
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<td>Mayor Karen Redman</td>
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<td>Mayor Gillian Aldridge</td>
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<td>Deputy until 14 June 2018 then Board Member</td>
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<td>Mayor Denis Vincent Clark</td>
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<td>Mayor Robert Bria</td>
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<td>Mayor Glenn Spear</td>
<td>Board Member until 30 May 2018</td>
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<td>Mayor Kevin Knight</td>
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<tr>
<td>Mayor Bruce Leslie Green</td>
<td>Board Member until 13 November 2017</td>
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<td>Mayor Sam Johnson</td>
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<tr>
<td>Mayor Angela Jane Evans</td>
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<td>Mayor Neville Ross Jaensch</td>
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<td>Mayor Keith James Parkes</td>
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<td>Mayor William Spragg</td>
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<td>Cr Rosalina Bouchee</td>
<td>Deputy</td>
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<td>Cr Michael Lange</td>
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<td>Mayor Sam Telfer</td>
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<tr>
<td>Cr Jan-Claire Wisdom</td>
<td>Deputy from Mar 2018 until 4 June 2018 then Board member</td>
<td>Nil</td>
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Officers of the association receive salary packages which have been determined in accordance with general market conditions. Except for the forgoing, no officer of the association has received directly or indirectly any payment or other benefit of a pecuniary value.

Signed in accordance with a resolution of the Local Government Association of South Australia Board.

President
Dated 26th September 2018

Chief Executive Officer
Independent Auditor’s Report
To the Members of The Local Government Association of South Australia

Report on the audit of the financial report

Opinion
We have audited the financial report of the Local Government Association of South Australia (the Association) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the Statement by the Board of the Association and the consolidated entity comprising the Association and the entities it controlled at the year’s end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Local Government Association of South Australia:

a. presents fairly, in all material respects, the Association and consolidated entity’s financial position as at 30 June 2018 and of its performance and cash flows for the year then ended;

and

b. complies with Australian Accounting Standards and the Local Government Act 1999.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Information Other than the Financial Report and Auditor's Report Thereon
The Board are responsible for the other information. The other information comprises the information contained in the Annual Report for the year ended 30 June 2018, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report
Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1999. This responsibility includes such internal control as management determines is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor’s report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B K Wundersitz
Partner – Audit & Assurance

Adelaide, 26 September 2018
7.1 LGA Advocacy Update

Information Reports from the LGA Board

From: Lisa Teburea, Executive Director Public Affairs
Key Initiative: K.I 1 Leadership and advocacy
Strategy: 1B Contribute to state-wide and local policy
Meeting Annual General Meeting 26 October 2018
ECM: 665523 Attachment: 665750

Recommendation
That the Annual General Meeting notes the report on the LGA’s advocacy activities.

Discussion
This report provides an update on the LGA’s advocacy activities since the Ordinary General Meeting in April 2018.

Rate capping
Following the LGA Special General Meeting on 13 July 2018, where a process of consulting with councils was endorsed, the LGA requested all South Australian Councils carefully review the Local Government (Rate Oversight) Amendment Bill 2018 and advise the Local Government Association of their position by Friday 3 August. Fifty-six (56) councils passed a resolution opposing the legislation, and three (3) voted in support.

Subsequent to the feedback from councils, the LGA Board held special meeting on 10 August 2018 to consider its endorsed position on the policy. At that meeting the Board voted to unanimously oppose the Bill, and reaffirmed a commitment to working with the South Australian Parliament to deliver sensible and beneficial local government reforms. The Board also highlighted the continuing pressure of cost shifting from state to local government, and called on the State Government to honour their commitment to provide relief to ratepayers by stopping cost shifting.

Since the 10 August LGA Board meeting, the LGA President and CEO have held various meetings with the Minister for Local Government, Shadow Minister and members of the cross bench to communicate the sector’s strong opposition to the Local Government (Rate Oversight) Amendment Bill 2018 and to discuss alternative reforms.

On 30 August 2018 Labor, SA Best and the Greens announced they would oppose the rate capping bill, whilst supporting a bill with an alternative range of reforms.

The LGA continues to meet with the Local Government Minister, Shadow Minister and Cross Bench to discuss sensible reform measures.

While the rate capping legislation will not proceed without support from the Legislative Council, ESCOSA released their Consultation Paper on the South Australian Local Government Rate Oversight Scheme.
The LGA sector-wide submission in response to ESCOSA’s model reflected feedback provided by members that local government is opposed to rate capping policy, but any rate capping policy introduced in South Australia must address the following issues:

- The regulator should be truly independent and not subject to political influence;
- The regulator should consult with councils, the LGA and other interested stakeholders every year on factors that should be taken into account when setting the cap;
- The administration of the rate capping system should be adequately resourced and fully funded by the State Government. The cost of the regulator administering rate capping should be fully funded by the state government, independently audited and the cost made publicly available every year;
- The financial impact of state government cost shifting should not be included in the calculation of the base standard rate;
- Charging a rate cap variation application fee would deter councils (especially smaller councils) from applying for a variation, even if a variation is justified; and
- A negative cap should not be set, unless required due to a significant contravention of the Act by an individual council.

**Cost shifting**

Decisions made by the State Parliament continue to have significant impacts on council budgets and put pressure on council rates. Cost shifting has been a strong feature in the LGA’s recent campaigns, and the LGA has highlighted the issue across digital, radio and social media platforms to build community awareness of the impact of cost shifting on ratepayers.

Cost shifting was also a key focus of the LGA’s 2018/19 State Budget Submission, which asked the State Government to freeze the Solid Waste Levy at 2017/18 levels, remove the requirement for councils to collect the NRM Levy for the State and scrap mandatory rate rebates for community housing.

The LGA welcomed the abolishment of the ‘Rubble Royalties’ tax announced as part of the 2018-19 State Budget, and we acknowledge the work of Regional LGAs and SAROC for their advocacy on this issue. Impacted councils will save a combined sum of approximately $1 million as a result of this budget measure.

The LGA will continue to use every opportunity to ask the government to honour their pre-election commitment to stop cost shifting to councils. Councils are encouraged to build awareness of particular cost shifting issues within their communities, and to engage with their local MPs to ensure the impacts on ratepayers are well understood.

**Local government reform**

Through consultation with members there is a clear message from the sector that councils want sensible local government reform and are already implementing measures to strengthen performance and reporting.

Views about the reform in the sector differ depending on individual circumstances and experiences, which means that a ‘one size fits all’ approach to reform should be avoided as it creates additional red tape, quickly becomes outdated and doesn’t deliver value for money. This emphasises that a reform program will deliver the best results if it is driven by the sector.

There are a number of areas of local government operations that can be strengthened without the need for legislative intervention. There is however a critical role for the state parliament to ensure
that the legal framework within which local government operates remains contemporary and empowers councils with the regulatory tools and resources needed to successfully serve communities.

The LGA’s plan for sensible local government reform highlights key areas that can be strengthened including benchmarking, Audit Committees, external audits, service reviews, revenue policy, industrial relations, code of conduct, representation reviews and council elections.

The LGA will continue to work with all parties to pursue a local government reform agenda that drives the sector forward and satisfies the expectations of communities.

The Minister for Local Government has signalled that the State Government intends to consult with councils and the LGA on local government reform ideas in early 2019, and the LGA welcomes the opportunity to engage in a positive and constructive discussion with the Government and the Parliament about partnering in reform.

The LGA will also consult members on the reform measures proposed by SA Labor, and supported by SA-Best and Greens SA.

Waste and recycling

In early 2018, China implemented changes to its waste import policy which included restrictions on the quality of recyclable materials that it would accept. The revised policy resulted in the introduction of very strict contamination limits for recyclable materials that it would allow to be imported.

The LGA has acted to lead a series of activities designed to support councils in managing the financial implications of the revised policy, and to discuss opportunities for growth and evolution of the local waste management industry in South Australia.

These activities have included:

- participating in the “China import bans and restrictions on recyclables SA Working Group” with Green Industries SA (GISA) and the Environment Protection Authority and providing information and advice to feed into development of the State Government Support Package;
- sharing results of the LGA commissioned “Market Analysis of South Australian Recyclables” report to assist councils in understanding their exposure;
- working to understand the position of councils in re-negotiating waste management contracts and developing a model “rise and fall” clause to assist councils in re-negotiating these contracts to provide for risk sharing arrangements; and
- in conjunction with GISA, hosting a Waste Pathways Workshop “Beyond China Sword” on 5 June 2018 to explore the implications of the China Sword policy for the recycling industry in SA and discuss how the local government sector can be part of the solution.

The LGA was pleased that the State Government released its Recycling Industry Support Package on 12 May 2018, but was disappointed that the package did not provide more direct assistance to councils.

Now that the State Government package has been announced, the China Import Bans Working Group is considering two program areas: sustainable procurement and recycling education campaign. The LGA will continue to engage with councils and the State Government on both of these important areas.
In 2018, there have also been a number of waste developments at the national level. On 27 April 2018, Commonwealth, State and Territory environment ministers and the President of the Australian Local Government Association (ALGA) committed to setting a sustainable path for Australia’s recyclable waste. Ministers endorsed a target of 100% of Australian packaging being recyclable, compostable or reusable by 2025 or earlier. Ministers also agreed to work together to better manage waste including updating the 2009 National Waste Policy – Less waste, more resources in 2018.

The Australian Government also commenced its review of the Product Stewardship Act 2011, including the National Television and Computer Recycling Scheme, and undertook a consultation process mid-year. In a parallel process, the Australian Government sought feedback on a “national approach to product stewardship” including an escalation process for bringing products into the framework and a Product Impact Management work plan. The LGA made submissions to both consultation processes.

More recently, the Australian Government has coordinated preparation of a discussion paper to guide development of an updated National Waste Policy. The LGA was consulted by ALGA during development of the discussion paper and the LGA made ALGA aware of the timing of local government elections in South Australia and the impact of the caretaker period. However, the Australian Government was not able to alter its timelines to suit all jurisdictions. The LGA will make a submission to the Australian Government on or before 5 October 2018.

**Overabundant Species (Little Corellas)**

The LGA continued its efforts to advocate to the State Government and support member councils with the management of little corellas. The LGA President wrote to the Minister for Environment and Water, David Speirs MP, seeking urgency from the State Government to provide for the state-wide management of little corellas, which should be supported with financial assistance to councils to assist with the implementation of medium and long term management options for this and other abundant bird species. The Minister has replied acknowledging the community’s concerns regarding little corellas and confirming that a state-wide strategy is being prepared by the Department for Environment and Water as a priority.

In July 2018, the LGASA facilitated a discussion with a number of councils experiencing little corella issues and the Department for Environment and Water, to further inform the detail of a state-wide strategy. At that meeting the Department confirmed that there is no government funding available at this stage to support a strategy.

The LGA is currently preparing a sector wide submission to the Parliament of South Australia’s Natural Resources Committee Inquiry into overabundant and pest species in South Australia.

**Fair road funding for South Australia**

The LGA continued to advocate for supplementary road funding for South Australian councils. Upon their appointments, we have written to the new Prime Minister and Minister for Local Government seeking a renewed commitment to address the disadvantage of South Australian communities arising from an unfair anomaly in existing Financial Assistance Grants funding by permanently restoring the supplementary local roads funding for South Australian councils - currently $20 million per annum until end 2018-19.

A public campaign on fair road funding for South Australia is currently being scoped.
Planning, Development and Infrastructure Act

The LGA continued to work closely with the Department of Planning, Transport and Infrastructure (DPTI) to support councils during the roll out of the State’s new planning system, including embedding a DPTI officer within the LGA to provide timely and accurate information and advice to councils. The LGA has also played a strong advocacy role to highlight member concerns about elements of the Planning Development and Infrastructure Act 2016 that impact on local decision making. This has included identifying key issues for councils, advocating for change, hosting information sessions, providing frequent updates to councils and developing submissions.

Coastal Management

Coastal issues are consistently high on the agenda for councils as coastal damage and flooding cause significant impacts to council operations.

A workshop held by the LGA May 2018 involving many of South Australia’s coastal councils identified that there would be significant benefit in the 34 SA coastal councils establishing a state based coastal alliance to enable coastal councils to collaborate, advocate, create a common understanding of issues, and to identify opportunities where councils may seek to work together.

At its September 2018 meeting, the LGA Board endorsed the LGA recommendation that $100,000 be made available from the Local Government Research and Development Scheme to further these aims. This is a significant and necessary development that will be invaluable to improving the way that we undertake coastal management activities in SA.

Disability Access and Inclusion

The LGA was involved in the development of the Disability Access and Inclusion Bill during 2017 and early 2018. The Bill was presented to Parliament before the March 2018 State Government Election but did not progress before State Government entered into caretaker mode. The Bill was reintroduced following the election, and passed on 6 June 2018. Transitional arrangements were passed in September 2018 for the implementation of the Disability Inclusion Act 2018.

As a result, all councils will now be required to develop Disability Access and Inclusion Plans (DAIP). The LGA was able to negotiate several concessions during the development of the Act, including the allowance of groupings of councils to develop DIAPs, and for the mandatory timescales for plan development being pushed forward to 2020.

The Department of Human Services has recently responded to a letter from the LGA regarding the resourcing support that councils will require to develop and implement effective DIAPs. The Department will soon commence engaging with councils and the LGA to discuss this further.

The LGA will continue its advocacy efforts to seek financial support for councils to develop their DIAPs.

National Disability Insurance Scheme (NDIS)

The largest group of National Disability Insurance Scheme (NDIS) recipients (adults aged 18 to 64 years) began transitioning in South Australia in July 2017, and full rollout was anticipated by 30 June 2018.

Due to the challenge of identifying appropriate Local Area Coordinators (LAC’s), service providers and partners to support the transition, full rollout in SA is taking longer than originally scheduled, and the federal government has now pushed out the deadline for full rollout until the end of 2018.

Councils are feeling the effects of the transition already as funding to offer disability care and service programs in their communities is gradually being withdrawn. The Local Government
Research and Development Scheme funded two projects to further explore the impacts of NDIS on councils; one of these is from a metropolitan perspective, and the other from a regional perspective.

The regional project has recently been concluded and the metropolitan project is due for completion imminently. The LGA will utilise the outcomes of the projects to develop an advocacy strategy to limit the negative financial and service impacts on councils and communities.

**Strategic Population Policy**

The LGA has engaged the South Australian Centre for Economic Studies to produce a Strategic Population Policy for the LGA and local government sector. To be completed in late 2018 the key element of the project will be to develop a region-by-region snapshot that includes:

- demographic profile (including age and gender structure etc);
- population change and compositional changes (i.e. natural increase and migration, including to and from other South Australian regions);
- employment change and composition (e.g. by industry and occupation); and
- immigration and migration policies, trends and issues.

This will provide the LGA with an evidenced-based vehicle to advocate on behalf of the local government sector to the SA State Government for support of a State Strategic Population Policy.

**Red Tape Reduction**

The State Local Government Red Tape Reduction Taskforce includes representatives from the Office of Local Government (OLG), the Department of Planning, Transport and Infrastructure (DPTI), and Local Government.

The aim of the Taskforce is to facilitate State and Local Government authorities working collaboratively to identify opportunities and progress reforms that address burdensome regulatory barriers and reduce red tape to drive economic development, growth and employment of small business in South Australia, while continuing to uphold community safety and environmental standards. The Taskforce was established as an outcome of the former Premier’s State-Local Government Forum.

Fifty-nine potential red tape issues have been identified by business, the State Government and local government. Of these the Task Force is concentrating on eight in particular:

- Tow Truck Garaging
- Health Inspections (food)
- Outdoor Dining Development Applications
- Live Music Reform
- Work Zone Traffic Management and Permit Process
- Temporary Events
- Construction Industry Training Board Levy
- Delegating Powers

Advice from the Chair of the group is that the Taskforce will complete its current 12 month term in October and consider whether there are sufficient outstanding issues to justify an extension. The LGA will be advocating for the Taskforce to continue to finalise the list of current matters.
Emerging issues

Domestic violence

In line with a Notice of Motion at the LGA’s 2016 OGM, the LGA is continuing to investigate how local government can provide better support for members of their communities impacted by domestic violence.

The LGA has recently been involved in the consultation for the *National Fourth Action Plan to Reduce Violence Against Women and their Children*, and has been providing input to a domestic violence toolkit developed by the Federal Government for local government.

Review of the Litter and Nuisance Act and EPP Noise Policy

It is understood that the State Government will be commencing a review of the Litter and Nuisance Act and the EPP Noise Policy in late 2018 early 2019. This review will provide local government the opportunity to identify issues and suggest amendments to both the legislation and policy.

Repealing of the Natural Resources Management Act 2004 and new Landscapes SA Act

The State Government has commenced the process to repeal the current *Natural Resources Management Act 2004* and its replacement with new Landscape legislation. The establishment of the new Act will provide local government with the opportunity to advocate for changes in the current system, including with levy collection processes and greater local input into the operations of regional boards.

Submissions

The following submissions have been made by the LGA between April 2018 and September 2018:

- National Approach to Product Stewardship
- The Federal Government’s *Review of the Product Stewardship Act 2001 including the National Television and Computer Recycling Scheme*
- State Public Health Plan
- State Budget
- Boundary reform guidelines
- Economic and Finance Committee’s Inquiry into the Economic Contribution of Migration to South Australia
- Environment Resources and Development Committee on the operations of the heritage system in South Australia
- Implementation of the PDI Act
  - Planning and Design Code – Technical Paper
  - The Accredited Professional Schemes Discussion Paper
  - The Draft State Planning Policies
- LGA Submission on the ESCOSA Consultation Paper on the South Australian Local Government Rate Oversight Scheme
Forums

The LGA has hosted or facilitated forums and workshops for members and stakeholders on the following advocacy issues over the past 6 months:

- in conjunction with GISA, the Waste Pathways Workshop “Beyond China Sword"
- Community Engagement Forum
- Coastal Forum
- PDI Act implementation
  - Land-Use Codes Workshop
  - Planning and Design Code Technical Paper Briefing Session
  - Planning and design Code Technical paper Workshop
  - Draft State Planning Policies Briefing
  - State Planning Commission Briefing
  - Planning and Landscapes Forum
  - Assessment Pathways Workshop
- MLGG Smart Cities Strategy Workshop
- MLGG and City of Adelaide Smart Cities Summit
- Reconciliation Action Plan (RAP) Learning Circle.
- State Government’s roadworks permit scheme (new arrangements since abolished)
- CEO rate capping forum
- Public lighting forum
- Local Government Communications Forum
- Council elections candidate sessions (12 held across the state)

Media

A summary of media activities since the OGM was held in April 2018 is attached for members’ information.

Key issues the LGA has commented on publicly include rate capping, local government reform, waste and recycling and planning.

Financial and Resource Implications

Resources are available within the LGA Secretariat to progress the priority advocacy issues that are incorporated within the LGA’s Annual Business Plan, which is informed by an annual member’s survey. Resourcing priorities for 2018/19 include implementing local government reform, cost shifting, promoting council elections and road funding as a federal election issue will be resource priorities in 2018/19.

The resourcing requirements of new advocacy issues need to be considered by the LGA Board on a case-by-case basis as capacity for additional work is limited. Developing the evidence base and third party support needed to successfully pursue legislative, policy or funding changes requires a significant investment of time and resources in data collection and analysis, policy research, consultation with members, stakeholder engagement, policy development and positioning through an advocacy strategy.
LGA Advocacy Initiatives

The LGA advocates for councils on a wide range of issues, and in the past six months this has included rate capping, share accommodation regulation, waste and recycling management, regional population growth, and planning reform.

Press/online coverage

Below are links to online press articles the LGA has initiated or contributed to on behalf of the sector.

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**Indaily**


Radio/TV coverage

Since April 2018 LGA representatives have participated in 39 radio and television interviews. The breakdown of these appearances is outlined below.

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7.2 Local Government Research and Development Scheme

Information Reports from the LGA Board
From: Shane Sody, Executive Officer, Local Government Research & Development Scheme
Key Initiative: K.I 3 Best practice and continuous improvement
Strategy: 3B Benchmark, innovate and research
Meeting Annual General Meeting 26 October 2018
ECM: 665743

Recommendation
That the Annual General Meeting notes the report.

Discussion
The Local Government Research and Development Scheme (the Scheme) is established under section 31A of the Local Government Finance Authority Act 1983 (LGFA Act) to fund projects that are strategically of benefit to local government as a whole. This report provides an overview of the Scheme and its current operation.

Purposes of the Scheme
The Scheme is operated pursuant to a Memorandum of Understanding (MOU) between the LGA and the Minister with responsibility for the LGFA Act (formerly the Minister for Finance, now the Treasurer). The MOU outlines the purposes of the Scheme. These are to provide grants or services that assist councils:

- access electronic information and other strategic development of local government information services
- with performance assessment, measurement and benchmarking, and with performance improvement
- development of training, handbooks, guides or codes related to the administration of legislation under which Councils operate
- promote understanding of the role, purposes and functions of local government, including development of materials for schools
- undertake research and development projects in priority areas specifically identified on an annual basis following consultation by the LGA with Councils, or concerning innovation in local government administration or services
consultation on projected legislative changes affecting local government

introduction and implementation of reforms to service delivery, within local government and between State and local government

strengthen their ability to provide services to their members and communities and to engage effectively in intergovernmental discussions and negotiations. "Regional Local Government organisations" includes both rural and metropolitan regional groupings as possible beneficiaries for funding of initiatives with potential sector wide benefit

payments for which local government, through the LGA, is liable under legislative provisions requiring the LGA to pay or contribute to the costs of specified statutory activities undertaken for Local Government purposes

planning for the development/maintenance of infrastructure and undertaking asset management planning.

These Purposes are subject to annual review by the Local Government Research and Development Scheme Advisory Committee (see below). The MOU enables the LGA to delete or add a Purpose as required, with the support of councils and the Minister.

Local Government Research and Development Scheme Advisory Committee

The primary responsibility for the management of the Scheme lies with the LGA Board. However, the MOU provides for the appointment of a Local Government Research and Development Scheme Advisory Committee (the Committee) with responsibility for the day to day management of the Scheme, making recommendations to the LGA Board on the distribution of funds, developing and consulting on an Annual Business Plan for the Scheme, and monitoring and evaluating the outcomes of the Scheme.

The composition of the Advisory Committee is:

- Three members of the LGA Board (comprising at least one Vice President);
- One metropolitan CEO nominated by the Metropolitan CEO’s Group;
- One country/regional CEO nominated by Local Government Professionals Australia (SA);
- One representative recommended by the relevant Trade Unions (or nominee);
- One representative recommended by SA Universities (or nominee);
- Manager of the Office of Local Government (or nominee); and
- Chief Executive Officer of the LGA (or nominee).

The Scheme provides for the appointment of an Executive Officer to support the work of the Advisory Committee.

Annual Business Plan

The Local Government Research & Development Scheme Advisory Committee is required to develop an Annual Business Plan designed to focus the attention of potential proponents of proposals for funding on matters that will contribute to the advancement of Local Government for that year. A draft Annual Business Plan is circulated to councils for feedback before being finalised.
The 2018-19 Local Government Research & Development Scheme Annual Business Plan was approved by the LGA Board on 25 January 2018 and is available at https://www.lga.sa.gov.au/research

Funding applications to the Scheme are assessed by the Committee against their alignment to the Scheme’s Annual Business Plan and the LGA’s Annual Priorities, and recommendations are made to the LGA Board about the distribution of funds.

Pursuant to the MOU between the LGA and the Minister for Finance, the LGA is required to provide, to the Annual General Meeting, a report that includes:

- a financial analysis and budget;
- details of projects approved in the previous financial year;
- details of projects completed in the previous financial year;
- details of current projects; and
- a list of projects proposed for the current financial year.

The five attachments to this report fulfil the LGA’s five responsibilities under the MOU.

In 2017-18, 22 projects were completed with a total value of $1.035 million. The Scheme also supported 24 new projects with a total value of $1.079 million.

The list of projects “proposed” for the current financial year includes:

- a list of projects approved by the Board on 17 May 2018 to commence on 1 July 2018; and
- a list of projects approved by the Board on 13 September 2018, for which offers of funding were made on 14 September 2018.

No further projects are currently proposed until the 2019-20 financial year.

A review of the Scheme’s operation is included within the scope of stage 2 of the LGA governance review which will follow the implementation and evaluation of stage 1 (new Constitution and Ancillary Documents).

An allocation of additional resources was endorsed by the LGA Board in 2017-18 to promote the outputs of the scheme and the vast catalogue of resources available. That has produced a revamped research “library” with improved capacity to search and browse among the Scheme’s hundreds of published reports. The library is available at www.lga.sa.gov.au

**Financial and Resource Implications**

All current projects have been anticipated in the administration of the Scheme and the LGA’s work program and resources are available to progress these projects.
## Local Government Association of SA
### Local Government Research and Development Scheme
#### Allocations Report for Year Ended 30 June 2018

<table>
<thead>
<tr>
<th>2018/19</th>
<th>2017/18</th>
<th>2016/17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Actual</strong></td>
<td><strong>Budget</strong></td>
<td><strong>Actual</strong></td>
</tr>
<tr>
<td>June 18 YTD</td>
<td>Full Year</td>
<td>Full Year</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LGFA TER Project funding</td>
<td>1,500,000</td>
<td>1,622,029</td>
</tr>
<tr>
<td>DSD TER Project funding</td>
<td>750,000</td>
<td>549,839</td>
</tr>
<tr>
<td>R&amp;D Funds Returned - LGA internal</td>
<td>-</td>
<td>203,618</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,250,000</td>
<td>2,375,485</td>
</tr>
</tbody>
</table>

| Project allocations | | | | | |
| Administration Fees | 136,000 | 142,322 | 151,000 | 111,557 | 135,000 | (23,443) |
| LGA Managed - External | 750,000 | 550,189 | 748,561 | 372,741 | 600,814 | (228,073) |
| LGA Managed - Outreach regional capacity | 285,000 | 278,439 | 278,439 | 272,979 | 272,979 | - |
| LGA Managed (Call) | 515,400 | 907,000 | 907,566 | 1,450,000 | 1,450,000 | - |
| LGA Managed (Call) Outreach Program | 150,000 | | | | | |
| LGA Managed (CEO/Board Initiated) | 40,000 | 206,776 | 40,000 | 61,931 | 40,000 | 21,931 |
| LGA Managed (Ongoing) | 180,000 | 177,780 | 177,089 | 177,000 | 177,000 | 89 |
| Externally Managed Projects | 343,600 | 504,172 | 614,710 | 406,276 | 480,000 | (73,724) |
| Total allocations LG R&D SCHEME | 2,400,000 | 2,766,677 | 2,917,276 | 2,852,573 | 3,155,793 | (303,220) |

| Net Surplus/(Deficit) LG R&D SCHEME | (150,000) | (391,192) | (619,276) | (453,253) | (955,793) | 502,540 |

#### Statement of R&D Reserves

| Opening Reserve Balance | 434,491 | 825,683 | 825,683 | 1,278,936 | 1,278,936 | - |
| Plus Inflows | 2,250,000 | 2,375,485 | 2,298,000 | 2,399,320 | 2,200,000 | 199,320 |
| Less Outflows | (2,400,000) | (2,766,677) | (2,917,276) | (2,852,573) | (3,155,793) | 303,220 |
| Closing Reserve Balance | 284,491 | 434,491 | 206,407 | 825,663 | 323,143 | 502,540 |

**Note**

1 Year to date revenue has been reflected on an accrual basis. An amount of $332,344 is recorded as accrued revenue to reflect LGFA’s June quarter TER payment.

2 The R&D funds returned - LGA internal refers to both internal and external returned funds.

3 Includes an amount for Regional Capacity Building allocations indexed by CPI ($277,000 in 2017-18)

4 Allocations ‘LGA’ refer to internal LGA allocations

5 Refers to projects initiated by the CEO at any time during the year, and managed internally by the LGA. Board initiated projects are also recorded here.

