

Agenda

Council

NOTICE OF MEETING

Notice is hereby given that a meeting of the Council will be held in the

Council Chamber - Glenelg Town Hall
Moseley Square Glenelg

10 October 2023 at 7.00pm



Roberto Bria
Chief Executive Officer



1. Opening

The Mayor will declare the meeting open at 7.00pm.

2. Kurna Acknowledgement

We acknowledge Kurna people as the traditional owners and custodians of this land.

We respect their spiritual relationship with country that has developed over thousands of years, and the cultural heritage and beliefs that remain important to Kurna People today.

3. Service to Country Acknowledgement

The City of Holdfast Bay would like to acknowledge all personnel who have served in the Australian forces and services, including volunteers, for our country.

4. Prayer

Heavenly Father, we pray for your presence and guidance at our Council Meeting. Grant us your wisdom and protect our integrity as we carry out the powers and responsibilities entrusted to us on behalf of the community that we serve.

5. Apologies

5.1 Apologies Received

5.2 Absent – Councillor W Miller (Approved Leave of Absence)

6. Items Presented to Council

7. Declaration Of Interest

If a Member has an interest (within the terms of the Local Government Act 1999) in a matter before the Council they are asked to disclose the interest to the Council and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.

8. Confirmation Of Minutes

That the minutes of the Ordinary Meeting of Council held on 26 September 2023 be taken as read and confirmed.

9. Public Presentations

9.1 Petitions - Nil

9.2 Presentations – Nil

9.3 Deputations – Nil

10. Questions by Members

10.1 Without Notice



10.2 **On Notice - Nil**

11. Member's Activity Reports

11.1 Mayor's Activity Statement – 1 July to 30 September 2023 (Report No: 322/23)

12. Motions on Notice

12.1 Motion on Notice – Sharing the Collection, National Art Gallery, Australia – Mayor Wilson (Report No: 328/23)

12.2 Motion on Notice – Brighton Beachfront Holiday Park – Councillor Lindop (Report No: 342/23)

13. Adjourned Matters - Nil

14. Reports of Management Committees and Subsidiaries

14.1 Information Report – Southern Region Waste Resource Authority Board Meeting – 25 September 2023 (Report No: 339/23)

15. Reports by Officers

15.1 Items in Brief (Report No: 323/23)

15.2 Kingston House Reserve Court Refurbishment (Report No: 326/23)

15.3 Colton Avenue, Hove – Traffic Investigation (Report No: 327/23)

15.4 Partridge Street Carpark (Report No: 329/23)

15.5 Local Government Association of South Australia Annual General Meeting (Report No: 340/23)

16. Resolutions Subject to Formal Motions

Presented for the information of Members is a listing of resolutions subject to formal resolutions, for Council and all Standing Committees, to adjourn or lay on the table items of Council business, for the current term of Council.

17. Urgent Business – Subject to the Leave of the Meeting

18. Items in Confidence – Nil

19. Closure

Roberto Bria
Chief Executive Officer

Item No: 11.1**Subject:** MAYOR'S ACTIVITY REPORT – 1 JULY TO 30 SEPTEMBER 2023

Summary

Presented for the information of Members is the Activity report for the Mayor for 1 July to 1 September 2023.

After noting the report any items of interest can be discussed, if required with the leave of the meeting.

Recommendation

That the Mayor's Activity Report for 1 July to 30 September 2023 be received and noted.

Report

Date	Activity	Location
03/07/2023	Launch of Seacliff Village	Display Suite, Seacliff Park
	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
	Alinea Group Presentation	Brighton Civic Centre
	Rotary Club of Holdfast Bay Changeover Dinner	Club Marion, Marion
04/07/2023	Council Workshop – Somerton Surf Lifesaving Club Lease and Information Technology Policies	Brighton Civic Centre
19/07/2023	Glenelg Winter Arts Festival	Colley Reserve, Glenelg
22/07/2023	SANFL Glenelg vs West Adelaide	Stratarama Stadium
24/07/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
25/07/2023	Chief Executive Officer and Mayor Council Agenda discussion	Brighton Civic Centre
	Council meeting	Glenelg Town Hall, Glenelg
26/07/2023	Council Wrap up Video	Kingston Park
28/07/2023	Coast Protection Board meeting	Waymouth Street, Adelaide
	5AA Radio Interview	Phone call
29/07/2023	Brighton Surf Lifesaving Club – 90 th Season Celebration	Banquet Room, Adelaide Festival Centre
31/07/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
	Workshop discussion for Coastal Protection Board	Microsoft Teams
01/08/2023	Pre-Briefing meeting with General Manager, Community and Business	Glenelg Town Hall

Date	Activity	Location
	South Australia Tourism Commission CEO meeting	Glenelg Town Hall
	Council Workshop – Planning Review, Event Activation – Glenelg Beach and Event Activation – Glenelg Foreshore	Brighton Civic Centre
07/08/2023	Chief Executive Officer and Mayor Council Agenda discussion	Brighton Civic Centre
08/08/2023	Coast Protection Board Planning Workshop	U-City Adelaide
	Pre-Council Workshop – Sand Pumping and Management in Holdfast Bay	Glenelg Town Hall, Glenelg
	Council meeting	Glenelg Town Hall, Glenelg
09/08/2023	Council Wrap Up Video	Partridge House
21/08/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
	Western Mayor's Lunch	Grange Jetty, Grange
22/08/2023	Chief Executive Officer and Mayor Council Agenda discussion	Brighton Civic Centre
	Alwyndor Sculptures for SALA	Alwyndor
	Pre-Council Workshop – Elected Member Request Management System	Glenelg Town Hall, Glenelg
	Council meeting	Glenelg Town Hall, Glenelg
23/08/2023	Council Wrap Up Video	Alwyndor
25/08/2023	Meeting with General Manager, Assets and Delivery	Cibo Glenelg
	SANFL Glenelg vs Panthers	Stratarama Stadium
29/08/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
30/08/2023	Visit to Council Chamber by St Mary's Memorial School	Glenelg Town Hall, Glenelg
01/09/2023	Citizenship Ceremony	Brighton Performing Arts Centre, Brighton
04/09/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
05/09/2023	Council Workshop – Weekly FOGO Update, Stormwater Harvesting Schedule, King George Avenue – Koala Crossing and Seacliff Plaza Amenities	Brighton Civic Centre
06/09/2023	Jetty Road Mainstreet Committee meeting	Glenelg Town Hall, Glenelg
07/09/2023	Brighton Secondary School Music Spectacular	Brighton Secondary School
08/09/2023	Coast Protection Board and State of the Coast Workshop	Waymouth Street, Adelaide
10/09/2023	Glenelg Bowling Club – Opening of the Greens and presentation of Mayoral Trophy	Partridge Street, Glenelg
12/09/2023	Chief Executive Officer and Mayor Council Agenda discussion	Brighton Civic Centre
	Meeting with Mohammad Tarik to discuss Bangladesh Cultural Community Event	Brighton Civic Centre
	City Activation meeting with General Manager, Community and Business	Brighton Civic Centre

Date	Activity	Location
	Pre-Council Workshop – Public Tree Removals	Glenelg Town Hall, Glenelg
	Council meeting	Glenelg Town Hall, Glenelg
13/09/2023	Meeting with Jetty Road Mainstreet Committee Chair	Glenelg
	Council Wrap Up Video	Pine Gully
14/09/2023	Coast FM Radio Interview	Studio
	Jetty Road Grand Final Glenelg Tigers Promotion	Moseley Square, Glenelg
17/09/2023	City -Bay Fun Run	Glenelg
	Bay Area Ministry Ecumenical Service	Our Lady of Grace Church, Glenelg
18/09/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
20/09/2023	Flinders Foundation – Turning Marina Pink for Breast Cancer Month	Lucianos Restaurant, Holdfast Shores Marina
24/09/2023	SANFL Grand Final Luncheon	Adelaide Oval, Adelaide
25/09/2023	Chief Executive Officer and Mayor Weekly Catch Up	Phone call
26/09/2023	Chief Executive Officer and Mayor Council Agenda discussion	Brighton Civic Centre
	Council meeting	Glenelg Town Hall, Glenelg
27/09/2023	Council Wrap Up Video	Holdfast Shores Marina
	SCAP meeting	Pirie Street, Adelaide
28/09/2023	Project Update Meeting with Manager, Public Realm & Urban Design	Brighton Civic Centre

Written By: Executive Officer and Assistant to the Mayor

Chief Executive Officer: Mr R Bria

Item No: 12.1

Subject: MOTION ON NOTICE – SHARING THE COLLECTION, NATIONAL ART GALLERY, AUSTRALIA – MAYOR WILSON

Proposed Motion

Mayor Wilson proposed the following motion:

1. That Administration investigate/assess participation in 'Sharing the Collection' program that the National Art Gallery, Australia auspice.
 2. That Administration initiate discussion with the National Art Gallery, Australia to submit a formal Expression of Interest to participate.
 3. That a report outlining proposed participation and required budget to support program participation be returned to Council for consideration in November.
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Background

The National Art Gallery, Australia in Canberra is releasing 155,000 works of art to regional and suburban art galleries and is providing financial assistance however not limited to transport and insurance to exhibit the works on temporary loan.

This is an opportunity for the City of Holdfast Bay to participate in accessing on behalf of our community and South Australia one of the most valuable collections of art in Australia.

Prompt support for the program would ensure the City of Holdfast gets first access to the best of the collection before other galleries requisition the available works of art.

Item No: 12.2

Subject: MOTION ON NOTICE – BRIGHTON BEACHFRONT HOLIDAY PARK –
COUNCILLOR LINDOP

Proposed Motion

Councillor Lindop proposed the following motion:

That Administration conduct an audit of the signage and other “way finding” for the location and directions to the “Brighton Beachfront Holiday Park” and provide a report, including recommendations and costings, back to Council by December 2023. This report should also include an investigation into:

- 1. Naming the road from Burnham Road down to the car park, new kiosk and entrance to the caravan park;**
 - 2. Brighton Beachfront Holiday Park is able to be found (using satellite navigation) with this new road name as its address; and**
 - 3. New directional signage at the entrance to the road down to the carpark/kiosk/caravan park, from the Burnham Road/Kingston Crescent corner, which also includes the new kiosk/cafe location and the Brighton Beachfront Holiday Park. This sign to be in keeping with the natural area i.e. stone wall with sign on it.**
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Background

With the new works happening at Kingston Park it is an opportune time to look at the directional signage and the way we advertise the location of the Brighton Beachfront Holiday Park and our new Kiosk/café.

The current address for the Brighton Beachfront Holiday Park is 4 Burnham Road. The address can create confusion as the turn down to the caravan park can be missed.

The opportunity to name the road down to the carpark could also help with advertising our new kiosk/café, and possibly allows us to consider a name in keeping with the heritage of the Kingston Park Reserve.

There are anecdotal reports of caravans trying to enter the caravan park from the Seacliff Surf Life Saving Car Park end, which is not accessible. Drivers also miss the turn down the road to the caravan park coming off Burnham Road/Kingston Crescent and then trying to turn around on Burnham Road is problematic, especially when towing a caravan.

Item No: 14.1

Subject: **INFORMATION REPORT – SOUTHERN REGION WASTE RESOURCE
AUTHORITY BOARD MEETING – 25 SEPTEMBER 2023**

Summary

The Information Report of the Southern Region Waste Resource Authority Board meeting held on 25 September 2023 is provided for information.

Recommendation

That Council notes the Information Report of the Southern Region Waste Resource Authority Board meeting held on 25 September 2023.

Background

Southern Region Waste Resource Authority (SRWRA) is a regional subsidiary established by the Cities of Onkaparinga, Marion and Holdfast Bay (the "Constituent Councils"), pursuant to Section 43 of the *Local Government Act 1999*. The functions of SRWRA include providing and operating waste management services on behalf of the Constituent Councils.

In accordance with Section 4.5.2 of the SRWRA Charter - 2022, there shall be at least six ordinary meetings of the Board held in each financial year.

Furthermore, Section 4.5.11 states that prior to the conclusion of each meeting of the Board, the Board must identify which agenda items considered by the Board at that meeting will be the subject of an information report to the Constituent Councils.

Report

In accordance with the above, the Information Report from the Board Meeting held on 25 September 2023 is provided for Members' information.

Refer Attachment 1

Budget

Not applicable

Life Cycle Costs

Not applicable

Strategic Plan

A city, economy and community that is resilient and sustainable.

Council Policy

Not applicable

Statutory Provisions

Not applicable

Written By: Chief Executive Officer

Chief Executive Officer: Mr R Bria

Attachment 1

Constituent Council Information Report

PUBLIC

Board Meeting Date: 25 September 2023

Report By: Chief Executive Officer

In accordance with Section 4.5.11 of the *Southern Region Waste Resource Authority Regional Subsidiary Charter - 2022*, the SRWRA Board identified the following Agenda Items to be the subject of a Public Information Report to the Constituent Councils (Cities of Onkaparinga, Marion, and Holdfast Bay).

Report Name	Report Summary
Adoption of Financial Statements 2023 Financial Year	<p>The SRWRA Board reviewed and adopted the 2023 SRWRA Financial Statements, Southern Recycling Centre (SRC) Financial Statements and Southern Materials Recovery Facility (SMRF) Financial Statements.</p> <p>SRWRA reported a surplus of \$2.151 million for FY23, providing funds to support our landfill capping and post closure liabilities.</p> <p>The SRWRA Statements will be included in our 2023 Annual Report for distribution to Constituent Councils by 30 September 2023.</p>
SRWRA Annual Report 2023	<p>The SRWRA Annual Report 2023 was reviewed by the Board; this report summarises key activities undertaken by the Authority during the year, our financial results, key Governance and WHS measures and performance against our annual business plan.</p>
Audit & Risk Committee Membership	<p>SRWRA welcomed two new members to our Audit & Risk Committee during September; Tim O'Loughlin, Independent Member for the City of Onkaparinga and Josh Hubbard, Independent Member for the City of Marion.</p> <p>The updated Committee will meet in November to nominate a Presiding Member and review the work plan for FY24.</p>
Budget Review 4 – FY23	<p>Budget Review 4 for the 2023 financial year was presented to the Board, comparing actual results against budget for the year and highlighting key variances.</p> <p>SRWRA undertakes quarterly budget reviews throughout the year as per the Local Government (Financial Management) Regulations 2011.</p>

Constituent Council Information Report – Public

Report Name	Report Summary
SRWRA Independent Financial Audit FY23	<p>The annual external financial audit was undertaken by the Authority Auditor (Galpins) between June and September 2023; the auditors report is included in the 2023 Annual Report for the information of our Constituent Councils and their communities.</p> <p>A key focus of the audit is internal financial controls, ensuring SRWRA promotes and adheres to best practice financial management.</p>
Chief Executive Officer's Report	<p>The CEO summarised key activities over the last few months:</p> <ul style="list-style-type: none">• The Southern Materials Recovery Facility (SMRF) joint venture committee meets every two months, discussions include plant optimisation and commodity markets.• The Southern Recycling Centre is continuing to perform strongly, with monitoring of tonnages received ongoing, as councils roll out a number of FOGO initiatives within their kerbside collection systems, with the City of Holdfast Bay following on from the introduction of weekly FOGO with free kitchen caddy bags for residents.• The Department of Infrastructure and Transport (DIT) has closed Ostrich Farm Road while work continues on the upgrade of Victor Harbor Road, with all vehicles now accessing the SRWRA site via Bakewell Drive. SRWRA continues to provide regular updates to our customers regarding road closures and site access.• SRWRA is now entering Phase 2 of our development of a Communication and Education Strategy to address demand for facility tours, information on our services and interest in the waste and recycling sector generally. The recruitment process for a Communication and Engagement Officer to deliver the strategy has now commenced, following on from successful workshops held with council education officers and key stakeholders.• SRWRA offers regular Board member development opportunities, these include attendance at the Waste Expo Australia, to be held in Melbourne in October, this includes the Waste Summit Conference with 60 expert speakers discussing developments in the industry, various approaches to waste and actions to transition to a circular economy.
GISA Recycling Modernisation Grant	<p>SRWRA received GISA grant funding approval, under the Recycling Modernisation Fund in 2021, and is seeking a variation to the agreement with regards to the glass technology proposed for the SMRF.</p> <p>This grant assisted with the purchase of our waste sorting artificial intelligence (AI) robots, Spidey & Smurf Bot, who assist in waste sorting and minimising contamination in the recycled product waste stream.</p>

Constituent Council Information Report – Public

Report Name	Report Summary
LMS Evaporation Trial	LMS Energy, who run the Landfill Solar Farm and Bioenergy Facility at the SRWRA site will be conducting an evaporation technology trial within its Bioenergy Facility during the next twelve months. This is a variation to their current leasing agreement with SRWRA.
Risk Management Report	SRWRA provides regular risk management reporting to the Audit & Risk Committee and Board, this includes regular reviews of the SRWRA risk register and identification of new and emerging risks.
Next Meeting	The next scheduled meeting date for the SRWRA Board is Monday 20 November 2023

Item No: 15.1

Subject: ITEMS IN BRIEF

Summary

These items are presented for the information of Members.

After noting the report any items of interest can be discussed and, if required, further motions proposed.

Recommendation

That the following items be noted and items of interest discussed:

1. **Drug and Alcohol Rehabilitation Facility at 5 Maturin Road, Glenelg - Update**
 2. **Letter of Congratulations to the Glenelg Football Club**
 3. **Finalist for the Ice Cream Festival**
 4. **Seacliff Boundary Realignment Update**
 5. **Call for Nominations for the South Eastern Water Conservation and Drainage Board**
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Report

1. **Drug and Alcohol Rehabilitation Facility at 5 Maturin Road, Glenelg - Update**

At its meeting held 8 August 2023 Council resolved to write to the State Commission Assessment Panel (SCAP) objecting to a proposal by Uniting Communities to change the use of the building located at 5 Maturin Road, Glenelg to a residential drug and alcohol rehabilitation facility. The proposal had been assigned Crown Development status on the basis that it was deemed to constitute 'essential infrastructure', thereby bypassing community consultation.

In its submission, Council reserved its right to be represented at a future hearing on the matter by the SCAP. The SCAP heard the matter at its meeting held on 27 September 2023, where Council was represented by Anthony Marroncelli, Manager, Development Services. As the SCAP was limited to consider only the planning merits of the proposal, neither the SCAP nor those in attendance could discuss the more fundamental concerns relating to the procedural fairness of the assessment pathway as a Crown Development rather than a Council-led assessment.

The public hearing was attended by a number of local residents and representatives of the media, in addition to Mayor Amanda Wilson, and Stephen Patterson MP, Member for Morphett. Having heard from Mr Marroncelli and representatives of Uniting Communities, the SCAP reserved its decision on the application, being a decision that it would provide in confidence to the Minister for Planning in the form of a recommendation for his review and determination at a later date.

Notwithstanding the ongoing works to the building at 5 Maturin Road, the change of land use cannot commence formally until such time as the Minister for Planning issues his approval and a Certificate of Occupancy is obtained. It is unclear how long the Minister for Planning will take to make his decision, although an immediate update will be provided as soon as Council Administration is informed.

2. Letter of Congratulations to the Glenelg Football Club

Council resolved at its meeting on 26 September 2023 for the Chief Executive Officer to write a letter of congratulations to the Glenelg Football Club on winning its sixth SANFL League Premiership. A copy of the letter of congratulations is provided for members' information.

Refer Attachment 1

3. Finalist for the Ice Cream Festival

On 26 September 2023, the Tourism Industry Council South Australia (TICSA) announced the Glenelg Ice Cream Festival as a finalist in the 2023 South Australian Tourism Awards. The event was registered in the Festivals and Events category and winners will be announced at the TICSA South Australian Tourism Awards Gala Dinner on 3 November 2023.

Glenelg, one of South Australia's favourite coastal destinations transforms into an ice cream lover's haven every January. The Glenelg Ice Cream Festival returned for its second year, providing a family friendly event for participants to indulge in the popular summer treat, while enjoying the beautiful surrounds of the Bay and Jetty Road and spending the evening with friends and family as part of the street party festivities.

As a finalist, we're also in the running to win a Voter's Choice Award, as chosen by the public. You can cast your vote [here](#) for the City of Holdfast Bay – 2023 Glenelg Ice Cream Festival.

4. Seacliff Boundary Realignment Update

Council received correspondence from the Chair of the South Australian Local Government Boundaries Commission, Mr Rob Donaldson regarding an update on the Seacliff Boundary Change Proposal.

Refer Attachment 2

5. Call for Nominations for the South Eastern Water Conservation and Drainage Board

Nominations are now open for a Local Government representative on the South Eastern Water Conservation and Drainage Board (Board) for a term of four (4) years, following the resignation of a current member. The Board is established under the South Eastern Water Conservation and Drainage Act 1992 and its functions are:

- a. To provide an effective and efficient system for managing the surface water of the non-urban lands in the South East, by conserving, draining, altering the flow of or utilizing that water in any manner;

- b. To carry out works for the purpose of lowering the level of the water table of lands in the South East;
- c. To undertake, assist or promote research in the fields of water conservation, drainage and managements; and
- d. To give advice and assistance to others in the fields of water conservation, drainage and management.

To be eligible to nominate, you must have local government knowledge and experience in the South East region and demonstrated experience of functions of the South Eastern Water Conservation and Drainage Board. Administration recognises that Members may have their reasons for nominating for these vacancies and supports Members who wish to nominate for the Committee, if they feel they have the appropriate qualifications. Applications close **Friday 3 November 2023**.

If you are interested in nominating for the Board, the Call for Nominations Information Sheet (Part A) outlines information about the role and selection criteria.

Refer Attachment 3

Only nominations submitted by a Council, following a resolution of Council, will be considered. Nominees must complete the Nomination Form (Part B) with your Council.

Refer Attachment 4

Written By: Executive Support Officer

Chief Executive Officer: Mr R Bria

Attachment 1



27 September 2023

Mr David Whelan
President
Glenelg Football Club
PO Box 72
GLENELG SA 5045

Dear David

Congratulations!

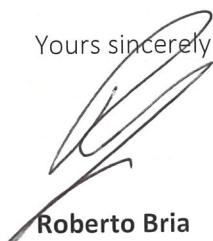
It is with great pleasure that I write to congratulate the Glenelg Football Club on its 2023 Premiership success – in both the League and Reserves competitions. Both teams had fantastic seasons, winning nearly all of their games. Our congratulations also to Jack Oatey Medallist, Lachlan Hosie.

Council, at last night's meeting, also acknowledged the Glenelg Football Club for its successful 2023 season.

Also receiving the SANFL Club of the Year Award recognises the success of the Club on and off the field. We know that sporting teams contribute greatly to the local community and the Glenelg Football Club is one that continues to contribute to the City of Holdfast Bay community.

Once again, on behalf of the City of Holdfast Bay, congratulations to the players, coaches, support staff, Board and administration on a fabulous 2023.

Yours sincerely



Roberto Bria
Chief Executive Officer

Attachment 2

28 September 2023

Tony Harrison
Chief Executive Officer
City of Marion
PO Box 21
PARK HOLME SA 5043

Submission of Stage 2 General Proposal – Seacliff Boundary Change Proposal

Dear Mr Harrison,

I refer to your correspondence of 6 October 2022 and the SA Local Government Boundaries Commission's (the Commission) response dated 26 October 2022 regarding the City of Marion's (the Council) Stage 2 General Boundary Change Proposal.

The Commission on 19 October 2022 approved the Council's request for a 6-month extension for the referral of its Stage 2 General Proposal affecting the City of Marion and the City of Holdfast Bay in the area of Seacliff. That extension of time expired on 31 August 2023.

As you'd be aware, Mr Phillip Brunning of Phillip Brunning and Associates has approached the Commission on behalf of Seacliff Developments Pty Ltd with the intent to submit a publicly initiated boundary change proposal between the City of Marion and the City of Holdfast Bay in the same area of Seacliff as the proposal initiated by the Council.

With this in mind, and considering the recent expiry of the time extension, the Commission has determined to refuse to inquire further into the Council's Seacliff Boundary Change proposal dated 7 September 2021.

Should you have any questions regarding this matter, please contact the Commission by telephone on (08) 7133 1311 or via email at boundaries.commission@sa.gov.au.

Yours sincerely



Rob Donaldson
CHAIR
SOUTH AUSTRALIAN LOCAL GOVERNMENT BOUNDARIES COMMISSION

Attachment 3

South Eastern Water Conservation and Drainage Board – Call for nominations

Governing Statute (if applicable)	Section 9(b) <i>South Eastern Water Conservation & Drainage Act 1992</i>
Purpose/Objective	<p>Functions of the Board are:</p> <ul style="list-style-type: none"> (a) to provide an effective and efficient system for managing the surface water of the non-urban lands in the South East, by conserving, draining, altering the flow of or utilising that water in any manner; (b) to carry out works for the purpose of lowering the level of the water table of lands in the South East; (c) to undertake, assist or promote research in the fields of water conservation, drainage and management; (d) to give advice and assistance to others in the fields of water conservation, drainage and management. <p>In performing its functions under this Act the Board must:</p> <ul style="list-style-type: none"> (a) consult with the relevant authorities under all Acts dealing with protection of the environment, soil conservation or management or protection of water resources, and act in conformity with the policies established under those Acts; (b) encourage and promote active community involvement in water conservation and management matters; (c) seek to administer this Act on the basis of negotiation with landholders and all other relevant persons or authorities. <p>The Board has a Management Plan that describes its objectives and high level targets.</p>
Administrative Details	<p>At least 6 meetings per year (which can be facilitated through online communications platforms).</p> <p>Term of appointment = 4 Years</p> <p>Fees payable are: Session \$177 (+ \$44.25 hourly out of session duties). Also reimbursement of \$1.00/km for travel over 40km.</p>
Selection Criteria <i>(to be addressed by applicant)</i>	<ul style="list-style-type: none"> • Local government knowledge and experience in the South East region • Demonstrated experience of functions of the Board.
Liability and indemnity cover	<i>The LGA requires that persons appointed to Outside Bodies be appropriately insured throughout the period of their appointment and seeks to collect details of the insurances provided by the Outside Body on an annual basis.</i>

For more information contact: LGA Nominations Coordinator at nominationscoordinator@lga.sa.gov.au or 8224 2000

Attachment 4

South Eastern Water Conservation and Drainage Board Nomination Form

Instructions

This form:

- Must be submitted by a council
- Must be emailed in PDF format to nominationscoordinator@lga.sa.gov.au
- Receipt of nomination will be acknowledged by return email
- CV and response to selection criteria (if applicable) may be emailed separately by the nominee and will be treated confidentially

This nomination form fulfils the requirements of the LGAs Appointments and Nominations to Outside Bodies Policy, [available here](#).

SECTION 1 to be completed by Council, SECTION 2 to be completed by Nominee.

Please refer to the **Call for Nominations** information sheet (PART A) for details of the Outside Body and the selection criteria to be met by the nominee.

SECTION 1: COUNCIL to complete

South Eastern Water Conservation and Drainage Board		
Council Details		
Name of Council submitting the nomination		
Contact details of council officer submitting this form	Name:	
	Position:	
	Email:	
	Phone:	
Council meeting date and minute reference		
Nominee Full Name		
elected member <input type="checkbox"/> OR employee of council <input type="checkbox"/> OR employee of local government entity <input type="checkbox"/>		
<i>Note: by submitting this nomination council is recommending the nominee is suitable for the role.</i>		

SECTION 2: NOMINEE to complete

South Eastern Water Conservation and Drainage Board			
Nominee Details <small>* Denotes a Mandatory Field. The information in this form is provided by the LGA to the relevant Minister/State Government Authority for the purposes of actioning an appointment to an outside body. Successful Nominees may be contacted directly by the relevant body using the information provided in this form.</small>			
First Name:*			Gender
Middle Name:*			
Surname:*			
Home / Personal Postal Address:*			
Phone:		Mobile:	
Personal Email:			
Why are you interested in this role?			
CV	attached <input type="checkbox"/> OR forwarding separately <input type="checkbox"/>		
Response to selection criteria (if applicable) <small>Please refer to the Call for Nominations information sheet for the selection criteria to be addressed.</small>	<i>Nominee to provide response to selection criteria (of no more than 2 pages) for consideration by the LGA Board of Directors.</i> attached <input type="checkbox"/> OR forwarding separately <input type="checkbox"/>		
Do you agree for your details to be retained on the LGA Nominees Database for a period of 12 months in order to be considered for other vacancies on Outside Bodies? Yes <input type="checkbox"/> OR No <input type="checkbox"/> If Yes, please list any fields of interest or Outside Bodies of interest: • • •			
Undertaking: <i>The LGA Board resolved in January 2015 to ensure that appointees to external Boards and Committees remain current local government members or officers. If you leave local government for any reason during the term of your appointment, are you prepared to resign your appointment if requested to do so by the LGA?</i> Yes <input type="checkbox"/> No <input type="checkbox"/> Signature of Nominee: _____			

Item No: 15.2

Subject: KINGSTON HOUSE RESERVE COURT REFURBISHMENT

Summary

A \$200,000 election commitment was made by the South Australian Labor Government to refurbish the Kingston House Reserve courts. The election commitment was made as a special purpose grant to the City of Holdfast Bay to deliver the upgrade with no Council funds required to undertake the project. The community were invited to provide their feedback on the proposed designs from 24 August to 14 September 2023. The results of this engagement have now been evaluated, and based on the feedback and responses, the design has been refined.