6 Refers to LG Awareness Campaign ($150k per annum) and Model Financial Statements (2015/16 budget $26k, 2016/17 budget $27k)
<table>
<thead>
<tr>
<th>File Number</th>
<th>Project Name</th>
<th>Funds Approved</th>
<th>Proponent (Primary)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017.68</td>
<td>BRIMS Stage 2</td>
<td>$40,000</td>
<td>City of Tea Tree Gully</td>
</tr>
<tr>
<td>2017.60</td>
<td>Community Wellbeing Alliance -two regional trials</td>
<td>$150,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2017.66</td>
<td>Development and evaluation of economic development measures</td>
<td>$29,500</td>
<td>Economic Development Australia</td>
</tr>
<tr>
<td>2017.67</td>
<td>Emergency Management Online Training Resources</td>
<td>$29,000</td>
<td>TAFE SA</td>
</tr>
<tr>
<td>2017.64</td>
<td>Exploring non-usage of Aquatic and Recreation Centres in Vulnerable and Disadvantaged Community Groups</td>
<td>$22,194</td>
<td>CERM PI (University of South Australia)</td>
</tr>
<tr>
<td>2017.73</td>
<td>Live Music Resources</td>
<td>$45,000</td>
<td>Music SA</td>
</tr>
<tr>
<td>2017.54</td>
<td>Measuring Relative Technical Efficiency</td>
<td>$28,378</td>
<td>University of Technology Sydney</td>
</tr>
<tr>
<td>2017.55</td>
<td>NDIS impact on Metropolitan local governments</td>
<td>$32,000</td>
<td>LG Professionals SA</td>
</tr>
<tr>
<td>2017.56</td>
<td>NDIS impacts on regional local governments</td>
<td>$23,100</td>
<td>Legatus Group</td>
</tr>
<tr>
<td>2017.53</td>
<td>Rating equity for commercial and or industrial land uses outside towns</td>
<td>$16,600</td>
<td>Legatus Group</td>
</tr>
<tr>
<td>2017.72</td>
<td>Social Media and Communications Training</td>
<td>$25,200</td>
<td>Coorong District Council &amp; Port Pirie Regional Councils</td>
</tr>
<tr>
<td>2017.52</td>
<td>Training Needs Analysis</td>
<td>$29,000</td>
<td>TAFE SA</td>
</tr>
<tr>
<td>2017.57</td>
<td>Trial and Implementation of the RAVRAT</td>
<td>$25,000</td>
<td>Northern Areas Council</td>
</tr>
<tr>
<td>2017.65</td>
<td>Update Voters Roll Practice Manual</td>
<td>$9,200</td>
<td>Revenue Professionals SA Inc</td>
</tr>
<tr>
<td>2018.14</td>
<td>China Sword Policy</td>
<td>$25,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.10</td>
<td>2018 Council elections</td>
<td>$250,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.04</td>
<td>Boundary Reform Processes</td>
<td>$50,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.07</td>
<td>Emergency Management Development Program</td>
<td>$35,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.09</td>
<td>Financial Sustainability Updates</td>
<td>$15,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.05</td>
<td>Governance Review, Phase 2</td>
<td>$40,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.08</td>
<td>Model Bike Share Scheme Policy and Procedure</td>
<td>$15,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.12</td>
<td>Payment to the Remuneration Tribunal for Setting Council Member Allowances</td>
<td>$70,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.13</td>
<td>Review of R&amp;D project finalisation documentation and evaluation mechanisms</td>
<td>$35,000</td>
<td>LGA</td>
</tr>
<tr>
<td>2018.01</td>
<td>Updated Procurement Resources</td>
<td>$40,000</td>
<td>LGA</td>
</tr>
</tbody>
</table>

**TOTAL** $1,079,172
# R&D PROJECTS COMPLETED 2017-18

<table>
<thead>
<tr>
<th>File No.</th>
<th>Project Name</th>
<th>Proponent (Primary)</th>
<th>Funds Approved</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014.40</td>
<td>Water Sensitive South Australia</td>
<td>Adelaide &amp; Mt Lofty Ranges NRM Board</td>
<td>$25,000</td>
<td>2/11/2017</td>
</tr>
<tr>
<td>2015.41</td>
<td>Evaluating the business case for urban trees</td>
<td>City of Charles Sturt</td>
<td>$29,400</td>
<td>27/07/2017</td>
</tr>
<tr>
<td>2015.45</td>
<td>Infrastructure Guidelines</td>
<td>Foundation for Advancement of Municipal Engineering</td>
<td>$66,500</td>
<td>31/07/2017</td>
</tr>
<tr>
<td>2016.05</td>
<td>Audit Committee</td>
<td>LGA of SA</td>
<td>$34,500</td>
<td>3/08/2017</td>
</tr>
<tr>
<td>2014.45</td>
<td>ADAC Implementation Benefits for South Australia</td>
<td>City of Charles Sturt on behalf of Light RC, DC of Mt Barker and Adelaide Plains Council</td>
<td>$45,000</td>
<td>7/08/2017</td>
</tr>
<tr>
<td>2014.05</td>
<td>Tourism, Events, Development Research</td>
<td>LGA of SA</td>
<td>$50,000</td>
<td>7/08/2017</td>
</tr>
<tr>
<td>2016.60</td>
<td>State-Local Gov’t Infrastructure Investment Partnership</td>
<td>LGA of SA</td>
<td>$30,000</td>
<td>18/08/2017</td>
</tr>
<tr>
<td>2016.35</td>
<td>Eyre Peninsula Regional Strategic Plan</td>
<td>RDA Whyalla and Eyre Peninsula and EPLGA</td>
<td>$50,000</td>
<td>31/08/2017</td>
</tr>
<tr>
<td>2016.26</td>
<td>Building Upgrade Finance Implementation</td>
<td>LGA of SA</td>
<td>$20,000</td>
<td>30/09/2017</td>
</tr>
<tr>
<td>2016.52</td>
<td>Enhancing Professionalism in Environmental Health</td>
<td>Environmental Health Australia (SA) Inc</td>
<td>$20,000</td>
<td>30/09/2017</td>
</tr>
<tr>
<td>2016.14</td>
<td>LGA Outreach Services 2016-17</td>
<td>LGA of SA</td>
<td>$300,000</td>
<td>30/09/2017</td>
</tr>
<tr>
<td>2016.37</td>
<td>Suicide Prevention Networks - development of an Evaluation Toolkit</td>
<td>University of South Australia</td>
<td>$30,000</td>
<td>31/10/2017</td>
</tr>
<tr>
<td>2016.45</td>
<td>Guidelines to plan climate change actions &amp; identify monitoring needs</td>
<td>Central Local Government Region of SA</td>
<td>$38,850</td>
<td>30/11/2017</td>
</tr>
<tr>
<td>2017.12</td>
<td>Authorised Persons web resources</td>
<td>LGA of SA</td>
<td>$5,000</td>
<td>31/12/2017</td>
</tr>
<tr>
<td>2015.15</td>
<td>Bushfire Management Area Planning</td>
<td>LGA of SA</td>
<td>$50,000</td>
<td>31/12/2017</td>
</tr>
<tr>
<td>2015.28</td>
<td>Leadership Competency Framework Development</td>
<td>LG Professionals SA</td>
<td>$15,000</td>
<td>31/12/2017</td>
</tr>
<tr>
<td>2016.20</td>
<td>i-Responda resource &amp; contact management system</td>
<td>LGA of SA</td>
<td>$15,000</td>
<td>16/02/2018</td>
</tr>
<tr>
<td>2016.16</td>
<td>State Emergency Management Plan - change implementation &amp; resources</td>
<td>LGA of SA</td>
<td>$75,000</td>
<td>16/02/2018</td>
</tr>
<tr>
<td>2017.54</td>
<td>Measuring Relative Technical Efficiency</td>
<td>University of Technology Sydney</td>
<td>$28,378</td>
<td>16/04/2018</td>
</tr>
<tr>
<td>2017.56</td>
<td>NDIS impacts on regional local governments</td>
<td>Legatus Group</td>
<td>$23,100</td>
<td>1/06/2018</td>
</tr>
<tr>
<td>25.04.49</td>
<td>Coordinated Climate Change Response</td>
<td>LGA of SA</td>
<td>$50,000</td>
<td>21/06/2018</td>
</tr>
<tr>
<td>2016.21</td>
<td>i-Responda - app</td>
<td>LGA of SA</td>
<td>$35,000</td>
<td>29/06/2018</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>$1,035,728</td>
<td></td>
</tr>
</tbody>
</table>
# Research and Development Scheme Projects Current at 30 June 2018

<table>
<thead>
<tr>
<th>File Number</th>
<th>Project Name</th>
<th>Funds Approved</th>
<th>Date Approved</th>
<th>Proposed Completion Date</th>
<th>Proponent (Primary)</th>
<th>Progress Complete at 1/7/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>25.01.01</td>
<td>Administration of Scheme</td>
<td>Ongoing</td>
<td>20/08/1998</td>
<td>n/a</td>
<td>LGA</td>
<td>n/a</td>
</tr>
<tr>
<td>25.02.34</td>
<td>Regional Capacity Building Allocation</td>
<td>Ongoing</td>
<td>31/07/2001</td>
<td>30/06/2019</td>
<td>LGA</td>
<td>n/a</td>
</tr>
<tr>
<td>25.04.23</td>
<td>Resource Implications for Administering the Environmental Protection Act</td>
<td>$25,000</td>
<td>22/11/2007</td>
<td>30/06/2018</td>
<td>LGA</td>
<td>80%</td>
</tr>
<tr>
<td>2014.15</td>
<td>CEO Appraisal Process - Code of Practice</td>
<td>$15,000</td>
<td>20/03/2014</td>
<td>31/08/2018</td>
<td>LGA</td>
<td>90%</td>
</tr>
<tr>
<td>2014.17</td>
<td>Local Excellence Expert Panel Research</td>
<td>$200,000</td>
<td>20/03/2014</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>50%</td>
</tr>
<tr>
<td>2014.55</td>
<td>Procurement Manual for Councils</td>
<td>$37,000</td>
<td>25/09/2014</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>70%</td>
</tr>
<tr>
<td>2015.07</td>
<td>Planning Reform Implementation Project</td>
<td>$150,000</td>
<td>19/03/2015</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>60%</td>
</tr>
<tr>
<td>2015.06</td>
<td>Council Emergency Management Capacity</td>
<td>$82,000</td>
<td>19/03/2015</td>
<td>27/07/2018</td>
<td>LGA</td>
<td>90%</td>
</tr>
<tr>
<td>2015.38</td>
<td>Implications of capital investment for licensed council water retailers</td>
<td>$20,000</td>
<td>17/09/2015</td>
<td>31/12/2018</td>
<td>City of Onkaparinga</td>
<td>50%</td>
</tr>
<tr>
<td>2015.52</td>
<td>GST Review of Local Government Fees and Charges</td>
<td>$50,000</td>
<td>17/09/2015</td>
<td>22/12/2018</td>
<td>SA LG Financial Management Group Inc</td>
<td>90%</td>
</tr>
<tr>
<td>2015.55</td>
<td>Local Government Awareness Raising</td>
<td>$150,000</td>
<td>17/12/2015</td>
<td>30/12/2018</td>
<td>LGA</td>
<td>80%</td>
</tr>
<tr>
<td>2015.54</td>
<td>Annual Revision of Model Financial Statements</td>
<td>$26,300</td>
<td>21/12/2015</td>
<td>30/06/2020</td>
<td>LGA</td>
<td>60%</td>
</tr>
<tr>
<td>2016.09</td>
<td>Governance</td>
<td>$50,000</td>
<td>19/05/2015</td>
<td>30/11/2018</td>
<td>LGA</td>
<td>95%</td>
</tr>
<tr>
<td>2016.07</td>
<td>Financial Sustainability &amp; Rate revenue</td>
<td>$60,000</td>
<td>19/05/2016</td>
<td>12/12/2018</td>
<td>LGA</td>
<td>10%</td>
</tr>
<tr>
<td>2016.27</td>
<td>Enhanced Climate Risk Assessment and Decision Making</td>
<td>$30,000</td>
<td>19/05/2016</td>
<td>31/08/2018</td>
<td>LGA</td>
<td>70%</td>
</tr>
<tr>
<td>2016.23</td>
<td>Alternative Funding Mechanisms for Adaptation Activities</td>
<td>$30,000</td>
<td>19/05/2016</td>
<td>13/12/2018</td>
<td>LGA</td>
<td>65%</td>
</tr>
<tr>
<td>2016.22</td>
<td>Strategic Procurement Policy</td>
<td>$21,000</td>
<td>19/05/2016</td>
<td>23/07/2018</td>
<td>LGA</td>
<td>80%</td>
</tr>
<tr>
<td>File Number</td>
<td>Project Name</td>
<td>Funds Approved</td>
<td>Date Approved</td>
<td>Proposed Completion Date</td>
<td>Proponent (Primary)</td>
<td>Progress Complete at 1/7/2018</td>
</tr>
<tr>
<td>-------------</td>
<td>------------------------------------------------------------------------------</td>
<td>----------------</td>
<td>---------------</td>
<td>--------------------------</td>
<td>--------------------------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>2016.12</td>
<td>Human Services Reform and Funding</td>
<td>$50,000</td>
<td>19/05/2016</td>
<td>23/07/2018</td>
<td>LGA</td>
<td>95%</td>
</tr>
<tr>
<td>2016.10</td>
<td>Rubble Royalties</td>
<td>$25,000</td>
<td>19/05/2016</td>
<td>30/11/2018</td>
<td>LGA</td>
<td>80%</td>
</tr>
<tr>
<td>2016.04</td>
<td>Supporting Local Government Reform</td>
<td>$160,000</td>
<td>19/05/2016</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>20%</td>
</tr>
<tr>
<td>2016.03</td>
<td>Planning Reform Implementation program</td>
<td>$90,000</td>
<td>19/05/2016</td>
<td>30/12/2018</td>
<td>LGA</td>
<td>85%</td>
</tr>
<tr>
<td>2016.17</td>
<td>Business Analytics</td>
<td>$80,000</td>
<td>19/05/2016</td>
<td>30/09/2018</td>
<td>LGA</td>
<td>95%</td>
</tr>
<tr>
<td>2016.42</td>
<td>Valuing Social Outcomes</td>
<td>$50,000</td>
<td>29/09/2016</td>
<td>28/09/2018</td>
<td>LGA Professionals Australia, SA Community Managers Network</td>
<td>60%</td>
</tr>
<tr>
<td>2016.44</td>
<td>Long Term Financial Plan Model Review and Update</td>
<td>$20,000</td>
<td>29/09/2016</td>
<td>30/10/2017</td>
<td>SA LG Financial Management Group</td>
<td>25%</td>
</tr>
<tr>
<td>2016.53</td>
<td>Removal of organic chemicals from water by aquifer filtration in managed aquifer recharge schemes</td>
<td>$25,000</td>
<td>29/09/2016</td>
<td>8/06/2018</td>
<td>Flinders University</td>
<td>70%</td>
</tr>
<tr>
<td>2016.56</td>
<td>The Role of Public Toilets in Mobility and Social Inclusion</td>
<td>$23,926</td>
<td>29/09/2016</td>
<td>30/09/2018</td>
<td>School of Social and Policy Studies, Flinders University</td>
<td>98%</td>
</tr>
<tr>
<td>2016.39</td>
<td>Places &amp; Spaces - Facility Booking System for Councils</td>
<td>$25,000</td>
<td>29/09/2016</td>
<td>27/07/2018</td>
<td>City of Prospect</td>
<td>90%</td>
</tr>
<tr>
<td>2016.36</td>
<td>Realignment of the Hills Rail Corridor: Cost Benefit Scoping Study</td>
<td>$25,000</td>
<td>29/09/2016</td>
<td>16/08/2018</td>
<td>Southern and Hills LGA</td>
<td>90%</td>
</tr>
<tr>
<td>2016.32</td>
<td>Disaster Ready</td>
<td>$40,000</td>
<td>29/09/2016</td>
<td>17/08/2018</td>
<td>District Council of Lower Eyre Peninsula</td>
<td>90%</td>
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<tr>
<td>2017.04</td>
<td>Community Wellbeing Monitor</td>
<td>$50,000</td>
<td>18/05/2017</td>
<td>30/06/2018</td>
<td>LGA</td>
<td>10%</td>
</tr>
<tr>
<td>2017.06</td>
<td>Review of water management legislation &amp; policy</td>
<td>$20,000</td>
<td>18/05/2017</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>10%</td>
</tr>
<tr>
<td>2017.01</td>
<td>EARS Enhancement</td>
<td>$20,000</td>
<td>18/05/2017</td>
<td>30/09/2018</td>
<td>LGA</td>
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<td>2017.02</td>
<td>Coastal Adaptation Decision Pathways Guidance</td>
<td>$30,000</td>
<td>18/05/2017</td>
<td>30/06/2018</td>
<td>LGA</td>
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<tr>
<td>2017.07</td>
<td>LG Elections 2018, Support and Promotion</td>
<td>$142,000</td>
<td>18/05/2017</td>
<td>28/02/2019</td>
<td>LGA</td>
<td>70%</td>
</tr>
<tr>
<td>File Number</td>
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<td>Date Approved</td>
<td>Proposed Completion Date</td>
<td>Proponent (Primary)</td>
<td>Progress Complete at 1/7/2018</td>
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<td>2017.08</td>
<td>Evidence to inform advocacy for a Strategic Population Policy</td>
<td>$40,000</td>
<td>18/05/2017</td>
<td>19/10/2018</td>
<td>LGA</td>
<td>10%</td>
</tr>
<tr>
<td>2017.10</td>
<td>LGA Schemes Review - Phase 2</td>
<td>$100,000</td>
<td>18/05/2017</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>80%</td>
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<td>LG Workforce Alignment</td>
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<td>18/05/2017</td>
<td>31/12/2018</td>
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<td>2017.14</td>
<td>e-Learning development</td>
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<td>18/05/2017</td>
<td>31/12/2018</td>
<td>LGA</td>
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<td>2017.15</td>
<td>Community Engagement</td>
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<td>18/05/2017</td>
<td>30/06/2018</td>
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<td>55%</td>
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<td>An Elected Member training pathway</td>
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<td>18/05/2017</td>
<td>31/12/2018</td>
<td>LGA</td>
<td>50%</td>
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<td>2017.03</td>
<td>Strategic Investment Plan for Future Proofing Infrastructure</td>
<td>$50,000</td>
<td>18/05/2017</td>
<td>31/12/2018</td>
<td>LGA</td>
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<tr>
<td>2017.09</td>
<td>LGA Outreach Services 2017-18</td>
<td>$300,000</td>
<td>18/05/2017</td>
<td>20/07/2018</td>
<td>LGA</td>
<td>90%</td>
</tr>
<tr>
<td>2017.64</td>
<td>Exploring non-usage of Aquatic and Recreation Centres in Vulnerable and Disadvantaged Community Groups</td>
<td>$22,194</td>
<td>28/09/2017</td>
<td>14/09/2018</td>
<td>CERM PI (University of South Australia)</td>
<td>90%</td>
</tr>
<tr>
<td>2017.52</td>
<td>Training Needs Analysis</td>
<td>$29,000</td>
<td>28/09/2017</td>
<td>10/10/2018</td>
<td>TAFE SA</td>
<td>30%</td>
</tr>
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<td>2017.55</td>
<td>NDIS impact on Metropolitan local governments</td>
<td>$32,000</td>
<td>28/09/2017</td>
<td>31/12/2018</td>
<td>LG Professionals SA</td>
<td>40%</td>
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<tr>
<td>2017.60</td>
<td>Community Wellbeing Alliance -two regional trials</td>
<td>$150,000</td>
<td>28/09/2017</td>
<td>31/10/2018</td>
<td>LGA</td>
<td>0%</td>
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<td>2017.67</td>
<td>Emergency Management Online Training Resources</td>
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<td>28/09/2017</td>
<td>30/09/2018</td>
<td>TAFE SA</td>
<td>10%</td>
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<tr>
<td>2017.68</td>
<td>BRIMS Stage 2</td>
<td>$40,000</td>
<td>28/09/2017</td>
<td>30/11/2018</td>
<td>City of Tea Tree Gully</td>
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<td>2017.72</td>
<td>Social Media and Communications Training</td>
<td>$25,200</td>
<td>28/09/2017</td>
<td>30/12/2018</td>
<td>Coorong District Council &amp; Port Pirie Regional Councils</td>
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<td>2017.73</td>
<td>Live Music Resources</td>
<td>$45,000</td>
<td>28/09/2017</td>
<td>15/10/2018</td>
<td>Music SA</td>
<td>20%</td>
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<td>2017.66</td>
<td>Development and evaluation of economic development measures</td>
<td>$29,500</td>
<td>28/09/2017</td>
<td>28/02/2018</td>
<td>Economic Development Australia</td>
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<td>2017.57</td>
<td>Trial and Implementation of the RAVRAT</td>
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<td>28/09/2017</td>
<td>30/09/2018</td>
<td>Northern Areas Council</td>
<td>60%</td>
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<tr>
<td>File Number</td>
<td>Project Name</td>
<td>Funds Approved</td>
<td>Date Approved</td>
<td>Proposed Completion Date</td>
<td>Proponent (Primary)</td>
<td>Progress Complete at 1/7/2018</td>
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<tr>
<td>2017.53</td>
<td>Rating equity for commercial and or industrial land uses outside towns</td>
<td>$16,600</td>
<td>28/09/2017</td>
<td>3/07/2018</td>
<td>Legatus Group</td>
<td>90%</td>
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<tr>
<td>2017.64</td>
<td>Exploring non-usage of Aquatic and Recreation Centres in Vulnerable and Disadvantaged Community Groups</td>
<td>$22,194</td>
<td>28/09/2017</td>
<td>14/09/2018</td>
<td>CERM PI (University of South Australia)</td>
<td>90%</td>
</tr>
<tr>
<td>2018.14</td>
<td>China Sword Policy</td>
<td>$25,000</td>
<td>16/05/2018</td>
<td>7/09/2018</td>
<td>LGA</td>
<td>90%</td>
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## Research and Development Scheme Projects Proposed for 2018-19

<table>
<thead>
<tr>
<th>File Number</th>
<th>Project Name</th>
<th>Funds Approved</th>
<th>Date Approved</th>
<th>Proposed Completion Date</th>
<th>Proponent (Primary)</th>
<th>Progress Complete at 1/7/2018</th>
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</thead>
<tbody>
<tr>
<td>2018.14</td>
<td>China Sword Policy</td>
<td>$25,000</td>
<td>16/05/2018</td>
<td>7/09/2018</td>
<td>LGA</td>
<td>90%</td>
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<tr>
<td>2018.04</td>
<td>Boundary Reform Processes</td>
<td>$50,000</td>
<td>17/05/2018</td>
<td>31/03/2019</td>
<td>LGA</td>
<td>0%</td>
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<td>2018.13</td>
<td>Review of R&amp;D project finalisation documentation and evaluation mechanisms</td>
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<td>3/05/2019</td>
<td>LGA</td>
<td>0%</td>
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<td>Payment to the Remuneration Tribunal for Setting Council Member Allowances</td>
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<td>17/05/2018</td>
<td>28/02/2019</td>
<td>LGA</td>
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<td>2018.10</td>
<td>2018 Council elections</td>
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<td>17/05/2018</td>
<td>28/06/2019</td>
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<td>Financial Sustainability Updates</td>
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<td>17/05/2018</td>
<td>31/03/2019</td>
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<td>0%</td>
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<td>2018.08</td>
<td>Model Bike Share Scheme Policy and Procedure</td>
<td>$15,000</td>
<td>17/05/2018</td>
<td>31/12/2018</td>
<td>LGA</td>
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<td>2018.05</td>
<td>Governance Review, Phase 2</td>
<td>$40,000</td>
<td>17/05/2018</td>
<td>31/10/2018</td>
<td>LGA</td>
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<td>2018.01</td>
<td>Updated Procurement Resources</td>
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<td>30/06/2019</td>
<td>LGA</td>
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<td>2018.07</td>
<td>Emergency Management Development Program</td>
<td>$35,000</td>
<td>17/05/2018</td>
<td>31/03/2019</td>
<td>LGA</td>
<td>0%</td>
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<tr>
<td>2018.15</td>
<td>LGA Outreach Services 2018-19</td>
<td>$150,000</td>
<td>19/07/2018</td>
<td>30/06/2019</td>
<td>LGA</td>
<td>0%</td>
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<tr>
<td>File Number</td>
<td>Project Name</td>
<td>Funds Approved</td>
<td>Date Approved</td>
<td>Proposed Completion Date</td>
<td>Proponent (Primary)</td>
<td>Progress Complete at 1/7/2018</td>
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<td>2018.53</td>
<td>Public Health 'General Duty' Evaluation</td>
<td>$17,250</td>
<td>13/9/2018</td>
<td>30/9/2019</td>
<td>Flinders University</td>
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<td>2018.54</td>
<td>Efficiencies and service delivery in LG caravan parks</td>
<td>$30,000</td>
<td>13/9/2018</td>
<td>31/8/2019</td>
<td>CERM PI, University of South Australia</td>
<td>n/a</td>
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<td>2018.55</td>
<td>Coordination for Strategic Coastal Management</td>
<td>$100,000</td>
<td>13/9/2018</td>
<td>31/3/2020</td>
<td>Limestone Coast LGA</td>
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<td>2018.57</td>
<td>Digital Maturity of Regional Local Government</td>
<td>$28,000</td>
<td>13/9/2018</td>
<td>30/6/2019</td>
<td>Legatus region of Councils</td>
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<td>2018.59</td>
<td>Guide for Leasing or Licencing Sports and Community Facilities</td>
<td>$25,000</td>
<td>13/9/2018</td>
<td>30/9/2019</td>
<td>City of Onkaparinga</td>
<td>n/a</td>
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<td>2018.62</td>
<td>Business Intelligence Benchmarking, Phase 1</td>
<td>$30,000</td>
<td>13/9/2018</td>
<td>30/4/2019</td>
<td>Wattle Range Council</td>
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<td>2018.64</td>
<td>Resilient Hills &amp; Coasts Community Energy</td>
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<td>13/9/2018</td>
<td>30/6/2019</td>
<td>Southern &amp; Hills LGA</td>
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<tr>
<td>2018.68</td>
<td>Collective Impact - opportunities for innovation and reform</td>
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<td>13/9/2018</td>
<td>31/10/2019</td>
<td>Together SA</td>
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<td>2018.69</td>
<td>Digital spotlight on recycling and waste reduction</td>
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<td>13/9/2018</td>
<td>30/11/2019</td>
<td>East Waste</td>
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<tr>
<td>2018.72</td>
<td>Leveraging Sister City relationships into economic development</td>
<td>$8,000</td>
<td>13/9/2018</td>
<td>30/4/2019</td>
<td>Workforce Blueprint</td>
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</table>
7.3 Local Government Financial Indicators 2018

Information Reports from the LGA Board

From: Lea Bacon, Director Policy
Key Initiative: K.I 3 Best practice and continuous improvement
Strategy: 3B Benchmark, innovate and research
Meeting: Annual General Meeting 26 October 2018
ECM: 665745 Attachment: 665836

Recommendation
That the Annual General Meeting notes the report.

Discussion

From 2006 to 2017, the LGA worked with South Australian councils and the state government on a comprehensive Financial Sustainability Program to implement the recommendations of the 2005 Independent Inquiry into Financial Sustainability of Local Government in South Australia.

The attached SA Local Government Sector Financial Indicators Report 2018 (the report) delivers on one of the Inquiry’s recommendation that the LGA reports to each Annual General Meeting on the latest values, history and comparisons of key financial sustainability indicators for the sector as a whole.

The report presents aggregate data from 2000-01 until 2016-17 and demonstrates significant improvement over the past 16 years in both the financial performance and financial position of the sector as a whole. However, it should be noted that the current financial performance and position of individual councils varies substantially.

In 2016-17:

- The sector’s operating surplus ratio was 3.7 per cent – showing that existing levels of income are more than sufficient to cover day-to-day spending. Overall, the sector’s income exceeded operating expenses by $85 million;

- The sector’s net financial liabilities ratio was 25 per cent – showing that the net amount owed to others is only a modest portion of one-year’s income. The sector’s net amount owed to others of $575 million at 30 June 2017 is very low when put in the context of infrastructure and other physical assets valued at $23.0 billion. It is comparable to a family living in a $400,000 house having a mortgage of only $10,000 and no other debts; and

- There were substantial variations in the asset sustainability ratio recorded by individual councils. While most councils are renewing and replacing their assets in either a satisfactory or optimal way, there are some councils that could improve on the capital spending needed to cost-effectively maintain affordable service levels from their assets.

In summary, the South Australian local government sector as a whole is living within its means, has a very low level of indebtedness, and generally is managing its assets satisfactorily.
SA Local Government Sector Financial Indicators Report 2018

1. Introduction

In order to provide an understanding of the current financial position of the local government sector in South Australia, the LGA has undertaken analysis of the most recent SA Local Government Grants Commission Database Reports 2016-17.

This report highlights the very sound financial performance and position of the local government sector as a whole. The evidence shows that South Australian local government is living within its means, has a very low level of indebtedness, and generally is managing its assets satisfactorily. In 2016-17:

- the sector’s operating surplus ratio was 3.7 per cent – showing that existing levels of income are more than sufficient to cover day-to-day spending. Overall, the sector’s income exceeded operating expenses by $85 million;

- the sector’s net financial liabilities ratio was 25 per cent – showing that the net amount owed to others is only a modest portion of one-year’s income. The sector’s net amount owed to others of $575 million at 30 June 2017 is very low when put in the context of infrastructure and other physical assets valued at $23.0 billion. It is comparable to a family living in a $400,000 house having a mortgage of only $10,000 and no other debts; and

- there were substantial variations in the asset sustainability ratio recorded by individual councils. While most councils are renewing and replacing their assets in either a satisfactory or optimal way, there are some councils that could improve on the capital spending needed to cost-effectively maintain affordable service levels from their assets.