Recommendation

That Council notes the Community Engagement Summary and final scope regarding the refurbishment of the courts at Kingston House Reserve.

Background

In June 2022, a \$200,000 election commitment was made by the South Australian Labor Government to refurbish the Kingston House Reserve courts. The election commitment was made as a special purpose grant to the City of Holdfast Bay to deliver the upgrade. This provided opportunity to choose a court layout, and the types of facilities to include in the court design. Since this commitment was made, Administration has been working through designs that could be implemented within budget.

Due to the recent demand for informal recreation opportunities, Administration applied for a variation to the grant agreement to broaden the scope from delivering 'tennis courts' to 'recreational courts'. This enabled the opportunity to run community consultation on the type of recreational offerings to be included in the new court design.

In August 2023, two options were presented to the community being either two tennis courts, or a tennis court and a multi-sport court with offerings based on community preference. The community were able to provide their thoughts via an online poll or an online feedback form.

Report

Design

The existing dimensions of the courts do not meet Tennis Australia's standards with regards to the run-off at the back of the courts only being 3.15m instead of 5.48m. To achieve the minimum dimensions, it would require a complete rebuild of the court base, removing trees and constructing retaining walls, which would exceed the budget provided. Therefore it is proposed to proceed within the existing footprint, noting that these courts will not meet minimum specifications to be used for competition and will be appropriate for recreational purposes only. These courts are not used by any local clubs for competition, so the shorter runoff distance is suitable for recreational use.

Community Consultation

The consultation period was open between 24 August and 14 September 2023, for a total of three weeks. The community were invited to participate in the engagement by visiting the webpage and voting via an online poll or filling out the online feedback form. Formal submissions could also be made in writing via post or email. During the consultation period, a variety of tools and methods were used to promote the consultation including:

- Onsite signage with QR code
- Letterbox drop to residents within a 250m radius (approximately 180 residents)
- Email to database of registered users of yourholdfast.com
- Social media
- Holdfast News

The results of the community engagement are attached to this report.

Refer Attachment 1

Overall, 56 contributions were made by 45 participants, providing insightful context to determine the final design of the courts. Whilst the majority view is that a multi-sport option is preferred, further analysis indicated those opposed to the multi-sport option provided legitimate reasons to retain the courts as two tennis courts. Site context is an important consideration when determining appropriate locations for informal recreational infrastructure. Considerations include:

- Noise implications and proximity to nearby residents
- Existing active user impacts, including large community gatherings and events
- Amenity of the reserve, including activities occurring at the Historic Kingston House
- Environmental constraints and the inability to expand footprint of the courts and conflict of different user groups

The online feedback form resulted in four of the 22 survey participants strongly opposing basketball and other team sports as they create too much noise for nearby residents. The City of Marion commissioned an Acoustic Report to assess appropriate locations for a basketball ring, considering full court and half court settings. In the instance of Kingston Park Reserve, proximity to nearby residents and potential wedding events, this site is not recommended for new basketball infrastructure.

This community engagement demonstrated that there is high demand for installation of additional informal recreation opportunities, in appropriate locations across the City of Holdfast Bay.

Next Steps

Due to the objections made during the consultation period, Administration will proceed with a design that will retain two tennis courts. The scope of works will include:

- Court resurfacing and tennis court linemarking
- New tennis net infrastructure
- New court fencing and kerbing
- Tree pruning and installation of root barrier system surrounding the courts
- Remediation of paving and access to the courts
- Installation of a drinking fountain with dog bowl

As per funding conditions set by State Government, the engagement results and project scope will be submitted to the Premier Delivery Unit for approval. In addition, to close the loop on the community consultation, the final project scope and construction details will be communicated with the broader community.

The tender will be open in late October. Construction timelines will depend on contractor availability and preference to undertake works outside of holiday periods.

A report will be tabled at Council regarding recommendations relating to installation of additional informal recreation infrastructure at selected locations within the City Holdfast Bay.

Budget

\$200,000 of State Government grant funding. No Council funds are required to undertake this project.

Life Cycle Costs

Life cycle costs will be considered following construction and Council's asset data will be updated to reflect the asset lifespan of the new infrastructure.

Strategic Plan

Wellbeing – Establish community hubs that integrate community support, recreational and commercial services.

Wellbeing – Increase participation rates in community engagements across all age groups, particularly underrepresented demographics such as children and young people by using methods that are appealing and appropriate.

Council Policy

Community Consultation and Engagement Policy

Statutory Provisions

Not applicable

Written By: Recreation and Sport Planning Lead

General Manager: Assets and Delivery, Ms P Jackson

Attachment 1



Community Engagement Summary

Kingston House Reserve Court Upgrade

Engagement period 24 August 2023 – 14 September 2023

Overview

In 2022, a \$200,000 election commitment was made by the South Australian Labor Government to refurbish the Kingston House Reserve courts. The election commitment was made as a special purpose grant to the City of Holdfast Bay to deliver the upgrade.

Key items proposed in the court renewal includes:

- New court surface and fencing
- Proposed multi-sport line-marking and infrastructure
- A drinking fountain

As part of the project, Council commenced public engagement on a court layout, and the types of facilities to include in the court design. Options available were two tennis courts, or a tennis court and a multi-sport court with offerings based on community preference.

This engagement ran from 24 August and closed at 5pm Thursday 14 September 2023. This report provides the participation levels and findings.

Engagement was promoted through the following channels:

- onsite signage with QR code to Your holdfast project page at the Kingston House Reserve tennis courts
- letterbox drop to nearby residents
- an email to interested registered users of our engagement website www.yourholdfast.com,
- a Facebook post
- Holdfast News e-newsletter
- news article on the council website
- feature article on the home page of YourHoldfast.

Feedback was collected in the following ways:

1. Completing an online survey at www.yourholdfast.com/court-upgrade. Participants were provided with the option to either vote for their design preference via a quick poll or complete an online feedback form
2. Email
3. Phone
4. Writing

Participation

Information regarding how people participated in the engagement:

- 31 people participated in the quick poll
- 22 people completed the online survey
- 3 contributions to questions and answers section of the project web page
- 231 views to the YourHoldfast project page (Passive participation)
- 4 Email responses
- 2 Hardcopy responses

Engagement of project

Participation Results	
Online Participation	
• Page views	231
• Number of visits	210 visits from 173 participants
Followers to the YourHoldfast project page	30
Online Interactions	
• Online quick poll contributions	31
• Online feedback form contributions	22
• Online Q&A contributions	3
Total Online Contributions	56 contributions made by 45 participants
Other Responses	
Hardcopy feedback	2
Emails	4

Feedback Results

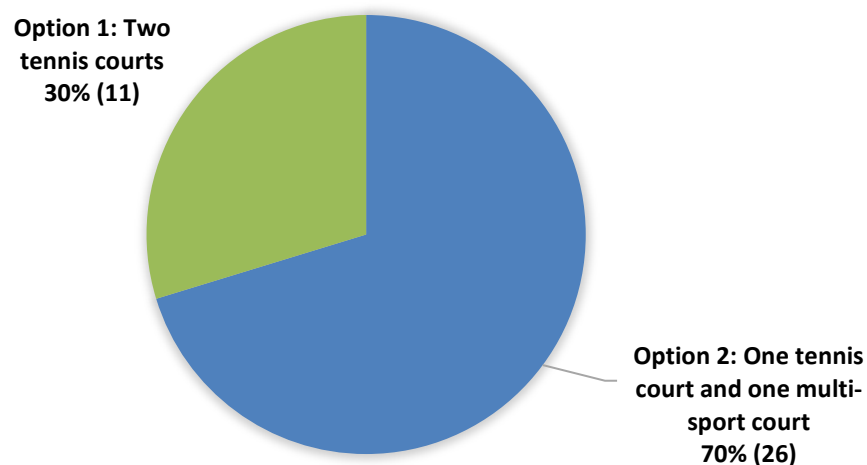
Combined Results

The following chart shows the combined results of the quick poll, survey results, and feedback received via email. (Note where participants responded both in the quick poll and the survey, their preference vote has been recorded once in the 'Overall Results' chart)

A total of 37 participants told us their preferred option.

- 11 opted for two tennis courts
- 26 opted for one tennis court and a multi-sport court

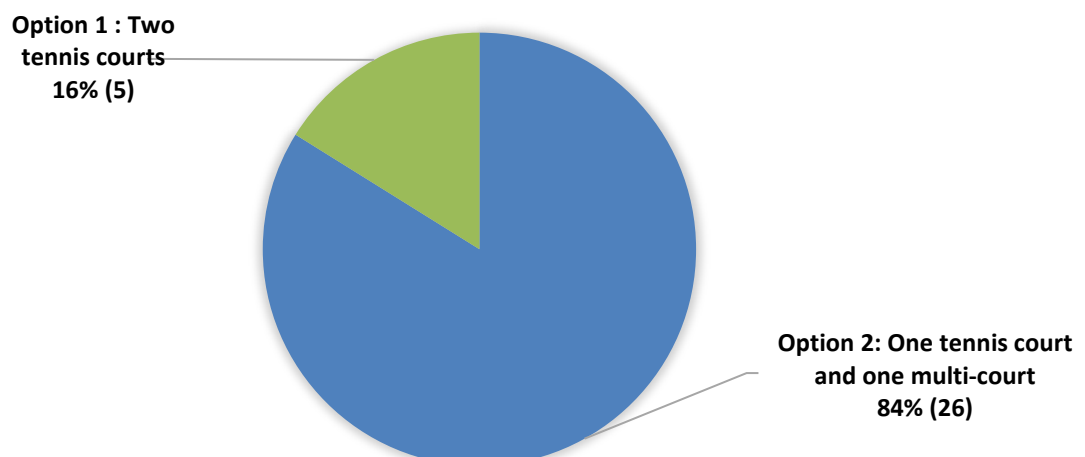
What is your preferred option?



Quick Poll Results

31 people participated in the online quick poll in YourHoldfast.

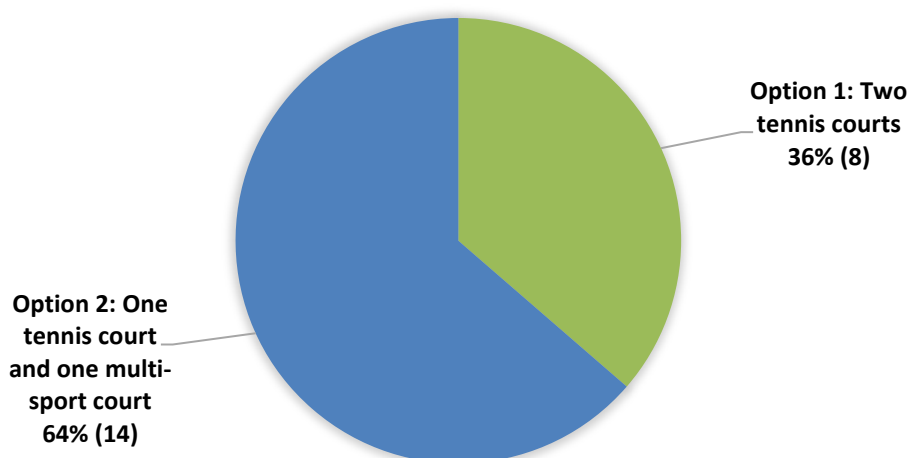
What is your preferred option?



Feedback Form Results

22 people participated in the online feedback form in YourHoldfast.

1. What is your preferred option

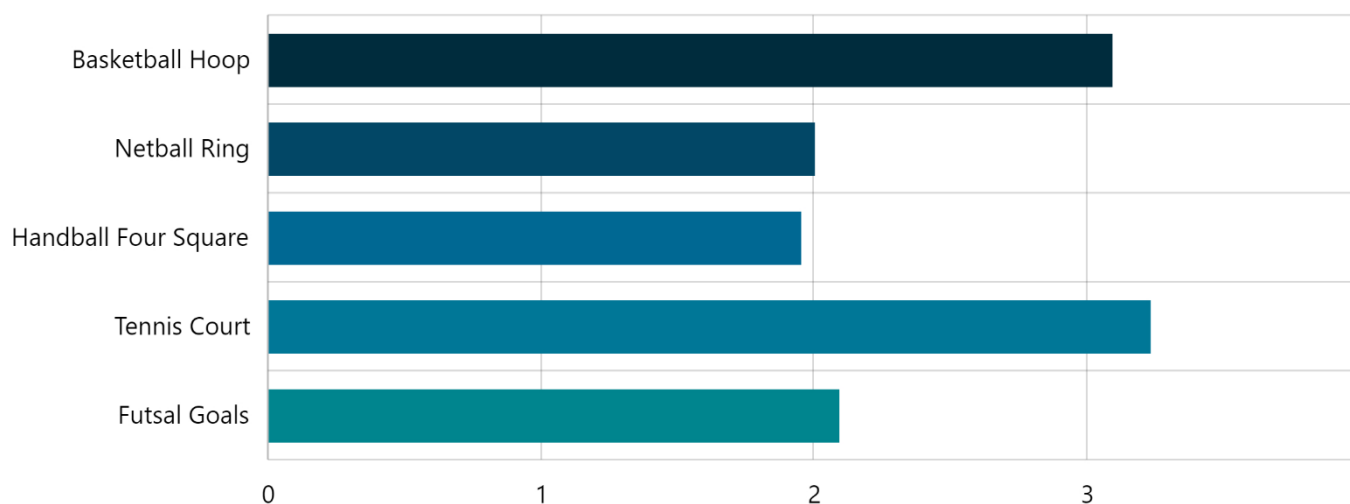


2. In order of preference, rank the options for the multi-sport court.

Comments provided regarding choice preference regarding the multi-sport court:

- Could we get an outdoor table tennis table (concrete) in the outside area of the tennis court please
- An enclosed dog off-leash exercise area
- Leave the tennis courts as they are. No change is required.
- Soccer Goals

3. The participants were asked to rank their preferences for the types of sporting options on the multi-use court



4. Comments

The comments provided are verbatim

<p>1. 1. Can an arborist give advice on how to prune back the olive trees on the north side of the courts. This to stop olives etc contaminating the courts as they are at present.</p> <p>2. Re the pine on the west side outside the courts: Can a narrow trench be cut outside the courts and cut any tree roots which it appears are cracking the court surface?</p> <p>3. Can the court net posts be set in concrete to stop net tension from pulling the posts inwards?</p>
<p>2. Considering there are 12 tennis courts at the Kauri Drive Sports Complex tennis players appear well catered for. The courts located at Kingston House in my opinion should be multi-use to serve for casual picnickers at Kingston House Reserve. At present a number of local dog owners also use the courts to exercise their dogs, it being a secure area. They use this because of the high volume of vehicular traffic that use Cameron Avenue and Strickland Avenue and the lack of fencing to prevent animals running onto the road. In light of this, there is an urgent need for the Holdfast Bay Council to provide an off-leash dog area within the Kingston House Reserve.</p>
<p>3. There are many tennis courts close by and no areas where there are any fit sap goals despite popularity</p>
<p>4. We would strongly prefer that the two tennis courts remain. We live just next to the courts, with visibility over them, and see how they are very often used. It is important to retain them as they are more accessible than the Seacliff tennis courts, which often hold training sessions or matches, and through which the majority of courts are closed to the general public when not used for this purpose. Given the popularity of the current courts, it would be difficult if only one court was available as there is a much greater chance people arriving at the courts would miss out if already in use. This may also deter people in coming to the courts if they know only one is available. Further, given the relatively small overall size of the two courts, it would feel a bit of a squeeze to have this space as a multi-use space and respective sports players are likely to get in the way of each other ie balls travelling into the opposing sports designated space. This could be particularly frustrating for tennis players.</p>
<p>5. Please keep 2 tennis courts as the community is currently using these responsibly without much disturbance to surround houses. We live in one of the houses across from the courts and are concerned that basketball or other team sports will draw more noisy crowd to the area.</p>
<p>6. Because we have lost access to many local tennis courts over the past decade, I think 2 courts is good. Having 2 tennis courts doesn't stop families accessing a court for other purposes, eg learning to ride a bike. Only other court to consider, may be what I think is called a pickle ball (https://en.wikipedia.org/wiki/Pickleball.) Apparently very popular in USA and a game more appealing to younger and older players. Also uses less space than tennis court</p>
<p>7. 2 tennis courts have been great thus far and for family tennis days, basket ball will be noisy</p>
<p>8. Hi There</p> <p>I think the two tennis courts as per true current structure wld be great, quite often both courts are being used and players wait or look elsewhere so one court wld limit that opportunity further, picnic days are also perfect with two courts to play on !!</p> <p>I am concerned about basket ball rings for the noise factor with residents living very close by on the fringe of the park (yes me being one of them 😊) bouncing basketballs are pretty noisy and are often used at night time also (even without lights) hope I don't sound like a grumpy old man !!</p> <p>Cheers Justin</p>
<p>9. The Kingston House Reserve tennis courts were resurfaced not long ago and do not need any further changes. It's a waste of tax payers' money.</p> <p>This survey form is biased and forces people to make choices they may not want, in this instance I don't want to preference a multi-sport court. You need to include an option for leaving the facilities as they are.</p>
<p>10. We feel that the provision of upgraded tennis courts is more in fitting with the building & surrounding heritage. Basketball etc. is a more noisy sport & may detract from other using the house or ground facilities.</p>
<p>11. Hi Julia,</p> <p>Our area is desperate for more court space for children to play soccer, netball and basketball. These are games that can</p>

involve up to 10 children or adults (playing 5 v 5) on 1 multi-sport court. As soon as a court becomes devoted to tennis with a net through the middle, it can only be dedicated to tennis and handle up to 4 (often adults) playing singles or doubles.

We have so many new tennis courts in the area including at the Kauri Community and Sports Centre, Seacliff and McConnell Avenue Reserve Marino.

Thanks

12. Dear Julia,

I welcome the proposed upgrades to the Kingston House Reserve Courts. I have completed the online poll and feedback form on the holdfast bay website.

I would like to enquire whether the old tennis courts on the seacliff esplanade will also be upgraded? This area is now completely unusable for any sports or recreation and seems a waste of valuable space in this popular picnic spot.

Looking forward to hearing more,

13. Thanks Julia for the opportunity to comment.

Well could it be one tennis court and the other a hybrid of basket ball etc.

If not then I'm ok with either option.

Also what is the time frame for the works on the tennis courts in Kingston Park coastal reserve?

Also time frame for the updating of that reserve in general

The stairs down to the reserve need re landscaping for example.

What is happening in the old kiosk area now the fish van is sadly gone?

14. I am a keen tennis player and for many years in the distant past hired the Kingston Pk. Reserve courts many times for large group events when they were well maintained. My preferred option is to upgrade the 2 courts for tennis at Kingston House. I have previously hired the courts there and my only issue was the net height could not be altered to the correct height, which defeats playing a good standard of tennis.

Given the courts at Kingston Park Reserve will not be upgraded then the ones at Kingston House are the only ones close to the beach in a park like setting. Whilst there are courts for competition on Strickland Ave. they do not provide the same amenity for casual tennis get togethers in a park setting.

I think multi court marking would be very confusing for serious tennis players. If Council believes there is less demand for tennis, then it would be better to have one tennis only court and the other for non tennis activities, but the issue is room. You would need to enclose a single court to stop other court use encroaching and interfering in the flow of the game and it defeats the purpose to enclose a tennis court with very narrow side and backstops as players can't run off court to hit balls without colliding with a fence.

Please get in touch if you would like further feedback.

15. Hi there,

Surely this \$200k funding commitment relates to the Kingston Park **Coastal** Reserve tennis courts that have been in a derelict state in the 13 years that we have lived in Kingston Park!

As absolute eyesore in the jewel of Holdfast Bay.

Hopefully we're not looking at another 65,000 years before something gets done.

This is especially so seeing as the Kingston House Reserve tennis courts have only recently been resurfaced!

That said – my preference is for 1 tennis court & 1 multi-use court.

16.



DEAR COUNCIL,
① ✓ DRINKING FOUNTAIN, GOOD IDEA
② ✓ UPGRADE OF COURTS
③ LINE MARKING FOR MORE ACTIVITIES
PLUS
COULD COUNCIL PLEASE PUT IN A WORKOUT
GYM AREA.
THERE IS ONE AT SOMERTON BEACH
PLUS A FEW MORE MACHINES THAN SOMERTON

17.

This has provided Council with an opportunity to engage with the community regarding the recreational offering that could be created as part of this project, whether it be two new tennis courts or a hybrid of basketball, netball, handball facilities.

preferred option

You can share your view on your preferred options from Thursday 24 August to Thursday 14 September 2023 by:

- Completing the online survey at www.yourholdfast.com/court-upgrade or scanning the QR code provided below
- Emailing mail@holdfast.sa.gov.au with the subject header: **Kingston House Reserve Courts**
- Calling us on 8229 9999

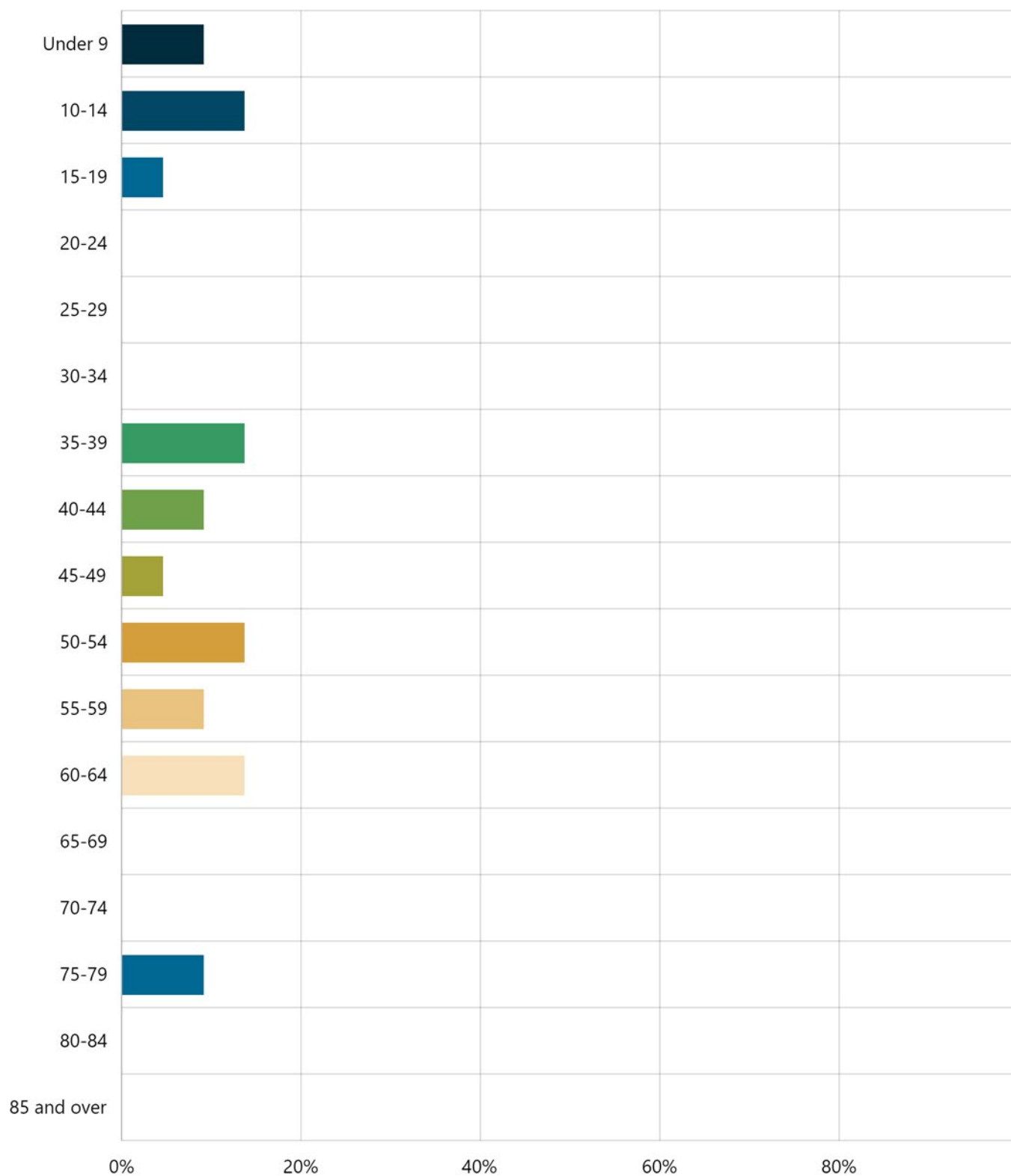
Demographic Information

Location (online feedback only)

- 3 participants from postcode 5048 (Brighton, Dover Gardens, Hove, North Brighton and South Brighton)
- 19 participants from 5049 (Kingston Park, Marino, Seacliff, Seacliff Park, Seaview Downs)

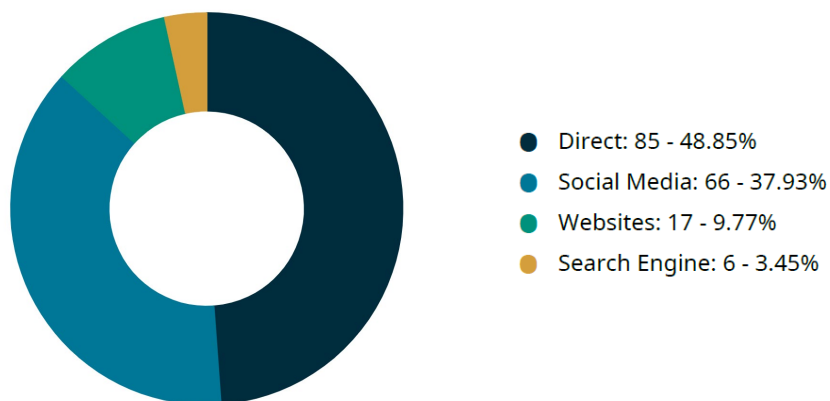
4. Age Group (online feedback only)

Select Box | Skipped: 0 | Answered: 21 (100%)



Acquisition

Information regarding the method by which visitors arrived to your site or projects.



Referral Types

Referral traffic is the segment of traffic that arrives on your website through another source, like through a link on another domain.

Direct - Visitors who have arrived at a site by entering the exact web address or URL of the page.

Search Engine - Visitors who have arrived at a site via a search engine. Such as Google, Yahoo, etc.

Websites - Visitors who have arrived at the site after clicking a link located on an external website.

Social Media - Visitors who have arrived at a site by clicking a link from a known social media site such as Facebook, Twitter, LinkedIn, etc.

Item No: 15.3

Subject: COLTON AVENUE, HOVE – TRAFFIC INVESTIGATION

Summary

At the Council meeting on 24 January 2023, Administration was requested to investigate and undertake consultation regarding the possibility of restricting Colton Avenue to one-way flow. Consultation was undertaken and most responses did not support the one-way concept, particularly due to access arrangements for residents along Colton Avenue and abutting streets.

Based on the investigation and consultation results we do not recommend proceeding with the proposed one-way treatment. An alternate option to improve pedestrian safety and traffic flow along Colton Avenue, particularly at the end of school days, has been proposed as a low-impact alternative to closing the road to a direction of traffic.

Recommendation

That Council:

- 1. receives the community engagement results;**
 - 2. approves the alternative treatments to Colton Avenue and Wattle Avenue as detailed in this report, pending further consultation with adjacent residents; and**
 - 3. approves Administration to undertake discussions with McAuley Community School to implement improvements in the operation of the Colton Avenue pick-up/drop-off zone.**
-

Background

Congestion around Colton Avenue, particularly for the afternoon school pick-up time, has been an ongoing concern for residents and other road users since the school site was rebuilt from a middle school to an R-6 school in 2020. Conflicting traffic movements are relatively commonplace as Colton Avenue has insufficient width for two vehicles to pass in different directions when the drop-off/pick-up area is occupied. Numerous options to improve this traffic arrangement have been investigated in the year's post-opening, including one-way traffic flows on Colton Avenue northbound only.

A Motion on Notice (C240123/7318) was carried on 24 January 2023 to investigate the viability of restricting Colton Avenue to a single direction of traffic southbound, including consultation with the School, waste contractors, and surrounding residents including residents of Colton Avenue, Townsend Avenue, Murray Street, The Crescent (north of King Street) and Wattle Avenue (east of King George Avenue), with a report detailing the results of the community consultation to be returned to Council.

Report

Investigated Proposal

A preliminary traffic management scheme was compiled to reflect a one-way arrangement (southbound only) on Colton Avenue, for consultation. A series of Frequently Asked Questions with answers was also included with the preliminary scheme.

Two rounds of consultation were undertaken, initially with the residents immediately affected as detailed in the motion (144 letters) and a second round to the broader area with an additional 167 letters. Attachment 1 details the letter and the proposed traffic management scheme.

Refer Attachment 1

Consultation Results

The first round of consultation resulted in 26 responses being received at a response rate of 18%. Of these responses, 22 (84 percent) were negative to the proposal, with the predominant reasons given being long-term inconvenience to residents, in terms of limiting property access, to service relatively short timeframes on school days.

The second round of consultation to the broader area resulted in seven responses being received at a response rate of 4 percent. Of these responses, three were positive to the proposal and four were negative.

Target	Letters sent	Responses	Response rate	Positive responses	Negative responses
Direct residents	144	26	18%	4 (15%)	22 (85%)
Broader area	167	7	4%	3 (43%)	4 (57%)

Based on the investigation and consultation results we do not recommend proceeding with the proposed one-way treatment.

Alternative treatments

Lower-impact treatments to modify the parking arrangements around the School were also investigated, with a view to decreasing conflicting movements. The issues identified were as follows:

- Vehicles travelling north on Colton Avenue having to overtake queued vehicles waiting at the pick-up/drop-off zone, in close proximity to the Emu Crossing.
- The nature of the pick-up/drop-off zone being split by the Emu Crossing makes it difficult for the zone to operate as intended, with a continuous flow. The proximity of the southern segment to the school gate also makes this portion the preferred section for parents/carers to stop, even if spaces are available further north (further from the school gate).
- If vehicles travelling north do not overtake the queued vehicles, other traffic behind them effectively becomes “trapped” in a No Stopping zone. This has resulted in congestion extending along Colton Avenue to The Crescent.
- Vehicles are being parked and left unattended within the northern segment of the pick-up/drop-off area.
- The intersection of Wattle Avenue and Colton Avenue has been highlighted as a conflict point as vehicles turn in to and out of the intersection with restrictions on available width due to parked vehicles.
- Opportunistic parking occurs in any location where parking restrictions are unclear, including close to intersections.

In order to mitigate these concerns, a proposed approach to resolve the issue of the split drop-off/pick-up zones by removing the southern section entirely (loss of seven spaces). This removes conflict points from the Emu Crossing, where safety of students is paramount. Concentrating the drop-off/pick-up zone allows for active management of this zone to make the operations more efficient, and therefore more successful.

Other improvements recommended include:

- Revision of existing 30-minute parking on Colton Avenue and additional line marking to better guide and provide more space for movements through this intersection.
- Removal of the currently unutilised Emu Crossing on Wattle Avenue and revision of parking controls to allow parking along the Mawson Oval frontage of Wattle Avenue, between Colton Avenue and King George Avenue (11 additional spaces).

A draft traffic scheme incorporating the above changes is detailed in Attachment 2. It is envisaged that further consultation is required to be undertaken with residents in the direct vicinity of these changes, to inform them of the intent and anticipated impact on the road network.

Refer Attachment 2

It is recommended that the attached Colton Avenue / Wattle Avenue parking reconfiguration be sent to the immediately affected residents for consultation and implemented if no major concerns are raised.

The City's Traffic Team will also liaise directly with McAuley School regarding the operation of the pick-up/drop-off area on Colton Avenue and request that they provide assistance to improve its operation.

Budget

There is not currently any budget allocated for these changes. Initial line marking and signage adjustments would be undertaken using the line marking operational budget.

Life Cycle Costs

Once installed, the new line marking and signage is maintained within our operational budgets, with line marking scheduled for re-marking every three years and signage having an expected life to replacement of 10 years.

Strategic Plan

Our Holdfast 2050+
Sustainability: Support the creation of safer places

Council Policy

Not applicable

Statutory Provisions

Road Traffic Act 1961

Australian Road Rules (SA)

Roads Opening and Closing Act 1991

Written By: Traffic and Transport Lead

General Manager: Assets and Delivery, Ms P Jackson

Attachment 1

17 July 2023

Dear Resident,

Proposed traffic flow changes – Colton Avenue, Hove

The City of Holdfast Bay Traffic team has been requested by Council to investigate concerns regarding traffic flows on Colton Avenue, Hove. Specifically, to explore options for a one-way traffic flow along Colton Avenue between Wattle Avenue and The Crescent.

The principle behind the proposed one-way scheme is to simplify vehicle movements and reduce conflicting movements, particularly during peak traffic periods. Although we acknowledge that restricting traffic to one-way movements may impact the way that residents currently use this street.

The City of Holdfast Bay invites you to share your feedback on this proposed scheme. The attached diagram shows the signs and devices which would need to be installed to affect this change, in addition please find below some Frequently Asked Questions which provide additional information.

You can provide feedback in the following ways:

- Phone: 8229 9999
- Email: mail@holdfast.sa.gov.au with the subject header: Colton one-way consultation
- Mail: Traffic and Transport Lead
Reply paid 85436
PO Box 19
Brighton SA 5048

Feedback must be received by 5pm Friday 4 August 2023.

Yours faithfully

Rhys Skipper
Traffic and Transport Lead



Frequently Asked Questions:

Why is one-way being considered?

Colton Avenue is 7.2m wide, which is too narrow for easy, two-directional movement past parked vehicles. During peak periods, such as school pick-up and drop-off times, significant congestion occurs as a result, with queuing extending into adjacent streets.

Can the one-way operation only be in place during school times?

One-way operations are either full-time, or can be implemented as a traffic management scheme, similar to the Southern Expressway prior to the duplication. The traffic management approach can be controlled flexibly, however it requires constant management and becomes a high-cost treatment if maintained for long periods. Therefore, the proposed one-way operation of Colton Avenue that is being investigated would be full-time.

What other options are being considered?

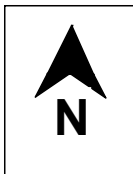
Other options considered include parking restrictions to create passing opportunities artificially or modifying the way that queuing currently occurs. Both of these options require compliance from road users to be successful.

What will happen to the feedback received?

This feedback will be used in a report to Council to consider next steps. If Council endorses to proceed with further investigation to make Colton Avenue one-way, this would trigger broader advertisement and additional community consultation.

Please feel free to contact us if you have any further questions.





All comments or suggestions received as part of the feedback will be considered and responded to by the Traffic team.



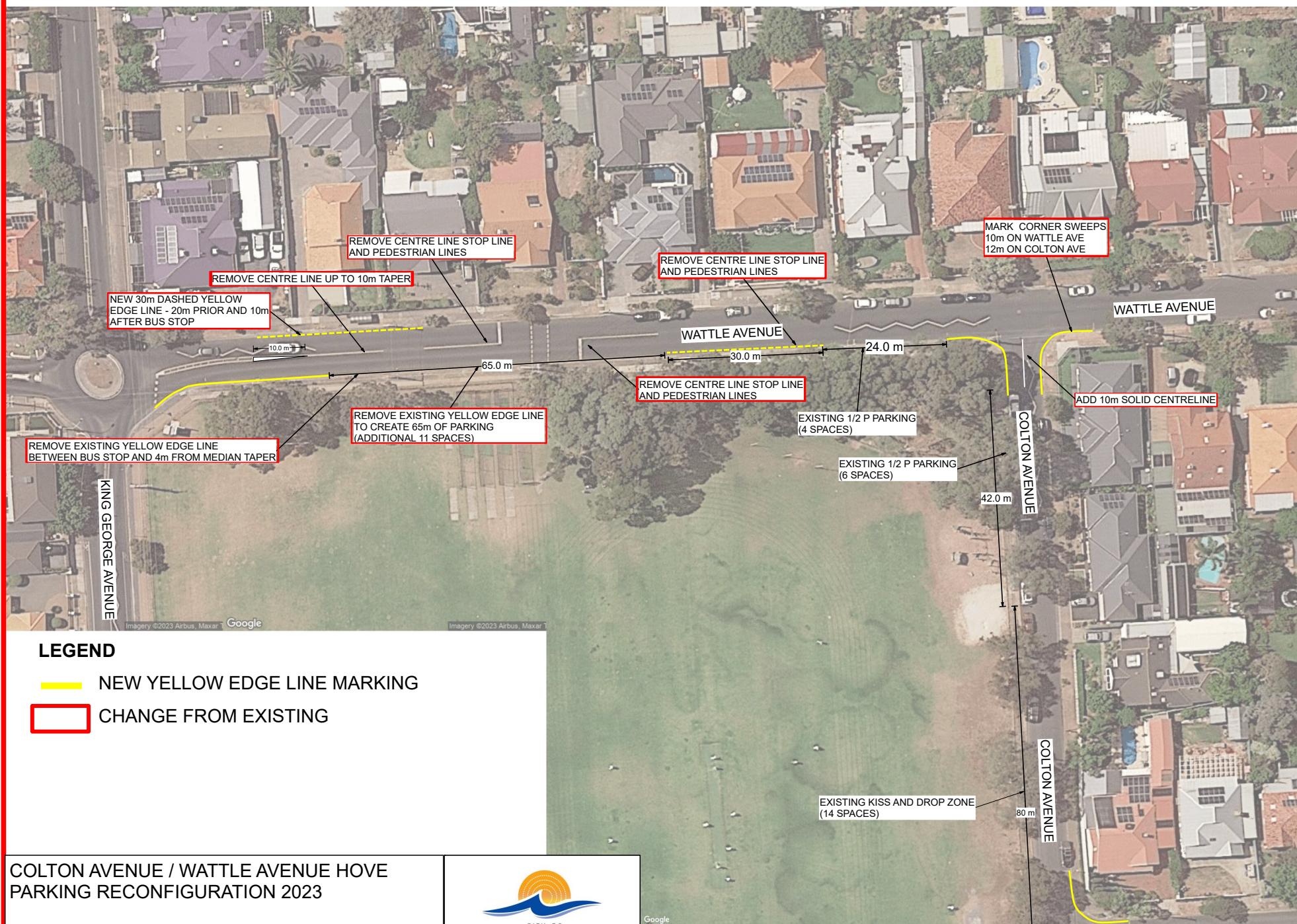
COLTON AVENUE, HOVE
ONE-WAY CONCEPT



LEGEND

-  PAVEMENT MARKINGS
-  SIGN - TURN RESTRICTION
-  SIGN - NO ENTRY
-  SIGN - ONE WAY

Attachment 2

**LEGEND**

- NEW YELLOW EDGE LINE MARKING
- CHANGE FROM EXISTING

COLTON AVENUE / WATTLE AVENUE HOVE
PARKING RECONFIGURATION 2023

SHEET 1/2



**LEGEND**

- NEW YELLOW EDGE LINE MARKING
- CHANGE FROM EXISTING



COLTON AVENUE / WATTLE AVENUE HOVE
PARKING RECONFIGURATION 2023

SHEET 2/2



Item No: 15.4

Subject: PARTRIDGE STREET CAR PARK

Summary

The Partridge Street car parks, in their current form, have been operational since 2015, managed through an agreement between Council and a private operator that is designed to meet specific contractual obligations relating to the associated cinema, whilst also catering to the various needs of its users.

The purpose of this report is to discuss whether the current model remains the most appropriate for managing the car parks or whether alternative management and operational arrangements for the car parking facilities will provide greater benefit to the broader community.

In assessing as to whether the various options were cost-effective, customer-centric, and equitable, the current system was found to be the most appropriate given the unique circumstances of the car parks, and the potential for adaptation to meet evolving community needs.

Recommendation

That Council:

- 1. notes the report;**
 - 2. approves to continue with the current management structure of the car park; and**
 - 3. Administration looks for further opportunities to leverage existing voucher system and marketing strategies to increase car park patronage.**
-

Background

Council executed a Development Agreement with the Taplin Group in June 2014 for the construction of a ground level car parking facility under the proposed Glenelg Cinema complex and a decked parking facility on Council's land located on the eastern side of Partridge Street. The Agreement ensured that Council would continue to own and operate both car parking facilities. Aside from the structural commitment to provide a combined 375 car parking spaces across the two sites, the Development Agreement also established a requirement to provide four hours free parking for cinema patrons.

Options for the management and operation of the car parking facilities were explored prior to the handover of the car parks to Council. This process involved discussions between council Administration, private carpark operators and equipment suppliers to confirm potential management and technology options. The management model adopted, and which remains

in-place today, involves an arrangement with private carpark operator, CarePark, to both operate and maintain the facility on Council's behalf, using an automated parking system operation, which relies on licence plate recognition.

Report

At the time of construction, three broad management options were considered by Council for their ongoing operation. These were:

1. Installation of ticket machines only, to be managed by Council's Community Safety team to be consistent with Council's management of other car parking areas.
2. Ticketed boom gate managed by a private operator, including the supply, installation and maintenance of all equipment.
3. Licence plate recognition (LPR) system managed by a private operator, including supply, installation and maintenance of all equipment.

In assessing the three options, regard was had to the following considerations:

- Council had no previous experience in operating and maintaining a parking facility using smart parking technologies.
- Council was bound to provide four hours free parking to cinema patrons, but any proposal to grant four hours free to all users may not be commercially viable.
- The need to distinguish between users of the facility (ie. cinema patrons vs wider precinct users).
- The cost of operating a facility of this nature was likely to require commercial parking fee rates to be charged at a higher rate to cover operational and maintenance expenses.
- Arrangements with Cheap as Chips was required to guarantee unrestricted access for deliveries and preferential parking arrangements for its customers, as its land was enveloped by the new car park.
- Futureproofing to allow for Electric Vehicle (EV) points within both facilities, and ensuring the management model could distinguish between charging station customers and general car park users.

Following consideration of the above, the third option was adopted, an arrangement with a private car park operator, CarePark, to both operate and maintain the facility on Council's behalf, using an LPR automated parking system operation.

It was considered at the time that this would provide a number of benefits for Council, including:

- Providing a tailored and more sophisticated approach with the latest parking technologies to meet the expectations of users, the future cinema operator, and the requirements of the Development Agreement.
- Delivering the potential for improved integration of CCTV and other security options.
- Reducing or eliminating ongoing maintenance costs (noting that revenue generated by the facility may be directed to the operator, not Council). This could assist in achieving a cost neutral outcome for Council.
- Transferring the commercial risk of operation to a private operator.

Evaluation of the current model

Currently, both car parks offer the first two hours free to ordinary users, and cinema patrons four hours free parking by validating a current movie ticket.

With the current system using LPR, capturing and recording a vehicle's registration, the customer can choose to pay at the Auto Pay Station or upon exit if parked for longer than the two-hour free parking period. Regardless, the automated operational system will capture the requirement for payment or allow exit with free parking.

Another benefit of the LPR system is that it has greater adaptability and potential to integrate short- or long-term voucher systems similar to the cinema patrons parking fee concession. This voucher system allows Council to offer local traders cheaper all-day parking for their employees, which liberates a greater number of on-street car parking spaces for customers and visitors to access; and allows short term parking solutions such as when the school required parking during major construction or event parking for the Bowls Club. These initiatives generated additional income for Council without added administration constraints as the permits were managed by CarePark.

It is also worth noting that CarePark also services Council's on street ticket machines, hence there are efficiencies in retaining a single operator for the management of multiple sites. It should be noted that ticket machines require regular maintenance and adjustments several times a week. Timely maintenance is important to ensure there is no loss of income and reduces customer anxiety.

CarePark maintains surveillance of the car parks through its closed-circuit cameras, which have been able to identify the cause of vandalism, enabling its insurance company to compensate for any damage or loss of revenue. In evaluating the performance of the boom gates, these have been successful in filtering both the cinema and general car park clientele, but also in accommodating trucks that service the businesses.

In relation to the financial performance of the current car park management model, the following summary is provided for the 2021-2022 and 2022-23 financial years:

	2021-22	2022-23
Revenue	131,001	126,882
Operational Expenditure		
Management Services	88,771	94,494
Repairs & Maintenance	2,444	5,812
Electricity (note, energy efficient lighting installed)	35,453	29,891
Water charges	1,981	2,152
Cash Surplus/(Deficit)	2,152	(5,467)

The figures above are from the general ledger at the end of year and are approximate as a full accrual analysis hasn't been undertaken at this detailed level. The minor differences between the two years could be due some revenue or expenses not accrued at the end of year. However, are indicative of an almost break-even cash position.

The figures do not include a depreciation expense of approximately \$120,000 per year. This is important to understand that this carpark is not a commercial operation otherwise Council would need to increase fees and patronage to at least double the revenue.

However, the car parks were primarily built to increase the parking stock by providing short term timed and free parking. As such, many of the vehicles that park in the car parks do so without payment. Therefore, if we are successful in increasing patronage then this could lead to no more revenue and could also lead to a decrease in revenue as longer-term stayers may not be able find a vacant park. Therefore the car parks are viewed as a community asset rather than a commercial asset.

Alternative Management Models

To evaluate as to whether the current LPR management model remains the preference moving forward, or whether an alternative option warrants consideration, the two alternative management models available at the time remain those that are open for consideration now.

Pay and Display

This model involves the installation of conventional ticket machines, ideally two per car park site and each level, which would be managed by Council's Community Safety staff through foot patrols, in the same way as parking is monitored in the Elizabeth Street car park. There would also need to be a special ticket machine used by the cinema, managed and serviced by their staff.

This model is resource intensive requiring both foot patrols and desktop preparation of enforcement documentation. This approach is not comprehensive either, in that foot patrols are infrequent, meaning that some car park users will overstay the time and avoid payment. However, this is a cost-effective option from an infrastructure perspective, requiring minimal equipment but regular maintenance is required on ticket machines. The model's downfall is that it cannot compensate for the automation required to distinguish between cinema, discounts, business permits and other patrons and being the least adaptive option with respect to the car parks' future potential.

Ticketed boom gate

This model requires a ticket on entry to both car parks, with payment made at a pay machine on exit. The system would be managed by a private operator, including the supply, installation and maintenance of all equipment. This system is costly to implement and maintain, particularly as new infrastructure and hardware is required. Also, the addition of boom gates to the western car park are an added inconvenience for users accustomed to uninhibited access to the car park. Notwithstanding, the system will accommodate a validator to differentiate cinema patrons from wider precinct users, so it can be adapted to future needs.

A table summarising the identified opportunities and shortcomings associated with each option is provided at Attachment 1.

Refer Attachment 1

Discussion

If the current LPR system and the management of this car park was removed, then a substitute permit system would need to be introduced to recognise the trader's discounts and the cinema patrons' parking concession. Manual permit systems require significant administrative resources to maintain. If there were no additional resources provided, Council would see a reduction in enforcement income as the processing by Administration of postal fines and late fees could not keep up with the volume generated. These postal fines and late notices make up a significant part of the parking revenue, approximately \$600,000.

From a customer-centric perspective, abandoning the LPR system for a manual monitoring option would require cinema patrons to return to their vehicle to place a permit or ticket on their dashboard. This is both an inconvenience and a deterrent from revisiting the cinema. A similar system was in-place when the Buffalo Restaurant was trading, which caused many challenges for diners resulting in unnecessary expiations.

A boom gate system, whether augmented by a LPR or not, requires day-to-day management, which comes at a cost. However, abandoning the current system for an altogether new model would involve much greater changeover costs, particularly as expensive start-up infrastructure would be required.

The current management contract with CarePark expires in September 2023 with an option to renew without going out to tender. CarePark's presence throughout the City of Holdfast Bay means that it remains well placed to provide in-kind support with respect to its services, demonstrated through the assistance offers with advice and ticket machine support generally.

From the beginning, the measure for success was to ensure that any income generated by the facilities would off-set ongoing operational and maintenance costs. Therefore, where Council's aim was to work towards a 'cost neutral' position at the time, in reality the current model has delivered a modest profit. The costs associated with installation, operation and maintenance of equipment have been offset or significantly reduced through the partnership arrangement with CarePark. The cost to keep the car parks operating 24 hours of everyday is minimal relative to overall revenue generated for Council. Moving forward, the current system offers potential opportunities to further leverage the voucher system to significantly increase profits with increased marketing to visitors to the precinct.

For these reasons, and in the absence of an alternative management model that will deliver the same outcomes, the current system appears to be the most effective with respect to: meeting Council's obligations under the Development Agreement; being adaptable and cost effective; and being equitable in responding to the needs of a variety of users in a fair manner.

It is therefore recommended that Council continue with the current management structure for the car parks, while looking for other opportunities to further leverage the existing voucher system capability in conjunction with a creative marketing strategy to increase car park patronage.

Budget

The 2023-24 budget for the car parks has revenue of \$125,000 and operational expenditure of \$134,513.

Life Cycle Costs

The car parks are included in our Asset Management Plans that provides future capital expenditure requirements over the next 10 years. As discussed in the report the Carparks are currently treated as a Community Asset.

Strategic Plan

Innovation – a thriving economy and community that values life-long education, research, creatively and entrepreneurship.

The recommendation supports an opportunity to use existing technologies creatively, work with leaders in the private car parking and to explore new ways to make money for this asset.

Council Policy

Not applicable

Statutory Provisions

Not applicable

Written By: Manager Community and Safety

General Manager: Community and Business, Ms M Lock

Attachment 1

MANAGEMENT OPTIONS FOR PARTIDGE STREET CAR PARK

Option	Parking Equipment/Method	Positives	Negatives	Risks	Summary Recommendations
Pay & Display	Ticket Machines				
	<p>Cinema patrons</p> <ol style="list-style-type: none"> Choose a vacant space. Purchase movie ticket from the cinema and then request 4 hour temporary permit (ticket). <p>Note: Cinema will need their own ticket machine behind the counter. This may require running two systems.</p> <ol style="list-style-type: none"> Return to the vehicle with ticket to be displayed. <p>Regular Patrons</p> <ol style="list-style-type: none"> Choose a vacant space. Purchase a ticket at the ticket machine. If less than 2 hours the ticket is free. Display ticket 	<p>Cinema patrons</p> <ul style="list-style-type: none"> Reduced management fees (regular servicing still required) No boom gates <p>Regular Patrons</p> <ul style="list-style-type: none"> Reduced management fees (regular servicing still required) No boom gates 	<p>Cinema patrons</p> <ul style="list-style-type: none"> Patrons may not return in time before being fined or forget to return to their car. <p>Note: Similar system trailed at the Buffalo restaurant. Many people didn't place their ticket on the car and were fined.</p> <ul style="list-style-type: none"> Cinema do not want this system, they fear they will lose customers and extra resourcing required. Long term administration costs with unnecessary parking fine reviews and less time to process postal fines which will have a significant effect on revenue. Officers taken off the street with ticket machine repairs. <p>Regular Patrons</p> <ul style="list-style-type: none"> Previous system in place was exploited with people returning in 2 hours to get another free ticket. Business permit (and others using the current discount mechanisms) will need to be managed by administration instead of CarePark increasing administration costs. <p>Notes almost 25% of the income is from businesses therefore the permit system will place a high burden on administration.</p>	<p>Cinema patrons</p> <ul style="list-style-type: none"> High risk the cinema will reject this option. High risk of fines being issued unnecessarily. <p>Note, these fines can't be waived. Council could be seen to be setting people up to fail.</p> <p>Regular patrons</p> <ul style="list-style-type: none"> High risk of increased administration resourcing with reviewing the extra unnecessary fines. This extra time wasted will significantly reduce postal fine revenue. High risk of the system being exploited. <p>Note, A similar system was in place many years ago. Patrons would return every 2 hours and get another free ticket.</p>	<p>There are too many risks with this option which affect council's reputation and can have a negative effect on revenue.</p> <p>There is also an inconvenience to patrons.</p> <p>Both systems (ie for patronised and unpatronised settings) have been in place before and many patrons were unnecessarily fined or exploited the system.</p> <p>Any savings from not having to pay for car park management will be lost with administration burden. This will then reduce the overall revenue.</p>
Boom Gate	<p>Ticketed boom gates</p> <ul style="list-style-type: none"> Requires a ticket on entry Payment made at pay machine Paid ticket entered on exit to permit exit Managed by private operator 	<ul style="list-style-type: none"> Sophisticated and fully integrated system with strong surveillance, albeit occurring off-site (similar to guidance system at Adelaide Airport and the Parade Cinema) Incorporates validator to differentiate cinema patrons from wider precinct users 	<ul style="list-style-type: none"> High cost system (approx. \$645,065) to install and maintain thereafter Some concerns regarding durability of equipment (eg. from vandalism) Any surveillance would be undertaken off-site, potentially requiring intervention by Council staff to rectify faults/emergency situations The magnetic stripe on the tickets can be corrupted by mobile phones 	<ul style="list-style-type: none"> Low risk of boom gate issues Low risk of mobile phones affecting the magnetic strip on the ticket 	<p>This would require an expensive refit with no obvious cost savings afterwards.</p> <p>There would still be a management fee similar to the existing fees.</p> <p>The cinema would also have to introduce a new mechanism for validating tickets.</p> <p>In summary there are no additional benefits and the potential loss of issuing permits, which plays a large role with the current system.</p>

Option	Parking Equipment/Method	Positives	Negatives	Risks	Summary Recommendations
Licence Plate Recognition - Current system	Video cameras at entry/exit with boom gate (eastern car park) <ul style="list-style-type: none"> Customer entry of plate number at pay machine Can function with or without boom gates Managed by private operator 	<ul style="list-style-type: none"> Cost-saving with infrastructure and hardware already in-place, being the current system in operation Familiarity and certainty, being the current system in operation Sophisticated and fully integrated system with strong surveillance Incorporates validator to differentiate cinema patrons from wider precinct users Costs offset by revenue Allows the ability to introduce a permit system for business and other groups eg bowls club 	<ul style="list-style-type: none"> High cost system to maintain Concerns over the adaptability of Licence Plate Recognition systems Requires augmenting by directional signage and refinement to boom gates to better accommodate commercial vehicles 	<ul style="list-style-type: none"> Low risk of system not recognising the registration plate Low risk of boom gate issues 	<p>This is the current system, and it generally works well. There are opportunities for improvement to increase patronage and increase profits further.</p> <p>Notwithstanding, it services a number of business and community benefits - the initial intent of the car park.</p> <p>Furthermore, the permit system plays a valuable role for business and the community.</p>

Item No: 15.5

Subject: **LOCAL GOVERNMENT ASSOCIATION OF SOUTH AUSTRALIA ANNUAL GENERAL MEETING**

Summary

Each year, the Local Government Association of South Australia (LGA) holds an Annual General Meeting (AGM). At this meeting, councils from around South Australia discuss sector business, as well as current and emerging challenges and opportunities. This year's AGM will be held on Thursday 26 October 2023 at the National Wine Centre.

Council's voting delegate for this AGM will be the Mayor.

The Local Government Finance Authority of South Australia host their AGM on the same day and per Council Report No: 241/23 considered on 25 July 2023, Mayor Wilson is Council's approved delegate to that meeting (C250723/7502).

For the LGA AGM, there are 10 matters which are administrative or operational in nature, plus six substantive Recommendation Reports for consideration. Positions for each of the Recommendation Reports are provided for Council consideration.

Recommendation

That for the LGA Annual General Meeting, to be held on Thursday 26 October 2023, Council:

- 1. notes the agenda papers which appear as Attachment 1;**
- 2. approves the Mayor's attendance as the voting Delegate on Council's behalf; and**
- 3. endorses the voting positions for the Recommendation Reports which appear as Attachment 2.**

Background

Each year, the Local Government Association of South Australia (LGA) holds an Annual General Meeting (AGM). At this meeting councils from around South Australia discuss sector business, as well as current and emerging challenges and opportunities. This year's AGM will be held on Thursday 26 October 2023 at the National Wine Centre.

Council's voting delegate to the LGA Meetings has historically been the Mayor. This has been maintained with Mayor Wilson registered as the voting delegate for this year's AGM.

The Local Government Finance Authority (LGFA) of South Australia host their AGM on the same day and per Council Report No: 241/23 considered on 25 July 2023, Mayor Wilson is Council's approved delegate to that meeting (C250723/7502).

Report

The papers for the AGM are provided and contain 10 matters which are administrative or operational in nature, plus six substantive Recommendation Reports for consideration.

Refer Attachment 1

Voting positions for each of the Recommendation Reports are provided for Members' consideration. It is proposed that all motions are supported or supported in principle with rationale noted for each position.

Refer Attachment 2

Budget

Attendance at the LGA AGM will be funded from the operational budget. Any cost implications arising from proposed actions will be dealt with via regular budgetary and decision-making processes.

Life Cycle Costs

There are no full life cycle costs that can be itemised or evaluated at this time. Any cost implications arising from proposed actions will be dealt with via regular budgetary and decision-making processes.

Strategic Plan

The proposed voting positions align with the strategic plan.