2. Efficiency of local government

The local government sector in South Australia has an aspiration to be the most efficient sector of government. Sustaining good financial and asset management practices and seeking to continually enhance them are critical success factors for councils as they continue to improve the services they provide to their local communities.

South Australian councils collectively manage an annual budget in excess of $2.2 billion and maintain infrastructure and other physical assets worth $23 billion.

Taxation revenue raised by councils (from general and other rates on property) is estimated to be $1,690 million in 2016-17. Together with other own-source funding (mainly user and statutory charges), approximately 86 per cent of local government operating revenue is from its own sources. The remaining revenue comes from grants from state and federal governments. The rates collected by councils nationally are less than 4 per cent of the total taxes paid by Australians.

South Australian councils manage their finances conservatively under extreme constraints. Local government can raise one type of tax (council rates), has very low indebtedness, receives the lowest per capita state government funding in the nation, and is relying on an extension of the Supplementary Local Roads Program to ensure a fair share of federal government funding.
Cost shifting from State to local government continues to apply pressure to council budgets. Key cost shifting pressures include the mandatory rate rebates that are provided to SA Housing Trust properties transferred to Community Housing Providers, the Solid Waste Levy (which increased by a further 15% in 2018/19), and collection of the State’s NRM Levy by councils.

Within this context, South Australian councils are doing a lot with a little and often providing an increasing range of services to a high standard, often with increased levels of financial sustainability.

### 3. Local government financial sustainability

The Local Government Association (LGA) worked with South Australian councils and the state government on a comprehensive Financial Sustainability Program to implement the recommendations of the 2005 *Independent Inquiry into Financial Sustainability of Local Government in South Australia*.¹

This report delivers on one of the Inquiry's recommendations that the LGA reports to each Annual General Meeting on the latest values, history and comparisons of key financial sustainability indicators for the sector as a whole.

Reform of financial management practices within local government in South Australia is ongoing. Changes have included increased scrutiny by the community, an expectation to do more with less, accrual accounting, improved management of infrastructure and other assets, planned performance measurement and benchmarking, and better internal controls and governance arrangements.

A key objective for local government is the achievement and maintenance of the financial sustainability of South Australian councils, both collectively and individually. A council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

**Financial Sustainability Program**

Under its Financial Sustainability Program from 2006 to 2017, the LGA:-

- prepared and updated a comprehensive 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 Federal Government funding to further the financial sustainability reforms that were undertaken by South Australian councils; and
- entered into an alliance with the Institute of Public Works Engineering Australia to adopt internationally recognised approaches for preparing asset management policies and plans.


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4. Measuring Financial Performance

The most critical measure of local government financial performance is the annual operating result which measures the difference between day-to-day income and expenses for a financial year.

The aggregate level of local government’s annual operating deficit reduced steadily from 2000-01 (when expenses exceeded income by $75 million) until 2007-08 (when the operating deficit was eliminated). Subsequently, an approximate ‘break-even’ operating result was recorded for five years up until 2012-13. Since then, there has been a significant improvement in the financial performance of councils, culminating in an operating surplus of $85 million in 2016-17.

A total of 44 councils recorded an operating surplus in 2016-17 compared with only 16 councils in 2000-01.

Chart 1 provides aggregate data from 2000-01 until 2016-17 covering the sector’s operating surplus/(deficit). The data has been adjusted to remove the distortion otherwise caused by the irregular timing of receipt of Federal financial assistance grants received in some years since 2008-09.

5. Financial Indicators

The following information provides an update on the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The LGA appreciates the assistance of the SA Local Government Grants Commission in providing this data.

In 2006, local government in South Australia adopted two key indicators covering the financial performance (operating surplus ratio) and financial position (net financial liabilities ratio) of the sector.

Chart 2 provides aggregate data from 2000-01 until 2016-17 for these two indicators. Again, the data has been adjusted to remove the distortion otherwise caused by the irregular timing of receipt of Federal financial assistance grants.
**Indicator 1: Operating Surplus Ratio**

The operating surplus ratio is calculated as the percentage by which the annual operating surplus or deficit varies from total income.

Guidance material provided to councils under the LGA’s Financial Sustainability Program suggests that councils generally should seek to achieve, on average over time, a target range for an operating surplus ratio of between 0 per cent and 10 per cent.

As shown in Chart 2 above, the local government sector’s operating surplus ratio in 2016-17 was 3.7 per cent. This result compares with an operating surplus ratio of negative 8.3 per cent in 2000-01 and represents a very significant improvement in the financial sustainability of councils over a 16 year period.
Chart 3 shows the differences in the operating surplus ratios between categories of councils recorded in 2016-17.

**Chart 3: Adjusted Operating Surplus Ratio (%): Differences between categories of Councils 2016-17**

**Indicator 2: Net Financial Liabilities Ratio**

Net financial liabilities represent the amount of money owed by councils to others less money held, invested or owed to councils. It is the most comprehensive measure of the indebtedness of a council as it includes items such as employee long service leave entitlements and other amounts payable as well as taking account of the level of a council’s cash and investments.

At 30 June 2017, the level of net financial liabilities was $575 million. This is very low when put in the context of local government infrastructure and other physical assets valued at $23.0 billion.

The net financial liabilities ratio is a measure of the significance of the net amount owed at the end of a financial year compared with income for the year.

As shown in Chart 2 (on the previous page), the net financial liabilities ratio for the local government sector in 2016-17 was 25 per cent which compares favourably with a figure of 36 per cent in 2000-01.

Net interest payments associated with councils’ net financial liabilities were $22.0 million in 2016-17. This represents 1.0 per cent of total operating expenses – a further reinforcement that, in aggregate terms, local government indebtedness is very low. It also is worth noting that the level of net financial liabilities shown above does not take account of accumulated surpluses in the LGFA and the LGA ‘Schemes’. These accumulated surpluses were well in excess of $100 million at 30 June 2017 and represent financial assets belonging to the local government sector in South Australia.
Chart 4 shows the differences in the net financial liabilities ratios between categories of councils recorded in 2016-17. The chart highlights that many small and medium size rural councils are adverse to incurring debt to help finance the cost of infrastructure and other assets.

![Chart 4: Net Financial Liabilities Ratio (%): Differences between categories of Councils 2016-17](image)

Provided operating deficits are avoided, there appears to be considerable scope for some councils to increase their level of borrowings (or liquidate some of their large stock of cash and investments, which is equivalent to borrowing) to finance capital expenditure. Such borrowings could be undertaken for renewal or replacement of existing assets where a council’s Infrastructure and Asset Management Plan suggests that it is optimal to do so.

Where a council is not achieving an underlying operating surplus, or trending towards doing so in the medium term, then generally any capital expenditure on upgrading or expanding infrastructure needs to be modest and targeted, because it normally will lead to additional maintenance and depreciation costs.
Capital Investment Expenditure

Overall, capital expenditure in 2016-17 was a record high $692 million.

One of the findings of the abovementioned 2005 Independent Inquiry into Financial Sustainability of Local Government was that capital investment expenditure on renewal and replacement of existing assets was significantly less than that needed to minimise whole-of-life-cycle costs of assets.

Chart 5 shows the level of capital expenditure over the past ten years on renewal/replacement of existing assets on one hand and expenditure on new/upgraded assets on the other. This shows an increased expenditure on renewing and replacing existing assets in most years.

![Chart 5: Local Government sector - Capital expenditure & depreciation](image-url)
Indicator 3: Asset Sustainability Ratio

A third financial indicator adopted by the sector in recent years covers the asset management performance of councils. The asset sustainability ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified as warranted in a council’s infrastructure and asset management plan.

This indicator is a measure of whether a council is accommodating asset renewal and replacement in an optimal and cost effective way from a timing perspective, relative to the risk it is prepared to accept and the service levels it wishes to maintain.

There are operational and other reasons why the asset sustainability ratio result may vary between years. This may not necessarily detract from asset management performance if a council’s target is achieved over the medium term (e.g. over a rolling 3 or 5 year average).

Data on an asset management performance indicator is available for 46 councils in 2016-17. Chart 6 provides summary information for the asset sustainability ratio in 2016-17. Of the 46 councils for which data on an asset sustainability ratio is available, 78 per cent of councils had a ratio higher than 60 per cent.
A note on the differing financial performance of councils

This report demonstrates significant improvement over the past 16 years in the financial performance and financial position of the sector as a whole.

However, it needs to be emphasised that the current financial condition of individual councils varies substantially.

In addition, in the absence at this stage of reliable data covering asset management performance in some, mainly rural, councils, it is not possible for those councils to quantify the extent of any annual shortfalls against the optimal level of capital expenditure on renewal and replacement of existing assets to provide desired and affordable service levels.
7.4 **LGA Schemes Review Update**

**Information Reports from the LGA Board**

From: Andrew Johnson, Corporate Projects  
Key Initiative: K.I 3 Best practice and continuous improvement  
Strategy: 3D Develop, review and improve LGA commercial enterprises  
Meeting: Annual General Meeting 26 October 2018  
ECM: 665744

---

**Recommendation**

That the Annual General Meeting notes the report.

**Background**

In October 2015, the LGA Board resolved to undertake a comprehensive review of the provision of insurance and risk products and services and in so doing, address the recommendations of the Auditor General following his examination of the Schemes. Since the LGA Board’s resolution, significant progress has been made, including the provision of a detailed report from Finity / Rosey Batt detailing the outcomes of their examination into:

- what does local government need and value from insurance arrangements;
- perspectives on current services and the Schemes overall; and how such services might be arranged;
- do the Schemes deliver value for money; are they fit for purpose and cost effective;
- are robust financial and governance arrangements in place; and
- what are some possible future models.

The Finity / Batt review found that:

- the current structure of pooling risk in a mutual, buying reinsurance to protect the pool and using expert providers for management is an effective model for local government superior to alternative options;
- the products and services currently provided to Councils are appropriate and do not need radical change; and
- The review also found that 100% membership of the Schemes is a significant strength as all councils can benefit from economies of scale.

They did however recommend that:

- The LGA should insure more appropriate contemporary performance based contact with the service provider;
- contractual arrangements should ensure that the fees payable are transparent;
• contractual arrangements should contain meaningful performance measures to allow for proper contract management; and
• the LGA should establish structures or an entity to be solely responsible for the conduct and management of the schemes.

In implementing these recommendations, the LGA has set up a wholly owned subsidiary, LGASA Mutual Pty Ltd which will conduct the Schemes and will engage JLT to carry out the day to day operations of the scheme under a Master Services Agreement. The LGA and JLT have progressed discussions over the last several months and agreed in principle to a new model.

Discussion

A joint letter, from the LGA and JLT, was sent to all Council CEOs in August which highlight the key achievements to date in restructuring the Schemes. These included:

• The Auditor-General Key recommendations have been addressed;
• Setting up a whole owned subsidiary, LGASA Mutual Pty Ltd, to manage the schemes (replacing the previous individual scheme boards);
• The integrity of the Schemes and the extensive coverage will be maintained;
• The LGAWCS will deliver a member contribution rate in 2018/19 that is 7% lower than last year. This delivers a $2.6M saving to the sector;
• For the third consecutive year, the LGAMLS net contribution will remain unchanged in the 2018/19 period. This contribution rate is lower than it was 10 years ago;
• JLT have agreed to a revised fee structure applicable from 1 July 2018;
• JLT and LGA have agreed to key commercial terms to be included in a Master Services Agreement; and
• Day to day service delivery will continue unchanged.

More recently the LGA has:

• Endorsed new Scheme Rules which improve the operations and transparency of the Schemes and provide for the new governance arrangements. The Scheme rules are currently awaiting formal Ministerial approval;
• Adopted a Constitution for LGASA Mutual Pty Ltd which provides for greater oversight by the LGA Board;
• Appointed an interim CEO to LGASA Mutual Pty Ltd (Dr Andrew Johnson); and
• Appointed two independent directors to LGASA Mutual Pty Ltd (Chair David Holston, & Dascia Bennett), who together with a state government appointed representative and the LGA CEO will form the new Board.

The above measures have addressed all the recommendations made by the Auditor General and in the Finity Report. The priority for the remainder of 2018 will be to finalise contractual arrangements with JLT, communicate the changes to members and continue with implementing the changes to the governance of the schemes with the new board.
Conclusion

The LGA is now well advanced with the implementation of the new scheme arrangements for the LGA Mutual Liability Scheme and the LGA Workers Compensation Scheme.

The implementation of the Schemes restructure has addressed the Key Recommendations of the AG Report and in the Finity Report, by the LGA establishing LGASA Mutual Pty Ltd to operate the Schemes, providing greater transparency and improved governance for the schemes; a revised fee model for LGA and JLT; an initial reduction in member contributions; while maintaining the cover and benefits to members.

Finity has confirmed that after the Schemes restructure the integrity and financial security of the schemes will remain.

The LGA is confident that the new arrangements will continue the stability and value the Schemes have provided local government for over 30 years.

Financial and Resource Implications

This activity has been anticipated in the LGA’s work program and resources are available to progress this work.
7.5 **LGA Schemes Results Financial Year 2018:**

- LGA Workers Compensation Scheme
- LGA Mutual Liability Scheme

**Information Reports from the LGA Board**

From: Andrew Johnson, Corporate Projects  
Key Initiative: K.I 3 Best practice and continuous improvement  
Strategy: 3D Develop, review and improve LGA commercial enterprises  
Meeting: Annual General Meeting 26 October 2018  
ECM: 665907

**Recommendation**

That the Annual General Meeting notes the report.

**Discussion**

As per past practice, the following updates are provided from the Boards of the:

- LGA Workers Compensation Scheme (LGAWCS); and
- LGA Mutual Liability Scheme (LGAMLS).

This report highlights the key achievements and year to date performance information for each of the Schemes. Both Schemes have continued to achieve outstanding results for the sector, are in solid financial state and continue to review and improve their operations.

A copy of the 2018 Scheme Highlights, together with the full LGAWCS and LGAMLS Annual Reports will be available at the Annual General Meeting.

**LGA Workers’ Compensation Scheme**

The Local Government Association (LGA) became a self-insurer when the Local Government Act was amended to provide for the LGA to “conduct and manage a local government workers compensation self-insurance scheme”, pursuant to Schedule 1, Pt 1,2 (1) (b) of the Local Government Act 1999. This means that through the LGAWCS, the LGA has the responsibility to implement its own sector programs for Work, Health and Safety and ReturnToWork under the auspices of the self-insurer license approved by RTWSA.

Key points of note regarding the performance of the LGAWCS for the 2017/18 year include:

- Generating a surplus for the year amounted to $2,140,443 (2017: $3,264,765) before the special distribution of $3,000,000 (2017: $999,999) to members. The result after the special distribution was a deficit of $859,557 (2017 surplus: $2,264,766).  
- The Scheme accumulated surplus at 30 June 2018 was $26,242,031 (2017: $27,101,589).  
- The LGAWCS continues to have surplus funds beyond its targeted benchmarks which enables these funds to be returned to members without affecting the sustainability of the Scheme.
A key factor in the long term projection for operating surpluses is the sustained reduction in claim numbers which has resulted in mid-long term claims projections stabilising at around 575 new claims per annum, noting that in 2017/18 there was again a record low 509 (2017:527) new claims.

90% of claimants made a full return to work in 2017/18.

The Healthy Lifestyle program saw 1,609 health assessments conducted; 300 skin screenings undertaken with 9% referred for further checks and 771 participated in the Mind Your Wellbeing program.

The Actuary has estimated the savings to Local Government through operation of the self-insured LGAWCS, since its inception, is at $251 million (including the current accumulated surplus).

The 2018/19 LGAWCS Budget was finalised with the provision of the 2018 Actuary Report completed by Cumpston Sarjeant. The Budget projects an operating surplus of $233,219 before special distributions. Other Key components of the Budget include:

- The LGAWCS will deliver a member contribution rate in 2018/19 that is 7% lower than last year.
- Set an affective net contribution, net of special contribution and council risk incentive of 2.12% (2018: 2.41%).
- A $3 million Special Distribution back to Members and $1m allocation to a targeted Member Risk Fund.

**LGA Mutual Liability Scheme**

Key points of note regarding the performance of the LGAMLS for the 2017/18 year include:

- The surplus for the year amounted to $475,740 (2017: $493,421) **before** the special distribution of $2,000,000 (2017: $3,000,000) was made to members. The result after the special distribution was a deficit of $1,524,260 (2017 deficit: $2,506,579).
- The Scheme’s accumulated surplus at 30 June 2018 was $22,918,056 (2017: $24,442,315).
- The LGAMLS continues to have surplus funds beyond its targeted benchmarks which enables these funds to be returned to members without affecting the sustainability of the Scheme.
- Continuation of treasurer’s indemnity enabling the LGAMLS to provide members with unlimited civil liability protecting the sector from the financial impact of a catastrophic event.
- The LGAMLS continues to invest in the sector with the development of a broad range of risk mitigation programs including in emergency management.

The 2018/19 LGAMLS Budget was finalized with the provision of the 2018 Actuary Report completed by Cumpston Sarjeant. The Budget projects an operating surplus $4,588 before special distributions and the council risk incentive program. Other Key components of the Budget include:

- For the third consecutive year, the LGAMLS net contribution will remain unchanged in the 2018/19 period. This contribution rate is lower than it was 10 years ago;
- Providing a special distribution of $2 million and a council risk incentive of $800,000; and
- An estimated accumulated surplus of $19.5 million.
Financial and Resource Implications

This activity has been anticipated in the LGA’s work program and resources are available to progress this work.
7.6  LGA 2018 Value Proposition and Pricing Methodology

Information Reports from the LGA Board
From: Kathy Jarrett, Executive Director Corporate & Member Services
Key Initiative: K.I.3 Best practice and continuous improvement
Strategy: 3C Improve LGA governance and operations with a focus on people, finances and our members
Meeting Annual General Meeting 26 October 2018
ECM: 665748 Attachments: 665851, 664653, 660472 & 661934

Recommendation
That the Annual General Meeting notes the report.

Discussion
A key plank in the LGA’s commitment to deliver value for money services to Members is embedded within the new LGA Constitution and associated ancillary document ‘Membership Proposition’. These documents require the LGA to publish on an annual basis a ‘Value Proposition’ outlining the value of specific membership benefits provided to Members in the preceding financial year and a pricing methodology for the services provided by the LGA to Members. The Value Proposition is to be annexed to the Membership Proposition.

In addition to the above, the LGA has also commenced undertaking an annual survey of Members to seek feedback on how the LGA is performing as well as to keep abreast of Member expectations.

Together, the above documents provide valuable input to the LGA’s strategic and annual planning processes, and ensure that:

- Services to Members remain relevant, are contemporary in meeting expectations and provide value for money;
- The pricing of services take into account Member feedback;
- The LGA continuously improves its value proposition to Members; and
- The LGA is an engaged, transparent and accountable membership association.

See Appendix 1 for an illustration of the LGA’s ‘value system’.

See appendices 2 – 4 for the following:

Appendix 2: April 2018 Annual Member Survey outcomes (ECM 664653)
Appendix 3: LGA of SA Value of Membership, April 2018 (ECM 660472)
Appendix 4: LGA Pricing Methodology and Pricing Schedule 2018/19 (ECM 661934)

Note that the production of these documents will be aligned to ensure timely input to strategic and annual planning processes for the LGA, SAROC and GAROC, and appropriate reporting to Members as the Annual General Meeting each year.
Financial and Resource Implications

This activity has been anticipated in the LGA’s work program and resources are available to progress this work.
LGA System of ‘Value’

LGA Member Proposition
An engaged, transparent, accountable membership association

Annual Member Survey:
feedback on priorities and performance

Annual Business Plan & Budget

Service review and re-design, new service design, service improvements

LGA Pricing Methodology and Pricing Schedule

LGA of SA Value of Membership
2018 Annual Member Survey

The 2018 LGA Member Survey was undertaken by consults Hudson Howells in April 2018. Approximately 491 council members and staff responded to the online survey about the the priorities, services and performance of the LGA.

The results of the survey were used by the LGA Board in setting the 2018/19 LGA Annual Businss Plan and Budget.

Priority issues of focus

A range of issues all rated highly in terms of importance in the survey, highlighting the breadth of issues members are seeking the LGA to be working on.

The top 3 priority issues, which received a median score of 9 out of 10 include:

- infrastructure funding & management /emergency management & response
- cost shifting / local government reform; and
- financial sustainability and rate capping.

These top three issues are now prominent in the 2018/2019 LGA Annual Business Plan.

However, all of the issues listed in the survey were of some importance to members and the LGA will maintain its advocacy and assistance to councils across a broad range of policy issues.

Note that primary roles are Elected Members, CEO’s and Managers.
LGA Services and performance

Feedback from the member survey shows members’ ratings of importance vs performance on aspects of each of the LGA’s key strategic objectives.

Each aspect of the LGA’s Advocate strategic objective achieved an importance score of 7 or 8 out of 10, suggesting that these are all important areas of service delivery by the LGA. While the feedback on major events held by the LGA is consistently positive, this is one area that members have identified as an opportunity for improvement. A review of major events was undertaken in 2017/18, with some adjustments incorporated within the programs offered in 2018. Several matters related to the motions brought forward for debate at Ordinary and Annual General Meeting were raised throughout the LGA Governance Review, and new structures will be introduced through the new LGA Constitution and proposed Ancillary Documents.
Members recognised the high importance of many aspects of the Assist strategic objective. In particular, members value advice on legal and governance matters, templates, model codes guidelines and manuals, and training of staff and elected members. The LGA is meeting the expectations of members in relation to industrial relations, human resources, emergency management and electronic services. Additional funding has been allocated in 2018/19 to review and update the LGA’s financial sustainability resources, and a sector-wide training needs analysis is being completed.
To further develop the *Advance* strategic objective, a broader range of commercial services will be introduced in 2018/19, including LGASA Legal, LGASA Travel and LGASA Energy. LGA Procurement continues to perform well and expand its offerings to councils. The review of the LGA Schemes, which are highly valued by members, has resulted in significant additional savings for member councils.

**LGA Value Proposition**

The 2018 Value of LGA Membership Report estimates the annual benefit of LGA membership is $2.013 million per council and it also identifies a range of non-financial benefits. The entire report is divided into the LGA’s strategic objectives of Advocate, Advance and Assist.

As with the annual Member Survey, this report also provides a useful input to the development of the priorities for the Annual Business Plan as it provides a comprehensive list of the services provided by the LGA and financial benefits they return to Councils.

**Pricing methodology**

The LGA Pricing Methodology and Pricing Schedule 2018/19 is designed to ensure transparency in the setting of LGA fees and charges each year. It outlines the services that the LGA provides as part of its membership subscriptions, the circumstances where the LGA will charge for these services, as well as the pricing methodology employed for those services that the LGA charges members and others for the delivery of these activities.

The Pricing Methodology will be reviewed by the LGA Board on an annual basis as part of the Annual Business Plan and budget process, and the setting of annual subscriptions.

**Conclusion**

Overall, the feedback from members received through the 2018 Member Survey demonstrates that the LGA is performing well and meeting member expectations in a number of areas. The LGA’s 2018/19 Annual Business Plan reflects a focus on the opportunities to improve the value delivered by the LGA.

The annual LGA Member Survey, Value Proposition and Pricing Methodology are key planks in the LGA’s commitment to deliver value for money services to members.

The Value Proposition and Pricing Methodology form a key attachment to the Membership Proposition, which under the new LGA Constitution provides for the relationship between the LGA and its members. These documents will be presented to members each year at the Annual General Meeting. The next annual LGA Member Survey is scheduled to be launched in September 2018.
LGA OF SOUTH AUSTRALIA
VALUE OF MEMBERSHIP - 2018

Corinne Garrett
UHY Haines Norton
April 2018
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EXECUTIVE SUMMARY

Scope
UHY Haines Norton has been engaged by the Local Government Association of South Australia (LGA) to provide a report on the value of membership to the Local Government Association of South Australia.

Methodology
In undertaking this project, an initial workshop was held with the Leadership Management Team of the LGA, followed by interviews with LGA staff. The workshop identified key areas of value and interviews with staff identified further details on the services offered by the LGA.

Information contained in the Value Statement prepared for the LGA in 2017 was reviewed and expanded upon after interviews with staff in 2018.

Value has been determined by comparing the costs paid by councils to comparable alternative costs. Where external comparisons were not available, a realistic estimate of benefits has been provided. Where there is a sector benefit that is available to all councils, the total has been divided by the number of councils that have access to the benefit (usually 68) resulting in an estimated average.

It is important to note that averages mean that some councils will gain more, and others less than the average savings indicated.

Many services require staff resources of the LGA. If these services were undertaken by councils individually they too would require an allocation of staff resources. For the purpose of this report, staff resources were calculated on a professional level staff member rate of level 5 to 6 with responsibilities as detailed in the South Australian Municipal Salaried Officers Award. This estimated at a full-time salary (including on-costs such as superannuation and workers compensation insurance) costing a council approximately $100,000 per year full time. (South Australian Employment Tribunal, 2017). (South Australian Employment Tribunal, n.d.). The estimated salary is taken as an average of a range of councils’ Enterprise Bargaining Agreements for Level 5/6 staff.

A service can be valuable to members even if the value is not able to be quantified in financial terms. These types of services are included and discussed in this report.

Information about service areas has been provided by staff and from the LGA website.

Our report has been prepared for the LGA to assist understanding of the value of membership to the LGA and should not be used for any other purpose.
Service Areas Assessed
In 2017 the value of services was assessed on nine key service categories. They were;

- Insurance
- Banking
- Procurement
- Governance
- Workforce
- Online services
- Research Scheme
- Advocacy
- Council member support

For 2018, the services have been listed within the context of the LGA’s three key initiatives that guide the organisation;

- Advocate
- Assist
- Advance

This report expands on the nine key service areas that were assessed in 2017 and each service area is set out under the relative key initiative.

Key Findings
S59 of the Local Government Act 1999 sets out the roles of members of councils. Of relevance is sub section (iii) which sets out that one of the roles of a council member is;

“to keep the council’s resource allocation, expenditure and activities and the efficiency and effectiveness of its service delivery, under review.”

Our report demonstrates that there is a financial advantage for councils to be a member of the LGA. There is also a significant non-financial benefit of membership. Membership of the LGA therefore, is an important tool for councils and their councilmembers in seeking to commit to ongoing improvement in the efficiency and effectiveness of service delivery.

There are several services provided by the LGA which are difficult to quantify in financial terms yet provide indirect benefits to council members and staff in the sector. These services would be very difficult to arrange by individual councils with such a council having to go without the service or source a supplier at potential significant cost.

The following tables summarise the services provided by the LGA, their link to the Key Initiatives and the estimated value to the average council, both in financial and non-financial terms as well as the sector.
LGA Staff
The LGA secretariat is a small team of around 48 staff (a mix of permanent, contract and grant funded positions) servicing 68-member councils and has a culture strongly committed to providing value to members. Staff roles and responsibilities support the key initiatives of ‘Advocate’, ‘Assist’, and ‘Advance’ in delivering on the LGA mission.

The LGA Board, the Chief Executive Officer and the secretariat recognise that a strong organisational culture is critical in delivering both financial and non-financial benefits. Whilst it is not stated as a direct value to members, the work of the secretariat in building a people and performance culture is noted as a significant contribution to achieving outcomes for the sector.

Financial Benefit
Councils gained financial benefit from membership of the LGA in two ways;

- Savings - where councils are able to spend less on services due to their membership
- Contributions - where councils receive funding due to the work of the LGA

Summary

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Estimated Benefit to Sector</th>
<th>Estimated Benefit to Council</th>
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</thead>
<tbody>
<tr>
<td>Advocate</td>
<td>$48,997,033</td>
<td>$700,937</td>
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<tr>
<td>Assist</td>
<td>$17,142,600</td>
<td>$283,200</td>
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<td>Advance</td>
<td>$73,304,000</td>
<td>$1,017,246</td>
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<tr>
<td>Total March 2018</td>
<td>$139,443,633</td>
<td>$2,001,383</td>
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<td>Total at March 2017</td>
<td>$133,368,568</td>
<td>$1,557,620</td>
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Not all financial benefits are available to all councils

Financial Benefit

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<tr>
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<th>Estimated Benefit to Sector</th>
<th>Estimated Benefit to Council</th>
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<tr>
<td>Savings</td>
<td>$70,705,600</td>
<td>$1,079,255</td>
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<td>Contributions</td>
<td>$68,738,033</td>
<td>$922,128</td>
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<tr>
<td>Total</td>
<td>$139,443,633</td>
<td>$2,001,383</td>
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Advocate

<table>
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<th>Service</th>
<th>Estimated Financial Benefit</th>
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<tr>
<td></td>
<td>Sector</td>
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<tr>
<td>Awareness Campaign - Savings</td>
<td>$3,400,000</td>
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<td>Public Health funding - Contribution</td>
<td>$161,700</td>
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<td>Regional Youth Traineeship Program (Regional councils only) - Contribution</td>
<td>$1,333,333</td>
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<td>Supplementary Road Funding - Contribution</td>
<td>$20,000,000</td>
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<td>State Local Government Infrastructure Partnership - Contribution</td>
<td>$24,000,000</td>
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<td>State Wage Case - Savings</td>
<td>$102,000</td>
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<td><strong>Total Advocacy Benefit</strong></td>
<td><strong>$48,997,033</strong></td>
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<tr>
<td>HACC Funding commitment for 2018/19 - Contribution</td>
<td>Include in 2018/19</td>
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### Service  |  Non-Financial Benefit
---|---
ALGA Membership  |  Advocacy at the national level.
Advocacy in General  |  Being part of a united strong voice when dealing with State and Federal Governments. Financial benefits are shown separately.
Code of Conduct  |  Influencing state policy with strength of sector.
Economic Development Initiatives  |  United influence on State Government policy development and ability to unite to undertake major economic development projects.
Events – AGM/OGM Conferences  |  Promotion of sector and networking.
Statutory Fees and Charges  |  Updated knowledge of fees and charges.