Council Policy

Not applicable

Statutory Provisions

Not applicable

Written By: Manager, Strategy and Governance

General Manager: Strategy and Corporate, Sharon Wachtel

Attachment 1

Notice of Meeting

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

Thursday 26 October 2023 at 10:00am

In the Hickinbotham Hall, National Wine Centre, corner of Hackney Rd &, Botanic Rd, Adelaide



Clinton Jury
Chief Executive Officer

22 September 2023

Agenda

Item	Page
1. Open & Welcome	
2. Apologies	
3. Notice & Arrangements	
4. President's Address	
5. Minutes of Previous Meeting	
5.1 Minutes of the meeting held on 14 April 2023	4
5.2 Resolutions and Actions from the OGM of 14 April 2023	13
6. LGA Business	
6.1 LGA Annual Report 2022/2023	19
6.2 LGA Financial Statements 2022/2023	20
6.3 Annual Reports of LGA Committees	73
6.4 LGASA Mutual Annual Report 2022/2023	123
6.5 LGA Procurement Annual Report 2022/2023	126
6.6 Local Government Financial Indicators 2023	142
6.7 LGA Board and Committee Member Allowances & Expenses	152
6.8 SAROC & GAROC Terms of Reference	162
7. Recommendation Reports from the SAROC Committee	
7.1 ESCOSA Fee Structure (District Council Orroroo Carrieton)	190
7.2 Youth participation in post-secondary education - Youth Allowance Eligibility criteria (City of Mt Gambier)	198
8. Recommendation Reports from the GAROC Committee	
8.1 SAPN Dispute Regarding Tree Management (City of Marion)	203
8.2 Animal Impounding/Rehoming (Port Adelaide Enfield)	211
8.3 Reducing Heat Island impacts on Road Infrastructure (Campbelltown City Council)	218
8.4 Conflict of Interest Regional Subsidiary (Town of Gawler Council)	224

9. Recommendation Reports from the LGA Board of Directors

Nil

10. Next Meeting

The LGA Ordinary General Meeting will be held on a date yet to be confirmed.

12. Close

5.1 Minutes of the Ordinary General Meeting held on 14 April 2023

Minutes of Previous Meeting

From: Ashleigh Baker, Executive Assistant
Meeting: Ordinary General Meeting 26 October 2023
ECM: 796268 Attachment: 790396

Recommendation

That the Annual General Meeting confirms the minutes of the Ordinary General Meeting held on 14 April 2023 as a true and accurate record of the proceedings held.

Discussion

The Ordinary General Meeting of the membership was held on 14 April 2023. The draft minutes are attached for confirmation as to their accuracy.



Draft

Draft Minutes of the LGA Ordinary General Meeting held on Friday 14 April 2023 at 9:45am at the Adelaide Convention Centre, North Terrace, Adelaide.

1. Open & Welcome

The President opened the meeting at 10:12am and welcomed members and staff.

Present:

President	Mayor Dean Johnson
Chief Executive Officer	Clinton Jury
Executive Director Member Services	Nathan Petrus
Executive Assistant (minutes)	Kianna Al Jaber
Executive Assistant to the CEO & President (E-voting)	Melanie Williams
Executive Officer of Board Committees (Manual Minutes)	Jenny McFeat

Member Councils (voting delegates):

City of Adelaide	City of Charles Sturt
Adelaide Hills Council	Clare & Gilbert Valleys Council
Adelaide Plains Council	District Council of Cleve
Alexandrina Council	District Council of Coorber Pedy
Berri Barmera Council	Coorong District Council
City of Burnside	Copper Coast Council
Campbelltown City Council	City of Port Adelaide Enfield
District Council of Franklin Harbour	City of Port Lincoln
Town of Gawler	Port Pirie Regional Council
Regional Council of Goyder	City of Prospect
District Council of Grant	Renmark Paringa Council
City of Holdfast Bay	City of Salisbury
Kangaroo Island Council	District Council of Streaky Bay
District Council of Karoonda East Murray	Tatiara District Council
District Council of Kimba	City of Tea Tree Gully

Draft

Kingston District Council
 Light Regional Council
 District Council of Lower Eyre Peninsula
 District Council of Loxton Waikerie
 City of Marion
 Mid Murray Council
 City of Mitcham
 City of Playford
 City of Mount Gambier
 District Council of Mount Remarkable
 Rural City of Murray Bridge
 Naracoorte Lucindale Council
 Northern Areas Council
 City of Norwood Payneham & St Peters
 City of Onkaparinga
 District Council of Orroroo/Carrieton

District Council of Tumby Bay
 City of Unley
 City of Victor Harbor
 Wakefield Regional Council
 Wattle Range Council
 City of West Torrens
 Wudinna District Council
 District Council of Yankalilla
 Yorke Peninsula Council

2. **Apologies**

Whyalla City Council
 The Barossa Council
 Barunga West Council
 Town of Walkerville
 District Council of Ceduna
 District Council of Elliston
 The Flinders Ranges Council
 Mount Barker District Council
 Peterborough
 Port Augusta City Council
 District Council of Robe
 Municipal Council of Roxby Downs
 Southern Mallee District Council



Draft

3. Notices & Arrangements

The CEO Clinton Jury outlined the notices and arrangements for the meeting.

4. President's Address

The President provided a verbal report. A copy of the report is attached to these minutes.

5. Minutes of Previous Meeting

5.1 Minutes of the meeting held 28 October 2022

Moved Port Pirie Seconded Wudinna that the Ordinary General Meeting confirms the minutes of the Annual General meeting held on 28 October 2022 as a true and accurate record of the proceedings held.

Carried

5.2 Resolutions and Actions from Previous Meetings

Moved Charles Sturt Seconded Adelaide Plains that the Ordinary General Meeting notes progress with resolutions resulting from the Annual General Meeting of 28 October 2022 and outstanding resolutions from earlier general meetings.

Carried

6. LGA Business

6.1 LGA Member Services Update

Moved Wakefield Regional Seconded Mid Murray that the Ordinary General Meeting notes the report.

Carried

6.2 LGA Advocacy Update

Moved Victor Harbor Seconded Light Regional that the Ordinary General Meeting notes the report.

Carried

6.3 LGA Mutual Services Update

Moved Northern Areas Seconded Kimba that the Ordinary General Meeting notes the report.

Carried



Draft

6.4 Procurement Update

Moved Gawler Seconded Mount Gambier that the Ordinary General Meeting notes the report.

Carried

6.5 LGA Climate Commitment Action Plan Update

Moved Onkaparinga Seconded Kingston that the Ordinary General Meeting notes the report.

Carried

7. Recommendation Reports from the SAROC Committee

Nil

8. Recommendation Reports from the GAROC Committee

8.1 Environmentally Sustainable Development (City of Unley)

Moved Unley Seconded Campbelltown that the Ordinary General Meeting request the LGA to:

1. Promote the concept of Environmentally Sustainable Development using Best Practice Principles;
2. Advocate for commensurate change to the Planning and Design Code; and
3. Advocate for better constructions standards.

Carried

8.2 State of Climate Emergency (City of Mitcham)

Moved Mitcham Seconded Burnside that the Ordinary General Meeting requests the LGA to recognise the climate crisis and declare a Climate & Biodiversity Emergency.

Carried



Draft

9. Recommendation Reports from the LGA Board of Directors

9.1 First Nations Voice to Parliament (LGA Secretariat)

Moved West Torrens Seconded Charles Sturt that the Ordinary General Meeting:

1. requests that the LGA advocates that the Australian Government:
 - a. provides sufficient public funding for an effective information campaign to raise awareness of the national referendum on the First Nations Voice to Parliament;
 - b. allocates sufficient resources to cover the costs of any local forums facilitated by the Australian Government to support the national referendum process; and
 - c. in the event the national referendum is successful, ensures that any local government involvement in the establishment of Local and Regional Voices – as part of the governance structure of the Voice to Parliament – is fully funded by the Australian Government.
2. notes that the LGA does not have a policy position on the proposal for a First Nations Voice to Parliament and that councils may choose to adopt their own positions.

Carried

10. Next Meeting

An Annual General meeting will be held on a date yet to be confirmed.

11. Close

The meeting was declared closed at 11:08am.

Minutes confirmed

.....

Chairperson

Date

2023 LGA President's Ordinary General Meeting Report

We have a number of important items of business to get to today centred around environmental sustainability and climate change, along with the First Nations Voice to Parliament.

However, first I'd like to take this time to reflect on some of the outcomes the LGA has delivered for our member councils since we all last met at the AGM in October, and highlight some key milestones.

In my initial correspondence to the sector after taking on this role, I acknowledged that elections are unpredictable and that my appointment as LGA President from the LGA Board of Directors late last year was unique under our constitution.

To this end, I requested the LGA Secretariat to begin a review into how the LGA Constitution and processes can be amended to prevent a similar occurrence from happening again.

I'm confident necessary changes will be in place before the next LGA elections in 2026.

Despite this unusual start, I've greatly appreciated the support I've received from both the LGA Secretariat, LGA Board and members since fulfilling the role of President.

It's been a busy and incredibly rewarding six months at the LGA.

The first council elections held under the new Local Government Reforms legislation brought with them some unforeseen challenges, particularly surrounding the nominations and campaign disclosure returns processes.

We saw 10 Supplementary Elections staged across the state's Central, Eyre Peninsula and Limestone Coast regions – an increase from the previous term – but it's pleasing to see the outstanding Mayoral and Councillor vacancies have been filled as a result.

The issue of campaign disclosure returns was also an unfortunate and testing period for us as a sector, however the swift action taken by the LGA ensured this did not become a bigger problem than it potentially could have.

The passing of the Local Government (Casual Vacancies) Amendment Act 2023 was a significant win for us as a sector and was the direct result of the LGA Secretariat – with the backing of the Board – working closely with all sides of government to achieve the best outcome.

It avoided the need for costly and unnecessary legal proceedings, further supplementary elections or mandatory countbacks and honoured the votes cast by ratepayers, rather than stripping elected members of their positions for failing to submit paperwork on time.

As a sector, we took a lot of learnings away from this, which will form part of the entire review of the 2022 elections – part of that will come through your feedback and we will then carry

out further discussions with the State Government and the Electoral Commission of South Australia in due course.

Through this review, we intend to identify improvements that can be made to the process before the next elections in 2026.

What I've been extremely pleased to see during my Presidency to date is the strengthening partnership that is occurring between Local and State Government.

Only last month, Premier Peter Malinauskas announced the new State/Local Government Economic Partnership Accord, which is an exciting moment for our sector that's set to build the future prosperity of South Australia.

A particularly encouraging message from the Premier was that he views the local government sector's connections with local communities as a great resource to take advantage of for the economic development of the state.

As we know, councils already play an active role in driving economic activity through direct business supports, as well as infrastructure investments and services which make communities liveable and economically vibrant.

By working side-by-side with the State Government as part of this Accord, we can better leverage our respective strengths to identify and act on opportunities to attract investment, create jobs and foster innovation for our state.

Similarly, the LGA is also partnering alongside the State Government to address the important issue of regional housing supply and affordability – which was one of the resolutions and actions endorsed at last year's OGM.

In February, the LGA facilitated an online briefing with Mayors and CEOs from across the state, where the Premier – alongside Treasurer Stephen Mullighan and Planning Minister Nick Champion – outlined how this would be achieved.

As a result, the LGA is now working with the newly established Office for Regional Housing, through Renewal SA, and regional council staff to clarify and provide advice on how regional councils can best collate and present evidence of regional housing shortages.

Advice will be provided through an online LGA resource and will likely be of use to regional and metropolitan councils.

As communicated to the sector earlier this year, the foundations for this crucial Local/State Government union were initially establishing through the LGA presenting to State Cabinet in November.

Since then, we've given a further presentation to Cabinet Ministers on the important topic of Climate Change – another key focus of last year's OGM agenda.

At this meeting, we posed the question to Cabinet on: *how can SA become a national leader in Climate Change?*

The opportunity now exists for a truly statewide approach – reaching every community, through the work of locally-led council climate ready projects.

The model exists – there is already tremendous work occurring through the Regional Climate Partnerships network, joining up councils with partners and delivering projects.

In our discussion we asked the State Government to consider expanding this existing network, to maximise our local-state partnerships and ensure South Australia receives its fair share of funding to tackle the Climate Emergency.

Our presentation – which was bolstered by the participation of City of Onkaparinga – was very well received and will hopefully lead to more positive conversations regarding this space in future.

Again, this is another example of Local Government demonstrating its value as a trusted partner and one that continues to punch well above its weight in terms of output and influence.

I'm excited to see how we can continue to work together with the State Government over the coming year to further strengthen this relationship for the betterment of the sector and our communities.

Overall, I'm extremely optimistic about where the LGA and local government as a whole is headed in 2023.

The LGA Board and Secretariat recently held a Strategic Planning Day, where we took some high-level insights from the Members' Survey, reflecting on what you've told us is important.

We also established some clear priorities moving forward to continue improving how we deliver value to you as our members.

That's just a brief snapshot of what the LGA has been working on throughout the past six months, and I greatly look forward to sharing further updates with you all when we meet again at the AGM later this year.

Thank you

5.2 Resolutions and Actions from Previous Meetings

Minutes of Previous Meeting

Meeting	Annual General Meeting	26 October 2023
ECM:	789147	

Recommendation

That the Annual General Meeting notes progress with resolutions resulting from the Ordinary General Meeting of 14 April 2023 and outstanding resolutions from earlier general meetings.


Discussion



The attached report outlines progress of resolutions from previous general meetings of the LGA.


Proposing items of business for an LGA Ordinary or Annual General Meeting is one of the important ways that LGA member councils participate in policy development and influence the advocacy agenda for local government. The LGA uses best endeavours to achieve the outcomes sought by member councils.


Following each General Meeting the LGA Secretariat provides a report to the LGA Board of Directors outlining a proposed course of action to progress each resolution. The actions endorsed by the LGA Board of Directors are then be incorporated into the LGA's work plan and communicated to the Mayor and Chief Executive Officer of the council that submitted the original item of business.


All member councils continue to receive updates at General Meetings via this *Resolutions and Actions from Previous Meetings* report.

 = Completed/No further action required


Resolutions from the Ordinary General Meeting – 14 April 2023	Action Taken / Progress
<p>8.1 Environmentally Sustainable Development (City of Unley) (788409, SS)</p> <p>That the Ordinary General Meeting request the LGA to:</p> <ol style="list-style-type: none"> 1. Promote the concept of Environmentally Sustainable Development using Best Practice Principles; 2. Advocate for commensurate change to the Planning and Design Code; and 3. Advocate for better constructions standards. 	<p></p> <p>The National Construction Code of Australia (NCC) 2022 is implemented as the fundamental part of the Building Rules applicable to new construction in South Australia, along with a suite of Ministerial Building Standards that further describe building rules not adequately covered within the Code itself. New energy and condensation modules, together with liveable housing are elements of NCC 2022 that are earmarked to come into effect 1 October 2024, and these represent a significant improvement in housing quality in SA.</p> <p>These changes, potential exemptions and the proposed deadline have been the subject of extensive public (and behind-the-scenes) debate in recent months. As part of this debate, the LGA made written submissions and has participated in the State Government's NCC 2022 Implementation Working Group. Final decisions about this matter are expected by Planning Minister, Nick Champion, in the near future.</p>
<p>8.2 State of Climate Emergency (City of Mitcham) (789157 ,KR)</p> <p>That the Ordinary General Meeting requests the LGA to recognise the climate crisis and declare a Climate & Biodiversity Emergency.</p>	<p></p> <p>The LGA amended its policy manual to recognise a climate crisis and declare a climate biodiversity emergency.</p> <p>Following the passage of this motion:</p> <ul style="list-style-type: none"> • The Secretariat prepared a proposal for the Local Government Research and Development Scheme, to engage resources on specific climate change issues; and • Both GAROC and SAROC identified climate change issues in their top priorities. Each assigned the secretariat a range of specific actions. <p>The addition of these resources will provide a significant ongoing increase to the LGA's capacity to engage with member councils, develop policy positions and advocate on these issues.</p>

 = Completed/No further action required


<p>9.1 First Nations Voice to Parliament (LGA Secretariat) (789161,TC)</p> <p>That the Ordinary General Meeting:</p> <p>1. requests that the LGA advocates that the Australian Government:</p> <p>a. provides sufficient public funding for an effective information campaign to raise awareness of the national referendum on the First Nations Voice to Parliament;</p> <p>b. allocates sufficient resources to cover the costs of any local forums facilitated by the Australian Government to support the national referendum process; and</p> <p>c. in the event the national referendum is successful, ensures that any local government involvement in the establishment of Local and Regional Voices – as part of the governance structure of the Voice to Parliament – is fully funded by the Australian Government.</p> <p>2. notes that the LGA does not have a policy position on the proposal for a First Nations Voice to Parliament and that councils may choose to adopt their own positions.</p>	<p> Submission sent to Hon Linda Burney, MP, Minister for Indigenous Affairs, in May 2023, in accordance with the resolution of the LGA AGM.</p>
Resolutions from the Annual General Meeting – 28 October 2022	Action Taken / Progress
<p>7.1 Landscapes Board Levy (City of Victor Harbor) (781945, AL)</p> <p>That the Annual General Meeting requests the Local Government Association to request the State Government review the manner which they collect the Landscape levy from local communities. With the desired outcome being one in which Revenue SA collect the levy directly in alignment with the Emergency Services levy.</p>	<p>The Landscapes SA Act 2019 (LSA Act) designates the LGA as one of a small number of 'Peak Bodies' under that Act. Accordingly, the LGA has been invited to be part of a formal review of the LSA Act conducted by independent facilitator, the Hon John Hill.</p> <p>The LGA is consulting all member councils on the review and has prepared a discussion paper, setting out a range of the issues raised by the State government and (previously) councils.</p> <p>The LGA invites all councils to consider the issues and provide feedback, to help inform a subsequent LGA submission.</p>

 = Completed/No further action required

<p>7.2 EPA Solid Waste Levy (City of Mount Gambier) (782380, BM)</p> <p>That the Annual General Meeting requests the LGA to call for the Deputy Premier the Hon Susan Close, as Minister for Climate, Environment and Water, to provide the LGA with a detailed explanation of how the Solid Waste Levy funds collected by waste depot licence holders are allocated both in terms of general revenue and the Green Industry Fund and calls for an equitable distribution of funds between regional and metropolitan councils.</p>	<p>Discussion and advocacy to the State Government on this issue is ongoing and will remain a priority for the LGA Secretariat.</p> <p>The LGA has raised this issue to executives of relevant State Government agencies through strategic working groups and taskforces of which it is a member.</p> <p>This issue has also been raised through parliamentary processes. The LGA learned that the balance of the Green Industry Fund ("Fund") as of June 30 2023 was \$36.918 million. It is noted that there was significant expenditure from the Fund to support the disaster waste management response to the River Murray Flood, as such, the Fund is expecting some incomings from the Commonwealth's Disaster Ready Fund.</p> <p>Green Industries SA ("GISA"), in 2022-23 committed \$3.4 million in grant funding (new projects).</p> <p>This issue has been raised by the LGA to the Deputy Premier the Hon Susan Close, Minister for Climate, Environment and Water and further discussions exploring foreshadowed expenditure from the Fund will continue to occur.</p>
Resolutions from the Ordinary General Meeting – 30 April 2021	Action Taken / Progress
<p>8.4 Seeking a comprehensive State Government review of mandatory statutory rebates and exemptions from payment of local government rates (Adelaide) (LB 734189)</p> <p>That the Ordinary General Meeting:</p> <ol style="list-style-type: none"> calls for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions; requests that the LGA urgently progresses the key action in the LGA Advocacy Plan for 2019-2023 (Financial Sustainability theme) that the LGA work with interested councils to undertake analysis and prepare an 	<p>The State Labor Government was elected on a 'no increases to taxes and charges' platform and is also reluctant to engage in review processes that may impact on householder cost of living.</p> <p>Nevertheless, the LGA has been active in engaging with the State Government on a range of mandatory rates issues, including:</p> <ul style="list-style-type: none"> Exemptions for Universities. A submission was made to include amendments to rates collection provisions, using the Bill to amalgamate the University of Adelaide and UniSA.

 = Completed/No further action required

<p>issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide; and</p> <p>3. requests that following preparation of the issues paper and consultation with interested councils, the LGA seeks to engage an appropriate economic advisory consultant to prepare a report for government advocating for changes to statutory rate rebates and exemptions in SA.</p>	<ul style="list-style-type: none"> Similarly, the LGA is advocating that the State Government's proposed Hydrogen and Renewable Energy Bill be the vehicle for amendments to enable councils to levy fair rates on electricity generators. Community Housing. The LGA has also explored the capacity of the State Government to investigate mandatory rates discounts for former SA Housing Trust stock. <p>In preparing this advocacy, the LGA collected and analysed the quantum of mandatory rates rebates across SA's 68 councils. The LGA also engaged six councils to quantify the revenue impacts accruing to exemptions.</p>
Resolutions from the Ordinary General Meeting – 12 April 2019	Action Taken / Progress
<p>7.3 Jetties (Tumby Bay) (KR 670924)</p> <p>that the Ordinary General Meeting requests that the LGA immediately begin negotiations with the current State Government to draft a lease or other agreement with local government collectively (for those councils that currently hold an existing lease agreement) to safeguard the future of jetties in South Australia without creating a financial burden on ratepayers, especially in rural and regional areas.</p>	<p>Since 2019, the LGA has met with the former and the current government about this issue. It formed a Jetties Steering Committee to advise it and develop Guiding Principles. The LGA gave significant support towards the consultation with councils undertaken by the previous government, as well as providing input into the draft Strategic Plan which was developed. Funding for jetties and development of a strategic plan, were fundamental to the LGA election platform and it has been constantly raised as an important issue for councils.</p> <p>Under the current government, this year, the LGA Secretariat, together with CEOs of some of the coastal councils, met with Minister Tom Koutsantonis, Minister for Infrastructure and Transport, and also with DIT CEO, John Whelan, to make the case about the importance of funding for jetties. The government has allocated \$20M towards jetties funding but this is recognised as inadequate given the amount of work required on these structures.</p>

 = Completed/No further action required

	<p>The LGA made a successful application for LGR&DS funding to undertake a cost benefit analysis for jetties. This report is due at the end of 2023. All councils with a jetty leased from DIT have been asked to contribute to a survey being undertaken by Hudson Howells consultants and they have also promoted a community survey about the value of jetties to inform the report.</p> <p>The jetties funding issue continues to be raised at every opportunity with the State Government.</p>
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6.1 LGA Annual Report 2022-23

LGA Business

From:	Karen Teaha, Director Media and Communications	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	26 October 2023
ECM:	797254	

Recommendation

That the Annual General Meeting receives and notes the Local Government Association of South Australia's Annual Report for the year 2022-23.

Discussion

The LGA's 2022-2022 Annual Report, including abridged financial statements, was approved by the LGA Board of Directors on 21 September 2022 and is presented to the Annual General Meeting for adoption by member councils.

The Annual Report is published online via the [LGA website](#) and is available as a printed copy for each member council at the Annual General Meeting.

The consolidated audited financial statements of the LGA and controlled entities for the year ending 30 June 2023 are presented as a separate report to the Annual General Meeting.

Financial and Resource Implications

This activity has been anticipated in the LGA's work program and resources are available to progress this work.

6.2 Financial Statements 2022/2023

LGA Business

From:	Andrew Wroniak, Executive Director Corporate Services		
Strategy:	4 - Achieve		
Outcome:	4.1 We lead by example in the governance and operations of the LGA		
Meeting:	Annual General Meeting	26 October 2023	
ECM:	796819	Attachments: 797285, 797129	

Recommendation

That the Annual General Meeting receives and adopts the LGA of SA and controlled entities Financial Statements for the year 2022/23.

Discussion

The LGA Group operations were favourable to budget in the 2022/23 financial year.

The LGA continues to meet its 10-year long-term financial plan forecasts, posting a Net Surplus of \$446,284 for the LGA Group for the year ending in 2022/23. The cash and investments total \$75 million, comprising sufficient reserves to fund future claims from the Workers Compensation Scheme and Mutual Liability Scheme and funding for the LGA's grant programs.

The underlying operating surplus for the Group is \$1.249 million. This excludes income losses from the book revaluation of LG House \$802,673 and \$1.467 million in payments from the Workers Compensation and Mutual Liability Scheme for risk incentive grants and special distributions to members.

The attached consolidated financial statements for 2022/23 include the financial results for the following entities:

- LGA Parent Entity - Operations and Project activity – \$966,865 deficit due to a net spend on project activities.
- LGA Procurement - \$27,995 surplus
- LGASA Mutual - \$15,449 deficit
- LGA Workers Compensation Scheme - \$136,620 deficit after risk incentive payments and a \$1 million special distribution to members.
- LGA Mutual Liability Scheme - \$883,094 surplus after risk incentive payments to members

Transactions between individual entities are eliminated in the consolidated accounts, resulting in individual entity results differing from the group total.

LGA Parent Entity Operations and Projects - \$966,865 deficit (\$1.779 million deficit after asset revaluation)

LGA Parent - Operations (excluding change in the investment property and project activity).

LGA Parent Operations recorded an operating surplus of \$240,776. The surplus is due to staff vacancies and savings in operational costs.

LGA Parent - Project Activity

The deficit in project activity of \$1.207 million was primarily caused by the Local Government Finance Authority (LGFA) posting a lower than expected profit, resulting in lower taxation equivalents which fund the Local Government Research and Development Scheme (LGR&DS). The LGFA has approved a grant to the LGR&DS next financial year to offset the unexpected decrease in revenue.

LGA Parent Overall

The net deficit of \$1.779 million is due to the operating result described above and the loss in the revaluation of the commercially leased floors at LG House of \$832,500, which is a non-cash adjustment. The decrease in the valuation is due to a softening in the commercial property sector after a prior year valuation increase of \$3.060 million.

LGA Procurement - \$27,995 surplus

LGA Procurement is reporting a surplus of \$27,995 with revenue of \$1.584 million and expenses of \$1.456 million.

The majority of the growth occurred in the contracts for earthmoving, temporary staffing and electricity supply. There continues to be a strong demand by regional councils for LGA Procurement's project consultancy services.

Councils and their related entities spent over \$35 million through LGA Procurement's managed contracts, delivering over \$2.7 million in savings. LGA Procurement also delivered \$9.43 million in savings to members through the negotiated electricity supply contracts.

LGASA Mutual - \$15,449 deficit

LGASA Mutual is the governing entity of the two Schemes with operating expenditure of \$905,915 in 2022/23.

Overall, LGASA Mutual is reporting an operating deficit of \$15,449 in 2022/23 compared with a surplus of \$19,073 in 2021/22. The deficit is due to additional director's insurance obtained during the year.

LGA Workers Compensation Scheme - deficit \$136,620

The operating result for the LGAWCS in 2022/23 was a deficit of \$136,620 after the payment of \$268,011 from the risk incentive grant program and a special distribution to members of \$1 million.

The special distribution to members was agreed by the LGASA Mutual board, as the closing balance of funds held by the LGAWCS was above the target range determined by the Board in conjunction with the Scheme's independent actuary.

At the end of the year, the LGAWCS held an accumulated surplus of \$18.581 million, which is above the target range for the Scheme.

LGA Mutual Liability Scheme - surplus \$883,094

The operating result for the LGAMLS in 2022/23 was a surplus of \$883,094 after the payment of \$199,042 from the risk incentive grant program.

At the end of the year, the LGAMLS held an accumulated surplus of \$17.967 million, which is within the target range for the Scheme.

Conclusion

The Financial Statements for 2022/23 have been reviewed by the LGA's auditor PwC and have been certified by the LGA 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.

Financial and Resource Implications

This activity has been anticipated in the LGA's work program and resources are available to progress this work.

Local Government Association of South Australia

Consolidated Financial Report

For the Year Ended 30 June 2023

Local Government Association of South Australia

Contents

For the Year Ended 30 June 2023

	Page
Board Members' Report	3
Statement of Surplus/(Deficit) and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	10
Notes to the Financial Statements	11
Statement by Members of the Board	48
Independent Auditor's Report	49

Local Government Association of South Australia

Board Members' Report

30 June 2023

The Board members present the financial report of the Local Government Association of South Australia and its controlled entities ("the Group") for the financial year ended 30 June 2023 and the auditor's report thereon.

Board members

The names of the Directors currently in office are:

Mayor Gillian Aldridge (resigned 28 October 2022, appointed 27 February 2023)

Mayor Claire Boan

Mayor Michael Coxen (appointed 28 October 2022)

Mayor Angela Evans

Mayor Moira Jenkins (appointed 28 October 2022)

Mayor Heather Holmes-Ross

Mayor Dean Johnson

Mayor Caroline Phillips (appointed 28 October 2022)

Mayor Leon Stephens (appointed 28 October 2022)

Mayor Jo-Anne Quigley (appointed 19 January 2023)

The following were Directors in Office from the beginning of the financial year, unless otherwise stated and resigned during the year:

Mayor Peter Matthey (resigned 28 October 2022)

Mayor Clare McLaughlin (resigned 28 October 2022)

Mayor David O'Loughlin (resigned 28 October 2022)

Mayor Keith Parkes (resigned 28 October 2022)

Lord Mayor Sandy Verschoor (appointed 28 October 2022, resigned 16 November 2022)

Mayor Erika Vickery (resigned 16 November 2022)

Board members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities

The Group consists of the following entities, Local Government Association of South Australia (LGA), LGASA Mutual Pty Ltd (LGASA Mutual), Local Government Mutual Liability Scheme (LGAMLS), Local Government Workers Compensation Scheme (LGAWCS) and LGCS Pty Ltd as trustee for LGCS Trust No.1 (LGA Procurement). The principal activities of the Group during the financial year were as follows:

LGA

The LGA is a membership based peak body that provides leadership, advocacy and services to and on behalf of the member councils of South Australia.

LGASA Mutual

LGASA Mutual is wholly owned by the LGA, formed to provide independent strategic oversight of the LGAMLS and LGAWCS and to oversee the day to day service delivery contract held by Marsh Pty Ltd.

LGAMLS

The Scheme is a mutual risk product that offers discretionary indemnity and claims management service to its members in respect of their potential and actual civil liabilities. These services are provided to Local Government in South Australia and include the provision of risk management services to minimise the occurrence of civil liabilities and the provision of claims management services.

Local Government Association of South Australia

Board Members' Report

30 June 2023

Principal activities

LGAWCS

The Scheme is a mutual risk product that offers discretionary indemnity and injury management services to its members in respect of their potential and actual liabilities that arise under the provisions contained in the Return to Work Act 2014 (RTW Act). These services are provided to Local Government in South Australia, and include the provision of claims management, worker rehabilitation and occupational health and safety management services, to minimise the occurrence of workers compensation liabilities.

LGA Procurement

LGA Procurement provides procurement services to all South Australian councils and related entities. These services include training, templates and a large range of contracts providing benefits from aggregating procurement and specialty skills.

Results and review of operations for the year

The net surplus for the Group for the financial year before special distributions and other items was \$446,284 (2022FY surplus: \$4,261,928). After the special distributions to scheme members and a revaluation of the investment in Local Government House the total comprehensive deficit was \$1,421,269 (2022FY surplus: \$6,948,413). The results for each of the entities before inter-entity eliminations are as follows:

LGA

The LGA is reporting an operating deficit of \$(966,865) in the 2023FY (2022FY surplus: \$884,256). This comprises of an operating surplus from ordinary operations of \$240,776 (2022FY \$1,164,074) and a surplus in project activity of \$(1,207,641) (2022FY \$279,818). After the loss on investment property of \$(832,500) (2022FY gain: \$3,060,388) and net gain on disposal of assets of \$20,075 (2022FY \$15,287) the net deficit is \$1,779,290 (2022FY surplus: \$3,959,931).

LGASA Mutual

In the 2023FY, LGASA Mutual is reporting an operating surplus of \$15,449 compared with a \$19,072 deficit in the 2022FY.

LGAMLS

The operating result for the FY2023 was a surplus of \$1,082,136 (FY2022 deficit of \$712,979). During the year payments to the risk incentive program of \$199,042 (FY2022 \$256,035) was made to members. The total comprehensive surplus for the year is \$883,094 (FY2022 deficit of \$969,014).

LGAWCS

The operating result for the FY2023 was a surplus of \$1,131,391 (FY2022 surplus of \$874,730). During the year payments to the risk incentive program of \$268,011 (FY2022 \$344,940), the Scheme declared a special distribution in 2023 of \$1,000,000 (FY2022 NIL) to members. The total comprehensive deficit for the year was \$136,620 (FY2022 surplus of \$529,790) after the special distribution and risk incentive fund payments to members.

LGA Procurement

The operating surplus for the 2023FY was \$27,995 compared to \$121,168 in the 2022FY.

Significant changes in the state of affairs

In the opinion of the Board members, there have been no other significant changes in the state of affairs of the entities in the Group during the year.

Likely developments

Information about the likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report.

Local Government Association of South Australia

Board Members' Report

30 June 2023

Environmental issues

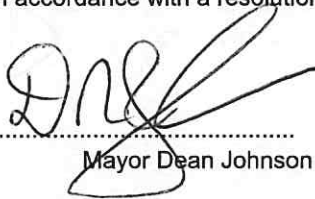
The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory of Australia. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Group.

Indemnification and insurance of officers and auditors

The Board members have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the members of the Board and officers' liability and legal expenses insurance contracts as such disclosure is prohibited under the terms of the contract.

Signed in accordance with a resolution of the Members of the Board:

President:



Mayor Dean Johnson

Chief Executive Officer:



Clinton Jury

Dated this 21st day of September 2023

Local Government Association of South Australia

Statement of Surplus/(Deficit) and Other Comprehensive Income

For the Year Ended 30 June 2023

		Consolidated		Parent	
		2023	2022	2023	2022
Revenue and income from continuing operations	Note	\$	\$	\$	\$
Member contributions	7	36,762,025	35,092,159	-	-
Grant revenue		2,124,964	2,087,458	1,420,110	2,172,458
Subscriptions		2,514,720	2,429,685	2,514,720	2,429,685
Other revenue	7	7,595,987	8,472,702	7,003,569	8,071,060
Finance income		2,651,942	944,649	543,446	575,021
Total revenue from continuing operations		51,649,638	49,026,653	11,481,845	13,248,224
Expenses					
Employee benefits expense		(7,416,577)	(6,808,266)	(5,739,360)	(5,396,801)
Risk management, levies and other scheme expenses		(12,083,352)	(12,398,653)	-	-
Depreciation and amortisation		(716,886)	(730,475)	(700,159)	(711,418)
Grant expenditure	8	(651,789)	(529,109)	(651,789)	(547,614)
Net claims expense	9	(11,224,625)	(10,206,031)	-	-
Insurance expense		(9,674,539)	(9,225,644)	-	-
Other expenses from ordinary activities		(7,955,919)	(6,863,479)	(4,877,862)	(5,149,768)
Finance expenses		(676,994)	(1,089,606)	(479,540)	(558,367)
Total Expenses		(50,400,681)	(47,851,263)	(12,448,710)	(12,363,968)
Operating surplus/(deficit)		1,248,957	1,175,390	(966,865)	884,256
Net gain/(loss) on sale of assets		29,827	26,150	20,075	15,287
Gain/(loss) revaluation of investment property		(832,500)	3,060,388	(832,500)	3,060,388
NET SURPLUS/(DEFICIT)		446,284	4,261,928	(1,779,290)	3,959,931
Other Comprehensive Income					
Risk Incentive distribution to members	2.n	(467,053)	-	-	-
Special distribution to members	2.m	(1,000,000)	-	-	-
Revaluation of operating land and buildings		(400,500)	2,686,485	(400,500)	2,686,485
Other Comprehensive Income		(1,867,553)	2,686,485	(400,500)	2,686,485
Total comprehensive surplus/(deficit) for the year		(1,421,269)	6,948,413	(2,179,790)	6,646,416

The accompanying notes form part of these financial statements.

Local Government Association of South Australia

Statement of Financial Position

As at 30 June 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10	42,308,680	49,472,139	11,999,903	7,902,679
Trade and other receivables	11	18,537,169	17,615,990	4,420,364	4,328,998
Financial assets	12	28,970,029	17,761,396	-	-
Prepayments		853,539	544,286	329,509	411,390
Reinsurance and other recoveries receivables	13	5,568,733	6,243,218	-	-
TOTAL CURRENT ASSETS		96,238,150	91,637,029	16,749,776	12,643,067
NON-CURRENT ASSETS					
Trade and other receivables	11	10,619,608	13,056,655	10,619,608	13,056,655
Financial assets	12	2	2	3	3
Property, plant and equipment	14	14,544,484	15,602,484	14,498,871	15,523,575
Investment properties	15	16,095,000	16,927,500	16,095,000	16,927,500
Intangible assets	16	498,831	637,165	498,831	637,165
Reinsurance and other recoveries receivables	13	10,180,520	12,402,393	-	-
TOTAL NON-CURRENT ASSETS		51,938,445	58,626,199	41,712,313	46,144,898
TOTAL ASSETS		148,176,595	150,263,228	58,462,089	58,787,965
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	17	16,629,836	11,903,481	14,162,170	9,987,712
Borrowings	19	2,437,047	2,355,674	2,437,047	2,355,674
Employee benefits	18	781,329	835,968	668,157	621,759
Unearned member contributions	20	11,487,068	10,854,199	-	-
Outstanding claims liability	21	13,530,880	12,684,227	-	-
TOTAL CURRENT LIABILITIES		44,866,160	38,633,549	17,267,374	12,965,145
NON-CURRENT LIABILITIES					
Trade and other payables		244,180	-	-	-
Borrowings	19	10,619,608	13,056,655	10,619,608	13,056,655
Catastrophe margin		85,000	85,000	-	-
Employee benefits	18	240,498	225,345	173,425	184,693
Outstanding claims liability	21	21,853,875	26,574,138	-	-
TOTAL NON-CURRENT LIABILITIES		33,043,161	39,941,138	10,793,033	13,241,348
TOTAL LIABILITIES		77,909,321	78,574,687	28,060,407	26,206,493
NET ASSETS		70,267,274	71,688,541	30,401,682	32,581,472
EQUITY					
Reserves	22	28,596,245	26,845,012	26,081,523	23,863,239
Retained earnings		41,671,029	44,843,529	4,320,159	8,718,233
		70,267,274	71,688,541	30,401,682	32,581,472
TOTAL EQUITY		70,267,274	71,688,541	30,401,682	32,581,472

The accompanying notes form part of these financial statements.

Local Government Association of South Australia

Statement of Changes in Equity

For the Year Ended 30 June 2023

2022 Consolidated

	Consolidated				
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves
	\$	\$	\$	\$	\$
Balance at 1 July 2021	42,040,297	10,250,144	10,070,909	2,378,780	22,699,831
Surplus/deficit for the year from ordinary activities	4,261,928	-	-	-	-
Special distribution to members	-	-	-	-	-
Revaluation increment (decrement)	-	2,686,485	-	-	2,686,485
Total comprehensive surplus/(deficit) for the year	4,261,928	2,686,485	-	-	2,686,485
Transfer (to)/from project reserve	(855,700)	-	855,700	-	855,700
Transfer (to)/from risk incentive reserve	(602,996)	-	-	602,996	602,996
Balance at 30 June 2022	44,843,529	12,936,629	10,926,609	2,981,776	26,845,012

2023 Consolidated

	Consolidated				
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves
	\$	\$	\$	\$	\$
Balance at 1 July 2022	44,843,529	12,936,629	10,926,609	2,981,776	26,845,012
Surplus/deficit for the year from ordinary activities	446,284	-	-	-	-
Special distribution to members	(1,000,000)	-	-	-	-
Risk Incentive distribution	-	-	-	(467,053)	(467,053)
Revaluation increment (decrement)	-	(400,500)	-	-	(400,500)
Total comprehensive surplus/(deficit) for the year	(553,716)	(400,500)	-	(467,053)	(867,553)
Transfer (to)/from project reserve	(2,618,784)	-	2,618,784	-	2,618,784
Balance at 30 June 2023	41,671,029	12,536,129	13,545,393	2,514,723	28,596,245

The accompanying notes form part of these financial statements.

Local Government Association of South Australia

Statement of Changes in Equity

For the Year Ended 30 June 2023

2022 Parent

	Parent				
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves
	\$	\$	\$	\$	\$
Balance at 1 July 2021	5,614,002	10,250,144	10,070,910	-	20,321,054
Total surplus/(deficit) for the year	3,959,931	-	-	-	-
Revaluation increment (decrement)	-	2,686,485	-	-	2,686,485
Comprehensive surplus/(deficit) from ordinary activities	3,959,931	2,686,485	-	-	2,686,485
Transfer (to)/from project reserve	(855,700)	-	855,700	-	855,700
Balance at 30 June 2022	8,718,233	12,936,629	10,926,610	-	23,863,239

2023 Parent

	Parent				
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves
	\$	\$	\$	\$	\$
Balance at 1 July 2022	8,718,233	12,936,629	10,926,610	-	23,863,239
Total surplus/(deficit) for the year	(1,779,290)	-	-	-	-
Revaluation increment (decrement)	-	(400,500)	-	-	(400,500)
Comprehensive surplus/(deficit) from ordinary activities	(1,779,290)	(400,500)	-	-	(400,500)
Transfer (to)/from project reserve	(2,618,784)	-	2,618,784	-	-
Balance at 30 June 2023	4,320,159	12,536,129	13,545,394	-	26,081,523

The accompanying notes form part of these financial statements.

Local Government Association of South Australia

Statement of Cash Flows

For the Year Ended 30 June 2023

	Note	Consolidated		Parent	
		2023	2022	2023	2022
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers/members (inclusive of GST)		56,629,161	50,838,586	12,734,624	13,400,082
Receipts from grants		6,485,307	6,676,066	5,732,959	6,676,066
Interest received		2,651,942	944,649	543,446	575,021
Payments to suppliers and employees (inclusive of GST)		(40,163,149)	(40,679,692)	(10,270,382)	(12,562,941)
Claims paid		(15,098,235)	(11,202,428)	-	-
Borrowing costs		(676,994)	(1,089,606)	(479,540)	(558,367)
Distribution back to members		(1,467,053)	-	-	-
Grant payments	1.b	(2,068,906)	(3,945,220)	(1,890,664)	(3,963,725)
Other expenses		(400,500)	-	-	-
Net cash provided by/(used in) operating activities	10	5,891,573	1,542,355	6,370,443	3,566,136
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		108,777	(450,990)	82,455	(447,420)
Cash realised from term deposits		(10,808,135)	6,162,874	-	-
Net cash provided by/(used in) investing activities		(10,699,358)	5,711,884	82,455	(447,420)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		(2,355,674)	(2,277,018)	(2,355,674)	(2,277,018)
Net cash provided by/(used in) financing activities		(2,355,674)	(2,277,018)	(2,355,674)	(2,277,018)
Net increase/(decrease) in cash and cash equivalents held		(7,163,459)	4,977,221	4,097,224	841,698
Cash and cash equivalents at beginning of year		49,472,139	44,494,918	7,902,679	7,060,981
Cash and cash equivalents at end of financial year	10	42,308,680	49,472,139	11,999,903	7,902,679

The accompanying notes form part of these financial statements.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

1. Parent reporting

The following information has been extracted from the books and records of the parent, Local Government Association of South Australia and has been prepared in accordance with Accounting Standards.

The parent information has been disaggregated into Secretariat activity and Project activity. Secretariat activity details the annual day to day operations of the LGA and Project activity includes activity funded from External Grants and Contributions to manage committed projects with specified outcomes.

Statement of Surplus/(Deficit) and Other Comprehensive Income

1.a. Detailed Table

	Secretariat 2023 \$	Secretariat 2022 \$	Project 2023 \$	Project 2022 \$	Total 2023 \$	Total 2022 \$
Revenue from continuing operations						
Subscriptions	2,514,720	2,429,685	-	-	2,514,720	2,429,685
Grant revenue	40,247	167,537	1,379,863	2,004,922	1,420,110	2,172,459
Other revenue	6,964,569	7,607,510	39,000	463,550	7,003,569	8,071,060
Finance income	541,684	574,725	1,762	295	543,446	575,020
Total revenue from continuing operations	10,061,220	10,779,457	1,420,625	2,468,767	11,481,845	13,248,224
Expenses						
Employee benefits - operating	(4,693,612)	(4,315,364)	(1,045,748)	(1,081,437)	(5,739,360)	(5,396,801)
Grant expenditure	-	-	(651,789)	(547,614)	(651,789)	(547,614)
Depreciation	(700,159)	(700,562)	-	(10,856)	(700,159)	(711,418)
Other expenses	(3,947,257)	(4,042,022)	(930,605)	(1,107,746)	(4,877,862)	(5,149,768)
Impairment loss on office furniture	-	-	-	-	-	-
Finance expenses	(479,416)	(557,435)	(124)	(932)	(479,540)	(558,367)
Total Expenses before sale/impairment of assets	(9,820,444)	(9,615,383)	(2,628,266)	(2,748,585)	(12,448,710)	(12,363,968)
Operating Surplus/(Deficit)	240,776	1,164,074	(1,207,641)	(279,818)	(966,865)	884,256

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

1. Parent reporting

1.b. Parent entity grant payments

The following table shows the grant payments made by the LGASA Parent, included in cashflows, that have resulted from the change in accounting policies of AASB 15 Revenue from Contracts with Customers and AASB 1058 Income for Not-For-Profit Entities

	2023	2022
	\$	\$
Community wastewater management scheme	1,198,786	3,146,154
Early childhood community innovation	-	158,700
LG research and development scheme	586,810	448,021
Local govt youth led COVID19 recovery	-	53,211
Other grants	105,068	157,639
	1,890,664	3,963,725

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

2. Summary of Significant Accounting Policies

2.a. Basis of preparation

These non-statutory general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and relevant South Australian Legislation.

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

Accounting policies

The financial statements include the consolidation of LGA and its' controlled entities ('the Group'). LGA is a body corporate established under the Local Government Act 1999 and is a not-for-profit entity.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied unless otherwise stated.

Outlined below are significant accounting policies related to the overall Group. Policies related specifically to the LGAWCS and LGAMLS ('the Schemes') have been separately disclosed in Note 2(h) - (n).

Historical cost convention

The consolidated financial statements have been prepared on the historical cost basis except for selected non-current assets, and financial assets and financial liabilities for which fair value basis of accounting has been applied.

Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvements with the entity and an ability to affect those

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.a. Basis of preparation

returns through its power to direct the activities of the entity.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

When 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 of control ceased.

A list of controlled entities is contained in Note 25 to the financial statements.

2.b. New Accounting Standards and Interpretations

New Australian accounting standards applicable for the first time during the period did not have a material impact on the group's results or financial statements.

Australian accounting standards not yet effective have not been early adopted by the group. Of these standards the following may have a material impact on future periods when adopted:

Australian Accounting Standards Board (AASB) 17 Insurance Contracts

AASB 17 Insurance Contracts was issued in May 2017 and will replace AASB 4 Insurance Contracts, which currently permits a wide variety of practices. AASB 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features.

The standard is not expected to be effective until the 30 June 2025 financial year for the group. At this point the group has not evaluated the impact of the standard.

2.c. Income Tax

The Group, and its related entities, is exempt from income tax under the Income Tax Assessment Act.

2.d. Financial instruments

Recognition and derecognition

Purchases and sales transactions of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through the statement of surplus/(deficit)),

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.d. Financial instruments

- those to be measured at amortised cost

The classification depends on the Group's business model for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in Statement of Surplus/(Deficit) or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through Statement of Surplus/(Deficit) (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the Statement of Surplus/(Deficit). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its financial assets:

- Amortised cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent solely payment of principal and interest are measured at FVOCI.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in the Statement of Surplus/(Deficit) and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.e. Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets. At each reporting date, the Group 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 Statement of Surplus/(Deficit).

Where it is not possible to estimate the recoverable amount of an individual asset, the consolidated entity estimates

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.e. Impairment of non-financial assets

the recoverable amount of the cash-generating unit to which the asset belongs.

2.f. Capital Management Policy

The Group'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, 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.

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 LGASA Mutual's targeted surplus.

2.g. Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office.

Receivables and payable in the statement of financial position are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

2.h. Classification of Mutual Risk Products

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.

The Schemes are self-insured products where Members agree to Scheme Rules and whereby the Schemes agree to accept significant risk from the Members by making discretionary decisions on whether to compensate the Members for future claims.

Relevant reinsurance is purchased by the Schemes as a mechanism to protect the Scheme and Members. In respect to the LGAMLS, it is further protected through the backing of the Treasurers Indemnity.

2.i. Unexpired Risk Liability

At each reporting date the Schemes assess whether the unearned members' contribution liability is sufficient to cover all expected future cash flows relating to future claims against current 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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.i. Unexpired Risk Liability

The entire deficiency, gross and net of reinsurance, is recognised immediately in the Statement of Surplus/(Deficit) 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.

2.j. Outwards Reinsurance

Premiums credited to reinsurers are recognised as outwards reinsurance premium expenses in accordance with the pattern of reinsurance service received over the membership or indemnity periods based on time.

2.k. Claims

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 the settlement of a claim.

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 which occurred in August 2023, by Cumpston Sarjeant Pty Ltd. This review was based on initial claims data to 31 March 2022 and claims data to 30 June 2023 and included in their report received in August 2023.

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.

2.l. Catastrophe Margin

The Workers Compensation 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.

2.m. Special Distribution to Members

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.n. Risk Incentive Distribution

The LGA SA Mutual Board will from time to time based on surplus policy decide to make a transfer of funds to the Risk Incentive Reserve. These funds can be utilised by members for approved projects.

2.o. Assets Backing General Insurance Liabilities

LGASA Mutual's investment strategies manage the funds invested with the Local Government Finance Authority of South Australia.

LGASA Mutual has 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 the Statement of Surplus/(Deficit).

The accounting policies applying to assets held to back LGASA Mutual's activities are:

Financial Assets

LGASA Mutual's value financial assets and any assets backing risk activities at fair value through the Statement of Surplus/(Deficit). 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 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 Surplus/(Deficit) and other comprehensive income.

2.p. Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.p. Right of Use Assets

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to the Statement of Surplus/(Deficit) as incurred.

2.q. Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to the Statement of Surplus/(Deficit) if the carrying amount of the right-of-use asset is fully written down.

2.r. Revenue

Revenue arises mainly from member contributions for mutual risk products, grant revenue and for subscriptions received from member councils

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Consolidated Entity satisfies performance obligations by transferring the promised goods or services to its members.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as grants received in advance in the Statement of Financial Position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or accrued income in its Statement of Financial Position, depending on whether something other than the passage of time is required before the consideration is due.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

2. Summary of Significant Accounting Policies

2.r. Revenue

Grants

Grants and project funding that were received on the condition that they be expended in a particular manner were recognised as income when the Group gained control of the grant or the right to receive the grant. Grant monies outstanding at year end were placed in a reserve for allocation to expenditure in future years.

3. Critical Accounting Estimates and Judgments

The Board members make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Valuation of land and buildings

Land and buildings are recognised at fair value based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to reserves in equity. Detailed information about this estimate and judgement is included in the Note 6.

Investment Property

Investment properties are initially recognised at cost and are subsequently measured at fair value with any changes therein recognised in statement of surplus/(deficit). For policy on transfers between Property, plant and equipment and investment property to note 14 (a). For recognition and measurement policy refer to Note 15 (b).

At each balance date directors update their assessment of the fair value, taking into account external independent valuations. These valuations include a number of estimates and judgements as detailed in note 15.

Actuarial Assumptions and Methods - LGAMLS and LGAWCS

Actuarial Assumptions

The following assumptions have been made in determining the outstanding claims liabilities.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

3. Critical Accounting Estimates and Judgments

Key Actuarial Assumptions

	LGAMLS		LGAWCS	
	2023	2022	2023	2022
Case estimate development	25.00 %	(25.00)%	0	0
Wage inflation	4.00%	4.00%	4.00%	4.00%
Superimposed inflation	2.00%	2.00%	2.00%	2.00%
Discount rate	4.00%	3.50%	4.25%	3.00%

The process used to determine actuarial assumptions

A description of the processes used to determine the above key actuarial assumptions is provided below.

In the independent actuary review for 30 June for the LGMLS and LGWCS was completed on 11th August 2023, the actuary was provided with claims data on claims incurred net of excesses and anticipated recoveries to reduce the liability of members. The actuary allow for:

- Developments in case estimates on reported claims based on an explicit case development parameter or Project 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 average of reported claims;
- Expected investment earnings by applying a fitted payment pattern to the undiscounted sum of the above components and then discounts 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 25.00% (2022 -25.00%) for all accident years.

Claim administration expense

The independent actuary has not made an allowance for claim administration expenses on open claims as the amount of fees already represent approximately 4.5% of payments. A fixed fee of \$180,000 is charged by the Scheme Manager for this expense. The amounts allowed are comparable to those normally made by the public liability and professional indemnity insurers.

Superimposed inflation

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 independent actuary determined it is appropriate to included a nominal allowance for such inflation in future claims.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

3. Critical Accounting Estimates and Judgments

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 independent actuary assumed a discount rate based on current medium-term bond yields.

Sensitivity Analysis

The outstanding claims liability included in the reported results is 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 Schemes.

The table below describes how a change in each of the assumptions will affect the outstanding claims liabilities

Wage inflation	Expected future payments are inflated to take into account inflationary increases. An increase or decrease in the assumed level of economic inflation would have a corresponding impact on claims expenses, with particular reference to longer tail claims.
Superimposed inflation	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.
Discount Rate	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.
Case Estimate Development	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 estimates will change. This development movement applied to open claims and will have a corresponding impact on claims expense.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

3. Critical Accounting Estimates and Judgments

(i) LGAMLS

Variable	Surplus/(Deficit)		Total Accumulated Funds	
	Movement in variable	Movement by applying variable gross of reinsurance	Net of reinsurance	Total Accumulated Funds
Wage inflation	3%	1,243,000	92,000	(91,000)
	(3%)	(1,072,000)	(79,000)	79,000
Superimposed inflation	3%	1,270,000	94,000	(93,000)
	(3%)	(1,091,000)	(80,000)	91,000
Discount rate	3%	(1,230,000)	(89,000)	89,000
	(3%)	1,514,000	110,000	(110,000)
Case - estimate development	5%	220,000	2,000	(1,000)
	(5%)	(213,000)	(2,000)	2,000

(ii) LGAWCS

Variable	Surplus/(Deficit)		Total Accumulated Funds	
	Movement in variable	Gross of reinsurance	Net of reinsurance	Total Accumulated Funds
Wage inflation	3%	515,000	-	(516,000)
	(3%)	(414,000)	-	413,000
Superimposed inflation	3%	530,000	-	(530,000)
	(3%)	(432,000)	-	423,000
Discount rate	3%	(1,186,000)	-	1,186,000
	(3%)	1,439,000	-	(1,439,000)

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

4. Mutual Risk Products - Risk Management (LGAMLS and LGAWCS)

Risk management objectives and policies for mitigating risk

LGAMLS and LGAWCS are established by legislation contained in the Local Government Act 1999. Membership is available to local government councils and prescribed bodies. LGAMLS and LGAWCS 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 rules, the LGA may, in its sole and absolute discretion, determine whether indemnity will be granted in respect of a claim. Should indemnity be granted, the LGAMLS and LGAWCS offers unlimited cover.

Actuarial models, using information from management information systems are used to confirm contributions and monitor claim patterns. Past experience and statistical methods are used as part of the process.

In respect to both Workers Compensation and Civil Liability risk events, they are by nature, random, and the actual number and quantum cost of the event during any one-year may vary from those using estimated statistical techniques.

Objectives in managing risk arising from mutual risk products and policies for mitigating those risks

The Schemes have an objective to control risk thus reducing the volatility of its operating surplus. In addition to the inherent uncertainty of workers compensation and 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.

LGAMLS and LGAWCS 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

LGAMLS and LGAWCS adopt a conservative approach towards the management of risk and did this by utilising various risk transfer options. The Board of the Schemes determine the level of risk, which is appropriate for the LGAMLS and LGAWCS 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 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 LGAMLS and LGAWCS.

In the past ten years, LGAMLS and LGAWCS have managed their reinsurance program and risk transfer arrangements so that the exposure to each claim has been markedly reduced. LGASA Mutual has maintained its Treasurer's Indemnity on a long-term basis which is due to expire in September 2022.

Terms and conditions of membership

Membership to LGAMLS and LGAWCS is offered to eligible bodies and renewed annually on 30 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 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 Scheme 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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

4. Mutual Risk Products - Risk Management (LGAMLS and LGAWCS)

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)

LGAWCS operates in South Australia, whereby the LGA 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.

Management of risks

The key risks that affect LGAMLS and LGAWCS are contribution risk, and claims experience risk.

Contribution risk is the risk that the Schemes do not charge contributions appropriate for the indemnity cover they provide. LGAMLS and LGAWCS partially manage contribution risk through their 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 ongoing basis to ensure that any adverse trending is addressed. LGAMLS and LGAWCS are able to reduce the claims experience risk of severe losses through the reinsurance program, and by managing the concentration of risks.

Concentration of risks

Risk are 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 LGAMLS and LGAWCS 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 LGAMLS and LGAWCS directly to interest rate risk. The reinsurance contracts are long term arrangements, reviewed and payable annually.

Credit risk

LGAMLS and LGAWCS are exposed to credit risk on contracts as a result of exposure to reinsurers. The credit risk to reinsurers is managed through the Schemes 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 3 in relation to the LGAMLS, the credit risk exposure is equal to the undiscounted aggregate value of claims. As at 30 June 2023 this amounted to \$16.97 million (2022: \$21.78 million).

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

5. Financial Risk 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.

Financial instruments used

The principal categories of financial instrument used by the Group consists mainly of deposits with banks, local money market instruments, short-term investments, trade receivables, trade payables, loans to and from related parties, bills and leases.