### Assist

<table>
<thead>
<tr>
<th>Service</th>
<th>Estimated Financial Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sector</td>
</tr>
<tr>
<td>Online Services - Savings</td>
<td>$4,095,000</td>
</tr>
<tr>
<td>Building Upgrade Finance - Savings</td>
<td>$680,000</td>
</tr>
<tr>
<td>Education and Training - Savings</td>
<td>$4,467,600</td>
</tr>
<tr>
<td>Emergency Management - Savings</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Energy Efficiency Audit - Savings</td>
<td>$420,000</td>
</tr>
<tr>
<td>Legal Delegation Templates - Savings</td>
<td>$680,000</td>
</tr>
<tr>
<td>Planning – Implementation of legislation changes - Savings</td>
<td>$1,292,000</td>
</tr>
<tr>
<td>Policies and Guidelines - Savings</td>
<td>$2,108,000</td>
</tr>
<tr>
<td>Research &amp; Development Scheme $1.5m distributed over programs described in this paper - Contribution</td>
<td></td>
</tr>
<tr>
<td><strong>Total Assist Benefit</strong></td>
<td><strong>$17,142,600</strong></td>
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</tbody>
</table>

### Service  |  Non-Financial Benefit
---|---
Benchmarking  |  Simplified access to data.
Careers in Council  |  Improved candidate ability and response.
Climate Change  |  Resources to assist councils to address climate change risks.
Documents/Templates/ Policies and Guidelines and Information Papers  |  Assist staff and council members achieve better outcomes for their communities by having increased capability and expertise in undertaking their roles using best practice principles and ensuring compliance with legislation.
Enews  |  Improved understanding of sector issues.
Fund My Neighbourhood  |  Centralised, streamlined process.
Governance General Advice and Support  |  Increased staff and council member capability.
Governance Network  |  Avenue for dissemination and collection of information to improve staff knowledge.
Governance Panel  |  Independent panel for complaint assessment.
LGA Corporate Governance  |  LGA that effectively serves members.
LGA Website  |  Information source that increases capability of staff and council members.
Local Government Communicators Network  |  Increased staff capability.
Media Advice  |  Media resource and unified responses.
Media Coverage  |  Media resource and unified responses.
Networking  |  Competent staff delivering best practice services to communities and decrease in risk and potential cost of non-compliance.
Planning  |  Increased staff and council member capability.
Roads and Works Conference  |  Improve knowledge and outcomes in the management of road infrastructure.
Sector Morale and Leadership Program  |  Improved council member leadership.
Service Certificates and Awards  |  Promote sector and encourage leadership.
Social Media training  |  Increased staff capability.
**Advance**

<table>
<thead>
<tr>
<th>Service</th>
<th>Estimated Financial Benefit – Current Sector</th>
<th>Average per Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGA Procurement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Diesel Fuel Rebate -Savings</td>
<td>$400,000</td>
<td>$5,882</td>
</tr>
<tr>
<td>• Professional Development and Tools - Savings</td>
<td>$680,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>• Tendering – General Tender Avoidance costs - Savings</td>
<td>$3,870,000</td>
<td>$56,912</td>
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<tr>
<td>• Tendering – General Contract Savings</td>
<td>$13,500,000</td>
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<tr>
<td>• Tendering – Electricity Contract, tender avoidance and contract savings (64 councils) - Savings</td>
<td>$9,100,000</td>
<td>$142,188</td>
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<tr>
<td>• CWMS (not available to all councils) - Contribution</td>
<td>$4,700,000</td>
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<tr>
<td>Banking - Savings</td>
<td>$7,427,000</td>
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<tr>
<td>Insurance Schemes</td>
<td>$33,627,000</td>
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<td><strong>Total Advance Benefit</strong></td>
<td><strong>$73,304,000</strong></td>
<td><strong>$1,017,246</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Service</th>
<th>Non-Financial Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>LGA Procurement</td>
<td></td>
</tr>
<tr>
<td>• Commercial Activities</td>
<td>Potential future savings</td>
</tr>
<tr>
<td>• LGA Directory</td>
<td>One Stop source of information</td>
</tr>
<tr>
<td>• Professional Development &amp; Tools</td>
<td>Competent staff and procurement processes</td>
</tr>
<tr>
<td>• Tendering – Fee for Service</td>
<td>Robust tendering process in line with public sector procurement principles</td>
</tr>
</tbody>
</table>

**BACKGROUND**

**Local Government Associations**

The first local government associations were founded in Europe in the early 1900’s and continue to be set up all over the world. A Municipal Association was established in 1875 in South Australia.

The International Cooperation Agency of the Association of Netherlands Municipalities (VNG) is an organisation that seeks to strengthen democratic local government worldwide and their report ‘Establishing a Local Government Association’ discusses the value of local government associations and the benefits of membership.

The report states that local government associations worldwide provide the ability;

- For people involved in local government to share experiences;
- To learn from each other;
- To work together to find solutions for common obstacles; and
- Make their work more cost-effective.

The VNG makes several statements about membership of a local government association:

> “By paying a membership fee, local governments demonstrate that the LGA matters to them, and they want to contribute to maintaining it.” (VNG International, 2007)
“Members need to understand that their LGA is as strong or as weak as they want it to be. An LGA with many active members, all paying their membership fees and contributing with information, knowledge, participation in working groups, etc., will be stronger than one with members who expect to get everything done for them without contributing anything themselves.” (VNG International, 2007)

The Council of Europe developed the “European Charter of Local Self-Government” which states that “local authorities are one of the main foundations of any democratic regime” (Council of Europe, 1985). The Charter further discusses that whilst local government will work at the local level, each local government authority must work with a centralised government anywhere in the world and there will always be tension between central government and local government with both sides having their own perceptions and priorities, therefore requiring negotiation between the two.

In South Australia, a strong local government authority is important in providing a single voice to State Government instead of 68 individual voices and enabling the State Government to see the LGA and the local government sector as a partner while providing services and representation to members.

**Australian Local Government Association**

The LGA of South Australia is a member of the Australian Local Government Association (ALGA).

The Australian Local Government Association’s strategic priorities are:

- Strengthening local government finances
- Sustaining local roads, transport and other infrastructure
- Improving natural and built environmental outcomes
- Enhancing regional equity and regional development
- Building capacity and sustainability in local communities
- Connecting member associations and the Local Government sector

The ALGA is funded from State Association budgets. The ALGA has a small secretariat based in Canberra.

Local government in Australia is represented by the ALGA’s President on the Council of Australian Governments (COAG). This body includes the Prime Minister, state premiers, territory chief ministers and the ALGA President and provides local government with an important opportunity to sit at the table with Australian decision makers. At the time of writing this report, a South Australian Mayor (City of Prospect Mayor David O’Loughlin) who is also a member of the LGA of SA’s Board, is the President of ALGA. This provides additional profile and voice for South Australian councils in the federal arena. South Australian representation on the ALGA Board can only be drawn from members of the LGA of SA Board.

**Local Government Association of South Australia**

The LGA is the peak representative body for local government in South Australia. The LGA is supported by the Parliament of South Australia in Schedule 1 to the *Local Government Act 1999*. 

UHY Haines Norton Adelaide

ECM 660472
The mission of the LGA is to provide leadership to councils for the benefit of the South Australian community.

**SERVICES**

**Advocate – Financial Benefits**

**Awareness Campaigns**
This is an ongoing campaign on raising awareness of what councils do and the value of council services. In election years the focus increases with an aim to increase participation in council elections. The LGA also provides graphic design services for councils for all the awareness and election campaigns.

This service is enhanced by LGA membership surveys, sector wide research and brand segmentation.

If councils were required to manage this individually they would likely need the services of approximately 0.50 FTE staff member at a professional officer level estimated at $50,000 including all employment on costs. This is an average estimate with election years requiring more than other years.

- **Estimated potential savings to each council of $50,000.**
- **Estimated potential sector savings are $50,000 x 68 = $3,400,000.**

**Public Health Program**
The LGA has successfully negotiated a further 12-month extension of the Public Health Program funding to assist councils undertaking their functions under the South Australian Public Health Act (2011). This is a $161,700 commitment in an agreement between the LGA and SA Health.

This is a significant year for public health because the Act is scheduled for review by the Social Development Committee of SA Parliament. Similarly, the State Public Health Plan – which sets the context for local councils’ public health planning – is also being reviewed.

This is also the year when councils will be providing their biennial report to the Minister for Health concerning their public health actions. Securing this funding extension will ensure the voice of local government is stronger and clearly included in these reviews, reports and plans.

- **Sector benefit is a funding contribution of $161,700.**
- **Average council contribution received is $161,700 divided by 68 councils being $2,378.**

**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 $10 million Jobs Accelerator Fund. These two year programs aim to assist unemployed young people in regional areas to participate in the labour market through paid full-time employment whilst undertaking a Certificate III qualification.

The programs increase regional youth workforce participation across regional South Australian and support council workforce development initiatives to address their ageing workforce and skill shortage areas. The programs provide a wage subsidy per trainee for up to two years filling 114 positions across South Australian regional governing bodies.
This funding was only available for councils in non-metropolitan Adelaide.

- **Sector benefit was a funding contribution of $4,000,000 over 3 years being $1,333,333 annualised.**
- **Benefit was only available to regional councils.**

**Supplementary Road Funding**

LGA involvement in advocacy was successful with the 2017/18 Federal budget providing $40 million over two years to reinstate supplementary road funding for South Australian councils. This will ensure a fairer share of roads grant funding from the Commonwealth and will assist councils to maintain and upgrade the State’s road network for the benefit of our communities.

- **Sector Benefit is funding contribution of $40 million over two years being $20 million per year.**
- **Average potential contribution to each council for one year is $20 million divided by 68 being $294,118.**

**State Local Government Infrastructure Partnership**

The LGA played an advocacy and direct distribution role for this State Government funding. The purpose of the funding was to accelerate infrastructure projects and enable councils to bring forward infrastructure projects planned for 2019 and beyond with a focus on jobs. Total grant funding is $24 million paid for 31 projects across 26 councils.

The LGA’s role in this partnership has been to borrow the money for the grants on behalf of the sector and to manage the three-way relationship involving the State, LGA and Local Government Finance Authority (LGFA), to aid councils when making applications for funding under the program and to manage the execution of the deeds required for the provision of funding to successful projects. The LGA is focussed on driving economic development and supporting additional jobs over the next three years of the program as a partner in government.

- **Sector contribution benefit is $24 million.**
- **Estimated average potential contribution benefit per council is $352,941.**

**State Wage Case**

The LGA prepares and represents councils in the Industrial Relations Commission on behalf of all councils as employers in South Australia. This involves data collection and submission to the Commission. If councils had to undertake this process individually it would likely cost at least $1,500 per year based on the process undertaken by LGA officers.

- **Estimated savings to each council of $1,500.**
- **Sector savings benefit is $1,500 x 68 councils being $102,000.**

**Aged Care**

The LGA prepared discussion papers and submissions in the review of aged care funding reforms (federal) and advocated to State Government to continue HACC funding while the South Australian roll out of NDIS is completed. This resulted in securing a $27 million commitment from the former State Government to continue Home and Community Care (HACC) funding in 2018/19.
Advocate – Non-Financial Benefits

Australian Local Government Association (ALGA)

As previously mentioned the LGA of South Australia is a member of the Australian Local Government Association (ALGA) which gives South Australian councils the benefit of sector-wide advocacy at the national level. Since November 2016, the ALGA President has been a Mayor from South Australia’s City of Prospect, Mayor David O’Loughlin. Mayor O’Loughlin’s thorough understanding of uniquely South Australian issues has resulted, with support from the LGA, in securing additional road funding specifically for South Australia.

Many South Australian councils are represented at the ALGA National General Assembly each year where councils from across the country come together to discuss the sector’s national advocacy agenda. The LGA adds value to members in this process by preparing a comprehensive briefing paper on the motions that have been submitted for debate, including information about current LGA policy positions, potential benefits and implications for South Australian councils and relevant work already underway at the state level.

- Benefit to each council is advocacy at the national level.

Advocacy in General

A key role of the LGA is advocacy on behalf of the local government sector to influence the State Government and the Federal Government through the Australian Local Government Association (ALGA) in local government matters.

Some recent advocacy examples are;

- Opposition to rate capping.
- State Election Policy Platform – informing and advocating political bodies on local government issues.
- Return of the Financial Assistance Grants (FAGS) indexation in the 2017/18 Federal Budget. Total FAGS grants received by South Australian councils in 2017/18 was $156 million.
- Reinstatement of the Supplementary Road Funding.
- Aged Care reform securing ongoing Home and Community Care (HACC) funding.
- Influencing the implementation of the State’s new planning system and input into the new Planning and Design Code.
- Changed the State Government’s planned overhaul of Local Heritage protections.
- Extension of the Public Health Program funding.
- Relief for councils from SA Planning Portal contributions.
- Raising issues of Cost Shifting in South Australian Budget submissions.
- Input into State Budget each year.
- Economic Development.
- Memorandum of Understanding with the Environment Protection Agency (EPA).
Service Agreement with Green Industries SA to improve waste management practices.
Legislated agreement with State Government that underpins the role and functions of the Stormwater Management Authority.
Local Government Reform.
Submissions to State Government on legislation changes.
Core Partners of Climate Knowledge, Innovation and Communities (Climate-KIC) (along with the State Government and some of Australia’s most respected universities and a range of influential businesses, market leaders and Small to Medium Enterprises (SMEs).
Coastal Climate Adaption, identifying ways to lobby, advocate and act on the increasing coastal climate risks being faced by councils along the entire South Australian coast.
Advocating for a State Government support package for the waste industry and local government following implementation of China’s Revised Waste Import Policy.

**Benefit to each council is being part of a united strong voice when dealing with State and Federal Governments on matters that affect Local Government.**

**Code of Conduct**
This service involved consultation and forums with members to identify council views on the Code of Conduct and developing a submission and draft proposal to influence legislative change.

**Benefit to each council is influencing state policy with the strength of sector advocacy.**

**Economic Development Initiatives**
This service works to assist councils to grow the GDP and employment in their areas. This is accomplished by coordinating submissions to parliamentary inquiries and participating in government and non-government committees.

Examples during 2016-2018 have been:

- China Engagement Strategy (investment attraction); 26 councils are involved in this project including nine metropolitan councils. The project seeks to identify local government as playing a key role in opening China’s second and third tier markets for South Australia’s small and medium enterprises.
- Future Towns Future Cities; exploring technology to inform the planning, budgeting, administration and operations of councils.
- Population; R&D funding for a study ‘Developing the evidence base to support the LGA’s Population Advocacy Position’ to be used in advocacy with the State Government.

In general, LGA’s Economic Development initiatives have resulted in;

- Representation of the sector influencing State Government tourism strategy, planning, marketing and resource allocation.
- Representing the sector to identify, simplify and/or reduce red tape.

**Benefit to each council is being part of a united influence on State Government policy development. Additionally, this service allows councils to unite to undertake major economic development projects that would be difficult individually.**
Events
Major events are the LGA Conference and Annual General Meeting and the Showcase and Ordinary General Meeting. Other events include the Roads and Works Conference which is covered in the ‘Assist’ section.

- Benefit to each council is promotion of Local Government sector and facilitation of networking between Council members.

Special Local Roads Program
The LGA is a member of and provides secretariat support to the Local Government Transport Advisory Panel (LGTAP), who provides advice to the LGA Board for the recommendation of projects (under the Identified Local Road Grants and South Australian allocation of Roads to Recovery) to the Federal Minister for Local Government and Territories. Without the due process and prioritisation that the LGTAP provides, South Australian councils would be unable to provide a unified or cohesive ask to the Commonwealth Government for road funding. This would effectively put all these grants at risk.

- Benefit to each council is a state-wide facilitation and coordination effort.

Statutory Fees and Charges
Annual advice is given to councils of changes in statutory fees and charges. Advocacy for statutory fees and charges to be cost recovery based.

- Benefit to each council is updated knowledge of statutory fees and charges changes.

Assist – Financial Benefits

On-line Services
The LGA provides website software for councils. Alternative website software has been costed at between $25,000 and $50,000 more than the LGA service, being a potential average saving of $37,500 (i.e. $25,000 + $50,000 divided by 2). The Unity software is used by 50 councils. Sector benefit is $37,500 x 50 councils being $1,875,000.

Alternative suppliers of website software provided for intranet and/or extranet (council member website) at an additional cost whilst the LGA’s system is at no extra cost. This is a potential saving per council of $20,000. Thirty five councils use this service resulting in a sector benefit is $20,000 x 35 councils being $700,000.

Alternative suppliers for an individual app for each council have been costed at $20,000. There are no additional costs to councils for using the Local Services App. The app is used by 42 councils. Sector benefit is $20,000 x 42 councils being $840,000.

The candidate website is provided at no cost to individual councils and alternative commercial products have been costed at $10,000 per council. Sector benefit is $10,000 x 68 councils being $680,000.

The LGA provides an online transaction facility for councils using Synergy Corporate Finance software which allows communities to make online payments via council websites. This is provided as a fee for service. This service supports 12 regional councils.
• Potential savings benefit per council in using these services is approximately $87,500. Not all councils use all the services, but they are able to.
• Sector savings benefit is $4,095,000.

**Building Upgrade Finance (BUF)**
The LGA developed a guide and decision-making tool for councils in understanding and working within this legislation. The tool addresses the policy, resourcing and risk considerations that councils should consider in deciding to opt in to a BUF.

The guide and tool will save councils when developing their business cases. Potential saving is estimated at $10,000.

• Savings benefit to councils for the guide and tool is potentially $10,000.
• Sector saving benefit is $10,000 x 68 councils being $680,000.

**Education and Training Programs**
This service provides training for elected members and council staff. Training is run in Adelaide and in country South Australia and on-line. All training is targeted to local government using relevant local government content. The training is responsive to training needs within the sector and emerging issues and needs.

This service mainly is funded by participants with some LGA projects including a training component which is free to members.

If councils were to undertake training separately to the LGA service, they would need to engage someone to develop and deliver a program specifically tailored to their council issues. An indicative quote from a South Australian training institution that delivers training to the State Public Service estimates that preparation and delivery of one-off specialist training to an individual council would be approximately $7,000 per one-day course made up of $4,800 for development and $2,200 in delivery.

If the staff or council members of a council attended ten training days per year, that would be a cost of $70,000 compared to $430 for a full day training with the LGA, being $4,300. The LGA also provides several free trainings so savings would likely to be at least $65,700.

• Benefit to councils is relevant training available for staff and elected members at potential savings per council of $65,700.
• Sector savings benefit is $65,700 x 68 councils being $4,467,600.

**Emergency Management**
The LGA advocated to ensure that State Government understood the importance of the LGA being part of emergency management discussions to ensure councils are heard at the state level for emergency management policy development. This has enabled the LGA to be represented on State committees and involved in the coordination of local government in an emergency.

This activity has resulted in a streamlining of information flow as it would be unworkable for 68 councils to work with the state individually. The LGA knows the issues facing the councils in the
state and is therefore able to provide councils with up to date, timely and best practice information as well as inform the state on issues about emergency management effecting councils.

The funding achieved from State Government assists councils in emergency management planning to improve preparedness.

State and Federal funding and the Local Government Association Mutual Liability Scheme contribute to the costs of LGA staff wages for this service.

If councils were required to manage this individually they would likely need the services of approx. 0.50 FTE staff member at a professional officer level estimated at $50,000 including all employment on costs.

- Estimated savings benefit to each council of $50,000.
- Sector savings benefit is $50,000 x 68 councils being $3,400,000.

**Energy Efficiency Audit**

The LGA conducted a high-level audit of Local Government energy efficiency activities. Each participating council received an individual report and a decision-making tool which incorporated a repository of sector-wide energy efficiency information. Forty two councils were involved, but all were eligible. It is estimated that councils would need to pay at least $10,000 for this work to be undertaken individually, but without the benefit of access to state-wide information.

- Estimated savings benefit to councils is $10,000.
- Sector savings benefit is $10,000 x 42 involved councils being $420,000.

**Legal Delegations and Authorisations**

The legal delegation templates relating to 27 pieces of legislation that governs local government has been developed by the LGA to assist councils with this legally required document. The LGA updates these delegations quarterly at a contracted legal cost of $10,000 per year.

Councils would need to undertake this task individually if not provided by the LGA.

As well as the updates of the delegations, the LGA informs councils through the issue of circulars.

This service is provided at no additional cost to member councils.

- Estimated savings benefit to each council is $10,000.
- Sector savings benefit is $10,000 x 68 being $680,000.

**Planning – implementation of legislation**

The LGA has been engaged in working with the sector on the implementation of changed legislation. This has included advocacy on a range of issues including the establishment of the CDAPs and developing the delegation templates to councils. Councils would have needed to develop this documentation themselves without membership at an estimated cost of $5,000. The LGA has made submissions to the State Government on the Community Engagement Charter, Design Code and Accreditation Scheme and advocated on the eplanning portal resulting in a 12-month delay and a saving to councils of between $4,000 and $24,000. The LGA also commissioned a Cost Impact Report which established a benchmark to enable councils to identify the cost impact of the new system.
Estimated savings benefit to each council is $5,000 for templates and the average of the range of $4,000 to $24,000 being $14,000, an estimated total of $19,000.

Sector savings benefit is $19,000 x 68 councils being $1,292,000.

Policies and Guidelines
The LGA has developed several policies and guidelines that relate to council governance topics including papers on authorisations, model policies, standard operating procedures (SOPs) and guidelines. There are 51 Policy and Guideline papers and nine SOPs.

The ongoing annual cost of updates is $6,000 for external contractors of which $5,000 is funded by the R&D Scheme and $1,000 by the LGA. Staff resources are approximately 0.25 FTE.

If councils had to prepare and update this information individually they would likely need to pay similar costs and allocate similar staff resources costing potentially an estimated $6,000 plus 0.25 FTE of $100,000 (estimated professional wage). This would be an estimated $31,000 per year.

Estimated savings benefit to councils is approximately $31,000.

Sector savings benefit is $31,000 x 68 councils being $2,108,000.

Research and Development Scheme (R&D Scheme)
The R&D Scheme is funded by foregone taxation equivalent of the LGFA as required by legislation. Each year there is approximately $1.5 million in funding. Numerous projects have been completed over the past ten years. This paper notes many services which have received R&D funding. A portion of the funding each year is also available to anyone with an interest in Local Government, including councils, for research projects that can benefit local government.

There has been a total of $6,900,000 allocated to 176 projects over the past five years.

Expenditure for administering the scheme is funded within the scheme.

Benefit to all councils is $1.5 million contribution per year of projects that increase knowledge and capability. Many of these projects are covered elsewhere in this document.

Assist – Non-Financial Benefits

Benchmarking
The current benchmarking project is working to gather data held by the LGA, council websites and Grants Commission into one source. Outcomes will be a report on data collected, comparison between groups of councils, report on current spending and priorities of services for groups of councils and a database of supporting data.

This work will assist the LGA to identify areas of potential need in council groups and develop services to address these. The information will also be useful for council staff to consider areas that could be investigated further to improve cost and efficiencies.

Benefit to each council is simplified access to data.
Careers in Councils
There is a job search page on the LGA website which is accessible by the public. It has an average of 55,000 hits per month. Each council’s website has vacancy adverts when they arise with these linking to the LGA site. This results in a council’s advert reaching a much wider audience.

- Benefit to each council is expanded vacancy advertising leading to potentially improved candidate ability and response.

Climate Change
The LGA has produced guidance notes and documents to inform councils on climate change risks and to assist councils in developing and implementing measures to address these risks. The LGA has also developed training sessions to assist council staff in using these tools.

- Benefits to councils are guides, documents and training to assist councils in addressing climate change risks.

Documents/Templates/Policies, Guidelines and Information Papers
The LGA has produced useful guides and resources for many of the professional areas of local government. Including;

- Key Dates
- Guide on Festivals and Events
- Guide on Mainstream Programs
- Governance manuals, codes and guidelines
- Information papers for financial sustainability including model policies and guidelines
- Model Financial Statements for South Australia which are recognised in legislation
- Information papers on council rates
- Information and updates on legislation
- Better Practice Model (Internal Financial Controls Framework)
- Asset Management Plan for use by small councils
- Operating procedures for council run airports
- Standard Operating procedures and templates for authorised officers
- Guidelines for sustainable management of recreation facilities
- Representation Quota updates
- Protocols on dealing with the Ombudsman
- Child safe environments
- Community engagement
- Developing and maintaining arts and culture
- Volunteer management

- Benefits to each council is guides to assist staff and elected members to achieve better outcomes for their communities and to ensure compliance with key legislation and best practice procedures.
**Enews and Ecomms**
This service provides council members and CEOs with weekly and fortnightly enews updates on LGA activities and issues relating to the sector. This includes media monitoring and software. No additional costs for councils.

- **Benefit to each council is improved understanding of sector issues.**

**Fund My Neighbourhood**
Fund My Neighbourhood was a State Government initiative that funded projects identified by the public. The LGA supported both State Government and councils to assist in the smooth running of the program and was a central point for 'Frequently Asked Questions'. The LGA provided advice to the State Government and councils and facilitated communication between councils and the state program team. The LGA also developed reporting templates for councils and the State Government to use. The State Government contributed to the LGA for administration time. Total funding by the State Government is $40m over two years. In year one, 205 projects over all council areas have received funding.

- **Benefit to each council was a centralised, streamlined process.**

**Governance General Advice and Support**
Local Government operates within a legal framework established by the South Australian Parliament and the LGA provides a range of tools and expert staff to assist councils to meet their legislative obligations. This includes receiving and responding to many direct enquiries from staff and elected members, and the development and publication of many codes and guidelines relating to the roles and responsibilities of councils under the Local Government Act 1999. The LGA also provides advice and tools to assist councils to practice good governance, which encompasses the way in which councils are elected, the accountability of staff and elected members and the way in which councils report to their communities. More detail is included in the Documents/Templates/Policies, Guidelines and Information Papers section.

- **Benefit is increased staff and elected member capability.**

**Governance Network**
This is a network that is set up by council employees to further their knowledge in the governance area. LGA staff attend but do not provide support, however it is a useful avenue to provide advice, disseminate and collect relevant information.

- **Benefit to councils is an avenue for dissemination and collection of information to improve staff knowledge.**

**Governance Panel**
This service assists councils in addressing complaints about the conduct of council members under the Code of Conduct for Council Members Part 2 – Behavioural Code. For the period 1 April to 31 August 2017 the panel dealt with 12 referrals of alleged breaches of the Code.

Investigations by the panel are funded on a user pay basis.

- **Benefit to each council is access to an independent panel for complaint assessment.**
LGA Corporate Governance
The LGA is also an entity itself and has its own governance and management responsibilities. It is important that the LGA leads by example in these areas whilst supporting its members. This includes agendas and minutes for the Board, Audit Committee, records management, WHS etc.

- Benefit to each council is a best practice organisation that can effectively service its members.

LGA Website
The material within the website that is available to the public and the members section. The public section provides considerable information on current matters and local government in general. The members’ only section is an in-depth resource for information on most topics that effect councils in South Australia.

- Benefit to each council is an in-depth information source for their communities along with information for council staff and elected members to improve their own capability.

Local Government Communicators Network (LGCN)
The LGA supports, provides advice, and provides network meetings for the LGCN. This is a network of council staff who are responsible for delivering their councils’ and general local government information to their communities. The LGA covers the costs of the meetings and meetings are also provided online for regional South Australian councils. The meetings cover topics such as media, communication and community engagement. The LGCN website page provides council communication staff with resources, standard policies and guides to assist them.

- Benefit to each council is increased staff capability.

Media Advice
This service provides councils with advice on how to manage media enquiries. The LGA can develop a media statement or put councils in touch with neighbours that have similar enquiries. It also provides media advice on sector or industry issues. No additional charge to councils which access the service.