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	42,308,680	49,472,139	11,999,903	7,902,679
Trade and other receivables	29,156,777	30,672,645	15,039,972	17,385,653
Term deposits	28,970,029	17,761,396	-	-
Total financial assets	100,435,486	97,906,180	27,039,875	25,288,332
Financial liabilities				
Trade and other payables	16,874,016	11,903,481	14,162,170	9,987,712
Borrowings	13,056,655	15,412,329	13,056,655	15,412,329
Total financial liabilities	29,930,671	27,315,810	27,218,825	25,400,041

The main purpose for non-derivative financial instruments is to raise finance for group operations.

The Group does not have any derivative financial instruments as at 30 June 2023 (2022: nil).

Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis

Consolidated	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities								
Trade and other payables	(12,038,933)	(8,256,991)	-	-	-	-	(12,038,933)	(8,256,991)
Borrowings	(2,437,047)	(2,355,674)	(10,619,608)	(10,265,021)	-	(2,791,634)	(13,056,655)	(15,412,329)
Total financial liabilities	(14,475,980)	(10,612,665)	(10,619,608)	(10,265,021)	-	(2,791,634)	(25,095,588)	(23,669,320)

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

5. Financial Risk Management

Parent	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities								
Trade and other payables	(12,038,933)	(8,256,991)	-	-	-	-	(12,038,933)	(8,256,991)
Borrowings	(2,437,047)	(2,355,674)	(10,619,608)	(10,265,021)	-	(2,791,634)	(13,056,655)	(15,412,329)
Total financial liabilities	(14,475,980)	(10,612,665)	(10,619,608)	(10,265,021)	-	(2,791,634)	(25,095,588)	(23,669,320)

The timing of expected outflows is not expected to be materially different from contracted cashflows.

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 any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Group does not have any material credit risk exposure to any single receivable or group receivables under financial instruments entered into by the Group.

The average credit rating of the Scheme's reinsurance companies is 'A'. However, the Schemes 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.

Market risk

The Group's main interest rate risk arises from financial assets at fair value through the Statement of Surplus/(Deficit) 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.

The following table illustrates sensitivities to the Group'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.

Consolidated	2023		2022	
	+-%	--%	+1.00%	-1.00%
	\$	\$	\$	\$
Cash and cash equivalents	16,586	16,586	494,721	(494,721)
Investment in Term Deposits	293,217	293,217	177,614	(177,614)
Current Investments	278,278	278,268	-	-

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

6. Fair value hierarchy

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the assets that are recognised and measured in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its assets into three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

Consolidated	Level 2	Level 3
30 June 2023	\$	\$
Financial Assets	40,298,536	-
Land and freehold buildings	-	12,905,000
Investment property	-	16,095,000
Consolidated	Level 2	Level 3
30 June 2022	\$	\$
Financial Assets	17,761,396	-
Land and freehold buildings	-	13,572,500
Investment property	-	16,927,500
Parent	Level 2	Level 3
30 June 2023	\$	\$
Financial assets	2	-
Land and freehold buildings	-	12,905,000
Investment property	-	16,095,000
Parent	Level 2	Level 3
30 June 2022	\$	\$
Financial assets	2	-
Land and freehold buildings	-	13,572,500
Investment property	-	16,927,500

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

Level 1: The fair value of assets is measured using reference to an active market where trades are freely made at arms length between willing and suitably invested partners.

Level 2: The fair value of assets that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an asset are observable, the asset is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the asset is included in level 3.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

6. Fair value hierarchy

Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

Term deposits - The fair value of term deposits is calculated as the present value of the estimated future cash flows based on observable government bond rate.

Land, Freehold Buildings and Investment Property - The Group's land and buildings were revalued at 30 June 2023 by independent valuers Knight Frank Valuation & Advisory South Australia. Valuations were made on the basis of open market value. Movement during the year relates to depreciation on the building.

Unlisted shares - The value of unlisted shares have been recorded at the initial value at recognition.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

7. Revenue

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Member contributions				
- Gross earned contributions	56,552,412	55,048,529	-	-
- Rebate to members	(19,790,387)	(19,956,370)	-	-
Total member contributions	36,762,025	35,092,159	-	-
Other revenue				
- Administrative charges	1,367,504	1,196,365	2,539,601	2,339,873
- Other Revenue	2,770,953	3,913,237	2,572,621	3,549,179
- Rent	1,326,780	912,192	1,326,780	1,263,926
- Outgoings	550,542	889,554	550,542	889,554
- Member Service Rebates	1,580,208	1,561,354	14,025	28,528
Total other revenue	7,595,987	8,472,702	7,003,569	8,071,060

Revenue is measured either at a point in time, or over time, depending on the recognition criteria of AASB 15 Revenue of Contracts with Customers. All revenue is stated net of the amount of goods and services tax (GST).

Member contributions

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 Surplus/(Deficit) and other comprehensive income which has been earned. The proportion of members' contributions 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.

Grants

Grants that were received on the condition that they be expended in a particular manner have been recognised as income when the Group gains control of the grant or the right to receive the grant. Grant monies outstanding at year end are detailed in the Project Reserve in the Statement of Changes in Equity.

Subscriptions

Revenue from the provision of council subscriptions is recognised on a straight line basis over the financial year.

Other revenue

Other revenue comprises fees and charges received from Councils for services undertaken, rental and outgoings from the rental of space at LG House and rebate income from panel supplier contracts. Revenue is recognised in the accounting period in which the services are rendered. For fixed price contracts, revenue is recognised based on the actual services provided to the end of the reporting period as a proportion of the total value of services to be provided.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

7. Revenue

Finance income

Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Finance income is taken into account on an accrual basis and includes any changes in the net market value of investments during the financial year.

8. Grant expenditure

Outlined below are the projects where expenditure was incurred during the reporting period:

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
LG Research and Development Scheme	586,810	448,021	586,810	448,021
Other grants	64,979	81,088	64,979	99,593
	651,789	529,109	651,789	547,614

Grant expenditure includes project expenditure paid to Councils or other recipients to deliver programs or activities for the benefit of the South Australian local government sector. Expenses are recognised when all obligations and conditions of the grant or subsidy agreement have been met.

9. Net claims expense

The result for the year includes the following specific expenses:

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

Consolidated	2023		
	Current year	Prior years	Net
	\$	\$	\$
Claims expense			
Claims and related expenses - undiscounted	15,079,510	(1,496,121)	13,583,389
Claims and related expenses - discounted	(937,341)	374,389	(562,952)
Claims and related expenses - net	14,142,169	(1,121,732)	13,020,437
Reinsurance and other recoveries revenue			
Reinsurance and other recoveries revenue - undiscounted	(3,696,117)	1,782,891	(1,913,226)
Reinsurance and other recoveries revenue - discounted	479,481	(362,067)	117,414
Reinsurance and other recoveries - net	(3,216,636)	1,420,824	(1,795,812)
Claims incurred net of recoveries	10,925,533	299,092	11,224,625

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

9. Net claims expense

Consolidated	2022		
	Current year	Prior years	Net
	\$	\$	\$
Claims expense			
Claims and related expenses - undiscounted	14,376,865	4,304,962	18,681,827
Claims and related expenses - discounted	(698,006)	(2,492,515)	(3,190,521)
Claims and related expenses - net	13,678,859	1,812,447	15,491,306
Reinsurance and other recoveries revenue			
Reinsurance and other recoveries revenue - undiscounted	(2,878,443)	(4,437,592)	(7,316,035)
Reinsurance and other recoveries revenue - discounted	302,665	1,728,095	2,030,760
Reinsurance and other recoveries - net	(2,575,778)	(2,709,497)	(5,285,275)
Claims incurred net of recoveries	11,103,081	(897,050)	10,206,031

Reinsurance and other recoveries revenue

Reinsurance and other recoveries paid on claims, reported claims not yet paid and IBNR (claims incurred but not yet 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.

Workers compensation claims

Claims incurred expense and liability for outstanding claims are recognised in respect of direct claims by workers. 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'.

Super imposed 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 report 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.

Actuarial advice indicates these rates to be	2023	2022
Wage inflation rate	4.00 %	4.00 %
Superimposed inflation	2.00 %	2.00 %
Discount rate	4.25 %	3.00 %

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

10. Cash and Cash Equivalents

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Cash at bank and in hand	42,308,680	9,865,986	11,999,903	7,902,679
Short Term Deposits	-	39,606,153	-	-
	42,308,680	49,472,139	11,999,903	7,902,679

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Reconciliation of result for the year to cashflows from operating activities

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Net Surplus	446,284	4,261,928	(1,779,290)	3,959,931
Cash flows excluded from profit attributable to operating activities				
adjustments for:				
- depreciation	716,886	730,475	700,159	711,418
- net gain on disposal of property, plant and equipment	(29,827)	(26,150)	(20,075)	(15,287)
- net (gain)/loss on disposal of investments	832,500	(3,060,388)	832,500	(3,060,388)
- special distributions to members	(1,467,053)	-	-	-
- (gain)/loss on revaluation of investment property	(400,500)	-	-	-
Changes in assets and liabilities:				
- (increase)/decrease in trade and other receivables	4,412,227	(453,896)	2,345,681	1,877,719
- (increase)/decrease in prepayments	(309,253)	(124,107)	81,881	3,789
- increase/(decrease) in trade and other payables	4,970,536	723,581	4,174,457	155,561
- increase/(decrease) in outstanding claims and unearned contributions	(3,240,741)	(467,026)	-	-
- increase/(decrease) in employee benefits	(39,486)	(42,062)	35,130	(66,607)
Cash flows from operations	5,891,573	1,542,355	6,370,443	3,566,136

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

11. Trade and other receivables

Loss allowance

Trade and other receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on trade and other receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

State Local Government Infrastructure Partnership (SLGIP) receivable

State Government grant payments being made to the Group to reimburse costs attributable to the administration of the SGLIP program. The receivable is in accordance with the future receipts being received from the State Government as per the funding deed.

Member contribution receivable

Amounts due the LGAMLS and LGAWCS but not yet received from members for contributions for liability protection. Member contribution receivable is recognised at fair value.

12. Financial Assets

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Term deposits	28,970,029	17,761,396	-	-
	28,970,029	17,761,396	-	-
	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
NON-CURRENT				
Shares in controlled entities (at amortised cost)	2	2	3	3
	2	2	3	3

Term deposits are cash investments held with Local Government Financing Authority (LGFA) with maturity of more than three months. Investments are initially brought into account at cost and subsequently remeasured to fair value to market rates through the statement of surplus/(deficit).

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

13. Reinsurance and other recoveries receivables

	Consolidated		Parent	
	2023	2022	2023	2022
CURRENT	\$	\$	\$	\$
Reinsurance recoveries on paid claims	2,064,276	2,910,977	-	-
Reinsurance recoveries receivable	4,042,348	3,755,057	-	-
Discount to present value	(515,680)	(401,690)	-	-
Reinsurer default provision	(22,212)	(21,126)	-	-
	5,568,732	6,243,218	-	-
	Consolidated		Parent	
	2023	2022	2023	2022
NON CURRENT	\$	\$	\$	\$
Reinsurance recoveries on paid claims	11,743,554	12,466,013	-	-
Discount to present value	(1,498,491)	102,503	-	-
Reinsurer default provision	(64,543)	(79,182)	-	-
	10,180,520	12,489,334	-	-

Assets arising from reinsurance contracts were estimated for each accident year, from the payments to date and estimated outstanding claims history at 30 June 2023, taking into account the reinsurance terms applying to that 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 independent actuary. Although all relevant insurers are solvent, a provision for the failure of an insurer to pay has been raised. The reinsurer default provision is \$86,755 (2022 \$99,756) calculated at a rate of 0.63% (2022 0.63%) on the discounted value of the total reinsurance recoveries.

14. Property, plant and equipment

	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
Parent	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023						
Opening net carrying amount	13,572,500	1,759,402	150,186	41,487	-	15,523,575
Transfers/Disposals	-	-	(62,379)	(7,935)	-	(70,314)
Depreciation expense	(267,000)	(220,656)	(50,923)	(15,311)	-	(553,890)
Revaluation	(400,500)	-	-	-	-	(400,500)
Closing net carrying amount	12,905,000	1,538,746	36,884	18,241	-	14,498,871

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

14. Property, plant and equipment

	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
Parent	\$	\$	\$	\$	\$	\$
Year ended 30 June 2022						
Opening net carrying amount	10,860,445	1,964,242	177,826	70,972	199,406	13,272,891
Transfer to Investment Property	-	(327,566)	-	-	-	(327,566)
Additions	-	559,344	52,403	-	-	611,747
Transfers/(Disposals)	262,643	(178,119)	(34,158)	-	(199,406)	(149,040)
Depreciation expense	(237,073)	(258,499)	(45,885)	(29,485)	-	(570,942)
Revaluation	2,686,485	-	-	-	-	2,686,485
Closing net carrying amount	13,572,500	1,759,402	150,186	41,487	-	15,523,575

	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
Consolidated	\$	\$	\$	\$	\$	\$-
Year ended 30 June 2023						
Opening net carrying amount	13,572,500	1,760,037	228,460	41,487	-	15,602,484
Transfers/Disposals	-	-	(78,946)	(7,935)	-	(86,881)
Depreciation expense	(267,000)	(220,745)	(67,560)	(15,311)	-	(570,616)
Revaluation	(400,500)	-	-	-	-	(400,500)
Closing net carrying amount	12,905,000	1,539,292	81,954	18,241	-	14,544,487

	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
Consolidated	\$	\$	\$	\$	\$	\$
Year ended 30 June 2022						
Opening net carrying amount	10,860,445	1,967,024	258,578	70,972	199,406	13,356,425
Transfer to investment property	-	(327,566)	-	-	-	(327,566)
Additions	-	559,344	99,974	-	-	659,318
Transfers/Disposals	262,643	(178,119)	(67,295)	-	(199,406)	(182,177)
Depreciation expense	(237,073)	(260,646)	(62,797)	(29,485)	-	(590,001)
Revaluation/(Impairment)	2,686,485	-	-	-	-	2,686,485
Closing net carrying amount	13,572,500	1,760,037	228,460	41,487	-	15,602,484

Land and buildings are recognised at fair value based on periodic, but at least triennial valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to reserves in equity.

The LGA identified that \$590,209 of Furniture Fixtures and Fitting were non-seperable from the Freehold Land and Building valuation as at 30 June 2021. The Furniture Fixtures and Fittings value was reduced in 2022FY accordingly with transfers to Freehold land and buildings of \$262,643 and Investment Properties of \$327,566.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

14. Property, plant and equipment

On 1 December 2020, when LG House become fully tenanted, \$11,910,322 of land and buildings were transferred from Property Plant and Equipment to Investment Properties. Refer to note 15 for further details.

To the extent that an increase reverses a decrease previously recognised in the Statement of Surplus/(Deficit), the increase is first recognised in the Statement of Surplus/(Deficit). Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to the Statement of Surplus/(Deficit).

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to Statement of Surplus/(Deficit) and the depreciation based on the asset's original cost, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

All other property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using a straight-line method to allocate cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	2.50 %
Building improvements	10.00 %
Furniture, fixtures and fittings	7.50% - 33.00%
Motor vehicles	25.00 %
Right-of-use assets	Over the lease term

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

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 Surplus/(Deficit) and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

The Group is of the opinion that the current situation regarding COVID19 has not significantly impacted the fair value of property, plant and equipment and that a material impairment of asset values has not occurred.

(a) Transfer to/from investment property

When the use of land or buildings changes from operational to investment property, the property is remeasured to fair value and reclassified as an investment property. Any gain arising on remeasurement is recognised directly in the asset revaluation reserve.

When the use of investment property changes to owner-occupied or operational purposes, the property is measured at fair value as per directors' valuation and reclassified as prepaid operating lease.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

15. Investment Properties

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Opening Balances	16,927,500	13,539,545	16,927,500	13,539,545
Additions or/(transfers)	-	327,567	-	327,567
Gain / (loss) on revaluation of investment property	(832,500)	3,060,388	(832,500)	3,060,388
Balance at end of year	16,095,000	16,927,500	16,095,000	16,927,500

(a) Nature

Investment property is comprised of land and buildings intended to be leased to third parties and are not occupied by the Group. Land or buildings reclassified from Plant, Property and Equipment to Investment Property; or Land and buildings reclassified from Investment Property to Property, Plant and Equipment is described in note 14(a)

(b) Recognition and measurement

Investment properties are initially recognised at cost and are subsequently measured at fair value with any changes therein recognised in the Statement of Surplus/(Deficit).

At each balance date, an external independent Full Scope valuation of the building is undertaken to determine the fair value of the Investment Property. The Full Scope valuation process incorporates a site inspection with building price indices, inflation, interest rates and other factors which may impact market values. The independent valuation was conducted by Knight Frank in June 2023 for the 30 June 2023.

In undertaking the valuation Knight Frank has undertaken the Capitalisation of Net Income and Discounted Cash Flow (DCF) approach with adoption of the Net Lettable Area and rental calculation in accordance with the lease.

The fair value hierarchy used in calculating fair value has been classified as level 3 on the basis that there are significant inputs that are not observable market data. Unobservable inputs include Capitalisation rate, Discount rate and annual net property income per square metre.

COVID-19 considerations

The Groups overall investment property portfolio value has remained stable despite COVID-19. The investment properties exclude owner-occupied or operations purposes. The valuation includes commercial properties which are supported by high quality tenants with long leases.

The external valuer has carried out the valuations by applying assumptions regarding the reasonably possible impacts of COVID-19 based on information available as at balance date.

(c) Leasing arrangements

The investment properties are leased to tenants under long term leases with rental payments monthly.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

16. Intangible Assets

	Computer software \$	Total \$
Parent		
Year ended 30 June 2023		
Balance at the beginning of the year	637,165	637,165
Amortisation	(138,334)	(138,334)
Closing value at 30 June 2023	498,831	498,831

	Computer software \$	Total \$
Parent		
Year ended 30 June 2022		
Balance at the beginning of the year	777,642	777,642
Amortisation	(140,477)	(140,477)
Closing value at 30 June 2022	637,165	637,165

	Computer software \$	Total \$
Consolidated		
Year ended 30 June 2023		
Balance at the beginning of the year	637,165	637,165
Amortisation	(138,334)	(138,334)
Closing value at 30 June 2023	498,831	498,831

	Computer software \$	Total \$
Consolidated		
Year ended 30 June 2022		
Balance at the beginning of the year	777,642	777,642
Amortisation	(140,477)	(140,477)
Closing value at 30 June 2022	637,165	637,165

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods

IT development and software 8 years

Costs associated with maintaining software programmes are recognised as an expense as incurred. Directly

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

16. Intangible Assets

attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

17. Trade and other payables

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Trade payables	13,982	-	13,982	-
GST payable	1,177,318	1,062,175	-	-
Motor vehicles lease liability	18,991	41,976	18,991	41,976
Accrued expenses and other payables	3,394,595	2,542,339	2,104,247	1,688,745
Revenue and grants received in advance	12,024,950	8,256,991	12,024,950	8,256,991
	16,629,836	11,903,481	14,162,170	9,987,712

All amounts, apart from grants received in advance, represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured non-interest bearing and are usually paid within 30 days of recognition.

Grants received in advance represent amounts received before the year end that are contractually due for payment to the grantee in subsequent financial years.

The carrying amount of trade and other payables are considered to be the same as their fair values, due to their short term nature.

18. Employee benefits

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Long service leave	336,049	385,786	336,049	277,699
Annual leave	445,280	450,182	332,108	344,060
	781,329	835,968	668,157	621,759

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
NON-CURRENT				
Long service leave	240,498	225,345	173,425	184,693
	240,498	225,345	173,425	184,693

Short term obligations

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year 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. The liabilities are presented as current employee benefit obligations in the balance sheet.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

18. Employee benefits

Based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months for the Group \$382,684 (2022: \$409,445) and the parent, LGA \$330,032 (2022: \$307,114).

Long term obligations

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 to the reporting date. Consideration is given to expected future wage and salary levels 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. The obligations are presented as current liabilities in the balance sheet if the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

19. Borrowings

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
CURRENT				
Other loans	2,437,047	2,355,674	2,437,047	2,355,674
	2,437,047	2,355,674	2,437,047	2,355,674
NON-CURRENT				
Other loans	10,619,608	13,056,655	10,619,608	13,056,655
	10,619,608	13,056,655	10,619,608	13,056,655

Borrowings are recognised at fair value. Borrowings are reduced in the balance sheet when the obligation specified in the loan agreement is discharged. The loan is a fixed interest loan and is due to be repaid in January 2028.

20. Unearned Member Contribution

Member contribution receivables is recognised as earned from the date of attachment of risk. The pattern recognised over the period of a year is based on time, which is considered to closely approximate the pattern of risks underwritten.

A liability of \$11,487,068 (2022: \$10,854,199) for contributions billed in advance has been recognised. These amounts offset equivalent amounts in contributions owing.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

21. Outstanding Claims Liability

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Central Estimate	35,602,456	38,836,606	-	-
Discount to present value	(1,592,030)	(3,292,906)	-	-
	34,010,426	35,543,700	-	-
	34,010,426	35,543,700	-	-
Risk margin	3,638,159	3,714,665	-	-
Gross outstanding claims liability	37,648,585	39,258,365	-	-
Gross claims incurred	39,240,615	42,551,271	-	-
Current	13,530,880	12,684,227	-	-
Non-Current	21,853,875	26,574,138	-	-
	35,384,755	39,258,365	-	-

Outstanding claims

A provision of \$35,384,755 (2022: \$39,258,365) has been made for the estimated cost of claims notified but not settled at year end and 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.

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 25% of net outstanding claims as outlined below would be reasonable if the Scheme was to have approximately 75% probability of its claim provisions proving reliable.

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 adequacy are as follows

	2023	2022
	\$	\$
LGAMLS	25.00 %	25.00 %
LGAWCS	20.00 %	20.00 %

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

21. Outstanding Claims Liability

Reconciliation of movement in discounted outstanding claims liability

	Gross		Recoveries		Net	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Balance at 1 July	39,258,365	40,254,762	(18,645,611)	(16,627,845)	20,612,754	23,626,917
Current year claims incurred	14,142,168	13,678,859	(3,216,636)	(2,575,778)	10,925,532	11,103,081
Previous years claims incurred	(1,121,731)	1,812,446	1,420,824	(2,709,496)	299,093	(897,050)
Incurred claims in income statement	13,020,437	15,491,305	(1,795,812)	(5,285,274)	11,224,625	10,206,031
All claims paid during the year	(16,894,048)	(16,487,702)	4,692,170	3,267,509	(12,201,878)	(13,220,193)
	35,384,754	39,258,365	(15,749,253)	(18,645,610)	19,635,501	20,612,755

22. Reserves

Asset revaluation reserve

The asset revaluation reserve records fair value movements on property, plant and equipment held under the revaluation model.

Project reserves

The project reserve records funds received by the Local Government Association of South Australia from external providers. These funds are then distributed as per the relevant funding agreements. Also included within the reserve are LGA funded projects with carry forward balances.

Risk incentive reserve

The risk incentive reserve comprises accumulated retained earnings from the schemes which are set aside to support councils' risk mitigation projects.

23. Liability Adequacy Test

The liability adequacy tests conducted by the independent actuary has identified a surplus.

LGAMLS

The liability adequacy test identified the central estimate of the present value of future cash flows for future claims to be \$4,427,000 (2022: \$4,486,000) with an additional component of present value of expected future cash flows in relation to risk margin, net of reinsurance, to be \$28,000 (2022: \$30,000).

In performing this test a risk margin of 25% (2022 25%) was used to secure a 75% (2022 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 of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

23. Liability Adequacy Test

LGAWCS

The liability adequacy test identified the central estimate of the present value of future cash flows for future claims to be \$11,436,000 (2022: \$11,710,000) with an additional component of present value of expected future cash flows in relation to risk margin to be \$1,906,000 (2022: \$1,952,000).

In performing this test a risk margin of 20% (2022 20%) was used to secure a 75% (2022 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.

24. Contingencies

In the opinion of Board, the Association did not have any contingencies at 30 June 2023 (30 June 2022:None).

25. Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Controlled (%)* 2023	Percentage Controlled (%)* 2022
Subsidiaries:			
Local Government Mutual Liability Scheme (1)	Australia	-	-
Local Government Workers Compensation Scheme (1)	Australia	-	-
LGCS Pty Ltd (Trustee for LGCS Trust No.1) trading as LGA Procurement	Australia	100	100
LGASA Mutual Pty Ltd	Australia	100	100

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

(1) The Local Government Association of South Australia has the capacity to control the Mutual Liability Scheme and Workers Compensation Scheme pursuant to the Local Government Act 1999 and they have been consolidated on that basis.

26. Key Management Personnel Remuneration

Key management personnel who have responsibility for the strategic direction and management of the Group include members of the Board and Chief Executive Officers. Total remuneration included within employee expenses for the year is shown below:

	2023	2022
	\$	\$
Short-term employee benefits	962,934	876,682
Long-term benefits	64,996	14,935
Post-employment benefits	120,947	111,956
	1,148,877	1,003,573

Remuneration includes LGA, LGASA Mutual Pty Ltd and LGA Procurement.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

26. Key Management Personnel Remuneration

Transactions with key management personnel and other related parties

Related parties of Group include all key management personnel and their close family members and any entity that is controlled by those persons. Close family members are defined in *AASB 124 Related party disclosures* to include children, spouse or partner, children of the spouse or partner and dependents of the key management personnel and their spouse or partner.

There are no transactions to disclose for key management personnel and related parties.

The Group transact with Councils and State Government Agencies of which Board members may be key management personnel on terms which are consistent with the Group's normal commercial arrangements as disclosed in Note 27.

27. Related Parties

Key management personnel - refer to Note 26.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

The following entities are considered related parties:

- Local Government Finance Authority
- SA Government Financing Authority

Loans to/from related parties

Unsecured loans are made to/from related parties on an arm's length basis. Repayment and interest terms are set for each loan and the loans are unsecured and repayable in cash.

	Opening balance	Closing balance	Interest income/ (expense)	Interest receivable/ (payable)
	\$	\$	\$	\$
Loans from related parties				
2023	(15,412,329)	(13,056,655)	(470,652)	(259,940)
2022	(17,689,257)	(15,412,329)	(550,551)	(46,952)
Loans to related parties				
2023	63,159,263	64,069,531	2,282,028	464,120
2022	59,864,983	63,159,263	576,135	160,036

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2023

28. Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

29. Statutory Information

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

Statement by Members of the Board

In the opinion of the Board the financial report as set out on pages 6 to 47:


1. Present fairly the results of the operations of Local Government Association of South Australia as at 30 June 2023 and its state of affairs for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Local Government Association of South Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President


Mayor Dean Johnson

Chief Executive Officer.....


Clinton Jury

Dated this

21ST

day of

September

2023

Independent auditor's report

To the members of Local Government Association of South Australia

Our opinion

In our opinion the accompanying financial report gives a true and fair view of the financial position of Local Government Association of South Australia (the Parent) and its controlled entities (together the Group) as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Australian Accounting Interpretations as described in Note 2 to the financial statements.

What we have audited

The Consolidated Financial Report comprises:

- the Parent and Consolidated Statement of Financial Position as at 30 June 2023
- the Parent and Consolidated statement of Surplus/(Deficit) and Other Comprehensive Income for the year then ended
- the Parent and Consolidated Statement of Changes in Equity for the year then ended
- the Parent and Consolidated statement of Cash Flows for the year then ended
- the notes to the Financial Statements, which include significant accounting policies and other explanatory information
- the Statement by Members of the Board

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 2 in the financial report, which describes the basis of accounting. The financial report has been prepared for internal purposes to assist Local Government Association of South Australia and its members. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Local Government Association of South Australia and its members and should not be used by parties other than Local Government Association of South Australia and its members. Our opinion is not modified in respect of this matter.

Other information

The members of the Board are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, 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 accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 the members of the Board for the financial report

The members of the Board of the Parent are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the members of the Board are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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 the 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.



PricewaterhouseCoopers
by



M. T. Lojszczyk
Partner

Adelaide
21 September 2023

6.3 Annual Reports for the LGA Committees

LGA Updates

From:	Andrew Lamb, Director Advocacy Andrew Wroniak, Executive Director Corporate Services	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	26 October 2023
ECM:	796736	Attachments: 797107, 797108 797252, 796703 and 795396

Recommendation

That the Annual General Meeting receives and notes the Annual Reports for the year 2022-23 of the following Committees established under the LGA Constitution:

- a) **Greater Adelaide Regional Organisation of Councils (GAROC)**
- b) **South Australian Regional Organisation of Councils (SAROC)**
- c) **CEO Advisory Group**
- d) **Local Government Research and Development Scheme**
- e) **Special Local Roads Program**

Discussion

GAROC, SAROC and CEO Advisory Group

Two Regional Organisations of Councils are established under Clause 19 of the LGA Constitution, namely SAROC and GAROC. The role of SAROC and GAROC is regional advocacy, policy initiation and review, leadership, engagement and capacity building in the regions.

The 2022-23 Annual Reports of SAROC and GAROC have been received and approved by the LGA Board of Directors and are provided as an attachment for noting by LGA member councils.

The LGA Board of Directors also has a CEO Advisory Group in accordance with the requirements of the LGA Constitution. A summary report for 2022-23 is attached to this report.

Local Government Research and Development Scheme

Pursuant to the Memorandum of Understanding (MOU) between the LGA and the Treasurer, the LGA is required to provide an annual report on the activities and finances of the Local Government Research and Development Scheme at the LGA Annual General Meeting.

The attached 2022-23 Annual Report for the Local Government Research and Development Scheme was endorsed by the LGA Board of Directors on 21 September 2023 and includes:

- An overview of the Scheme, its operations and outcomes in 2022-23;
- Financial allocations for the year ending 30 June 2023, and budget for 2023-24;
- Details of projects approved in 2022-23;

- Details of projects completed in 2022-23;
- Details of current projects as at 30 June 2023;
- A list of projects proposed for 2023-24;
- An overview of the Schemes priorities for 2023-24.

Special Local Roads Program

Managed by the LGA, the Special Local Roads Program (SLRP) provides funding to South Australian councils for the construction and maintenance of strategic local roads, through an annual competitive grant round.

Funding for the annual competitive SLRP grant round is provided from:

- 15% of identified local roads component of the Commonwealth Financial Assistance Grants.
- 15% of South Australia's Supplementary Local Road Funding (in available years).
- 15% of South Australia's allocation of the Roads to Recovery Program.

The LGA established the Local Government Transport Advisory Panel (LGTAP) to oversee the governance and operations of the SLRP. This includes considering applications for SLRP funding and making recommendations to the LGA Board of Directors.

The LGTAP is governed by the LGTAP Terms of Reference, which requires that an Annual Report be provided to the LGA Board of Directors and members at the LGA AGM.

The LGA Board of Directors approved the 2022-23 SLRP Annual Report on 21 September 2023.

Financial and Resource Implications

The LGA Secretariat provides executive and administrative support to the committees established under the LGA Constitution. This activity has been anticipated in the LGA's work program and resources are available to progress this work.



GAROC Annual Report on activities 2022-2023

September 2023

GAROC activities – 1 July 2022 to 30 June 2023

Discharge of responsibilities and functions

The Greater Adelaide Regional Organisation of Councils (GAROC) is established as a committee of the LGA and is responsible to the LGA for the discharge of its functions.

The minutes of each GAROC meeting are presented to the Board following each GAROC meeting and the GAROC members on the Board talk to matters raised as needed.

The function of GAROC is to assist 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 Grouping
- (d) encouraging engagement of Members within the GAROC Regional Grouping with GAROC and the LGA
- (e) participating in policy development and implementation.

In accordance with clause 5.2.1 of the ToR, GAROC operated in a timely, objective and professional manner and consistent with the LGA Strategic Management Framework. In recognition of operating within the LGA Strategic Management Framework, and consistent with clause 21.3 of the LGA Constitution, the separate Strategic Plan of GAROC ceased on 30 June 2023.

The 2023-24 Annual Business Plan (ABP) endorsed by GAROC and then approved by the Board on 20 July 2023 reaffirms the LGA Strategic Plan as the overarching strategic plan for GAROC. While this appears contrary to clause 6.5.1 of the ToR, the LGA Constitution and intent of clause 5.2.1 of the ToR outweigh the need for a separate strategic plan. This anomaly will be rectified as part of the LGA Constitution and Ancillary Documents review (the Review). As a committee of the LGA, it is appropriate and necessary that the LGA Board continues to set the strategic direction and GAROC fulfill their objective within that.

The GAROC budget was included in the ABP which was approved by the Board as per above. Clause 7.1.2 of the ToR states GAROC will provide a financial report to the Board. Note this is another anomaly that will be rectified through the Review given the financial report is part of the overall LGA financial report. The Review will seek to tidy up such anomalies once the overall role/purpose of GAROC (and SAROC) is resolved.

Membership and Meetings

The November 2022 Local Government General Election impacted on the membership of GAROC and the below is a summary of GAROC membership and meeting attendance:

Member	Meeting date					
	4 July 2022	5 Sept 2022	28 Oct 2022 (special)	30 Jan 2023	27 Feb 2023	1 May 2023
Mayor Gillian Aldridge OAM						
Mayor Claire Boan						
Mayor Angela Evans						
Mayr Dr Heather Holmes-Ross						
Mayor David O'Loughlin						
Acting Mayor Simon McMahon						
Lord Mayor Sandy Verschoor						
Lord Mayor Jane Lomax-Smith AM						
Mayor Dr Jan-Claire Wisdom						
Mayor Karen Redman						
Mayor Michael Coxon						
Mayor Elizabeth Fricker						
Cr Anna Leombruno						
Cr Luke Hutchinson						
Cr Lucas Jones						
Mayor Kris Hanna						
Cr Don Palmer						

Key	Attended	Apology	Not applicable (not a member)
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Member councils are 'organised' into regional groups for the purpose of participating in the processes for the election of the SAROC and GAROC committee members. Each member council within the regional group were able to elect 2 Council Members provided each person elected is from a different member council. In addition, the Lord mayor of the City of Adelaide will be a standing member of GAROC.

Mayor Heather Holmes-Ross was elected to GAROC Chair at the special meeting on 28 October 2022. Prior to that Mayor David O'Loughlin had been Chair.

General activities

The activities over the year aligned to the 2022-23 Annual Business Plan and reports tracking activities against the 2022-23 Annual Business Plan were received by the GAROC committee at the meetings held on 30 January 2023 and 1 May 2023.

In addition to the activities within the Annual Business Plan GAROC also undertook the following:

- Endorsement of the GAROC Stormwater Workplan for 2022-23 (4 July 2022).
- Requested the LGA President write to the Minister for Planning in relation to the State Government's 'Pocket Park' funding proposal based on the key principles of achieving open space and the use of the Planning and Development Fund.
- Received the MASTERPLAN Open Space Funding Model report and requested the Board adopt certain policy positions in relation to the Planning and Development Fund.
- Discussed issues of relevance to metropolitan councils on affordable and homelessness actions.
- Developed the draft 2023-24 GAROC ABP, including participation in strategic workshops, and endorsed for consultation with Member councils.
- Endorsed expending the \$30,000 allocated to the 'Economic Development' them in the GAROC 2022-23 ABP to a metropolitan council economic development practitioner forum exploring circular economy business models and supporting the update of the suite of LGA model waste documents (tendering material).
- Received updates on:
 - Climate Change actions
 - Planning matters relevant to the greater Adelaide region and councils more generally.
 - Hoarding and Squalor
 - Adelaide Coastal Councils Network

Standing items at each meeting were:

- confirmation of minutes of previous meetings
- noting the progress of previous resolutions and actions
- noting the GAROC related finances
- noting the activities of SAROC from previous meetings.

GAROC also heard from the following Guest Speakers:

- Craig Holden, Chair State Planning Commission
- Martin Haese, Chair Premier's Climate Change Council

Amongst other matters, the ToR require this report to summarise '*items being considered by GAROC which have not been reported to the Board of Directors and the intended actions in respect of those matters*', as the Board receives the minutes of each meeting of GAROC, there are no matters that have not been reported to the Board.

Items of Business referred to the Board or a General Meeting

The following proposed Items of Business (IoB) were referred to the LGA Annual General Meeting (AGM) on 28 October 2022:

- *Town of Gawler - Mental Health and Wellbeing*
- *Town of Gawler – Responding to Climate Emergency*

The following proposed Items of Business (IoB) were referred to the LGA Ordinary General Meeting (OGM) on 14 April 2023:

- *City of Mitcham – State of Climate Emergency*
- *City of Unley – Environmentally Sustainable Development*

Items of Business not referred to the Board or a General Meeting

The following proposed IoB were not referred through to the 28 October 2022 AGM for the reasons provided:

- *City of Prospect - Rating Revenue Income* – given already aligned with work being undertaken by the LGA Secretariat on mandatory rates rebates and included in the 2022-23 GAROC Annual Business Plan, this matter was not referred to the AGM. It was ensured that the matters raised in this IoB were included in actions associated with the mandatory rates rebate work and council was advised of these actions.
- *City of Port Adelaide Enfield – Unattended Property* – additional information was sought in accordance with the Guidelines for Considering Proposed Items of Business for LGA General Meetings. Specifically, more information on the regulatory problems encountered within the legislative framework and the scope of the impact of these regulatory problems for South Australian councils was needed.
- *City of West Torrens – Review of Parking Legislation* – as above.
- *City of Port Adelaide Enfield – Ban for State and Federal Election Signs on Public Property* – this was not referred given it was likely to be at odds with actual and implied rights under the Australian constitution and there was no evidence provided on how the proposal related to the LGA's strategic objectives of that the issue is of a high priority to the sector. Council was advised accordingly.



SAROC Annual Report on activities 2022-2023

September 2023

SAROC activities – 1 July 2022 to 30 June 2023

Discharge of responsibilities and functions

The South Australian Regional Organisation of Councils (SAROC) is established as a committee of the LGA and is responsible to the LGA for the discharge of its functions.

The minutes of each SAROC meeting are presented to the Board following each SAROC meeting and the SAROC members on the Board talk to matters raised as needed.

The function of SAROC is to assist 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 Grouping
- (d) encouraging engagement of Members within the SAROC Regional Grouping with SAROC and the LGA
- (e) participating in policy development and implementation.

In accordance with clause 5.2.1 of the ToR, SAROC operated in a timely, objective and professional manner and consistent with the LGA Strategic Management Framework. In recognition of operating within the LGA Strategic Management Framework, and consistent with clause 21.3 of the LGA Constitution, the separate Strategic Plan of SAROC ceased on 30 June 2023.

The 2023-24 Annual Business Plan (ABP), endorsed by SAROC and then approved by the Board on 20 July 2023 reaffirms the LGA Strategic Plan as the overarching strategic plan for SAROC. While this appears contrary to clause 6.5.1 of the ToR, the LGA Constitution and intent of clause 5.2.1 of the ToR outweigh the need for a separate strategic plan. This anomaly will be rectified as part of the LGA Constitution and Ancillary Documents review (the Review). As a committee of the LGA, it is appropriate and necessary that the LGA Board continues to set the strategic direction and SAROC fulfill their objective within that.

The SAROC budget was included in the ABP which was approved by the Board as per above. Clause 7.2 of the ToR states SAROC will provide a financial report to the Board. Note this is another anomaly that will be rectified through the Review given the financial report is part of the overall LGA financial report. The Review will seek to tidy up such anomalies once the overall role/purpose of SAROC (and GAROC) is resolved.

Membership and Meetings

The November 2022 Local Government General Election impacted on the membership of SAROC and the below is a summary of SAROC membership and meeting attendance:

Member	Meeting date					
	21 July 2022	14 Sept 2022	28 Oct 2022 (special)	19 Jan 2023	2 March 2023	11 May 2023
Mayor Brett Benbow						
Mayor Peter Hunt						
Mayor Moira Jenkins						
Mayor Dean Johnson						
Mayor Peter Matthey OAM						
Mayor Clare McLaughlin						
Mayor Bill O'Brien						
Mayor Keith Parkes						
Mayor Caroline Phillips						
Mayor Jo-Anne Quigley						
Mayor Richard Sage						
Mayor Erika Vickery OAM						
Mayor Lynette Martin OAM						
Mayor Leon Stephens						
Mayor Rodney Reid						
Mayor Paul Simmons						
Mayor Darryl Houston						
Mayor Des Noll						
Mayor Linley Shine						

Key – meeting attendance	Attended	Apology	Not applicable (not a member)
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Member councils are 'organised' into regional groups for the purpose of participating in the processes for the election of the SAROC and GAROC committee members. Each member council within the regional group were able to elect 2 Council Members provided each person elected is from a different member council.

For SAROC the regional groups were allocated the same name as the existing RLGAs which has caused confusion amongst member councils. It is reiterated that the regional groups used for the election of the committee members are entirely separate from the RLGAs. Once elected to SAROC the regional grouping ceases to be relevant with the committee undertaking their function with a whole of regional lens.

At the start of the financial year Mayor Erika Vickery OAM was Chair of SAROC with Mayor Dean Johnson elected as Chair on 28 October 2022. After Mayor Johnson was subsequently appointed LGA President, Mayor Leon Stephens was appointed Chair of SAROC on 19 January 2023.

General activities

The activities over the year aligned to the 2022-23 Annual Business Plan (ABP) and reports tracking activities against the 2022-23 ABP were received by the SAROC committee at the meetings held on 19 January 2023 and 11 May 2023.

In addition to the activities within the Annual Business Plan, SAROC also undertook the following:

- Advocacy on regional housing based on the LGA Regional Housing Policy Advocacy discussion paper which included liaising with State and Federal Government Ministers on the development of a roadmap for increasing regional housing supply and incentives for private development, alternative funding models and establishing a collaborative Regional Housing Crisis Task Force (or similar).
- School Community Libraries Funding Review (*in confidence*)
- Rural Living Guidelines which provide a framework to evaluate proposals for rural living, or to support strategies that may provide for future rural living opportunities. They draw upon the State's planning framework and can be used to inform the preparation of Regional Plans, council growth management and settlement strategies, or rezoning proposals.
- Received updates on:
 - Planning matters relevant to regional South Australian councils
 - Regional housing advocacy
 - Regional Health Workforce Toolkit
 - Hoarding and Squalor
 - Stormwater management
 - Circular Economy
 - Rural Living Guidelines

Standing items at each meeting were:

- confirmation of minutes of previous meetings
- noting the progress of previous resolutions and actions
- noting the SAROC related finances
- noting the activities of GAROC from previous meetings
- an update on the activities of Regional Local Government Associations (RLGAs).

SAROC also heard from the following Guest Speakers:

- Kristine Peters – KPPM – Regional Health Workforce
- Matt Hunt – Office of Regional Housing

Amongst other matters, the ToR require this report to summarise '*items being considered by SAROC which have not been reported to the Board of Directors and the intended actions in respect of those matters*'. As the Board receives the minutes of each meeting of SAROC, there are no matters that have not been reported to the Board.

Items of Business referred to the Board or a General Meeting

The following proposed Items of Business (IoB) were referred to the LGA Annual General Meeting (AGM) on 28 October 2022:

- *City of Mount Gambier – EPA Solid Waste Levy*
- *City of Victor Harbor – Landscapes Board Levy*
- *City of Victor Harbor – Energy Positive and Carbon Neutral Development*

Items of Business not referred to the Board or a General Meeting

The following proposed IoB were not referred through to the 28 October 2022 AGM for the reasons provided:

- *District Council of Yankalilla – Electronic Attendance at Council Meetings* – Given the State Government's focus on finalising the implementation of the reforms arising from the passage of the Statutes Amendment (Local Government Review) Act 2021 and noting the extensive consultation that would be required to inform any proposed further legislative change to enable electronic attendance at council meetings and the timing of the caretaker period for the local government elections, this matter was not referred to the AGM.
- *City of Victor Harbor – Minimum Voting Age for Local Government Elections* – This IoB was not referred to the AGM given other advocacy priorities. Considerable resources would be needed and there was a high likelihood the sector would face ongoing increased costs associated with the conduct of each election.
- *City of Victor Harbor – Installation of new Enterprise Resource Software* – This was not referred to the AGM as there is an established market for providing this software and supporting service and significant business risks and costs in developing LGA capability to provide this offering to member councils. Council was advised of this outcome.
- *City of Mount Gambier – Regionalisation* – This was not referred as more information was sought from council to ensure informed consideration of the matter in accordance with the Guidelines for Considering Proposed Items of Business for LGA General Meetings.

The following proposed IoB were not referred through to the 14 April OGM for the reasons provided:

- *Murraylands and Riverland Local Government Association – Roadside Impacts of Trail Bikes and 4 Wheel Drivers in the Mallee* – This was not referred to the OGM as there is no constitutional ability for RLGAs to raise IoB for general meetings. The RLGAs were reminded of this. In recognition of the intent of the IoB and to progress a previous resolution of a general meeting it was resolved to include a Native Vegetation action in the draft SAROC 2023-24 ABP.
- *Eyre Peninsula Local Government Association – Management of Native Vegetation* – As above.
- *Barunga West Council – Process to appoint Principal Members for rural councils* – Given the low number of councils impacted by the changes to section 51 of the Local Government Act 1999 and the additional changes to the Act to support the expanded role of the principal member, SAROC resolved to not refer this IoB to the OGM. Council was advised of this outcome.
- *City of Mount Gambier – Regionalisation* – This was not referred to the OGM as further information and evidence was required to inform consideration at a future SAROC meeting. Council was advised of this outcome.

- *City of Mount Gambier – Compulsory Swimming Lessons* – This was not referred to the OGM given councils are not responsible for the state education system and there are multiple established bodies which have a role in the implementing the Australian Water Safety Strategy. Council was advised of this outcome.
- *Barunga West Council – Regional School Bus Routes* – Given the well-developed and comprehensive advocacy work undertaken by the LGA seeking funding support for local roads from the Federal Government and no evidence provided as to why this separate matter was a high priority for the sector, this IoB was not referred to the OGM. It was advised that council may like to pursue advocacy for State Government funding to improve local roads that accommodate a school bus route at a regional level.

Barunga West Council – Regional Planning Issues – This was not referred to the OGM as the LGA was in the process of developing practice guidelines to support councils with Rural Living Code Amendments. Council was advised



CEOAG Annual Report on activities 2022-2023

September 2023

CEOAG activities – 1 July 2022 to 30 June 2023

Discharge of responsibilities and functions

The CEOAG is established as a committee of the LGA and is responsible to the LGA for the discharge of its functions.

The value of the CEOAG warrants enhanced ToR commensurate with their role as a required committee of the LGA as per clause 24.3 of the LGA Constitution. It has been identified that the review of the LGA Constitution (the Review) should include an update of the CEOAG ToR and consistency with the ToR for GAROC and SAROC (depending on any significant changes to their role as part of the Review).

The CEOAG meeting minutes are presented to the Board following each CEOAG meeting. While the minutes capture the required proceedings and resolutions, the report presenting the minutes to the Board provided a summary of discussion points and the LGA Chief Executive Officer, or Executive Leadership Team member was present at the Board meetings to talk to matters raised.

The function of the CEOAG is to provide advice to the LGA Board on the design and delivery of policy and services to members. This has been particularly effective in providing member council administration perspective and insight to inform the LGA Secretariat on various matters, in addition to further consultation with the sector and/or consideration by the LGA Board.

Key considerations for the CEOAG are:

- (a) Assessing the value and validity of the services offered by the LGA to its Members.

Considering proposals for the further development of existing or new services by the LGA.

- (b) The effectiveness of operational policies adopted by the LGA in connection with Member services.

In accordance with clause 5.2.2 of the ToR, the CEOAG operated in a timely, objective and professional manner, consistent with their role and function.

Membership and Meetings

The CEO Advisory Group members are appointed by the Board and comprise 4 Chief Executive Officers from the SAROC and GAROC regional groupings, with no more than one CEO from the same regional grouping.

While meetings of the CEOAG are to be held once a quarter, due to LGA staff role changes, meetings were only held on 11 April 2023 and 21 June 2023:

Member	Meeting Date	
	11 April 2023	21 June 2023
Mario Barone		
Ben Gower		
Tony Harrison		
Delfina Lanzilli		
Matthew Morgan		
Maree Wauchope		
Chris White		
Mark Withers		

Key	Attended	Apology
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Tony Harrison was appointed as the Chair of the CEOAG.

General activities

The CEOAG noted reports presented for discussion on the following matters:

- Review of the 2022 Local Government Elections
- Review of the LGA Constitution
- State Local Government Accord

In addition, an out of session meeting was held with members of the CEOAG in response to findings of the SA Ombudsman, in relation to staff recognition schemes for council employees.

The CEOAG resolved to recommend to the Board that it supported the preparation of an Employee Recognition Framework Guideline document (or similar) to assist member councils with managing employee reward/recognition following a recent Ombudsman report on the topic.

The Secretariat has valued the advice and guidance provided by the CEOAG Members.

Local Government Research & Development Scheme

Annual Report 2022-23

*Adopted by the LGA Board of
Directors on 21 September 2023.*



Table of Contents

Background	3
LGR&DS Advisory Committee	3
Overview of Scheme Activities	4
Budget overview	5
New projects approved in 2022-23	6
LGA Research Library	6
Ongoing Allocations	6
Regional Capacity Building Activities 2022-23	6
SAROC and GAROC activities	7
Local Government Awareness Campaign	8
Scheme Administration	8
Priorities for 2023 to 2024	8
2023-24 Funding Rounds	8
Internal Round	8
External Round	8
Priorities 2023/24	9
Further information	9
Appendix 1 - Financial allocations for year ending 30 June 2022 & budget for 2023-24	10
Appendix 2 - Approved Projects 2022-23	11
Appendix 3 – Completed projects 2022-23	12
Appendix 4 - Spotlight Projects 2022-23	13
Appendix 5 - Current project 30 June 2023	15
Appendix 6 – Proposed Projects 2023-24	17

Background

The purpose of the Local Government Research and Development Scheme (established under section 31A of the *Local Government Finance Authority Act 1983*) is to fund projects that are of strategic benefit to local government.

Pursuant to the MOU between the LGA and the Treasurer,¹ the LGA is required to provide a report to the LGA Annual General Meeting 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
- a list of projects proposed for the current financial year.

This report addresses these points and provides an overview of the Scheme, its operation and outcomes in 2022-23 and how the LGA is meeting its responsibilities under the MOU. The appendices contain:

1. Financial allocations for year ending 30 June 2023, and budget for 2023-24
2. Approved projects for 2022-23
3. Completed projects during 2022-23 (internal and external funding rounds)
4. Spotlight projects 2022-23
5. Current projects as of 30 June 2023
6. Proposed projects in 2023-24

LGR&DS Advisory Committee

As outlined in the MOU, the LGR&DS Advisory Committee's purpose is to assist the LGA with the management of the Scheme. The Advisory Committee provides independent and objective advice to the LGA Board regarding the governance and operations of the Scheme, including providing oversight of projects funded by the Scheme, and making recommendations to the LGA Board regarding applications for funding.

Three scheduled Advisory Committee meetings were conducted in 2022-23 (August, December, and April) as well as two out of session meetings (September, May). As of 30 June 2023, membership of the Advisory Committee comprised:

- Mayor Claire Boan, Chair, City of Port Adelaide Enfield (LGA Board)
- Mayor Heather Holmes-Ross, City of Mitcham (LGA Board)
- Mayor Moira Jenkins, City of Victor Harbor (LGA Board)
- Anne Champness, Tatiara District Council (Country/Regional CEO)
- Chris Cowley, City of Burnside (Metropolitan CEO)
- Alex Hart, Manager Office of Local Government (Minister nominee)

¹ The MOU was last updated in August 2023 and is available through LGA website https://www.lga.sa.gov.au/_data/assets/pdf_file/0034/1284676/MOU-signed-by-the-Treasurer-14-August-2023.pdf

- Professor Ian Goodwin-Smith, Flinders University (SA Universities)
- Cleofe Vinas-Wilson, Australian Workers Union (Union Representative)
- Clinton Jury (LGA CEO)

During 2022-23, former Mayor Erika Vickery (Naracoorte Lucindale Council), Henry Inat, CEO (Town of Gawler), Abbie Spencer, Australian Services Union and Professor Chris Leishman, University of South Australia, concluded their terms on the Committee and are thanked for their service.

Overview of Scheme Activities

In 2022-23, the Scheme allocated over \$1.5 million of funding for projects of strategic benefit to local government via two competitive grant rounds, regional capacity building allocations provided to Regional LGAs, allocations to SAROC and GAROC, and strategic initiatives initiated by the LGA CEO and Board of Directors. All allocations were approved by the LGA Board of Directors and informed by advice from the Scheme's Advisory Committee.

Funding was allocated based on the principles and purposes of the Scheme and on the priorities identified in the 2022-23 Annual Business Plan for the Scheme. The LGA Board approved the 2022-23 Annual Business Plan in January 2022.

The priorities included:

1. Homelessness and Housing
2. Climate and Environment
3. Financial Sustainability and Cost Pressures
4. Managing Reforms
5. Community Awareness of Local Government
6. Community Wellbeing and Inclusion.

As detailed in *Appendix 2*, 10 were approved in 2022-23, with \$689,945 in funding allocated through two grant rounds.

There were eight project completions in 2022-23. Further details regarding these completions are available in *Appendix 3*, with an overview of project highlights in *Appendix 4*.

In 2022-23, the Scheme has continued to strengthen compliance by:

- Continuing to improve its grant management processes and successfully updated and implemented its new policy framework.
- Fully implementing the recommendations of the 2022 review of the regional capacity building allocation program.²
- Reviewing the Memorandum of Understanding (MOU) between the Treasurer and the LGA, with several changes being approved by the Treasurer in August 2023.³ The changes included:
 - Formatting to make the MOU more transparent and in line with current practices.
 - The simplification of the Principles and Purposes of the Scheme includes changing the agreed purposes to align with the scheme logic outcomes to ensure that it complied with current grant practices.

² The action plan was adopted by the LGA Board on 18 November 2022 https://www.lga.sa.gov.au/_data/assets/pdf_file/0024/1062609/LGA-Board-of-Directors-Board-agenda-18-November-2021.pdf

³ The revised MOU is available through the LGA website https://www.lga.sa.gov.au/_data/assets/pdf_file/0034/1284676/MOU-signed-by-the-Treasurer-14-August-2023.pdf

Budget overview

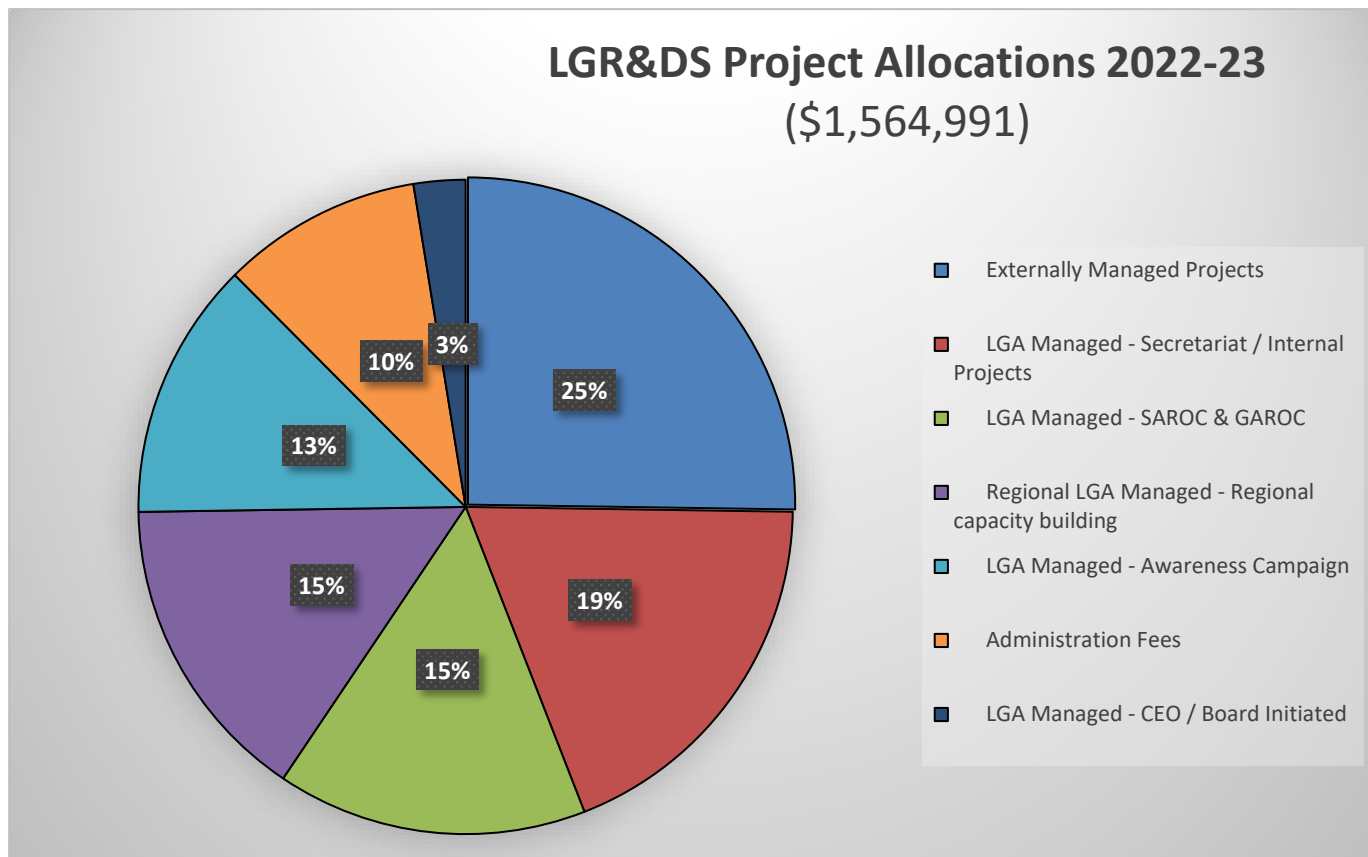
The financial report in *Appendix 1* outlines the financial position of the Scheme as at 30 June 2023. The report also includes the budget for the 2023-24 financial year, which the LGA Board approved in May 2023.