- Benefit to each council is access to trained experience media personnel along with unified media response to sector wide issues.

Media Coverage
This service is undertaken by the LGA President and/or CEO doing interviews either on topics which relate to the sector or in relation to individual councils. The outcome is that councils don’t have to do media presentations themselves or not without support.

- Benefit to each council is access to trained experience media personnel along with unified media response to sector wide issues.

Networking
There are many networking groups that work both within and with the LGA.

Networking is an important professional development practice to assist in ensuring that staff are fully informed of legislative changes. Council staff work within a highly regulated framework.
covering numerous pieces of legislation. Understanding of this legislation is constantly challenged by case law along with ongoing changes to the statutory law framework.

Local government is very complex with multiple business units and the delivery of multiple service types to the community. Networking assists in staff working towards the attainment of best practice principles.

By increasing legislative compliance and professional expertise, networking is a tool to help deliver better services to communities with potential for less cost in delivery and less cost and risk of non-compliance.

- **Benefit to each council is competent staff able to deliver compliant and best practice services to communities and decrease in risk and potential cost of non-compliance in a complex legislative environment.**

**Planning**
Local Government plays a key role in planning policy in the community. The LGA contributes project support and resources to councils to help them work collaboratively in this area. Planning and environmental policy are an important way in which the LGA supports councils to help build communities and equip councils for the future.

This service area provides resources, including codes, guidelines, policies and templates on;

- Planning and Development
- Stormwater
- Waste and Recycling
- Natural Resource Management

- **Benefit is increased staff and council member capability.**

**Roads and Works Conference**
The Roads and Works Conference is a forum where the latest technology is presented as well as government policy changes that effect councils’ management of roads. Additionally, the Conference brings together in one place, major suppliers to Local Government infrastructure departments. The Conference also enables infrastructure staff to meet and network with others, enabling discussion on and potential solutions for common problems.

- **Benefit to each council is to improve knowledge and outcomes in the management of road infrastructure.**

**Sector Morale and Leadership Program**
This is an emerging program to improve sector morale and improve leadership capability. One anticipated outcome of the program is to demonstrate council member leadership with reduced complaints and associated costs for councils.

Strategies planned are; improve networking for council members, being responsive to leadership issues in the sector, building on and utilizing sector engagement and developing leadership capability, induction and peer support programs.
Benefit to each council is to demonstrate council member leadership with potential reduction of costly Code of Conduct issues.

**Service Certificates and Awards**
This includes certificates for elected members to celebrate achieving key milestones of service and special awards such as the Joy Baluch, Jim Hullick and Jim Crawford awards.

There are also service certificates for staff for achieving service to Local Government ranging over ten, 20, 25, 30, 35, 40, 45 and 50 years of service.

Benefit to each council is to increase the profile of local government and to encourage leadership.

**Social Media Training**
This training is ‘video conferenced’ and recorded making it available to councils in regional South Australia that would normally need to travel to attend. Training costs are covered by participants.

A suite of resources has also been developed by the LGA for council staff to use when dealing with the social media platform for their councils. The social media resources are provided through research and development funding.

Benefit to each council is increased staff capability.

**Advance – Financial Benefits**

**LGA Procurement**
This is a commercial entity owned by the LGA and designed to support councils to deliver the best value for their communities. This is undertaken by identifying, developing and delivering value-added products and generating economies of scale through bulk purchasing, contract administration and e-commerce. LGA Procurement provides several contracts to councils that have been negotiated as a sector wide endeavour and is continuing to investigate additional contracts which would provide economy of scale savings to councils.

LGA Procurement also undertakes the tendering process for individual or groups of councils.

**Diesel Fuel Rebate**
LGA Procurement discovered that $1.2 million collectively had been overpaid by councils. The average benefit per council is calculated as the total divided by 68 councils divided by three full years.

- Estimated average savings benefit to councils annually is $5,882.
- Sector savings benefit is $1.2 million divided by three years being an annual average of $400,000.

**Professional Development and Tools**
LGA Procurement also provides training for council officers on a fee for service basis. Training is targeted to local government in South Australia. This ensures that staff are competent in procurement practices.
The LGA Procurement also provides tools and resources such as model policies, documentation and templates. LGA Procurement estimates the cost of annually maintaining these documents being $10,000 per year. Councils would likely need to undertake this process individually if this service was unavailable.

- Estimated savings benefit to councils is competent staff and procurement processes and $10,000 per year.
- Sector savings benefit is $10,000 x 68 councils being $680,000.

**Tendering – Whole Sector**

This is tendering for whole of sector contracts which provide savings to councils on the tendering costs and ability to tender in a bulk buy situation.

**General tenders**

The total spending through LGA Procurement in 2016/17 was $46.9 million with estimated savings being $13.5 million.

The number of tenders for the year was 258. LGA Procurement estimates the cost of tendering is $15,000 per tender which would be borne by individual councils to achieve the same results. The estimated benefit is 258 x $15,000 being $3,870,000 for the sector.

Not all councils use the service, but it is available to all. LGA also places a weekly composite advert in the business section of the Advertiser and on SA Tenders website – this is a fee for service.

- Sector benefit in savings on contracts was $13.5 million.
- Estimated average benefit per council in savings on contracts is $13.5 million divided by 68 councils being $198,529.

- Sector benefit in tendering savings is $3,870,000.
- Estimated average benefit per council annually in tendering avoidance is $3,870,000 divided by 68 councils is $56,912.

**Electricity**

This is a $43 million contract over two years. Sixty four councils are able to be involved in this contract. LGA Procurement estimate the cost of organising the electricity contracts to be $50,000 which would otherwise be borne by councils individually.

LGA Procurement estimates the potential savings on the cost of electricity being at least $15 million over the two year period for the sector.

- Estimated benefit per council annually for arranging the contract is $50,000 divided by two years = $25,000.
- Estimated average benefit per council is $15 million divided by 64 potential councils divided by two years = $117,187.

- Sector savings benefit for organising the tender and contract is $25,000 x 64 councils being $1,600,000 with the savings benefit per council being $25,000.
• Sector savings benefit of contract savings is $7.5 million per year with the savings benefit per council being $7.5 million divided by 64 councils being $117,188.
• Total sector savings benefit is $1.6 million + $7.5 million being $9.1 million.
• Council savings benefit is $25,000 + 117,188 being $142,188.

Tendering – Individual Councils
LGA Procurement also undertakes the tendering process for individual councils on a fee for service basis. This service ensures a robust tendering process in line with public sector procurement principles.

• Benefit to councils is a robust tendering process in line with public sector procurement principles.

Community Wastewater Management Schemes (CWMS)
A new contract has been negotiated for $47 million over ten years as a subsidy for the cost of building new schemes. This is only relevant to councils needing to build new CWMS. Many metropolitan councils would have SA Water providing sewerage schemes for their communities and would not need this service.

• Benefit is funding contributions of $4.7 million per year as subsidy to councils building new CWMS.

Banking
The Local Government Finance Authority of South Australia (LGFA) exclusively serves South Australian Councils and Local Government Bodies. It was established in 1983.

In accordance with Section 24 of the Local Government Finance Authority Act 1983, the Treasurer of South Australia guarantees all of the Authority’s liabilities, including monies accepted on deposit from clients.

Members who support the Authority with deposits and/or use the loan facilities, receive a share of annual distributions.

The LGFA makes payments equivalent to company income tax to the Research and Development Scheme administered by the LGA.

<table>
<thead>
<tr>
<th>Banking</th>
<th>Benefit to Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowings held by South Australian Councils at 31 January 2018</td>
<td>$669,000,000</td>
</tr>
<tr>
<td>The difference in interest rates between alternative commercial products and the LGFA dependent on the type of borrowings undertaken by the minimum difference was a reduced rate of;</td>
<td>1.1%</td>
</tr>
<tr>
<td>Total savings per year for sector for borrowings</td>
<td>$7,359,000</td>
</tr>
<tr>
<td>Average savings per Council (total divided by 68)</td>
<td>$108,221</td>
</tr>
<tr>
<td>The LGFA investment accounts do not charge fees providing an average saving per council of:</td>
<td>$1,000</td>
</tr>
<tr>
<td>Total savings per year for sector on bank fees</td>
<td>$68,000</td>
</tr>
<tr>
<td>Average savings benefit per council</td>
<td>$109,221</td>
</tr>
<tr>
<td>Total sector savings</td>
<td>$7,427,000</td>
</tr>
</tbody>
</table>
Insurance

Local Government Risk Services provides councils in South Australia with a number of insurance products.

LGA Workers Compensation Scheme (LGAWCS)

Local Government in South Australia is self-funded and not part of the Return to Work SA (RTWSA) scheme that other South Australian businesses must register with. The LGAWCS provides members with a discounted registration cost compared to the RTWSA.

There are also a number of other benefits to councils that are listed in the table below;

<table>
<thead>
<tr>
<th>LGA Workers Compensation Scheme</th>
<th>Benefit to Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual sector saving from self-Insurance compared to RTWSA - Savings</td>
<td>$10,957,000</td>
</tr>
<tr>
<td>Special distributions paid to members - Contribution</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Council Risk Incentive Program - Contribution</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>22.5% year on year reduction in Annual Workers Compensation Claims - Savings</td>
<td>$2,718,000</td>
</tr>
<tr>
<td>15% year on year decrease in 'total days lost to injury' - Savings</td>
<td>$159,000</td>
</tr>
<tr>
<td>Scheme Funded Health and Wellbeing Program 2,200 Health Checks and 3,000 Skin Screenings - Contribution</td>
<td>$660,000</td>
</tr>
<tr>
<td>Access to Scheme Funded WHS &amp; Risk Specialists and System Development and Training - Contribution</td>
<td>$3,400,000</td>
</tr>
<tr>
<td>Annual Subscription Fee for Skytrust Risk Management Software - Savings</td>
<td>$400,000</td>
</tr>
<tr>
<td>Investment income from Contributions and Surplus funds – Contribution</td>
<td>$1,340,000</td>
</tr>
<tr>
<td><strong>Total Sector Benefit</strong></td>
<td><strong>$23,634,000</strong></td>
</tr>
</tbody>
</table>

LGA Mutual Liability Scheme

This scheme provides councils in South Australia with a fully integrated risk, claims and legal services for the management of civil liabilities.

<table>
<thead>
<tr>
<th>LGA Mutual Liability Scheme</th>
<th>Benefit to Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special distributions paid to members in 2017/18 - Contribution</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Council Risk incentive program - Contribution</td>
<td>$800,000</td>
</tr>
<tr>
<td>Scheme funded Risk Specialists &amp; Risk Programs - Contribution</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Legal cost savings for the sector. Establishing precedents/ongoing management and maintenance of statutory immunities. Reducing Council legal costs &amp; administration burden. - Savings</td>
<td>$850,000</td>
</tr>
<tr>
<td>Investment income from Contributions and Surplus funds - Contribution</td>
<td>$803,000</td>
</tr>
<tr>
<td><strong>Total Sector Benefit</strong></td>
<td><strong>$5,953,000</strong></td>
</tr>
</tbody>
</table>

LGA Asset Mutual Fund

This scheme provides Councils in South Australia with broad cover of their physical assets integrated with a specialised claims management system.

<table>
<thead>
<tr>
<th>LGA Asset Mutual Fund</th>
<th>Benefit to Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Bonus issued to Member in 17/18 as a contribution reduction – Contribution</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Special distributions paid to Members in 2017/18 - Contribution</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Access to Funded Asset &amp; Risk Management Programs - Contribution</td>
<td>$600,000</td>
</tr>
<tr>
<td>Investment income from contributions and surplus funds - Contribution</td>
<td>$440,000</td>
</tr>
<tr>
<td><strong>Total Sector Benefit</strong></td>
<td><strong>$4,040,000</strong></td>
</tr>
</tbody>
</table>
• Total sector benefit for all schemes is $33,627,000.
• Average benefit per council (total divided by 68) is $494,515.

Advance – Non-Financial Benefits

Commercial Activities
This service seeks to expand commercial activities for the LGA which could provide new revenue streams and assist councils to find cost savings and efficiencies. Program recently commenced.

• Benefit to each council of potential future savings.

LGA Directory
LGA Procurement produces a directory of all councils and other important information each year.

• Benefit to councils is updated ‘one stop’ information.
WORKS CITED


Pricing Methodology & Pricing Schedule
2018/19
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Document purpose

The Local Government Association of South Australia (LGA) provides a large range of services to its member councils. Traditionally the majority of these services have been funded from annual member subscriptions.

The LGA is seeking to reduce its reliance on member subscriptions and grants as its primary source of funding to the many services it currently provides to its members and move to a more equitable and sustainable model based on providing member value. This may ultimately lead to minimizing any future increases in its membership subscription fees and/or provide an opportunity for the LGA to increase the core services it is able to provide to councils as part of their members’ subscriptions. This approach will also lead to the expansion of activities provided on a fee-for-service or commercial basis.

This document is required to be produced by the LGA as part of its Membership Proposition Agreement and is designed to ensure the transparency in the setting of the LGA’s fees and charges each year.

This document outlines the services that the LGA provides as part of its membership subscriptions, the circumstances where the LGA will charge for these services, as well as the pricing methodology employed for those services which the LGA charges members for the delivery of these activities.

Background

The LGA has adopted a new Strategic Plan which sets as its vision “for every South Australian to have the best local government experience”. This vision is backed up by the LGA’s mission which is “to provide leadership, support, representation and advocacy on behalf of South Australian Councils, for the benefit of the community”.

The LGA’s Strategic Plan is broken down into three Key Initiatives being:

- **Key Initiative 1: Leadership & Advocacy** (Advocacy) – achieving greater influence for local government in matters affecting councils and communities.

- **Key Initiative 2: Capacity Building & Sustainability** (Assist) – working with member councils to build capacity and increased sustainability. An integrated and coordinated local government.

- **Key Initiative 3: Best Practice & Continuous Improvement** (Advance) – facilitating continuous improvement in councils and the LGA.

At the same time as adopting a new Strategic Plan, the LGA has also updated its Constitution and Ancillary Documents and Section 5 of the new Constitution sets out the function of the LGA. These functions are consistent with the three Key Initiatives outlined above and can broadly be summarised as Advocacy, Assisting and Advancing local government and the communities they represent.
The new constitution also outlines at section 8 the basis of membership of the LGA. More specifically this section of the constitution outlines how councils can become members of the LGA; how their membership can be terminated; and importantly indicates that the LGA will enter into an annual “Membership Proposition Agreement” with each member council.

The Membership Proposition Agreement seeks to outline each party’s rights and responsibilities as part of being a member of the LGA. It also seeks to outline what services the LGA will provide its members and the value of these services to member councils.

The ‘Membership Proposition’ also indicated that the LGA will prepare and circulate to each member the following documents annually:

- A ‘Value Proposition’ which will outline and value the specific membership benefits provided to members in the preceding financial year. The Value Proposition will be annexed to [the] membership proposition and will be replaced each time the Value Proposition is updated: and
- A Pricing Methodology & Pricing Schedule for the services provided by the LGA to its members.

This Pricing Methodology & Pricing Schedule document is designed to meet the second part of the above requirement in the Membership Proposition.

In parallel with the adoption of a new Constitution and new Strategic Plan and the introduction of the Membership Proposition, the LGA also wants to reduce its reliance on members’ subscriptions and grants as its primary source of income and move towards a more equitable and sustainable funding model based on member value.

This will enable the LGA to keep its base membership subscription as low as possible and supplement its income from the provision of a range of opt-in services, paid for on a fee-for-services basis. As a result, councils will have the choice to pay the basic member’s subscription fee and receive a range of advocacy services and a degree of assistance services from the LGA, thus reducing the amount they need to contribute to the LGA on an annual basis. Alternatively, member councils will also have the opportunity to take advantage of a greater range of services that will assist and advance councils in delivering services to their community.

These additional services will be optional, and councils can choose which activities they wish to participate in and how they may wish to participate in these services. These additional services will be paid for on a fee for service basis with the expectation that the council will receive a greater benefit from the service than the fee paid. In addition, councils may also receive a greater benefit and/or pay a reduced fee compared to acquiring the service from the commercial market.

These services will continue the long tradition that the LGA has in establishing successful business ventures such as the various insurance schemes operated by the LGA and the Local Government Finance Authority (LGFA). These ventures have provided low cost services which have meet the needs of members together with providing many financial and non-financial benefits to councils.
This Pricing Methodology & Pricing Schedule seeks to outline to members what services the LGA will provide as part of their membership subscriptions; what services a charge will apply to and how the charges are calculated.

It is envisaged that this document may require revision during the year as new services become available from the LGA, particularly as its commercial services division becomes fully operational.

This document will guide the LGA on setting fees and charges each year as part of its annual budget process. This document will be revised, considered and adopted by the LGA board each year as part of the process of adopting its priorities, budget and key activities for the ensuing year. The document will, together with the ‘Value Proposition’ form a key attachment to the annual Members Proposition agreement between the LGA and each individual member council.
Pricing principles

This section seeks to outline the LGA’s general principles for the pricing of its services. It provides details on potential issues around the cross subsidisation of services, details its pricing authority and negotiation process and describes the LGA’s fair use policy, as well as informing members of the LGA’s pricing, invoicing and service disputes processes.

General principles

1. The LGA is an Association established to support South Australian local government. Constituted by its members as a not-for-profit organisation, it must operate in a financially sustainable way and, by extension, shall seek to charge fairly for the goods and services it provides.

2. The membership subscriptions paid by councils entitle members to a defined range of products and services. Products and services offered in addition to those covered under the membership subscription are to be fairly charged for (unless they have been deemed by the CEO or Board to be offered at a discount or free of cost).

3. It is acknowledged that there can be a differentiation in the nature of products and services provided based on member or customer needs. Consequently, for many offerings there is limited value in having fixed state-wide pricing. Preference is for a minimum price point to be set with no upper limit, thus providing flexibility and incentive to appropriately cost services based on council need, costs incurred and the member’s capacity to pay.

4. When setting the price point for all products and services, the full costs to the LGA are to be considered. At times, the Board or CEO may deem it appropriate to deviate from this principle if it is of strategic benefit to the Association and/or its membership.

5. Where possible, or commercially appropriate, members and customers should be provided in writing with the full (GST inclusive) costs prior to any purchase decision or activity. When publishing prices, all amounts are to be expressed in GST inclusive terms.

6. Member councils & associated government entities: Unless otherwise agreed or negotiated, all billing will occur immediately upon the provision of the product or at the conclusion of any service delivered. For extended arrangements that last longer than 5 weeks, the preference is that monthly billing cycles be implemented.

7. Private sector customers: Pre-payment for the provision of products or services should be considered if appropriate.

8. All invoicing terms should be no more than 30 days.

9. Any customer disputes regarding costs shall be dealt with by the CEO in accordance with the principles detailed within this document.

10. In recognition of good business practice, the LGA will seek to fairly maximise its revenues on the sale of any goods or services deemed to be outside of the membership subscription.
Cross subsidisation

Funds collected through the membership subscriptions shall be best utilised to fund those matters that are of either state-wide, or are of a specific segment interest.

Undertaking substantive matters on behalf of individual - or small collectives of - members under the auspices of a councils 'Membership' has a potential to weaken the value of the current membership model. In such situations, there is a risk that an inequitable cross subsidisation may result, with all members contributing to effort or outcomes that may benefit only limited numbers of members.

By extension, cross subsidisation, if left unchecked, has the material risk of placing an upward pressure on annual membership subscription rates and eroding over time the perceived value of membership for some councils.

At times the Board or CEO may deem it appropriate to deviate from this principle if it is of strategic benefit to the Association and/or its membership.

Unless approval is granted by the CEO or Board, a Fair Use Test should be applied so as to determine whether any activity should be free-for-service or fee-for-service.

A Fair Use Policy is outlined on Page 8.

Pricing authority, negotiation and discounts

The CEO is ultimately responsible for ensuring staff understand and comply with this pricing policy.

The CEO may delegate authority to any officer the responsibility of offering for sale any product or service.

It is the responsibility of delegated officers to ensure that the sale of any good or service conforms to the agreed pricing methodology and that any contracts entered into with a member or customer shall conform to the relevant LGA policies.

It is also the responsibility of delegated officers to ensure all invoicing activities conform to the approved pricing methodology.

Unless detailed explicitly within this document, no officer may offer additional discounting, other financial offsets or inducements to any member or customer, unless pre-approved by the CEO or Board.

The CEO as a standing authority extends the ability for an Executive Director the power to exercise prudently, a discount capped at 20% of any item in the Pricing Schedule, or for any products and services bundle offered in aggregate (i.e. a packaged offering). However, the LGA will only exercise this option sparingly in order to ensure the transparency and consistency in pricing to all members.

The LGA also acknowledges that a number of its services are provided on a cost recovery bases with little or no margins, meaning that discounts may not be readily available.
**Fair use policy**

The Association exists to service and support members, and to offer support and guidance for any matters of concern or difficulty. Within the context of this policy, all member councils are entitled to an agreed level of face-to-face, email and telephone support for the duration of their membership.

It is however unreasonable for the LGA to provide indefinite or unlimited support for members on individual matters that, due to their nature, will see the LGA incur higher than budgeted costs. As a rule-of-thumb, members can be asked to make a financial contribution when either of the following conditions are met:

a. The issue requires a material response or extended application of time/effort and affects less than 14 member councils (20% member base)

b. The Board or CEO consider the costs or efforts of resolving an issue are likely to exceed the Association's capacity to respond to, or fund, a response.

Trigger 'B' is the default position for all member requests - any material impacts in terms of costs, labour or time that fall outside of the approved budget will require consideration and review by the CEO or General Manager.

The calculation for determining a member's co-contribution will be assessed at the applicable cost for all labour and direct costs in excess of the threshold.

In short, the LGA's liability to an individual member for a single defined matter is capped at 3 hours of LGA labour and - if it is of a material nature - up to 5% of the affected member's subscription.

**Pricing, invoicing & service disputes**

The LGA Corporate & Member Services department under the direction of the Executive Director is responsible for debt collection.

For invoices in dispute the issue will be referred in the first instance to the authorising or responsible LGA officer to resolve. Any proposed resolution that results in a material change or reduction to the original invoice amount must be authorised by the relevant Executive Director or CEO.

Any resolution that will result in the pricing levels in Appendix 3 being breached or modified by a factor greater than 20% must be referred to and approved by the CEO.

If no resolution can be negotiated to the satisfaction of the member or customer, the issue is to be escalated to the CEO for a final decision.
LGA Membership Subscription

Under the LGA constitution, member councils must pay an annual membership subscription fee which is payable in advance.

LGA member subscription fees fund the core activities of the LGA. These fees are calculated by applying a formula which has been designed to achieve the following basic principles in relation to the benefit of membership:

a. some services have a fixed benefit to all members, irrespective of population or revenue base; and
b. some services provide benefits relative to the size of the population of the council; and
c. some services provide benefits relative to the revenue base of the council.

The LGA has recently undertaken research into how membership subscriptions are calculated. In 2015/16 the LGA Board formally reviewed the membership subscription formula, and canvassed four alternative options with member councils. The final formula adopted by the Board in May 2017 for membership subscriptions would be phased in over a three year period commencing from 1 July 2017. The final formula adopted is based on the following:

1. There should be an equal flat component for each member designed to collect at least 20% of the overall subscriptions;
2. The 40% population and 60% revenue (3 year average) split for the balance of the subscription;
3. There is not a cap on the subscription limit. The LGA applies a declining block contribution rate for set increments in population and revenue. This results in larger councils (population and revenue) paying more than smaller ones, but at a lessor rate of increase.

The LGA has calculated its membership subscription fees for 2018/19 based on the above formula and provides for a 2.5% increase on the previous year. A list of individual council LGA Membership Subscriptions for 2018/19 are included in Appendix 2.
Services Funded by Member Subscriptions

Traditionally, the LGA has charged its members an annual subscription fee which has been used to fund a significant proportion of the Association’s expenditure. A summary of the core services funded by the LGA’s members subscriptions are highlighted in the table below.

<table>
<thead>
<tr>
<th>Governance and Legislation</th>
<th>Economic Development</th>
<th>Member Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policies, Codes and Guidelines</td>
<td>Engaging with China</td>
<td>Electronic Services Program</td>
</tr>
<tr>
<td>Standard Operating Procedures &amp; Templates</td>
<td>Tourism</td>
<td>Education and Training</td>
</tr>
<tr>
<td>Governance</td>
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<td>Authorised Persons</td>
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<th>Community</th>
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<td>Arts and Culture</td>
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<td>Aboriginal Affairs</td>
<td>Local Government Planners’ Kit</td>
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<td>Libraries</td>
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<td>Volunteers</td>
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<td>Community Engagement</td>
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<tr>
<td>Public Health</td>
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<td>Council Rate Resources</td>
</tr>
<tr>
<td>Emergency Management</td>
<td>Heritage &amp; Planning</td>
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<td>Disability</td>
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<td>SA Local Government Price Index (LGPI)</td>
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<tr>
<td>Liquor Licensing</td>
<td>Building upgrade finance</td>
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<th>Transport and Infrastructure</th>
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<tr>
<td>Fair Federal Funding</td>
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<td>LG Research &amp; Development Scheme Projects</td>
</tr>
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<td>Infrastructure Partnership</td>
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<td>National Heavy Vehicle Law</td>
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<td>Powerlines &amp; Vegetation</td>
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<td>Roads &amp; Transport</td>
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<td>Transport Advisory Panel</td>
<td>Waste and Recycling</td>
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<td>Illegal Dumping Toolkit</td>
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<td></td>
<td>Local Nuisance and Litter Control</td>
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A list of the entire range of serves provided to member councils by the LGA is summarised in Appendix 1. Appendix 1 also aligns each service provided by the Association with the LGA’s Strategic Plan’s Key Initiatives of Advocate, Assist and Advance; as well as indicating how each service is funded. More details on each of these services are provided on the LGA’s website.

UHY Haines Norton has recently validated that the annual value of LGA membership to each council is in excess of $2 million. This translates to more than $139 million in savings across the sector every year.

UHY Haines Norton Adelaide in their assessment of the Value of LGA membership (2018) concluded that ‘there is a financial advantage for councils to be a member of the LGA. There is also a significant non-financial benefit of membership. Membership of the LGA therefore, is an important tool for councils and their elected members in seeking to commit to ongoing improvement in the efficiency and effectiveness of service delivery’.
UHY Haines Norton also found that ‘There are a number of services provided by the LGA which are difficult to quantify in financial terms but both elected members and staff find invaluable. These services would be very difficult to arrange by individual councils with such a council having to go without the service or source a supplier at potential significant cost’.

The LGA, like its member councils, only has a limited amount of revenue available to meet the increasing demands of its members. That is, while each member council pays an annual subscription to the LGA, the LGA is not able to provide every service every council seeks from its membership of the LGA. The LGA Board, through its annual budget process, determines the resources that it has available and the sector’s priorities and produces an Annual Business Plan which sets out the services and its works plan for the ensuring twelve months (also refer to the section on the LGA’s ‘Fair use Policy’ on page 8).

The Annual Business Plan sets out what the LGA seeks to achieve, the level of service to be delivered and the resources available to deliver services via its membership subscriptions.

LGA membership entitles member councils to:

- Telephone and email support for all matters of concern or difficulty within the areas that align with the core capabilities of the LGA. [Fair Use Policy Applies]
- Policy and advocacy support for all matters of state-wide and local government sector interest.
- Ability to submit motions for the consideration of the membership via SAROC & GAROC.
- Access to a defined range of free membership services as agreed to annually by the Board and fully funded through the LGA Budget.

This membership does not generally include:

- Additional or ongoing support for any issue that is in outside of the 'Fair Use Policy'.
- Products, services, support or advocacy for discrete or individual council matters.
- Products, services, material support or dedicated advocacy for matters that generally affect or impact less than 14 member councils (20% of membership).

While traditionally the majority of the LGA’s services have been funded by member subscriptions; the LGA is currently seeking to deliver a variety of fee-for-service products that have the potential to ultimately deliver a dividend to the LGA to be used to minimise any future increases in its membership subscription fees and/or provide an opportunity for the LGA of SA to increase the core services it is able to provide to councils as part of their members’ subscriptions.
Fee-for Service Activities

Introduction

The LGA wishes to reduce its reliance on member subscriptions and grant funding by maximizing the value it can provide members through aggregated expenditure initiatives, value adding through the services it provides members and by the provision of commercial services.

The LGA has a strong tradition of providing commercial services to its members at below market rates, providing a dividend back to the LGA and its members and providing a higher level of service and benefits than can be obtained from the private sector. Some of the successes in these areas include:

- Local Government Mutual Liability Scheme
- Local Government Asset Mutual fund
- Local Government Workers Compensation Scheme
- Local Government Finance Authority
- Local Government Association Procurement

In addition to these stand-alone entities, the LGA also provide a number of other activities on a fee-for-service basis including:

- Provision of education and training services
- Events and conferences
- Local Government Governance Panel
- Unity Web Services & other ITC Services

The LGA also auspice a number of services that it delivers on behalf of members, with funding received from the state and federal governments. Recent examples of these services include administering:

- The Regional Youth Traineeship Program
- Community Wastewater Management Systems
- Public Health Program
- Emergency Management
- State Local Government Infrastructure Partnership

The LGA has recently employed an Executive Director Commercial who is tasked with expanding the range of commercial services that can be delivered to member councils. It is the LGA’s view that if it can expand the range of services it can provide member councils, it will be able to provide more services below existing market rates (saving councils a considerable amount of money), and provide members with value added services not currently
available in the market. This will enable the LGA to reinvest in new commercial services and to off-set the reliance on member subscriptions for the general range of services it provides.

This section seeks to outline the LGA’s pricing policy and methodology for the current fee-for-service activities it delivers to members as well as its methodology for delivering new services to the sector in the coming years.

**Funded projects**

The LGA regularly undertake a number of funded projects on behalf of the sector. These funded projects can include delivering programs on behalf of state and federal governments; projects funded by the research and development fund (see separate section below) as well as projects on behalf or in conjunction with other non-for-profit organisations. Recent examples of funded projects include:

- The Regional Youth Traineeship
- Community Waste-water Management Scheme
- Public Health Program
- Emergency Management
- State Local Government Infrastructure Partnership

Generally, the LGA will seek to undertake these services on a full cost recovery basis for all funded projects. That is the LGA will seek to recover all direct project costs (including direct labour, materials, project support and contractors) and contribute to all LGA indirect costs (including office space, ITC and supervision) and overheads (including HR, finance, and records costs). The LGA does not seek to make a ‘profit’ or return a dividend to its general operations from funded projects.

There will be times when the LGA may choose to subsidise funded projects, either as a result of receiving other external funding for the project (i.e. R&D funding) or from a deliberate decision of the LGA that the project is of such a benefit to the sector that it should be subsidised from the LGA’s membership subscriptions.

In addition, there may be occasions when it may be appropriate for the LGA to ask its members for a co-contribution to funded programs where there is individual benefit to councils; and/or where funded projects do not cover all the LGA’s cost in delivering the program and it is beyond the LGA’s resources to fund the program from LGA membership subscriptions. The LGA also runs a number of programs based on a subsidy funded model, such as the CWMS program, where the LGA administers the state government’s contributions to programs jointly funded by councils.
Research & Development Projects

The Local Government Research & Development Scheme (“LGR&DS” or “the Scheme”) is set up under section 31A of the Local Government Finance Authority Act 1983 (LGFA Act) to fund projects of benefit to the system of Local Government in South Australia.

The Scheme holds two funding calls per year:

- An LGA (internal) funding call – applications for which are due to open in February 2018 and close in late March 2018, for an LGA Board decision in May 2018; and
- A “Sector” or external funding call – applications for which are due to open in late May 2018 and close in late July 2018, for an LGA Board decision in September 2018.

The Local Government Research and Development Scheme funds specific projects that are "strategically for the benefit of Local Government as a whole".

The 'Purposes' agreed between the Minister for Finance and the President of the LGA are:

- Grants or services to help councils access electronic information and other strategic development of Local Government Information services.
- Grants or services to help councils with performance assessment, measurement and benchmarking, and with performance improvement.
- Development or provision of services, training, handbooks, guides or codes related to the administration of legislation under which councils operate.
- Grants or services to help councils promote understanding of the role, purposes and functions of Local Government, including development of materials for schools.
- Grants for Local Government research and development projects:
  - in priority areas for research and development specifically identified on an annual basis following consultation by the LGA with councils, or
  - concerning innovation in Local Government administration or services.
- Agreed programs for consultation throughout the Local Government sphere on projected legislative changes affecting Local Government.
- Grants, research, information or services to help councils with the introduction and implementation of reforms to service delivery, within Local Government and between State and Local Government.
- Funding of proposals by regional Local Government organisations to strengthen their ability to provide services to their members and communities and to engage effectively in intergovernmental discussions and negotiations. "Regional Local Government organisations" includes both rural and metropolitan regional groupings as possible beneficiaries for funding of initiatives with potential sector wide benefit.
- Payments for which Local Government, through the LGA, is liable under legislative provisions requiring the LGA to pay or contribute to the costs of specified statutory activities undertaken for Local Government purposes.
• Grants or services to assist Councils with planning for the development/maintenance of infrastructure and undertaking asset management planning.

The Local Government Research & Development Scheme is available for Local Government "development purposes" and the LGA regularly access funding from the Research and Development Scheme to deliver projects and programs on a sector wide basis.

Generally, the LGA will seek to undertake these services on a full cost recovery basis for all Research & Development Scheme funded projects. That is the LGA will seek to recover all direct project costs (including direct labour, materials, project support and contractors) and contribute to all LGA indirect costs (including office space, ITC and supervision) and overheads (including HR, finance, and records costs). The LGA does not seek to make a 'profit' or return a dividend to its general operations from Research and Development Scheme funded projects.

There will be times when the LGA may choose to subsidise Research and Development Scheme funded projects, either as a result of receiving other external funding for the project (i.e. grant funding) or from a deliberate decision of the LGA that the project is of such a benefit to the sector that it should be subsidised from the LGA’s membership subscriptions.

In addition, there may be occasions when it may be appropriate for the LGA to ask its members for a co-contribution to Research and Development Scheme funded programs where there is individual benefit to councils, and/or where funded projects do not cover all the LGA’s costs in delivering the program and it is beyond the LGA’s resources to fund the program from LGA membership subscriptions.

Local Government Governance Panel

The principal function of the Local Government Governance Panel is to assist councils in addressing complaints about the conduct of council members under the Code of Conduct for council members (Code), as made by regulation and as varied from time to time.

The panel has no coercive or other powers – its function is to consider, investigate, assess and prepare reports and make recommendations/observations to council about possible resolutions or sanctions, or changes to policies or procedures.

The Panel Manager, appointed by the LGA, will make an initial assessment of each complaint referred to the Panel, to determine if the matter falls within the remit of the Panel, or whether the complaint should be referred elsewhere in relation to the Code (for example, to the Office for Public Integrity or to the Ombudsman). The cost for initial assessment of a complaint is up to $375.

The Panel Manager will determine which Panel Member should undertake the investigation of the complaint, and the complaint (together with any support material) will then be referred to the appropriate Panel Member, subject to availability.

The cost of the investigation is based on an hourly rate, plus travel and accommodation where applicable. The hourly rate of the panel member may vary dependent on the panel member assigned to the investigation and the particular skill mix required to resolve the complaint received.
The Panel Manager, in consultation with the selected Panel Member, will make an estimate of the time required to undertake the investigation and prepare the report and recommendation. This will be used to provide an estimate of costs to the respective council before commencing the investigation. The timeframe for dealing with the matter will also be confirmed.
Education & Training

The LGA Education & Training (E&T) service is one of many LGA Member Services, designed to support the needs of Members. **The E&T service aims to promote, facilitate, enhance and make accessible education and training activities, opportunities and products for the Local Government sector in South Australia.**

A wide and varied range of courses that are up-to-date and in line with the needs of the Local Government sector in South Australia. Many of the courses offered are in response to legislative changes and requirements; others are to assist council employees with their day-to-day tasks. All courses are contextualised to the needs of the sector and delivered by qualified and highly experience trainers.

The LGA Education and training division provide a board range of services to member councils including:

- Short courses and forums
- Elected Member induction courses
- Elected Member training
- Annual Residential seminars for Mayors, Elected Members, CEOs and General Managers
- Online learning portal providing flexible and assisted learning programs.
- Access to the latest research and legislative changes throughout the drafting process, enabling early training program development.
- An extensive regional training program that aims to reduce the time and costs associated with attending training in Adelaide (where financially viable).
- Strategic Alliance with University of New England Partnerships (UNEP) to deliver a range of great value, high quality and flexible qualification pathways.
- TAFE MOU for the delivery of training to the sector
- Customized courses are can be developed for any purpose, in any region at an agreed upon value.
- Flexible delivery methodologies and use of emerging technologies across our suite of training courses.

The LGA’s Education & Training service strives to provide the best training at the most affordable price for our members. All training session are priced according to a range of variables that can include costs associated with content development and updates, the administration and promotion of each session, venue hire, catering, classroom resources, travel and accommodation and so on. The E&T service always strives to minimise costs and maximise outcomes and passes these savings on to members through a reduced overall fee structure.
The fees set by Education & Training Team are based on the duration of the course provided (i.e. 1/2 day; 1 day and 2 days), with discounts offered for multiple participants attending from the one council. The fixed fee, based on duration, means that some courses may subsidise others. The fees charged are regularly benchmarked against other similar organisations (i.e. LGNSW, LGAQ, WALGA, ALGA and LG professionals). Member feedback on the training courses are sought after each session provided, with courses averaging a rating of over 7 out of ten for value for money.

The Education & Training Team aims to reduce the cost of courses provided to its rural members by undertaking a significant number of face-to-face courses outside of the metropolitan area, providing an increasing number of webinars and on-line training, offering discounts for multiple attendees from the one council, as well as offering in-house training sessions. These initiatives significantly reduce the cost of accommodation, travel and other out of pocket expenses associated with traveling to Adelaide for courses.

The LGA will seek to recover all direct Education & Training service costs (including direct labour, materials, project support and contractors) and contribute to all LGA indirect costs (including office space, ITC, marketing, and supervision) and overheads (including HR, finance, and records costs). Any surplus generated from Education and Training activities are reinvested in the development of Education and Training services.

There will be times when the LGA may choose to subsidise Education & Training service either as a result of receiving external funding to provide a course, or from a deliberate decision of the LGA that the course is of such a benefit to the sector that it should be subsidised from the LGA’s membership subscriptions; or for a strategic or commercial reason.

Regional training is provided at the same cost as training provided in the metropolitan area with any additional accommodation and travel cost subsidised by the Education & Training service division. Where possible, and where programs are provided on a state-wide basis, the total cost of the state-wide program will be divided equally amongst participants.

Where the regional course has been custom designed for a single council, the council involved will be required to pay all accommodation and travel costs associated with that Education & Training activity.
Events

The LGA provide a number of key events each year including:

- LGA Conference and Annual General Meeting
- Council Next Practice Showcase and LGA Ordinary General Meeting
- LGA Roads & Works conference

Minor events, Public Affairs/Advocacy Sessions
(Meetings, seminars, briefings, forums etc.)

These include any Public Affairs/advocacy issue/topics, Presidents forums, updates on new legislation or requirements or topical issues forums. Minor events/public affairs/advocacy sessions (seminars, briefings and forums) are generally recognised as a cost of doing business. As such, the LGA will only charge its member councils the direct external costs of holding these sessions such as venue hire, speaker costs, catering etc.

There will be times when the LGA may choose to subsidise or provide free of charge some minor events/public affairs/advocacy sessions either as a result of receiving external funding to provide a session, or from a deliberate decision of the LGA that the session is of such a benefit to the sector that it should be subsidised from the LGA’s membership subscriptions.

Major Events: LGA Conference & AGM; Council Next Practice Showcase and OGM & LGA Roads & Works Conference

Unlike meetings or seminars, conferences by their nature can carry significantly more risk. These include financial risks in that many significant costs are carried up-front and are often pre-paid. This outlay for elements such as venue hire, AV services, meals for attendees, fees for topical speakers and their travel and accommodation costs, hire of booth structures, tables & chairs for sponsorship firms and other costs incurred to hold a major event require a minimum number of attendees to ensure that these costs are recouped.

The LGA seeks to reduce the cost of these events to members by offering commercial sponsorship opportunities. The LGA, offers a range of sponsorship opportunities, which are detailed in its annual ‘LGA Sponsorship Proposal’. The LGA offers government, non-profit and commercial entities the opportunity to provide trade displays & booths at these conferences as well as offers five levels of sponsorship. The levels of sponsorship for the Conference & and AGM and Showcase & OGM are outlined in the table below.
The LGA Roads and Works Conference is a major event held in a different region each year. The pricing structure for this event is slightly different than the Conference & AGM and Next Practice & OGM for both delegates and for sponsorship. Generally the LGA Roads & Works Conference plenary sessions are held in a regional cities theatre, however there is a considerable cost for the marquee used for the sponsorship and trade display to be housed. The other costs incurred for this regional event are similar to the Adelaide based events noted earlier. Below is an outline of the levels currently available. The LGA Roads & Works Committee is currently reviewing the fees for sponsorship for this event and will increase for the 2018 event held in August this year.

### Sponsorship levels

<table>
<thead>
<tr>
<th>Sponsorship levels</th>
<th>1 Event overall costs</th>
<th>2 Events overall summary of discounts available</th>
<th>3 Events overall summary of discounts available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platinum</td>
<td>$22,000 over cost</td>
<td>$1100 discount applies</td>
<td>$2,200 discount applies</td>
</tr>
<tr>
<td>Gold</td>
<td>$16,500 overall cost</td>
<td>$825 discount applies</td>
<td>$1,650 discount applies</td>
</tr>
<tr>
<td>Silver</td>
<td>$11,000 overall cost</td>
<td>$550 discount applies</td>
<td>$1,100 discount applies</td>
</tr>
<tr>
<td>Bronze</td>
<td>$5,500 overall cost</td>
<td>$275 discount applies</td>
<td>$550 discount applies</td>
</tr>
<tr>
<td>Exhibitor</td>
<td>$2,200 overall cost</td>
<td>$110 discount applies</td>
<td>$220 discount applies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sponsorship levels</th>
<th>1 Event overall costs</th>
<th>1 Event overall costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Platinum Day</td>
<td>$5000 + GST</td>
<td>$6000 + GST</td>
</tr>
<tr>
<td>Platinum Dinner</td>
<td>$5000 + GST</td>
<td>$6000 + GST</td>
</tr>
<tr>
<td>Major</td>
<td>$3000 + GST</td>
<td>$3000 + GST</td>
</tr>
<tr>
<td>Display</td>
<td>2000 + GST</td>
<td>2500 + GST</td>
</tr>
<tr>
<td>Exhibitor</td>
<td>1500 + GST</td>
<td>1500 + GST</td>
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</table>

Generally, the LGA will seek to undertake these services on a full cost recovery basis for all conferences, with the addition of a mark-up on the cost to cover a margin for risk, plus GST where applicable.

That is the LGA will seek to recover all direct *conference* costs (including direct labour, materials, project support and contractors) and contribute to all LGA indirect costs (including office space, ITC marketing, and supervision) and overheads (including HR, finance, records costs).

The margin acknowledges that some conferences won’t be profitable as attendance numbers and costs can fluctuate which can affect the profitability of courses. The margin provides capacity to the Events team to remain ‘profitable’ and to potentially reinvest some surpluses into subsidising some events held for strategic or commercial reasons.

In addition to the general delegate pricing to these conferences, the LGA will also offer the following pricing options:

**External Delegates:** Non-government or non-members may, at the discretion of the relevant Executive Director or the CEO, be charged an additional premium for attending.
Discounts: Individuals who directly contribute to a conference program as a speaker or workshop presenter may be extended a 100% discount for the day on which they are presenting. Other additional incentives to attract an un-paid speaker may be offered at the discretion of the CEO. Discounts for multiple delegate registrations will not be offered unless authorised by the CEO.

Special discounted rate - LGA Members only - If your council registers additional delegates (for the LGA Conference & AGM and Council Next Practice Showcase & OGM e.g. more than the number it sent to the previous similar event the year before) 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 conference & full showcase events (both days & dinner).

- Stand-alone conference meals / dinners: When a non-conference guest, such as a partner or casual visitor, seeks to join a conference, meal pricing is to be at full cost recovery including a 10% margin. Meal costs for all delegates may be off-set through sponsorships.

There will be times when the LGA may choose to subsidise or provide free of charge some minor events & public affairs / advocacy sessions either as a result of receiving external funding to provide a session, or from a deliberate decision of the LGA that the session is of such a benefit to the sector that it should be subsidised from the LGA’s membership subscriptions.

The following is a summary of the LGA’s pricing schedule in relation to the major events it hosts each year.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Details</th>
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<tbody>
<tr>
<td>Minor Events/advocacy sessions</td>
<td>Direct external costs of holding sessions is charged to participants. Cost determined on a case by case basis.</td>
</tr>
<tr>
<td>LGA Conference &amp; AGM</td>
<td>Direct costs of holding the major events, LGA Conference &amp; AGM; Council Next Practice Showcase &amp; OGM &amp; LGA Roads &amp; Works Conference are offset by the sponsorship raised and registration fees.</td>
</tr>
<tr>
<td>Council Next Practice Showcase and OGM</td>
<td>These events are run on a on a break-even basis.</td>
</tr>
<tr>
<td>LGA Roads &amp; Works conference</td>
<td>Where sponsorship gained and registrations received exceeded the budget then surplus funds are moved into the operational budget.</td>
</tr>
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</table>
IT/ESP

The LGA provides an Electronic Services Program to its members which focuses on the delivery a number of core projects including:

- **Unity hosted website Content Management System (CMS)** - A major component of the ESP is the Unity Dynamic Council Websites (DCW) initiative. **Unity** is a Content Management System (CMS) that is available to all councils and has been built by South Australian IT company, Deloitte Digital.

- **My Local Services App** - As part of the LGA’s Local Excellence Program, the My Local Services App works across the state to deliver local information and your message direct to the citizen.

- **SA Tenders & contracts** – The LGA signed an agreement with the State Government to provide access to SA Tenders & Contracts website for all councils in SA as part of the LGA’s Electronic Services Program. This deal includes an arrangement to streamline placement of a composite advertisement for Council tenders.

- **Other Services** – The LGA also provide a range of other ITC services including the Unity Synergy On-line, videoconferencing and training.

### Unity Content Management System (CMS)

The Unity CMS has been provided to councils based on a price negotiated in the original contract with Chimo (now Deloitte Digital) that included an annual CPI increase. Councils are then charged based on a two tiers pricing structure based on population size.

Contract management and support has historically been 50% subsidised by the LGA with the remaining 50% of these costs being recovered/funded by other means i.e.: councils that use the Electronic Services Program services.

Fees charged to councils and related entities (i.e.: Local Government Associations and Public Libraries SA) for the Unity CMS are set according to the amount required e.g.:

- 50% of costs of the ESP staff
- All direct costs of the Unity CMS (licencing and hosting etc.)

### My Local Services App

The My Local Services App has been developed by Deloitte Digital. Ongoing support for the App by Deloitte Digital has been rolled into the MSA for the Unity CMS with Deloitte Digital.

Additional costs for spatial mapping and development are also incorporated into the costs for the App.

### SA Tenders and Contracts

The LGA is charged a per-tender placed fee by the State Government’s Shared Services for councils lodging a tender on the SA Tenders and Contracts system www.tenders.sa.gov.au.
The LGA is also charged for the cost of Advertising for the weekly Composite Ad paced in The Advertiser on a Tuesday.

Councils are charged the following amounts by the LGA:

- $55 (ex GST) for on-line or selective tenders placed, and
- $325 (ex GST) for a line Ad in the weekly Composite Ad.

**Other IT Services**

The LGA also provide a range of other ITC services including:

- **The Unity Synergy On-line** - The Synergy Online service is provided to councils running the Unity CMS and IT Vision’s Synergy Soft that choose to deploy integrated on-line payments and on-line transactions. The LGA run a separate cloud based server and provide support to councils running this service. Councils are charged a hosting, maintenance and support fee.

- **Videoconferencing** - Costs for the videoconferencing and webinar equipment and broadband connection are covered by the LGA Information Technology budget. The Electronic Services Program team charge a fixed hourly fee for internal ($78.10/hr) and external ($154/hr) use.

- **Training** - Face-to-face Unity training is provided to councils onsite or at the LGA for the cost of $140/hour (ex GST). Additional costs of flights, car-hire, and accommodation are charged at cost if travel is required. On-line Unity training is provided to councils via TeamViewer for the cost of $50/hour (ex GST).
New Commercial Services

The LGA is in the process of expanding its commercial services in order to reduce its reliance on member subscriptions and to expand the range of services available to members.

Each new service will be required to have its own business case. The business case will consider the current market for the new service, its competitors, current pricing of the service in the market, expected demand for the service, the expected cost of the service and the risks involved with the service.

It is acknowledged that new services will take time to establish. It is also expected that new commercial services will be required to retain some of its revenue to reinvest in the new service; to be used as seed funding for other new services; and to act as a buffer should the service experience any difficulties in the future.

Once the new commercial services have matured, it is expected that they will provide a return to the LGA to offset its general activities currently funded by member subscriptions.

Provided below is a general guide that will be used to determine the cost of new commercial services. This will however be guided by the relevant business case, and once set, the new service pricing will be included in future editions of this document.

Each individual new service will have its own fee structure. This will be outlined in the business case for each service. Revenue may be derived by commission based fees, charging a fee-for-service, or facilitating a service which is provided by and charge by a third party. In all cases the method used to determine the pricing of a service and why the LGA has chosen to price the service in will be clearly outlined in this Pricing Methodology and Pricing Schedule document to ensure transparency of the service.

The business case for new services will consider pricing of the service when compared to potential competitors in the market. The aim of the Commercial Division is to provide a superior service to its members that is below the cost of that service in the market, while still delivering value to the member council and a potential dividend to the LGA.

There will be times when the LGA may choose to subsidise some commercial activities, either as a result of receiving external funding to provide an activity or from a deliberate decision of the LGA that the activity is of such a benefit to the sector that it should be subsidised from the LGA’s membership subscriptions.

Subsidiary dividends, distributions & fees

It is acknowledged that it may take some time before the new services will be in a position to potentially pay a dividend back to the LGA. Initially, the new business ventures will require seed funding from the LGA’s existing revenue streams to get them up and running. In the early years of the new Commercial Division of the LGA, revenue generated by these new activities are also likely to be reinvested in the new service, be used to provide operating capital to the LGA’s Commercial Division as well as being used to provide seed funding for the implementation of additional activities.
The LGA, though policy and the setting of its annual budget and long term financial plan will also determine the amount of revenue it will receive from its commercial activities. The LGA will also consider how much of this revenue should be retained by the LGA to fund the provision of its core services and thus minimise increases in membership subscriptions.

Dividends and distributions from the Association's owned entities will be determined by their respective Boards through their annual budget cycle and, once accepted by the LGA Board in its capacity as shareholder, reflected within the LGA budget.

The Association reserves the right to levy an owned entity to recoup its costs in relation to services provided or the general promotion of that entity. This recoupment may occur as either a direct charge or as part of an annual management fee.
## Appendix 1: Summary of LGA services & pricing

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# Appendix 2: Members Subscription Fees 2018/19

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<tr>
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<td>Yankalilla DC</td>
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## Appendix 3: Other fees & charges 2018/19

*All fees are GST Inclusive*

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Services</th>
<th>2017/18 Fee</th>
<th>2018/19 Fee</th>
</tr>
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<tbody>
<tr>
<td><strong>Education &amp; Training</strong></td>
<td><strong>Half Day Training</strong></td>
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</tr>
<tr>
<td></td>
<td>• Per Participant</td>
<td>$363.00</td>
<td>$363.00</td>
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<tr>
<td></td>
<td>• 2 to 5 Participants</td>
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<td>$330.00</td>
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<td></td>
<td>• 6 to 10 Participants</td>
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<td>$313.50</td>
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<tr>
<td></td>
<td>• 11+ Participants</td>
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<td>By Neg.</td>
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<tr>
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<td><strong>Full Day Training</strong></td>
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<td></td>
<td>• Per Participant</td>
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<td></td>
<td>• 2 to 5 Participants</td>
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<tr>
<td></td>
<td>• 6 to 10 Participants</td>
<td>By Neg.</td>
<td>By Neg.</td>
</tr>
<tr>
<td></td>
<td>• 11+ Participants</td>
<td>By Neg.</td>
<td>By Neg.</td>
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<tr>
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<td><strong>Two Day Training</strong></td>
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<tr>
<td></td>
<td>• Per Participant</td>
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</tr>
<tr>
<td></td>
<td>• 2 to 5 Participants</td>
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<tr>
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<td></td>
<td>• 11+ Participants</td>
<td>By Neg.</td>
<td>By Neg.</td>
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<tr>
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<td><strong>One Day Forum</strong></td>
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<tr>
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<td>• Per Participant</td>
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<td></td>
<td>• 2 to 5 Participants</td>
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<td></td>
<td>• 11+ Participants</td>
<td>By Neg.</td>
<td>By Neg.</td>
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<td><strong>Two Day Forum</strong></td>
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<td>• Per Participant</td>
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<td>By Neg.</td>
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<td></td>
<td>• 11+ Participants</td>
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<td></td>
<td>• Additional Dinner Guests</td>
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<thead>
<tr>
<th>Service Area</th>
<th>Services</th>
<th>2017/18 Fee</th>
<th>2018/19 Fee</th>
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<tbody>
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<td>• Support Fee</td>
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<td></td>
<td>• Bandwidth rate ($/MB)</td>
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<td>$132</td>
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<td></td>
<td>• Database Charge ($/gig)</td>
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<td>• Face to Face (ex. Travel &amp; Accommodation costs)</td>
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<td>• Non-Unity Councils</td>
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<td><strong>SA Tenders</strong></td>
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<td></td>
<td>• On-line or Selective Tender Places</td>
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<td>• Line add in weekly composite Ad</td>
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<td>• External use</td>
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<td>Service Area</td>
<td>Services</td>
<td>2017/18 Fee</td>
<td>2018/19 Fee</td>
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<td>Pre-Conference Reception pass</td>
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<td>Bronze</td>
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<td>Exhibitor</td>
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<td></td>
<td>*5% discount per event if sponsor for 2 events; 10% if sponsor 3 events</td>
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<td>Investigation</td>
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<td>Individually Assessed</td>
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8.1 Commonwealth Home Support Program Funding (Marion)

Council Notices of Motion – LGA Comment

Motion From: City of Marion
Meeting Annual General Meeting 26 October 2018
ECM: 665553 Attachment: 665142

Proposed Recommendation

That the Annual General Meeting requests the LGA to lobby the ALGA to continue campaigning for the Commonwealth Government to confirm funding for Local Government to provide services to older people within our local communities post June 2020 when the Commonwealth Home Support Program funding ceases.

Officer’s Comments

(Officer: Rebecca Muller, Senior Policy Officer)

This Notice of Motion aligns with LGA Policy. The LGASA has already undertaken advocacy at the Commonwealth level and has discussed Commonwealth’s aged care reforms with the Australian Local Government Association (ALGA). At the ALGA Board meeting on 20 September 2018, it was agreed that this issue will be included as part of ALGA’s Federal Election agenda and considered as part of the next Federal Budget Submission.

The reform of aged care introduces a ‘consumer directed care’ approach that will fundamentally change the way Australians receive funding for and access services as they grow older. The Commonwealth Home Support Programme (CHSP), commenced in 2015 consolidating the Commonwealth Home and Community Care (HACC) Program along with a number of other aged/respite programs.

Once fully implemented, these reforms will have significant implications for councils and will fundamentally change the block funding councils have traditionally received to deliver their programs. While this has created a high degree of uncertainty for councils and the communities they serve, there is a strong sense in the sector that there is a role for local government in supporting the needs of people as they get older.

The LGASA Ageing Strategy 2016-2021¹, identifies the role for the LGASA in advocating and assisting South Australian councils in responding to the reforms. With input from a working group of member councils, the LGASA prepared the Aged Care Funding – Issues for Local Government (2017) report, to ensure that councils are informed to respond to the reforms.

Financial and Resource Implications

Further advocacy on Commonwealth Home Support Program, in conjunction with ALGA, has been anticipated in the LGASA’s work program and resources are available to progress this work.

## Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Marion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Commonwealth Home Support Program Funding</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA to lobby the ALGA to continue campaigning for the Commonwealth Government to confirm funding for Local Government to provide services to older people within our local communities post June 2020 when the Commonwealth Home Support Program funding ceases.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>The Commonwealth Home Support Program provides funds that enable Council to provide opportunities for older people to stay active, socially connected and independent in their local community. The current Commonwealth Home Support Program (CHSP) Funding ceases in June 2020. Local governments will soon commence preparations for 2019/2020 budgets and as such there is an urgent need for clarity around the next stage of Commonwealth Government Health (Aged Care) reforms so that Councils can make decisions, take advantage of opportunities and continue to build on existing partnerships. There is a strong need for at least a minimum level of funding to be maintained for Local Governments to continue to provide transport and social programs that support older people within the local community. As the Commonwealth Home Support Program is a commonwealth funding issue the Australian Local Government Association (ALGA) would take a lead on the matter. The intent of this motion is for the LGA to keep the pressure on the ALGA so that this issue remains high on their agenda.</td>
</tr>
</tbody>
</table>
| Council Contact Officer submitting form and date submitted | Name: Jaimie Thwaites  
Date: 31 August 2018 |
| Council Meeting Minute Reference and date of meeting | GC180828M03 |
| Council has referred draft motion to or considered by relevant Regional LGA | No |
| Supported by relevant Regional LGA | No |
8.2 Affordable Housing ‘Deliberative Development’ (Prospect)

Council Notices of Motion – LGA Comment
Motion From: City of Prospect
Meeting Annual General Meeting 26 October 2018
ECM: 665555 Attachment: 665454

Proposed Recommendation
That the Annual General Meeting requests the LGA investigate whether there is sufficient evidence across Local Government for a model of co-located affordable housing (new housing models including ‘Deliberative development’) which maintains existing streetscapes, including planning implications and funding opportunities.

Officer’s Comments
(Officer: Victoria Brown, Senior Policy Advisor)
There is an endorsed principle with regard to housing affordability contained in the LGA Policy manual which states that ‘Local Government recognises its role with the other spheres of government in ensuring that all sections of the community have access to affordable housing’.

The manual also contains policies which endorse local government involvement in co-operation with private and social housing providers, encouraging diversity of housing types and supporting priority provision of housing to sections of the population that are most in need.

Demand for affordable housing far exceeds supply in South Australia. This continues the upwards pressure on rents and house prices and leads to a decline in the number of available affordable properties, even in suburbs which are experiencing an overall increase in supply of rental properties.

When compared to other states/territories, the South Australian State Government has invested proportionally higher than other states/territories in affordable housing and South Australia is achieving the best outcomes nationally (Australian Housing and Urban Research Institute).

Even so, the Community Housing Council estimates that there will still be a deficit of 14,000 affordable dwellings in South Australia over the next 15 years that are needed to meet future growth demand.

The issue of a lack of affordable housing has recently become a key topic of consideration for councils in terms of how they can be more involved in contributing to implementing solutions to make up this deficit.
This Notice of Motion requests that the LGA undertake investigations and consultation on co-located ‘deliberative development’ housing models, and presumably the role that councils can play in facilitating these models.

Deliberative development promotes sustainable and social development outcomes through a model where a group of future owner-occupiers of a multi-residential development are the project proponent, rather than a speculative development or investor model. In theory, deliberative development emphasises occupant and community needs over profits, which drive market developments.

A deliberative development model requires investment from owners and other non-profit sources, so that focus can be placed on innovative design processes with outcomes that meet a range of social needs, while also being sympathetic to the environment.

There are a range of barriers to implementing the model and the practice is not widespread in Australia. However, if these barriers can be overcome, there is a potential to apply the model to contribute to the provision of affordable housing.

Although there is a limited amount of information available on successful deliberative development schemes, securing financing and navigating ridged planning approvals appear to be the biggest barriers.

There have been some recent examples in Victoria of where developers have successfully engaged with councils on deliberative development schemes, and industry experts have recently began to conceptualise how governments (all tiers) could use financing and policy levers to promote this type of development.

Given the ongoing topic of discussion for many councils, the LGA is preparing a discussion paper on local government’s role in housing affordability and the potential mechanisms that councils could employ as part of taking a greater role in stimulating growth in the affordable housing market.

This Paper will be used as the basis for consultation with the sector on appropriate roles for councils, and the potential changes that are needed at the State and Federal level to implement different mechanisms.

Any further work to be undertaken will be informed by these initial investigations, and the feedback received from member councils about their appetite to become more involved in housing affordability issues.

**Financial and Resource Implications**

The LGA has anticipated activities in relation to preparing a Discussion Paper and consulting with councils about their desired role in addressing housing affordability issues.

Any significant policy or advocacy activities that arise as a result of this consultation will require additional resources that are not available in the LGA’s 2018/19 budget, and may require support from the Local Government Research and Development Scheme.
### Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Prospect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Affordable Housing ‘Deliberative Development’</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA investigate whether there is sufficient evidence across Local Government for a model of co-located affordable housing (new housing models including ‘Deliberative development’) which maintains existing streetscapes, including planning implications and funding opportunities.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>To address the increasing challenges of inner city Council’s to balance the preservation of existing residential and neighbourhood character, in line with community expectations, with evolving housing needs stemming from changing demographic profiles, preference to age in place and requirements for new and affordable housing types.</td>
</tr>
</tbody>
</table>
| Council Contact Officer submitting form and date submitted | Name: Jo-Ann Tanti, Manager Governance & Administration  
Date: 12 September 2018 |
| Council Meeting Minute Reference and date of meeting | Resolution No. 178/18  
28 August 2018 |
| Council has referred draft motion to or considered by relevant Regional LGA | No |
| Supported by relevant Regional LGA | N/A |
| LGA Strategic Plan Reference | Capacity building and sustainability  
‘Equip councils for the future’ |
8.3 Northern Gateway Maintenance (Adelaide Plains Council)

Council Notices of Motion – LGA Comment

Motion From: Adelaide Plains Council
Meeting Annual General Meeting 26 October 2018
ECM: 665597 Attachment: 665565

Proposed Recommendation

That the Annual General Meeting requests the LGA to lobby the State Government that the major northern gateway to Adelaide (Port Wakefield Highway) be cleaned up and maintained, and monies be resourced from waste levies.

Officer’s Comments

(Officer: Emily Heywood-Smith, Senior Policy Officer)

The LGA supports money being made available to councils through the Green Industry Fund to assist councils in cleaning up waste and illegal dumping in their local areas. This year councils will contribute over $30 million a year to the Green Industry Fund through Solid Waste Levy payments.

Cr Sue Clearihan, LGA President, wrote to the Hon. David Speirs MP, Minister for Environment and Water, in July 2018 regarding the impacts of illegal dumping on the community and the local government sector. The letter noted that:

- the illegal dumping of waste materials results in serious environmental and visual impacts across communities and is having a significant cost impost on councils;
- the LGA has undertaken a survey of councils, and based on information provided the instances of illegal dumping are increasing annually and the cost to just 12 councils (those surveyed) exceeds $1 million annually;
- the cost of illegal dumping to councils in both metropolitan and regional areas has a serious impact on council budgets and can increase costs to ratepayers or result in the reduction of other services and programs;
- clean-up costs are compounded by the fact that councils are required to pay the solid waste levy when disposing of the material at landfill sites; and
- the LGA’s view is that there is a direct correlation between the exponential rise in the solid waste levy in recent years and increased instances of illegal dumping.

The LGA called on the State Government to provide additional support, through the Green Industry Fund, to councils to address illegal dumping.

The LGA noted that support could include:

- reimbursement of clean-up costs;
• reimbursement or waiving of the solid waste levy when disposing of illegally dumped materials;
• community education programs; and
• compliance programs, including the installation of CCTV in known hotspots.

The LGA noted that this matter was not considered in the recent State Budget, and the Minister is yet to respond to the issues raised in the LGA’s letter.

There are ongoing discussions between the LGA and Environment Protection Authority (EPA) in relation to this issue. The LGA also notes that the EPA is planning to undertake a review of the Local Nuisance and Litter Control Act 2016 in 2019 and this review will present another opportunity to engage the State Government and the EPA on this issue.

The LGA Secretariat supports this recommendation, and notes the relevance and significant impacts associated with this issue in relation to the Port Wakefield Highway in particular.

**Financial and Resource Implications**

Continue advocacy in relation to illegal dumping, the release of funds from the Green Industry Fund have been anticipated in the LGA’s work program and resources are available to progress this work.
# Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>Adelaide Plains Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Northern Gateway Maintenance</td>
</tr>
</tbody>
</table>
| Proposed motion of council    | That the Annual General Meeting requests the LGA to:  

1. that the Local Government Association lobby the State Government that the major northern gateway to Adelaide (Port Wakefield Highway) be cleaned up and maintained, and monies be resourced from waste levies. |
| Background / intended purpose of proposed motion | Port Wakefield Road (Highway 1) is the northern gateway to Adelaide and is an important Australian highway that connects Adelaide, to the Yorke Peninsula, Port Augusta, northern and western South Australia, the Northern Territory and Western Australia. Port Wakefield Road branches off of Main North Road at Gepps Cross in the northern suburbs of Adelaide. In 2011 an upgrade including road widening of nine kilometres of Port Wakefield Road between Salisbury Highway and Waterloo Corner Road was completed as part of the Max Fatchen Expressway project.  

Port Wakefield Road starts at Gepps Cross and passes through the northern Adelaide Plains. To the west of the road is the coastal fringe of upper Gulf St Vincent, and the Adelaide International Bird Sanctuary.  

The list of towns on or near the road include:  
- Virginia  
- Two Wells  
- Lower Light  
- Dublin  
- Windsor  
- Wild Horse Plains  
- Inkerman  
- Port Wakefield  

With an increasing population and tourism to the state, brings about an increase in road side waste and litter. Being the northern gateway to Adelaide it would be valuable to utilise the waste levy as proceeds to the cleaning up and maintaining this major traffic route. |
| Council Contact Officer submitting form and date submitted | Name: Andrea Post – Executive Assistant  

Date: 14 September 2018 |
<table>
<thead>
<tr>
<th><strong>Council Meeting Minute Reference and date of meeting</strong></th>
<th>2018/360 – 20 August 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Council has referred draft motion to or considered by relevant Regional LGA</strong></td>
<td>No</td>
</tr>
<tr>
<td><strong>Supported by relevant Regional LGA</strong></td>
<td>No</td>
</tr>
</tbody>
</table>
| **LGA Strategic Plan Reference** | Key Initiative: 1 Leadership and advocacy  
Achieving a greater influence for local government matters affecting councils and communities  
A – Listen to and represent members. |
8.4 State Wide Asbestos Strategy (Adelaide Plains Council)

Council Notices of Motion – LGA Comment

Motion From: Adelaide Plains Council
Meeting Annual General Meeting 26 October 2018
ECM: 665598 Attachment: 665568

Proposed Recommendation

That the Annual General Meeting requests the LGA to liaise with the State Government to commence a state wide asbestos identification, collection and rehabilitation program with particular focus on coastal areas known for the illegal dumping of asbestos materials.

Officer’s Comments

(Officer: Belinda Caruana – Senior Policy Officer Public Health)

The LGASA Secretariat agrees that further work is required around the regulation of asbestos, and the roles and responsibilities of different agencies. This would assist councils in dealing with this issue, particularly in the domestic setting (ie. during home renovations) and from illegal dumping on council land.

If the motion is supported by the Annual General Meeting 9AGM), LGASA discussions with the State Government could initially explore whether a stand-alone Asbestos Strategy is required or if the issues are best addressed and incorporated into work around illegal dumping.

The LGASA’s Policy Manual endorses broad policies around waste and resource management, including the ‘need for partnerships between state and local Government bodies in providing waste and resource recovery’ and ‘to encourage waste reduction initiatives’.

In August 2014, a round table discussion on asbestos was facilitated by Safework SA with the LGASA and key state and local government representatives. An outcome from this was the development of a centralised state-based website for Asbestos in the community – www.asbestos.sa.gov.au

In November 2014, the LGASA with Safework SA, the EPA and SA Health held a briefing forum to outline existing roles and responsibilities. It was highlighted that there has been a significant level of confusion and frustration in the community about asbestos in domestic settings, and some confusion between agencies about roles and responsibilities. These concerns have also been raised at Environmental Health Australia’s Managers Forum.

In May 2018 the LGASA developed a Discussion Paper on Illegal Dumping, which identified asbestos as a material most often illegally dumped. It also noted that the clean-up and disposal of illegally dumped materials is posing a significant financial burden for councils.
In July 2018, the broader issue of illegal dumping was raised by the LGA to Minister David Spiers calling on the State Government to provide additional support to local government to address this issue. The LGASA has suggested that there would be great benefit to communities, councils and the State Government in a partnership program, funded through the Solid Waste Levy and administered by the LGA, to provide a range of support programs to local government.

The broader issue of illegal dumping has also been raised at the Officer level with the EPA, in the context of the need to promote and support community education about the recent removal of the waste levy charge for the legal disposal of packaged asbestos.

**Financial and Resource Implications**

Additional resources will be needed to further scope and undertake this work, potentially from the Local Government Research and Development Scheme (LGR&DS). In 2015 a project titled *Gap in the Regulation of Asbestos in a domestic setting* was proposed and submitted to the LGA R&DS, but was not recommended by the LGA Board on that occasion.
# Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>Adelaide Plains Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>State Wide Asbestos Strategy</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA to:</td>
</tr>
<tr>
<td></td>
<td>1. liaise with the State Government to commence a state wide asbestos identification, collection and rehabilitation program with particular focus on coastal areas known for the illegal dumping of asbestos materials.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>The presence of Asbestos Containing Material (ACM) is historical, long standing and widespread throughout the state of South Australia. Adelaide Plains Council (APC) has recently located considerable amounts of ACM at various sites, much of which was disposed of well before tighter legislation controls came into force. Costs associated with removal and remediation have been significant and in the hundreds of thousands of dollars. APC firmly believes that this is a matter of state significance and to that end seeks assistance from the Local Government Association to liaise with State Government to commence a state wide asbestos strategy.</td>
</tr>
<tr>
<td>Council Contact Officer submitting form and date submitted</td>
<td>Name: Andrea Post – Executive Assistant</td>
</tr>
<tr>
<td>Date: 14 September 2018</td>
<td></td>
</tr>
<tr>
<td>Council Meeting Minute Reference and date of meeting</td>
<td>2018/359 – 20 August 2018</td>
</tr>
<tr>
<td>Council has referred draft motion to or considered by relevant Regional LGA</td>
<td>No</td>
</tr>
<tr>
<td>Supported by relevant Regional LGA</td>
<td>No</td>
</tr>
</tbody>
</table>
| LGA Strategic Plan Reference | Key Initiative : 1 Leadership and advocacy  
Achieving a greater influence for local government matters affecting councils and communities  
B - Contribute to state-wide and local policy |
8.5 Commitment to Managing Recyclable Waste (Prospect)

Council Notices of Motion – LGA Comment

Motion From: City of Prospect
Meeting Annual General Meeting 26 October 2018
ECM: 665558 Attachment: 665541

Proposed Recommendation

That the Annual General Meeting requests the LGA to investigate whether there is sufficient evidence across Local Government for the establishment of a sector wide commitment that by 2025, local government in South Australia will fully participate in a circular economy in respect to waste management and will support waste processing which creates products for use by local government.

Officer’s Comments

(Officer: Emily Heywood-Smith, Senior Policy Officer)

In early 2018, China implemented changes to its waste import policy, which included restrictions on the quality of recyclable materials that it would accept. The revised policy resulted in the introduction of very strict contamination limits for recyclable materials.

South Australian recycling processors (and indeed most Australian processors) cannot meet the new requirements and we can no longer rely on China as a destination for our recyclable materials. This is placing significant pressure on the waste management sector.

The LGA has acted quickly to lead a series of activities designed to support councils in managing the financial implications of the revised policy, and to discuss opportunities for growth and evolution of the local waste management industry in South Australia.

These activities have included:

- participating in the “China import bans and restrictions on recyclables SA Working Group” with Green Industries SA (GISA) and the Environment Protection Authority and providing information and advice to feed into development of the State Government Support Package;

- sharing results of the LGA commissioned “Market Analysis of South Australian Recyclables” report to assist councils in understanding their exposure;

- working to understand the position of councils in re-negotiating waste management contracts and developing a model “rise and fall” clause to assist councils in re-negotiating these contracts to provide for risk sharing arrangements; and

- in conjunction with GISA, hosting a Waste Pathways Workshop “Beyond China Sword” on 5 June 2018 to explore the implications of the China Sword policy for the recycling industry in SA and discuss how the local government sector can be part of the solution.
The LGA was pleased that the State Government released its $12.4 million Recycling Industry Support Package on 12 May 2018, but was disappointed that the package did not provide more direct assistance to councils. Now that the State Government package has been announced, the China Import Bans Working Group is considering two program areas: sustainable procurement and recycling education campaign. The LGA will continue to engage with councils and the State Government on both of these important areas.

Separately, the LGA/GISA Waste Pathways Workshop was a highly successful event. Approximately 90 people participating in the workshop representing nearly 30 councils across South Australia. The intention of the workshop was to gain support for one or more key projects to be progressed by the LGA and GISA in the following 12-24 months. One of the project ideas generated at the workshop was a pilot project to trial adoption of sustainable procurement targets by councils.

The LGA is currently discussing funding options for this projects with GISA. If the local government sector wishes to commit to fully participating in a circular economy in respect to waste management (including supporting waste processing which creates products for use by local government) then the adoption of sustainable procurement targets by councils will be an important step in implementing this.

As proposed through the Waste Pathways Workshop, should a pilot project be undertaken to trial adoption of sustainable procurement targets by councils, the outcomes and learnings from this pilot project could be used to inform a sector-wide strategy to enable local government to fully participate in a circular economy in this regard.

**Financial and Resource Implications**

Members would be aware that there are significant funds collected through the State Government’s Solid Waste Levy, which increased by a further 15% in 2018/19, and costs South Australian councils and their ratepayers more than $30 million each year. Therefore, the allocation of funding for this objective from the Green Industry Fund is appropriate.

If funding for the pilot project is not available through GISA, this activity will require significant staff resources and/or funding that is/are not currently anticipated in the LGA’s current budget.
# Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

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<thead>
<tr>
<th>Council Name</th>
<th>City of Prospect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Commitment to Managing Recyclable Waste</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA to investigate whether there is sufficient evidence across Local Government for the establishment of a sector wide commitment that by 2025, local government in South Australia will fully participate in a circular economy in respect to waste management and will support waste processing which creates products for use by local government.</td>
</tr>
</tbody>
</table>
| Background / intended purpose of proposed motion | There has been considerable focus on the management of waste in Australia as a result of the China Sword policy, the War on Waste series and the increase in the 15% increase in the solid waste levy (despite the fact that SA has the highest level of recycling in the nation).  

It is proposed a coordinated approach needs to be established across the local government sector for waste management which reflects best practice and supports the establishment of industries to utilise waste resources for the manufacturing of products. These could then be utilised by local government and state government as part of the everyday operations.  

As part of this approach, a roadmap should be created for what South Australia plans to do about sustainable waste management, with a focus on waste management models in respect to procurement.  

The proposal for a sector wide commitment to then purchasing products made from recycled material would demonstrate to existing and potential manufacturers that Local Government is committed to waste reduction and is committed to supporting new products. This would give certainty to the manufacturers and would encourage further investment in research and development, and the establishment of a supply chain that meets local government needs. In this way, Local Government could positively influence the establishment of local processing facilities (within Australia), which generates useable material that we can access for our service delivery. |

| Council Contact Officer submitting form and date submitted | Name: Jo-Ann Tanti, Manager Governance & Administration  
| Date: 14 September 2018 |
### Council Meeting Minute

| Reference and date of meeting | Resolution No. 178/18  
28 August 2018 |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Council has referred draft motion to or considered by relevant Regional LGA</td>
<td>No</td>
</tr>
<tr>
<td>Supported by relevant Regional LGA</td>
<td>N/A</td>
</tr>
<tr>
<td>LGA Strategic Plan Reference</td>
<td><em>(please click here to view the plan and identify the Key Initiative and Strategy reference)</em></td>
</tr>
</tbody>
</table>

Please return word version of completed form to lgasa@lga.sa.gov.au by COB Friday 14 September 2018.
8.6 Increasing Procurement of Recyclable Waste (Prospect)

Council Notices of Motion – LGA Comment

Motion From: City of Prospect
Meeting Annual General Meeting 26 October 2018
ECM: 665559 Attachment: 665563

Proposed Recommendation

That the Annual General Meeting requests the LGA to investigate whether there is sufficient evidence across Local Government to:

(a) significantly increase local governments’ procurement of products made partially or wholly from recycled materials through a review of procurement policies and specifications and development of templates for use across the sector;

(b) establish a sector wide Memorandum of Understanding for endorsement by Councils to commit to purchasing products made partially or wholly from recycled products as a demonstration of commitment and as a foundation for supporting the establishment and development of new industries within the State; and

(c) focus the 2019 LGA Showcase meeting to be held in April on waste management and recycling.

Suggested Alternative Motion:

That the Annual General Meeting requests the LGA to investigate opportunities to:

(a) significantly increase local governments’ procurement of products made partially or wholly from recycled materials through a pilot project to trial the adoption of sustainable procurement targets by councils;

(b) establish a sector wide Memorandum of Understanding for endorsement by Councils to commit to purchasing products made partially or wholly from recycled products as a demonstration of commitment and as a foundation for supporting the establishment and development of new industries within the State; and

(c) focus the 2019 LGA Showcase meeting to be held in April on waste management and recycling.

Officer’s comments

(Officer: Emily Heywood-Smith, Senior Policy Officer)

As this proposed motion is similar in theme and intent to another proposed motion titled ‘Commitment to Managing Recyclable Waste’, many of the officer’s comments have been repeated.
In early 2018, China implemented changes to its waste import policy which included restrictions on the quality of recyclable materials that it would accept. The revised policy resulted in the introduction of very strict contamination limits for recyclable materials. South Australian recycling processors (and indeed most Australian processors) cannot meet the new requirements and we can no longer rely on China as a destination for our recyclable materials. This is placing significant pressure on the waste management sector.

The LGA has acted quickly to lead a series of activities designed to support councils in managing the financial implications of the revised policy, and to discuss opportunities for growth and evolution of the local waste management industry in South Australia.

These activities have included:

- participating in the “China import bans and restrictions on recyclables SA Working Group” with Green Industries SA (GISA) and the Environment Protection Authority and providing information and advice to feed into development of the State Government Support Package;
- sharing results of the LGA commissioned “Market Analysis of South Australian Recyclables” report to assist councils in understanding their exposure;
- working to understand the position of councils in re-negotiating waste management contracts and developing a model “rise and fall” clause to assist councils in re-negotiating these contracts to provide for risk sharing arrangements; and
- in conjunction with GISA, hosting a Waste Pathways Workshop “Beyond China Sword” in June 2018 to explore the implications of the China Sword policy for the recycling industry and discuss how local government can be part of the solution.

The LGA was pleased that the State Government released its $12.4 million Recycling Industry Support Package in May 2018, but was disappointed that the package did not provide more direct assistance to councils. Now that the State Government package has been announced, the China Import Bans Working Group is considering two program areas: sustainable procurement and recycling education campaign. The LGA will continue to engage with councils and the State Government on both of these important areas.

Separately, the LGA/GISA Waste Pathways Workshop was a highly successful event. Approximately 90 people participated in the workshop representing nearly 30 councils across South Australia. The intention of the workshop was to gain support for one or more key projects to be progressed by the LGA and GISA in the following 12-24 months. One of the project ideas generated at the workshop was a pilot project to trial adoption of sustainable procurement targets by councils.

The LGA is currently discussing funding options for these projects with GISA.

The impacts of the China National Sword Policy present a once-in-a-generation opportunity to re-shape South Australia’s recycling industry by developing local markets for recyclable materials and establishing a truly circular economy.

In order to take up this opportunity, urgent and decisive action is required to create demand for Australian recycled-content products and materials. The adoption of sustainable procurement targets by councils would be one approach to achieving this.

If, as proposed through the Waste Pathways Workshop, a pilot project was undertaken to trial adoption of sustainable procurement targets by councils, the outcomes and learnings
from this project could be used to inform a sector-wide strategy (or MoU) to commit local
government to purchasing recycled-content products and materials.

Therefore, the LGA Secretariat recommends the suggested alternative motion noting that, if
funding for the pilot project is not available through GISA, the activity will require funding that
is not currently anticipated in this LGA budget.

Financial and Resource Implications

Members would be aware that there are significant funds collected through the State
Government’s Solid Waste Levy, which increased by a further 15% in 2018/19, and costs
South Australian councils and their ratepayers more than $30 million each year. Therefore,
the allocation of funding for this objective from the Green Industry Fund is appropriate.

If funding for the pilot project is not available through GISA, this activity will require significant
staff resources and/or funding that is/are not currently anticipated in the LGA’s current
budget.
**Council Notice of Motion - 2018 LGA Annual General Meeting**

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Prospect</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject of the motion</strong></td>
<td>Increasing procurement of recycled materials</td>
</tr>
<tr>
<td><strong>Proposed motion of council</strong></td>
<td>That the Annual General Meeting requests the LGA to investigate whether there is sufficient evidence across Local Government to: (a) Significantly increase local governments’ procurement of products made partially or wholly from recycled materials through a review of procurement policies and specifications and development of templates for use across the sector; (b) Establish a sector wide Memorandum of Understanding for endorsement by Councils to commit to purchasing products made partially or wholly from recycled products as a demonstration of commitment and as a foundation for supporting the establishment and development of new industries within the State; (c) Focus the 2019 LGA Showcase meeting to be held in April on waste management and recycling.</td>
</tr>
<tr>
<td><strong>Background / intended purpose of proposed motion</strong></td>
<td></td>
</tr>
</tbody>
</table>
| **Council Contact Officer submitting form and date submitted** | Name: Jo-Ann Tanti, Manager Governance & Administration  
Date:  14 September 2018 |
| **Council Meeting Minute Reference and date of meeting** | Resolution No. 178/18  
28 August 2018 |
| **Council has referred draft motion to or considered by relevant Regional LGA** | No |
| **Supported by relevant Regional LGA** | N/A |
| **LGA Strategic Plan Reference** | (please click here to view the plan and identify the Key Initiative and Strategy reference) |
8.7 Improved Local Government Budget Processes
(Adelaide Plains Council)

Council Notices of Motion – LGA Comment

Motion From: Adelaide Plains Council
Meeting Annual General Meeting 26 October 2018
ECM: 665596 Attachment: 665564

Proposed Recommendation

That the Annual General Meeting requests the LGA to:

1. liaise with the Natural Resources Adelaide and Mount Lofty Ranges to investigate the possibility of reimbursing Council for the unpaid NRM Levy on rateable properties.

2. liaise with the Office of the Valuer-General and propose finalising property valuation data by 31 March of each year to align with Council budget timelines, processes and adoption.

Alternative Recommendation

That the Annual General Meeting requests the LGA to:

1. continue to advocate on behalf of local government to remove the requirement for councils to collect land levies via council rates in relation to both the existing Natural Resources Management Act 2004 and the proposed Landscapes SA legislation.

2. consult with councils to determine whether the LGA liaises with the Office of the Valuer-General in relation to finalising property valuation data by 31 March of each year to align with Council budget timelines, processes and adoption.

Officer’s Comments

(Officer: Shane Sody, Executive Officer)

Unpaid NRM Levy on rateable properties

Under section 93 of the Natural Resources Management Act 2004, (the NRM Act) Councils are required to pay “contributions” to Natural Resources Management Boards, on a quarterly basis. Section 95 of the NRM Act requires Councils to recover “reimbursement” of this amount from land owners by way of a levy.

This is essentially a State Tax that local government is required to collect from property owners along with council rates. The LGA’s policy, requested and endorsed by members councils at a previous General Meeting, is to seek repeal of these provisions so that NRM Boards, like other State agencies, are required to collect their own revenue.

The current State Government has indicated that it intends to repeal the NRM Act and replace it in 2019 with new Landscapes SA legislation. Therefore, the LGA’s current
advocacy is focussed upon the goal of ensuring that replacement legislation does not contain levy collection provisions equivalent to those in the NRM Act.

In regard to reimbursements for unpaid NRM Levies, the current arrangements enable a councils to employ the provisions of subsection 181(8) of the *Local Government Act 1999* to recover unpaid amounts from the landowner and apply compounding penalty interest on any amount that is in arrears.

If councils were to continue collecting the NRM Levy on behalf of the State Government, councils need to consider whether an amendment, whereby a council would seek reimbursement from the NRM Board for unpaid NRM Levies, would be more advantageous than the current arrangement of recovering the unpaid amount from the landowner.

It is recommended that the LGA continue to advocate that the new Landscape SA legislation remove the obligation on councils to collect the NRM Levy on behalf of the State Government entirely.

**Property valuation data timelines**

The Valuer-General endeavours to provide valuation data to councils as soon as practicable in any year, after the formal valuation date of 1 January. Most councils receive this data before 31 March, although updated data may be provided at a later date.

When formulating a council’s annual business plan, it is not essential to have accurate valuation data early in the process. The business planning and budgeting process requires calculation of the total amount of rates that a council will require (taking into account growth and a percentage increase). The rate in the dollar that is to be applied to properties need not be calculated until later in the process, approaching the data of rate declaration.

If the Valuer-General were to be required to provide data earlier, rather than later, then (assuming this were possible) there may be a heightened likelihood that individual ratepayers could subsequently successfully challenge their (potentially less accurate) property valuation. Accordingly, there is some marginal advantage to Councils in having improved accuracy of data later, rather than less-accurate data earlier.

It is recommended that the LGA consult with councils regard the provision of valuation data to determine any issues that require liaison with the Valuer-General.

**Financial and Resource Implications**

Consultation with members and engagement with the State Government in relation to the proposed repeal of the *Natural Resources Management Act 2004* and introduction of new Landscapes SA legislation has been included in the LGA’s work plans, and resources are available to progress advocacy relating to the collection of the NRM Levy by councils.

Activities in relation to the provision of valuation information can be achieved within existing LGA resources.
### Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>Adelaide Plains Council</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Improved Local Government Budget Processes</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA to:</td>
</tr>
<tr>
<td></td>
<td>1. liaise with the Natural Resources Adelaide and Mount Lofty Ranges to investigate the possibility of reimbursing Council for the unpaid NRM Levy on rateable properties.</td>
</tr>
<tr>
<td></td>
<td>2. liaise with the Office of the Valuer-General and propose finalising property valuation data by 31 March of each year to align with Council budget timelines, processes and adoption.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>1. As Councils act as the collection agent and pay 100% of the Levy to the NRM Board whether it is collected or not, NRM levy associated with overdue Council rates is a financial burden to Councils.</td>
</tr>
<tr>
<td></td>
<td>2. As Council rates are calculated applying rate in the dollar on the valuation of properties, it is vital for Councils to know early what the final valuation change is before deciding rate in the dollar when discussing budgeted income and expenses for the next financial year.</td>
</tr>
<tr>
<td>Council Contact Officer submitting form and date submitted</td>
<td>Name: Andrea Post – Executive Assistant</td>
</tr>
<tr>
<td></td>
<td>Date: 14 September 2018</td>
</tr>
<tr>
<td>Council Meeting Minute Reference and date of meeting</td>
<td>2018/361 – 20 August 2018</td>
</tr>
<tr>
<td>Council has referred draft motion to or considered by relevant Regional LGA</td>
<td>No</td>
</tr>
<tr>
<td>Supported by relevant Regional LGA</td>
<td>No</td>
</tr>
<tr>
<td>Region:</td>
<td></td>
</tr>
<tr>
<td>Minute Reference:</td>
<td></td>
</tr>
<tr>
<td>LGA Strategic Plan Reference</td>
<td>Key Initiative : 3 Best practice &amp; continuous improvement</td>
</tr>
<tr>
<td></td>
<td>Facilitating continuous improvement in councils and the LGA.</td>
</tr>
<tr>
<td></td>
<td>C – Improve LGA governance and operations with a focus on people, finances and our members.</td>
</tr>
</tbody>
</table>
8.8 Citizen Notification Power for By-law Offences (Onkaparinga)

Council Notices of Motion – LGA Comment
Motion From: City of Onkaparinga
Meeting Annual General Meeting 26 October 2018
ECM: 665556 Attachment: 665561

Proposed Recommendation
That the Annual General Meeting requests the LGA advocate for an extension of powers under the Local Government Act 1999 to allow for citizen notification for a breach of by-law offences.

Officer’s Comments
(Officer: Alicia Stewart, Director Governance and Legislation)
A citizen notification is where a person who reasonably suspects another person of having committed a particular offence can notify the council of that suspicion by submitting a report — a citizen’s notification— to the council.

The Local Nuisance and Litter Control Act 2016 facilitates the State Government’s citizen notification program called Dob-In-A-Litterer, which enables the reporting of littering offences involving vehicles or trailers (where a vehicle or trailer registration number is reported and used to determine the liability of the vehicle owner). The Local Nuisance and Litter Control Act 2016 is prescribed in the Motor Vehicles Act 1959 to enable a citizen to report a vehicle registration number.

The LGA has not previously considered citizen notifications for breach of council by-laws. The LGA will need to undertake extensive consultation with the sector, assess legislative options, and identify the type of by-laws that may be appropriate for a citizen notification, before it can begin advocacy for legislative change. This work will require staff resources that are not currently anticipated in the LGA budget.

If members vote in support of this motion, the LGA will commence consideration of the issues and consult with the sector.

Financial and Resource Implications
This activity will require staff resources that are not currently anticipated in the LGA’s current work plans and budget.
Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Onkaparinga</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Citizen notification power for By-law offences</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA advocate for an extension of powers under the Local Government Act 1999 to allow for citizen notification for a breach of by-law offence.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>The proposed amendment seeks to enable a person who reasonably suspects another person of having committed a By-Law offence to report the offence to Council in such a way that the alleged offender can be warned or expiated. This approach would be similar to that used in the Local Nuisance and Litter Control Act 2016 Citizen Notification Powers, for litter offences. The legislative change would provide improved methods to respond to reports of by-law offences from community members (public reporting). For example, Council’s By-law 6 Foreshore provides a seasonal offence for vehicles entering vehicle prohibited areas or exclusion zones. Adding this provision to the Act would allow offenders, identifiable by their motor vehicle registration, to be expiated on the receipt of a public report. To improve enforcement ability, we believe that the Act would need to be amended to apply onus on the owner of the vehicle for an offence committed in association with or from that vehicle (vehicle owner liability). This function would operate similar to the provisions in the Local Nuisance and Litter Control Act 2016. Further an amendment to the Motor Vehicles Act 1959 section 139D Confidentiality clause may be necessary to allow for details of vehicle registrations to be divulged for the purpose of determining the liability of vehicle owners for an offence under the Local Government Act 1999.</td>
</tr>
</tbody>
</table>

Council Contact Officer submitting form and date submitted

Name: Ian Hawkins  
Date: 13 September 2018

Council Meeting Minute Reference and date of meeting

Council Meeting 11 September 2018, Item: 9.5  
Special Council Meeting 3 July 2018, Item: 3.1

Council has referred draft motion to or considered by relevant Regional LGA

No

Supported by relevant Regional LGA

No

LGA Strategic Plan Reference

Key Initiative: 1  
Leadership and Advocacy  
b) contribute to state-wide local policy  
c) lead reform
8.9 Increasing the maximum penalty that can be fixed for a breach of a by-law (section 246 of the Local Government Act 1999) (Onkaparinga)

Council Notices of Motion – LGA Comment

Motion From: City of Onkaparinga
Meeting Annual General Meeting 26 October 2018
ECM: 665557 Attachment: 665562

Proposed Recommendation

That the Annual General Meeting requests the LGA to advocate for an amendment to section 246(3)(g) of the Local Government Act 1999 to increase the maximum penalty that can be fixed for any breach of a by-law and by extension the maximum expiation fee that can be fixed under section 246(5) of the Act.

Officer’s Comments

(Officer: Alicia Stewart, Director Governance and Legislation)

Section 246(3)(g) of the Local Government Act 1999 provides council with the power to fix a maximum penalty for any breach of a by-law, provided that the maximum penalty fixed does not exceed $750. The prescribed maximum of $750 has not been amended since commencement of the Act in 1999. Section 246(5) of the Act provides council with the power to fix an expiation fee for alleged offences against by-laws provided that the expiation fee does not exceed 25 per cent of the maximum fine for the offence to which it relates. As the maximum penalty for a breach of a by-law is set at $750, the maximum expiation fee is $187.50.

This motion proposes amendment to the Local Government Act 1999 to increase the maximum penalty for any breach of a by-law, and consequently increase the associated maximum expiation fee.

Any proposed legislative amendment would need to consider the Local Government Act’s relationship with the intent of the Expiation of Offences Act 1999. If the expiation fee is to be expiated in accordance with that Act, section 5(3) provides power to fix an expiation fee in a by-law that does not exceed $315 or 25% of the maximum fine prescribed for the offence (whichever is lesser).

If members support this motion, the LGA will consult with members and the State Government regarding an appropriate maximum penalty for breach of a by-law and then advocate for legislative change.

Financial and Resource Implications

This activity will require staff resources that are not currently anticipated in the LGA’s work plans and budget.
**Council Notice of Motion - 2018 LGA Annual General Meeting**

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Onkaparinga</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Increasing the maximum penalty that can be fixed for a breach of a by-law (section 246 of the Local Government Act 1999)</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA advocate for an amendment to section 246(3)(g) of the Local Government Act 1999 to increase the maximum penalty that can be fixed for any breach of a by-law and by extension the maximum expiation fee that can be fixed under section 246(5) of the Act.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>The Local Government Act 1999 section 246(5) provides council with the power to fix an expiation fee for a breach of a by-law offence, provided that the fee set by council does not exceed 25% of the maximum penalty outlined in the Act which is $750. This amount of $750 has not been amended since the commencement of the Act in 1999 hence the maximum expiation fee permissable has been limited to $187.50 for the same period. After almost twenty years the maximum penalty (and expiation fee) are no longer a suitable deterrent for the most serious by law offences. A significant increase is required to this outdated penalty to reinstate the desired deterrent effect.</td>
</tr>
</tbody>
</table>
| Council Contact Officer submitting form and date submitted | Name: Ian Hawkins  
Date: 13 September 2018 |
| Council Meeting Minute Reference and date of meeting | Council Meeting 11 September 2018, Item: 9.5  
Special Council Meeting 3 July 2018, Item: 3.1 |
| Council has referred draft motion to or considered by relevant Regional LGA | No |
| Supported by relevant Regional LGA | No |
| LGA Strategic Plan Reference | Key Initiative: 1  
Leadership and Advocacy  
b) contribute to state-wide local policy  
c) lead reform |
8.10 Fee for Lodgement of a Section 270 Complaint (Mitcham)

Council Notices of Motion – LGA Comment

Motion From: City of Mitcham
Meeting Annual General Meeting 26 October 2018
ECM: 665701 Attachment: 665688

Proposed Recommendation

That the Annual General Meeting requests the LGA to request that the Government consider placement of a small “lodgement fee” on all section 270 complaints made to various councils. Should a complaint be upheld then the fee would be refunded in full.

Officer’s Comments

(Officer: Alicia Stewart, Director Governance and Legislation)

Section 270 of the Local Government Act 1999 requires a council to develop and maintain policies, practices and procedures for dealing with complaints about the actions of the council, employees of the council, or other persons acting on behalf of council.

The operation of section 270 furthers councils’ commitment to open, responsive and accountable government by providing a process by which persons adversely affected by a decision or action of council can have their grievances considered. An investigation of a complaint can be costly and require administrative resources. In setting a fee, a balance should be found between maintaining access (not making a complaint cost-prohibitive) and the need, if any, to re-coup costs.

Currently, section 270(3) of the Act provides that a council is not entitled to charge a fee on an application for review. Thus, the introduction of a lodgement fee for section 270 complaints will require legislative change to the Local Government Act 1999.

The LGA does not have a current position on the introduction of a fee to lodge a section 270 complaint because this is the first time it has been formally raised by a member. If the motion passes, the LGA will consult with the sector to develop a detailed proposal to put forward to the State Government and political parties to seek the necessary legislative amendments.

Financial and Resource Implications

This activity is not currently anticipated in the LGA’s work program, but can be delivered within existing LGA resources.
Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Mitcham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Fee for Lodgement of a Section 270 Complaint</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the LGA request that the Government consider placement of a small “lodgement fee” on all section 270 complaints made to various councils. Should a complaint be upheld then the fee would be refunded in full.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>Various councils are experiencing significant increases in section 270 complaints. In the vicinity of 90% of these complaints are dismissed. The investigation of these complaints are costly, they incur significant administrative resource and in many cases outside legal advice. People use these complaints to challenge Council decisions that they are not happy with, this is not the intended use of Section 270 complaints.</td>
</tr>
</tbody>
</table>
| Council Contact Officer submitting form and date submitted | Name: Deb Horton  
Date: 18/9/18 |
| Council Meeting Minute Reference and date of meeting | Item 7.5 - 11 September 2018 |
| Council has referred draft motion to or considered by relevant Regional LGA | Not applicable. |
| Supported by relevant Regional LGA | Not applicable |
| LGA Strategic Plan Reference | 1C Lead reform |
8.11 Timing of Local Government Elections (Norwood Payneham & St Peters)

Council Notices of Motion – LGA Comment

Motion From: City of Norwood Payneham & St Peters
Meeting Annual General Meeting 26 October 2018
ECM: 665554 Attachment: 665478

Proposed Recommendation

That the Annual General Meeting requests the LGA to lobby the State Government to investigate the merits of State Government and Local Government elections being held two (2) years apart from each other, as opposed to the current arrangement of being held in the same year.

Officer’s Comments

(Officer: Alicia Stewart, Director Governance and Legislation)

In 2009 and 2014 the LGA asked the State Government to consider changing the timing of the local government elections. At that time, the former State Government advised it would not contemplate changes to the Local Government election cycle.

The LGA again raised the timing of Local Government elections in the 2015 Local Government Elections Review, where it submitted that council feedback suggested that voters were reluctant to engage in the voting process for the 2014 Local Government elections so soon after voting in State elections. An argument was made that participation rates for voting in Local Government elections may increase if voter fatigue caused by other elections in the same year is not a factor. At that time, the State Government remained unwilling to consider changes to the timing of Local Government election.

To give effect to staggered election cycles, there are a number of practical considerations that would need to be worked through, including whether it would require the lengthening (e.g. one six-year term or two five-year terms) or shortening (e.g. one 2-year term) of future terms of council in order to create the separation.

To change the local government election cycle, the Local Government (Elections) Act would need to be amended as it currently prescribes a four-year council term reoccurring every four years from 2010. Amendments to the Local Government Act 1999 will also need to be considered – for example, there may be a rise in the number of supplementary elections where vacancies are created as a result of election to State Parliament, as the exemption provided by the Act for vacancies created in the same year as a local government election would no longer apply.

If members support this motion, the LGA will lobby the current State Government to investigate the merits of holding State Government and Local Government elections two years apart from each other.
Financial and Resource Implications

This activity is not currently anticipated in the LGA's work program, but can be delivered within existing LGA resources.
# Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Norwood Payneham &amp; St Peters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Timing of Local Government Elections</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests that the LGA lobby the State Government to investigate the merits of State Government and Local Government elections being held two (2) years apart from each other, as opposed to the current arrangement of being held in the same year.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>In 2010, South Australians experienced a State Government election (March), Federal Government election (July) and Local Government election (November). It was clear after the Local Government elections, that the community was suffering from ‘voter fatigue’ given the almost constant campaigning for almost twelve months of that year. Whilst the time of the Federal election in not fixed, the State election and Local Government elections are. This means that the State Government is well placed to alter the time frame for Local Government elections. Moving elections to two (2) year intervals would give voters a break from constant campaigning and distribution of election materials and election signage in the same calendar year. It is acknowledged that moving the date for Local Government elections will require changes to the Local Government Act 1999, particularly in respect to Supplementary elections for the office of Mayor in those situations where Mayors are successful in a State Government election. Under the current arrangements, a council simply has to elect an ‘Acting Mayor’ for seven to eight months in a general election year without the potential need for an expensive supplementary election. This would change under the proposed change to the timing of Local Government elections. Victoria’s current election cycles has the State election and Local Government elections at two (2) year intervals (Victoria will have a State Election in October 2018). Whilst it is acknowledged that the LGA has raised this issue previously with the State Government (2009 and 2014), the newly elected State Government may be more receptive to considering this matter favourably as a legislative change would be required to give effect to a change in the schedule of Local Government Elections.</td>
</tr>
</tbody>
</table>
| Council Contact Officer submitting form and date submitted | Name: Lisa Mara  
Date: 11 September 2018. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Council Meeting Minute Reference and date of meeting</td>
<td>3 September 2018</td>
</tr>
<tr>
<td>Council has referred draft motion to or considered by relevant Regional LGA</td>
<td>Not Applicable.</td>
</tr>
<tr>
<td>Supported by relevant Regional LGA</td>
<td>Not Applicable</td>
</tr>
</tbody>
</table>
| LGA Strategic Plan Reference                             | Key Initiative 1 – Leadership & Advocacy  
Achieving greater influence for local government in matters affecting councils and communities  
Strategies:  
Contribute to state-wide and local policy.  
Lead reform. |

Please return word version of completed form to lgasa@lga.sa.gov.au  
by COB Friday 14 September 2018
8.12 Suspension of Allowances during State or Federal Elections (Mitcham)

Council Notices of Motion – LGA Comment

Motion From: City of Mitcham
Meeting Annual General Meeting 26 October 2018
ECM: 665702 Attachment: 665690

Proposed Recommendation

That the Annual General Meeting:

1. The Local Government Act 1999, be amended such that any local government elected member on nomination, endorsement or declaration of candidacy for any position in State or Federal Parliament shall for the duration of the Election cycle have all allowances suspended. This should include provision of motor vehicle and other support.

The LGA will liaise with the Minister for Local Government to determine any further detail that makes the intent of this motion acceptable and enforceable.

Officer’s Comments

(Officer: Alicia Stewart, Director Governance and Legislation)

At the LGA Ordinary General Meeting on 13 April 2018, members passed a motion for the LGA to lobby the State Government regarding legislative change that would require any candidate for State election serving on council to take leave of absence with suspension of allowances following the issuing of the writs.

The policy position of the LGA is to support enforced leave for council members standing for state election, including the suspension of allowances for the duration of leave, subject to councils being able to meet inquorate as a consequence of enforced leave. The proposal to require council members seeking election to the State Parliament to stand down from their position on council with their allowance suspended throughout the election campaign period has been included in the LGA’s delivering the LGA 2018 State Election Agenda: Local Government Reform package, which has been provided to members of the government, opposition, and cross bench. All parties have been briefed on the LGA’s local government elections reform proposals, and the LGA will continue to advocate for reform of the Local Government Elections Act as a priority following the 2018 council elections.

The LGA understands the intent of this proposed motion is extend the LGAs advocacy to include legislative change that accommodates candidates for Federal election, the suspension of allowances from the time of nomination (not the issue of writs), and the suspension of other supports (resources) such as the provision of a motor vehicle to the candidate.
A suspension of allowances from the time of nomination would have the effect of suspending allowances of an elected member before it is confirmed that they will be running as a candidate in the election.

The use of other supports, such as use of a motor vehicle, could already fall within the prohibition of section 78(3) of the *Local Government Act 1999*, which provides a member of a council must not use a facility or service provided by the council for a purpose unrelated to the performance or discharge of official functions or duties.

If members support this motion, the LGA will undertake consultation with members to confirm the other council support(s) that should be suspended during the election campaign period (that would not otherwise be caught by the operation of section 78(3) of the *Local Government Act 1999*) and the time at which suspension should commence. The LGA will then expand its advocacy on this issue to include the new parameters, including consulting with the Minister for Local Government.

The LGA has anticipated the current advocacy within the LGA budget, however the LGA has not anticipated in its budget the additional consultation required to extend the current advocacy and addition staff resources will need to be allocated.

**Financial and Resource Implications**

This activity will require significant staff resources that are not currently anticipated in the LGA budget.
## Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Mitcham</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Suspension of Allowances during State or Federal Elections</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>The <em>Local Government Act 1999</em>, be amended such that any local government elected member on nomination, endorsement or declaration of candidacy for any position in State or Federal Parliament shall for the duration of the Election cycle have all allowances suspended. This should include provision of motor vehicle and other support. The LGA will liaise with the Minister of Local Government to determine any further detail that makes the intent of this motion acceptable and enforceable.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>We do not believe that there is any current provision in the act to mandate such action. Some candidates voluntarily suspend their allowances for all, or part of the election process, others do not. The current system is hap-hazard and allows various candidates to self govern, this causes confusion in the community. At least one candidate in the recent State Campaign who kept the rate payer funded motor vehicle whilst absent from Elected member duties. Others suspend their allowance for a few days and may give the impression that they have given up their allowance in full during the election process. We constantly state that we are a tier of Government “closest to the ratepayer”. This tightening up of the regulation helps fulfil our objectives to be a sector of government responsive to community expectation.</td>
</tr>
</tbody>
</table>
| Council Contact Officer submitting form and date submitted | Name: Deb Horton, Team Leader Governance  
Date: 18 September 2018 |
| Council Meeting Minute Reference and date of meeting | Item 7.5 – 11 September 2018 |
| Council has referred draft motion to or considered by relevant Regional LGA | Not applicable |
| Supported by relevant Regional LGA | Not applicable |
| LGA Strategic Plan Reference | 1B Contribute to state-wide and local policy. |
8.13  Newstart Allowance (Onkaparinga)

Council Notices of Motion – LGA Comment

Motion From:  City of Onkaparinga
Meeting:  Annual General Meeting  26 October 2018
ECM:  665560  Attachment:  665512

Proposed Recommendation

That the Annual General Meeting requests the LGA to endorse motion 64, passed at the 2018 ALGA National General Assembly, and that the LGASA actively lobby, and work with, ALGA and our federal and state parliamentary colleagues to facilitate an increase to the Newstart allowance as a matter of urgency.

Officer’s Comments

(Oficer: Victoria Brown, Senior Policy Advisor)

Motion 64 endorsed at the 2018 Australian Local Government Association (ALGA) National General Assembly states the following:

In light of the burden placed on local governments across Australia to respond to the needs and challenges of people living in poverty and homeless, that the National General Assembly calls on Federal Government to raise the Newstart Allowance to the level of the Henderson Poverty Line to increase the wellbeing and life chances of many in our community.

At the 2017 LGA SA Annual General Meeting, the meeting considered the following motion:

That the Annual General Meeting requests the LGA to:

- Lobby the Federal Government to increase the Newstart Allowance; and
- Request the ALGA to support the Motion and to also lobby the Federal Government for an increase to the Newstart Allowance.

The motion was not passed.

The LGA Policy Manual does not contain an endorsed policy position on Newstart Allowances. However, there are numerous policies that focus on the wellbeing of communities.

It is understood that 13 South Australian councils have passed motions in support of an increase to the Newstart allowance.

The Australian Council of Social Services (ACOSS) recently commissioned Deloitte Access Economics to model the economic impact of raising Newstart and related payments by $75 per week. This report finds that increasing the rate would have a range of positive ‘prosperity’ and ‘fairness’ effects, and provides a summary of the key economic indicators for each local government area. A copy of this report is available at www.acoss.org.au.
If this motion is passed by members at the Annual General Meeting, the LGASA could add its voice to and support to any advocacy by ALGA, the Anti-Poverty Network and ACOSS.

Addition actions that may be undertaken by the LGASA, if supported by members, include:

- letters to Federal and State MPs
- social media posts
- media commentary
- inclusion in federal election and budget submissions
- participation in anti-poverty week
- support for R&D funding to undertake further research on this issue.

**Financial and Resource Implications**

No funded or resources have been allocated in the LGA’s 2018/19 budget to lead an advocacy campaign on increasing the Newstart Allowance. However, participation in and support of advocacy by ALGA, SACOSS and other bodies can be achieved within existing resources.
Council Notice of Motion - 2018 LGA Annual General Meeting

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Onkaparinga</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Newstart Allowance</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Local Government Association South Australia (LGASA) endorse motion 64, passed at the 2018 LGA National General Assembly, and that the LGASA actively lobby, and work with, ALGA and our federal and state parliamentary colleagues to facilitate an increase to the Newstart allowance as a matter of urgency.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>At its Council meeting held 21 August 2018, the City of Onkaparinga resolved to support the motion as proposed. This follows its previous resolution of 19 September 2017, where it resolved to advocate for an increase to the Newstart allowance and formalised its support for a coalition of business, community and welfare organisations calling for this payment to be raised for economic, public health and social justice reasons. While the City of Onkaparinga recognises that Newstart is a federal government payment, the resolution sought to alert the federal government to the grave situation facing more than 7000 people in our city currently living below the poverty line because of Newstart allowance payment settings. This matter remains unresolved for our residents and for all those struggling across our state. We need to apply greater pressure on the federal government to address this situation.</td>
</tr>
<tr>
<td>Council Contact Officer submitting form and date submitted</td>
<td>George Inglis, Strategic Relationship Advisor 13 September 2018</td>
</tr>
<tr>
<td>Council Meeting Minute Reference and date of meeting</td>
<td>Council meeting 21 August 2018 Minute Item 12.7</td>
</tr>
<tr>
<td>Council has referred draft motion to or considered by relevant Regional LGA</td>
<td>No</td>
</tr>
<tr>
<td>Supported by relevant Regional LGA</td>
<td>No</td>
</tr>
<tr>
<td>LGA Strategic Plan Reference</td>
<td>Key Initiative 1, Strategy A Achieving greater influence for local government in matters affecting councils and communities.</td>
</tr>
</tbody>
</table>
8.14 Statewide Industrial Relations (Marion)

Council Notices of Motion – LGA Comment
Motion From: City of Marion
Meeting Annual General Meeting 26 October 2018
ECM: 664790 Attachment: 664791

Proposed Recommendation
That the Annual General Meeting requests the LGA to take the lead on managing industrial relations and negotiate 1 statewide agreement within indoor staff ie ASU and 1 statewide agreement with outdoor staff ie AWU.

Suggested Alternative Recommendation
That the Annual General Meeting continues to endorse the current LGA priority of seeking industrial relations reform with the view to implementing a sector wide approach to enterprise agreements.

Officer’s Comments
(Officer: Kathy Jarrett, Executive Director Corporate & Member Services)
Industrial relations (IR) and workforce alignment through the reform of enterprise agreements and award structures is an endorsed priority of the Local Government Association with work having already commenced in this area including the identification of several priorities for IR reform:

- determining sector wide industrial relations priorities;
- developing with the sector an industrial relations framework that:
  - delivers sector efficiencies and economies of scale;
  - eliminates duplication of effort and reduces IR related costs;
  - results in minimal disruption to employee relations;
  - implements IR best practices;
  - preserves individual council cultures; and
  - ensures local government’s IR framework is a benefit to all councils regardless of the size of the council.

A working party involving CEOs from regional and metropolitan councils has been formed to address these priorities and to establish a united sector wide IR strategy, noting that IR is a responsibility of CEOs in local government.

In addition to the above, industrial relations reform was outlined in the Association’s Local Government reform election paper and can be found in the document at the following link
Delivering the LGA 2018 State Election Agenda: Local Government Reform. It remains on the agenda for discussion with the State government and the Minister for Local Government has indicated he is planning to work with the sector on local government reform in the first half of 2019 noting that IR reform cannot occur without the support of the government and the Parliament.

The development of a sector wide IR strategy is reviewing several options including changes to the State Awards applicable to local government and the potential for common enterprise agreements across the sector. The next steps in progressing this priority and migrating the current industrial relations landscape to a sector wide approach includes:

- the gathering of detailed data about all existing enterprise agreements across the sector;
- the procurement of legal advice to inform how a sector wide approach can be implemented;
- further discussions with all stakeholders including council CEOs, unions the State government and Parliament.

The LGA’s work to date demonstrates there is an opportunity to align the sector’s workforce through a modernised IR framework that will ensure a uniform, reliable and robust approach to managing IR across councils, while allowing flexibility for individual councils to manage their business and to achieve leading practice service delivery to their communities.

Given the work already underway, the alternative recommendation has been presented for Members’ consideration.

**Financial and Resource Implications**

This activity has been anticipated in the LGA’s work program and resources are available to progress this work.
**Council Notice of Motion - 2018 LGA Annual General Meeting**

The purpose of this form is to notify the LGA of a motion a council proposes to move at the LGA Annual General Meeting to be held on Friday 26 October 2018.

<table>
<thead>
<tr>
<th>Council Name</th>
<th>City of Marion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subject of the motion</td>
<td>Statewide Industrial Relations</td>
</tr>
<tr>
<td>Proposed motion of council</td>
<td>That the Annual General Meeting requests the LGA to:</td>
</tr>
<tr>
<td></td>
<td>1. Take the lead on managing industrial relations and negotiate 1 statewide agreement with Indoor staff ie ASU &amp; 1 statewide agreement with outdoor staff ie AWU.</td>
</tr>
<tr>
<td>Background / intended purpose of proposed motion</td>
<td>In pursuit of greater efficiencies and cost savings, it is requested the Local Government Association (LGA) investigate whether there is a better way of undertaking enterprise agreement negotiations including a significant level of alignment in the workforce.</td>
</tr>
<tr>
<td></td>
<td>The current approach to enterprise agreements could be significantly improved, resulting in a reduction of costs to Local Government.</td>
</tr>
<tr>
<td>Council Contact Officer submitting form and date submitted</td>
<td>Name: Victoria Moritz</td>
</tr>
<tr>
<td></td>
<td>Date: 14-09-18</td>
</tr>
<tr>
<td>Council Meeting Minute Reference and date of meeting</td>
<td>Report Reference: GC180724R08 (Local Government Association Annual General Meeting 2018)</td>
</tr>
<tr>
<td></td>
<td>Date of Meeting: 24 July 2018</td>
</tr>
<tr>
<td>Council has referred draft motion to or considered by relevant Regional LGA</td>
<td>Yes [ ] No [x]</td>
</tr>
<tr>
<td>Supported by relevant Regional LGA</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>Region:</td>
</tr>
<tr>
<td></td>
<td>Minute Reference:</td>
</tr>
<tr>
<td>LGA Strategic Plan Reference</td>
<td>LGA Key Initiative 3: Best Practice and Continuous Improvement</td>
</tr>
<tr>
<td></td>
<td>Strategy C: Improve LGA Governance and operations with a focus on people, finances and our members</td>
</tr>
</tbody>
</table>

Please return word version of completed form to lgasa@lga.sa.gov.au by COB Friday 14 September 2018