Table 1 provides a summary of the Scheme's allocations for 2022-23. In 2022-23, the Scheme allocated a total \$1,564,991⁴ for a range of projects providing benefits to Local Government as whole. The funding was distributed as follows:

- 25% of the funding (\$394,945) was allocated to six externally led projects.
- 19% of the funding (\$295,000) was allocated to four LGA-managed projects.
- 15% of the funding (\$240,000) was project funding distributed through SAROC and GAROC
- 15% of the funding (\$240,000) was distributed to regional LGAs and GAROC through the regional capacity-building allocations.
- 13% of the funding (\$200,000) was allocated to the Local Government Awareness Campaign.
- 10% of the funding (\$155,046) was used for administration of the scheme.
- 3% of the funding (\$40,000) was used for LGA CEO-initiated projects.

The total revenue received in 2022/23 was \$681,464, a significant reduction compared to the forecast. This reduction relates to the revised profit projection for 2022-23 provided by the Local Government Finance Authority, which is the primary funder for the grant. Consequently, this has led to a negative balance of \$732,226 as of 30 June 2023.

Table 1 - LGR&DS allocations in 2022-23



⁴ Please note that the total project allocations are different from the scheme expenditure as several projects are subject to milestone based payments.

New projects approved in 2022-23

The 2022-23 ten projects totalling \$689,945 were allocated through the Scheme's two grant rounds. \$295,000 for the internally (LGA secretariat) led grant round and \$394,945 for the externally led grant round.

A detailed overview of the projects is available in *Appendix 2*.

Through the two grant rounds, the Scheme's Advisory Committee assessed 39 applications requesting over \$3.2 million in funding. The Committee assessed the applications against the assessment criteria which were set out in the Scheme's guidelines. It included the principles and purposes of the Scheme and the priorities as set out in the Annual Business Plan. The Committee's recommendations were forwarded to the LGA Board of Directors for approval.

LGA Research Library

Information regarding all projects funded by the Local Government Research and Development Scheme is available through the [LGA Research Library](#)⁵

Ongoing Allocations

In 2022-23, ongoing allocations accounted for 43% of Schemes allocated funding.

All ongoing allocations must address the principles and purposes of the Scheme, and outcomes are reported at least annually to the LGA Board.

Regional Capacity Building Activities 2022-23

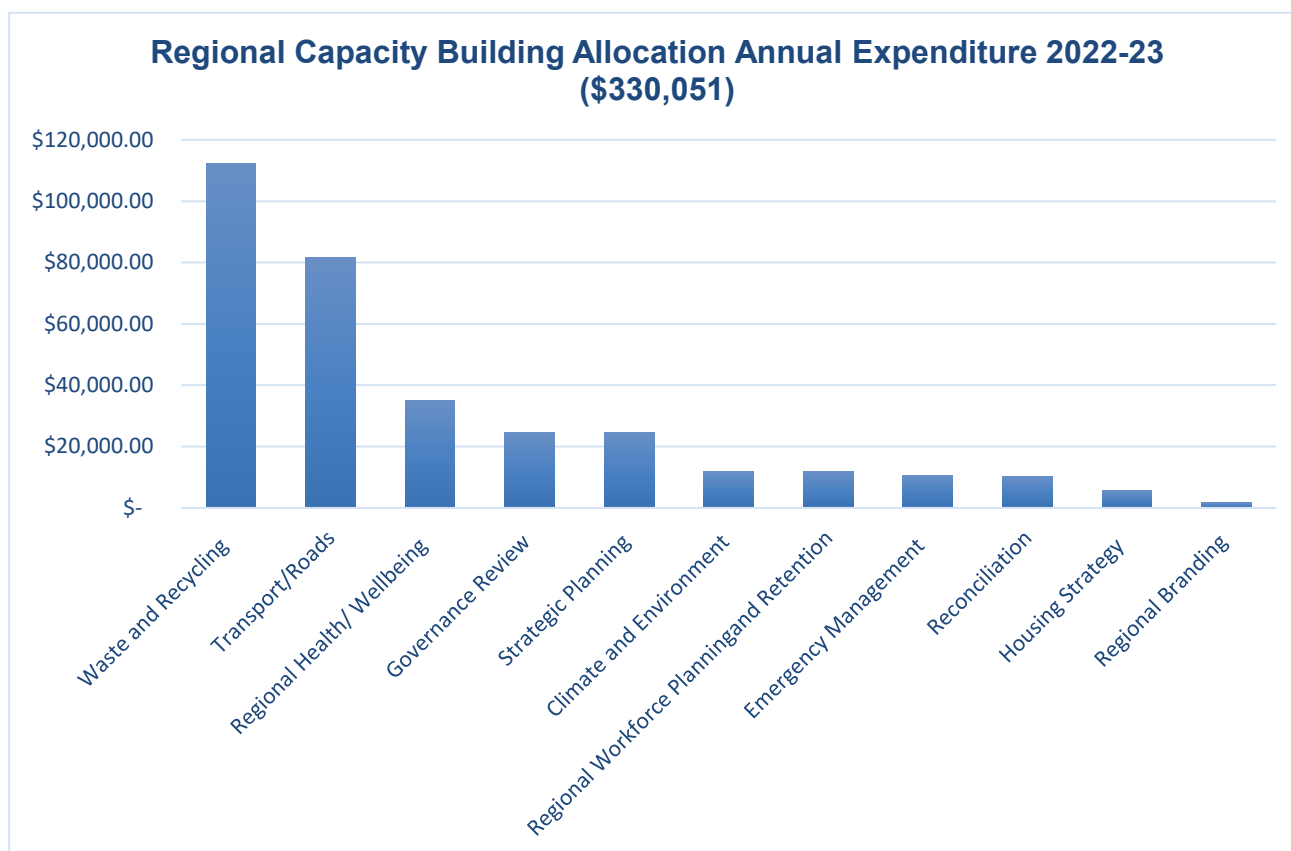
In 2022-23, Regional LGAs spent \$330,051 on a range of regional capacity building projects, activities and initiatives.

Table 2 provides an overview of how the funding was spent, demonstrating that Waste and Recycling (\$112,210), Transport and Roads (\$81,488) and Regional Health and Wellbeing (\$35,000) were associated with the most spending.

The annual reports for each Regional LGA included the project outcomes for each region. These have been published through the [LGA Research Library](#) and by each respective regional LGA.

⁵ <https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/research-library> (Please search for the project number to access any of the projects.)

Table 2 – Regional Capacity Building Expenditure 2022-23



SAROC and GAROC activities

GAROC and SAROC spent their funding on a range of projects and activities supporting and advocating on behalf of local government in South Australia, including:

- Homelessness
 - Collaboration with State Government and SA Alliance to End Homelessness
 - Supported the Development of a Toolkit for Local Government
- Climate and Environment
 - Supported the appointment of an officer to guide member councils and coordinate resources to understand and reduce risks associated with climate change.
- Waste and Recycling
 - Finalisation and implementation of model waste documents.
 - Exploring circular economy models.
- Stormwater management
 - Advocacy to inform ongoing stormwater management reform being progressed by the State Government via an Expert Panel and SA Water (Resilient Water Futures)

Further detail of GAROC and SAROC's outcomes are outlined in their annual reports.

Priorities 2023/24

The LGR&DS is continuing to strengthen compliance. Over the next 12 months, the Scheme will:

- Continue to improve its grant management processes to ensure that it aligns with best practices.
- Create an action plan to ensure that the changes to the Memorandum of Understanding are implemented across the Scheme.
- Review the Scheme's stakeholder engagement and communications plan to ensure the project outcomes are shared and utilised across the sector.

Further information

For further information, contact Mathilde Thorsen, Grants Coordinator, Ph:08 8224 2057, email: lgrds@lga.sa.gov.au

Appendix 1 - Financial allocations for year ending 30 June 2022 & budget for 2023-24

Allocations Report for Year to Date - 30 June 2023

	2023/24		2022/23		
	Budget Full Year	Forecast Full Year	Actual Full Year \$	Budget Full Year \$	Forecast Full Year \$
Income					
LGFA TER Project funding	1,803,000	3,042,000	466,740	1,370,250	1,779,250
R&D Funds Returned - LGA internal		-	214,724	-	214,724
R&D Funds Returned - External		-		-	-
Total Income	1,803,000	3,042,000	681,464	1,370,250	1,993,974
Project allocations					
Administration Fees	160,000	160,000	155,047	149,918	149,918
LGA Managed - SAROC & GAROC	240,000	240,000	240,000	240,000	240,000
LGA Managed - Secretariat / Internal Projects	812,400	812,400	295,000	295,000	295,000
LGA Managed - CEO / Board Initiated	40,000	40,000	40,000	40,000	40,000
LGA Managed - Awareness Campaign	200,000	200,000	200,000	200,000	200,000
Regional LGA Managed - Regional capacity building	240,000	240,000	240,000	240,000	240,000
Externally Managed Projects	541,600	541,600	346,810	220,757	220,757
Total allocations LG R&D SCHEME	2,234,000	2,234,000	1,516,857	1,385,675	1,385,675
Net Surplus/(Deficit) LG R&D SCHEME	(431,000)	808,000	(835,393)	(15,425)	608,299
Statement of R&D Reserves					
Opening Reserve Balance	862,986	(732,226)	254,687	254,687	254,687
Plus Inflows	1,803,000	3,042,000	681,464	1,370,250	1,993,974
Less Outflows	(2,234,000)	(2,234,000)	(1,516,857)	(1,385,675)	(1,385,675)
Less Committed Milestones	(69,000)	(65,000)	(151,520)	(220,520)	(220,520)
Closing Reserve Balance	362,986	10,774	(732,226)	18,742	642,466

Please note that details regarding all Local Government Research and Development Scheme projects are available through our [Research Library website](#). Please use the project id to search for your desired project.

Appendix 2 - Approved Projects 2022-23

ID	Project Title	Organisation Name	Funds Granted
2021.03	2022 Council Elections Stage 2	Local Government Association of SA	\$150,000
2022.02	Cost Impacts and Benefits of the PDI Act 2016	Local Government Association of SA	\$35,000
2022.04	Jetties Research Project: the economic, social and historic value of jetties in South Australia	Local Government Association of SA	\$50,000
2022.12	Coastal management- council coordination	Local Government Association of SA	\$60,000
2022.61	Local Government Career Pathways & Workforce Toolkit for Regional South Australia (SA)	Torrens University Australia	\$18,000
2022.67	Keys to the digital world: libraries and community centres' critical roles in digital access and connection	South Australian Council of Social Service	\$99,413
2022.74	Ending homelessness: a toolkit for local government	Flinders University	\$78,720
2022.79	Quality public spaces: developing placemaking indicators and benchmarks	University of South Australia	\$38,000
2022.86	Understanding and addressing the housing shortage in the Tatiara, Southern Mallee, Naracoorte Lucindale and Coorong Local Government Areas	Tatiara District Council	\$112,000
2022.92	Shaping Local Civic Youth Leaders	City of Onkaparinga	\$48,812
Total Allocated (through two competitive grant rounds)			\$689,945



Appendix 3 – Completed projects 2022-23

ID	Project Title	Organisation Name	Project Highlights	Funds Granted	Completion date
2021.66	<u>Asset Management Plan Summary template</u>	Institute of Public Works Engineering Australasia (IPWEA)	This project has produced an Asset Management Plan Summary template and example for the use of SA Councils. The template is aimed to complement and align (by summarising) the content of the 'Infrastructure and Asset Management Plan' required under the Local Government Act 1999.	\$7,000	30/09/2022
2021.50	<u>Local Government Authorised Persons Professional Framework Review</u>	Local Government Authorised Persons Association	This project has produced an updated Local Government Authorised Persons Professional Framework for the use of SA councils.	\$20,000	30/07/2022
2021.03	<u>2022 Council Elections Project</u>	Local Government Association of SA	This project has provided councils with the support and resources needed to prepare for the 2022 council election. The project has enabled local campaigns to be integrated with the state-wide campaign.	\$300,000	31/12/2022
2021.01	<u>Supporting councils in the implementation of the Planning and Design Code and PDI Act</u>	Local Government Association of SA	This project has provided support to councils during the implementation of the new planning system, this support has included advocacy, a range of materials made available on the LGA website and legal advice.	\$50,000	30/06/2023
2020.54	<u>Local government: Enabling resilient food systems in South Australia</u>	The City of Holdfast Bay	This project has engaged local governments, communities, and stakeholders to build the resilience of local food systems in the face of climate change risks.	\$40,000	12/08/2022
2020.10	<u>'Improving educational content in preparation for 2022 Elections'</u>	Local Government Association of SA	This project worked to deliver key educational content in advance of and post the 2022 Council Elections. This has included: <ul style="list-style-type: none"> • Pre-election Program Training for key staff of councils in election processes. • Candidate Program Redesigned content for candidates, including a series of candidate information sessions delivered across the state • Elected Member Program - a new program for inducting Elected Members post elections. 	\$90,000	13/01/2023
2020.07	<u>Strategic Management Plan Templates</u>	Local Government Association of SA	Through the project, Integrated Strategic Management Planning guidelines have been created. The templates provide an overarching process map of the Strategy Making Process framework and an overview of each step within the process with reference to existing templates and/or information papers.	\$150,000	07/09/2022
2015.52	<u>GST Review of Local Government Fees and Charges</u>	SA Local Government Financial Management Group Inc	This project worked to collate a state-wide fees and charges list and obtain a GST Class Ruling from the ATO for the application of all collated fees and charges. The project was originally going to be completed in April 2016 but has received multiple extensions due to delays in the ATOs approval and publishing process.	\$50,000	28/03/2023

Appendix 4 - Spotlight Projects 2022-23

Please note that further information regarding any of these projects is available through the [LGA Research Library](#)⁷

2021.03 – Council Election Project

Grant recipient: Local Government Association SA

Funding granted: \$300,000



This project enabled the LGA to provide support to SA Councils and the Electoral Commission SA to run the 2023 Council Election campaign. The project included an advertising campaign aimed at raising awareness and increasing engagement and was delivered in 3 stages: enrol, nominate, and vote.

Enrol

The enrol stage was built on extensive research following the 2018 Council Elections and councils were provided with assets to help enrol their community in the election. The voters roll increased from 1,208,858 in 2018 to 1,243,661 in 2022.

Nominate

The LGA ran a nomination campaign with outreach and paid advertising to attract candidates, in particular, those from under-represented communities. While the total number of candidates declined, of those who registered, 37% were female (up 4%), 3.3% were under 25 (up 0.4%), 8.2% identified as having a disability, 17.1% were born outside Australia, and 1.5% were First Nation Australians.

Vote

The LGA also supported ECSA in the vote campaign. Participation increased above the 2018 figure of 389,215 ballots received (32.94%), having received 429,617 ballots (34.54%) in 2022. Given the heightened risk of voter fatigue following state and federal elections earlier in the year, this was an excellent result.

⁷ <https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/research-library>

2021.50 - Local Government Authorised Persons Professional Framework Review

Grant recipient: Local Government Authorised Persons Association

Funding granted: \$20,000



**Local Government
Authorised Persons
Professional Framework**



This project has produced an updated Local Government Authorised Persons Professional Framework for the use of SA councils.

The framework has been updated, reflecting the significant changes in responsibility which have occurred over the last 15 years.

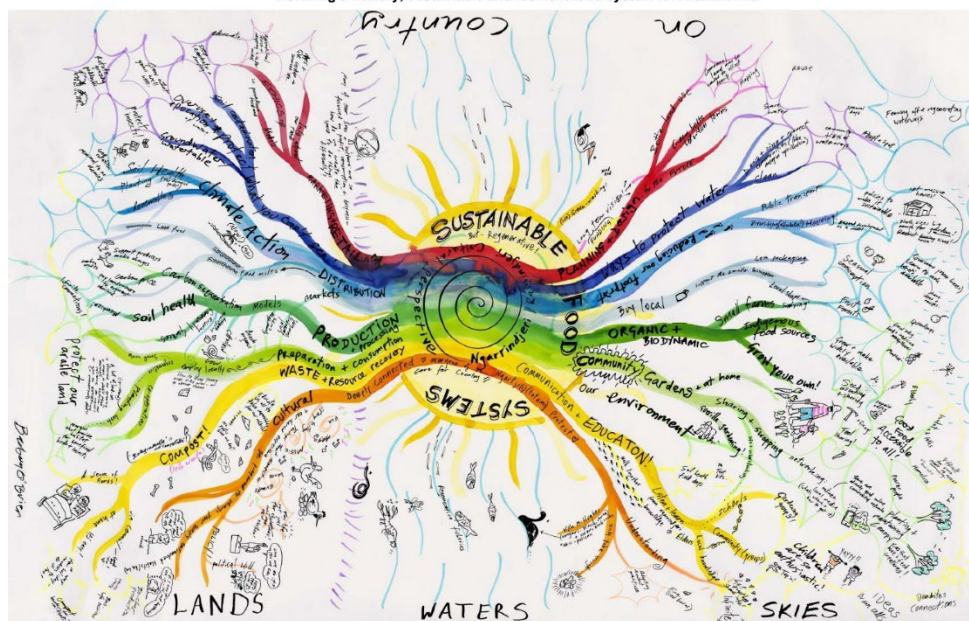
The framework aims to support councils in attracting, appointing and developing appropriate staff to fully meet the needs of the role of an authorised person.

2020.54 – Local Government Enabling resilient food systems in South Australia

Grant recipient: City of Holdfast Bay

Funding granted: \$40,000

Visioning a healthy, sustainable and resilient food system for Alexandrina



Our Local Food System Workshop, Alexandrina Council, 12 October 2021

Illustrator: Barbary O'Brien

This project worked with a number of councils and their communities to promote and build the resilience of local food systems in the face of climate change risks. The project created space for food system stakeholders to nominate their roles in enabling resilient food systems and identify where local government can remove unnecessary barriers or "red tape".

The project created a toolbox including materials to help local and regional governments to:

- understand, advocate and foster local food systems.
- identify and prioritise the best ways to invest in and promote local food system initiatives
- develop and embed relevant food systems policy and planning as part of the government's response to climate change risks.

Appendix 5 - Current project 30 June 2023

ID	Project Title	Brief Project Description	Organisation Name	Funds Granted	Start Date	Completion date	% Completed (as per last report)
2022.92	Shaping Local Civic Youth Leaders	A pilot program partnering with the Local Government Youth Development Network (LGYDN) members, local youth committees and local leaders to educate, train and support young people to realise their potential in local government.	City of Onkaparinga	\$48,812	31/10/2022	10/11/2023	40
2022.86	Understanding and addressing the housing shortage in the Tatiara, Southern Mallee, Naracoorte Lucindale and Coorong Local Government Areas	A feasibility study into the delivery of affordable housing for appropriately identified cohorts of people across the four Councils areas. The project will identify opportunities for home ownership, finance options to support and address the shortage of housing and key worker accommodation, and explore the requirements of South Australian Government Financing Authority (SAFA) and the National Housing Infrastructure Facility (NHIF) to allow the project to proceed to implementation.	Tatiara District Council	\$112,000	01/11/2022	30/07/2023	60
2022.79	Quality public spaces: developing placemaking indicators and benchmarks	Development of practical placemaking resources aiding SA local governments to strategically manage public spaces to achieve better placemaking outcomes for community wellbeing.	University of South Australia	\$38,000	01/11/2022	01/11/2023	50
2022.74	Ending homelessness: a toolkit for local government	Development of a toolkit to assist local governments to be more actively involved in place-based efforts to end homelessness, particularly rough sleeping homelessness.	Flinders University	\$78,720	01/11/2022	31/08/2023	40
2022.67	Keys to the digital world: libraries and community centres' critical roles in digital access and connection	This project will produce a research report that outlines what existing work libraries and community centres are doing to address barriers to digital inclusion. It will provide an evidence base that libraries, community centres, local government and other stakeholders, including SACOSS, can use to advocate for increased resources to support for communities.	South Australian Council of Social Service	\$99,413	01/11/2022	03/11/2023	35
2022.61	Local Government Career Pathways & Workforce Toolkit for Regional South Australia (SA)	This project will develop a Local Government Career Pathways & Workforce Toolkit tailored specifically to the needs of regional SA councils. The toolkit will contain a series of frameworks, strategies, and tools to assist regional councils in their quest to attract, develop and retain their workforces.	Torrens University Australia	\$18,000	09/01/2023	31/08/2023	35
2022.12				\$60,000	01/07/2022	02/03/2026	25

ID	Project Title	Brief Project Description	Organisation Name	Funds Granted	Start Date	Completion date	% Completed (as per last report)
	Coastal management-council coordination	This project presents the future intent for collaborative action within the local government sector to support long-term social, environmental, and economic resilience for effective coastal management and risk mitigation. The project will work to implement a Coordinator role within the LGA to work with member councils to strengthen collaboration and increase capacity to deliver effective coastal management across SAs 34 coastal councils.	Local Government Association SA				
2022.04	Jetties Research Project: the economic, social and historic value of jetties in South Australia	This project will examine the social, and economic value of jetties and complete a cost-benefit analysis of the value to a town's economic value through people visiting the region, walking, fishing and swimming. This analysis will support local government advocacy around jetties.	Local Government Association SA	\$50,000	01/07/2022	15/12/2023	5
2022.02	Cost Impacts and Benefits of the PDI Act 2016	Assessment of the impact of the implementation new planning system (i.e the implementation of the PDI Act and P and D Code)	Local Government Association SA	\$35,000	01/09/2022	30/09/2023	75
2021.04	Support for councils in community wellbeing	This project supports the LGA's funding partnership with Wellbeing SA. A dedicated officer within the LGA will lead and coordinate a range of initiatives supporting and building the capacity of councils to invest in and strengthen community well-being planning and implementation.	Local Government Association SA	\$83,400	06/12/2021	22/12/2023	60
2021.02	Local Government Reform Implementation (branded "LG Equip")	LG Equip is a comprehensive and cost-effective program that will provide LGA members with all the information, resources and support they will need to successfully implement around 150 new outcomes under the proposed local government reforms. The R&D funding will be used to develop policies, guidelines and templates to enable councils to meet the requirements of the reforms. The LGA's legislation team will work closely with its legal advisors to develop these resources.	Local Government Association SA	\$390,000	01/07/2021	03/07/2023	75
2020.61	Resilient South Pilot – Incorporating Climate Risk into Asset Management	This Resilient South project (Cities of Holdfast Bay, Marion, Mitcham, Onkaparinga) provides the information required for councils and asset managers to confidently commit funds and resources towards climate risk management obligations. It is delivered in four phases over four years. The timing allows project outcomes to feed into the next round of legislated Asset Management Plans and Long-Term Financial Plans.	City of Marion	\$99,000	01/11/2020	25/04/2025	33
2019.16	Asset Management Integration	A project, to be managed by the LGA Secretariat, to produce: a) a sector-wide asset management and financial planning 'Maturity Assessment Report'; b) a Model Infrastructure and Asset Management Plan with model template	Local Government Association SA	\$100,000	19/09/2019	31/12/2023	50
2018.09				\$15,000	17/05/2018	30/04/2024	30

ID	Project Title	Brief Project Description	Organisation Name	Funds Granted	Start Date	Completion date	% Completed (as per last report)
	Financial Sustainability Updates	Checking, revising and updating each one of the LGA'S 21 existing Financial Sustainability Information Papers to reflect recent changes in legislation, good practice and relevant standards.	Local Government Association of SA				

Appendix 6 – Proposed Projects 2023-24

The following LGA Managed projects were approved by the LGA Board on 12 May 2023

ID	Project Title	Brief Project Description	Funds Granted	Start Date	Completion date
2023.10	Coastal Adaptation - Stage One	South Australia has over 5000km of coastline with 90% of the population living on or near the coast and 34 of our 68 councils have coastal management responsibilities. This LGA has worked in partnership with the Department of Environment and Water to gain \$3.7 million in funding from the Government Coastal and Estuarine Risk Management Program. This project is for the employment of a project manager for this project to ensure that this project successfully delivers the best outcomes for the sector.	\$150,000	01/07/2023	01/07/2024
2023.09	Climate Change Policy Pilot	This project aims to support the local government sector in preparing for climate change and includes the following: <ul style="list-style-type: none"> the development of a Climate Risk Strategic Plan to explore opportunities challenges and provide direction for the Local Government Sector in understanding and managing its climate risk. a Sustainable Housing Policy Investigation on the urgent and immediate changes required to the SA Planning System to embed sustainable and resilient housing requirements for South Australians. 	\$170,000	02/10/2023	31/05/2024
2023.07	Review of Local Government (Elections) Act	This project proposes to engage an officer to support the review of the Local Elections Act. The project will support consultation with the state government and local government in preparation for the next local government elections. The Electoral Commission is currently reviewing the Local Government (Elections) Act 1999 and the appointed officer will support LGAs collaboration with the Electoral Commission.	\$95,000	01/07/2023	30/05/2024
2023.05	Building Sector Capability	Skill shortages are a real issue for local government with several councils working on strategies to educate, attract and retain staff. This project aims to build on previous research and successful programs in the sector to develop a web-based resource that collates existing resources and promotes careers in local government including: <ul style="list-style-type: none"> Resources, tools and case studies from across the sector Practical information on careers in councils Showcasing benefit of working in local government 	\$150,000	03/07/2023	31/07/2024

ID	Project Title	Brief Project Description	Funds Granted	Start Date	Completion date
2023.04	Climate Risk Training & Engagement Package	Large gaps exist in the awareness and appreciation of council liabilities and risks associated with climate change. Climate liability and climate risk management are ongoing issues in Local Government. This project establishes a guide that includes tools, case studies and recommendations for councils to implement a successful climate risk capacity program. The project will be delivered through pre-established networks including the Regional Climate Partnership, the Climate Practitioners Network and the Environmental Sustainability Network.	\$42,000	03/07/2023	01/07/2024
2023.03	Electricity management support for Councils	This project aims to support local government by dealing with an identified skill gap. It aims to upskill the sector in improving their knowledge and skills in managing electricity contracts and taking control of their costs.	\$77,000	24/07/2023	01/03/2024
2023.01	Measuring the costs of legislative compliance	The Local Government Act is structured so that elected representatives of communities make decisions on raising funds from their communities and prioritising the allocation of resources. This project aims to provide councils with an understanding of the costs/savings associated with legal compliance with statutory obligations to enable them to make informed decisions in their ongoing budgeting and financial planning.	\$70,000	01/07/2023	15/12/2023

The following projects were approved through LGA CEO Allocation.

ID	Project Title	Organisation name	Brief Project Description	Funds Granted	Start date	Completion date
2023.90	Support Framework and Guidelines for Visually Impaired Council Members	City of Victor Harbor	This project will develop and implement a support framework and guidelines for the support requirements of a visually impaired Council Member. A case study explaining the practical use of these requirements, showcasing what worked and addressing what didn't work and why. All material will be transferable to other Councils.	\$40,000	04/07/2023	01/07/2024
2023.91	Grow Your Own – Urban and Regional Planners Initiative	Murray River Study Hub	This project is co-funded by the Department of Investment and Trade. It seeks to address regional skill shortages in SA with the aim to educate planners and work towards a long-term strategy to solve the lack of qualified planners in regional SA. The project will also work with the already established state government reference group with the aim to explore opportunities to re-establish South Australian undergraduate planning degrees.	\$40,000	15/09/2023	31/07/2025

The following competitive grant round projects were approved by the LGA Board on 21 September 2023.

ID	Project Title	Organisation name	Brief Project Description	Funds Granted	Start date	Completion date
2023.55	SA Local Government Aboriginal Cultural Capability Toolkit	Flinders University	Develop an Aboriginal Cultural Capability toolkit to support existing local governments' Reconciliation Action Plan deliverables with guidance and resources organised according to local government service areas to inform culturally appropriate engagement with Aboriginal communities and organisations.	\$ 71,686	01/11/2023	01/12/2024
2023.65	A clandestine laboratory and methamphetamine contamination toolkit for Environmental Health Officers	Flinders University	When notifications of a clandestine laboratory come from police, Environmental Health Officers (EHOs) are responsible for ensuring no one enters the property until testing, remediation, and validation have been completed. The Clandestine drug laboratory remediation guidelines are very broad and the methamphetamine testing and decontamination industry is unregulated. This project will support the work of the EHOs by establishing a centralised website that contains national guidelines, state guidelines and published literature.	\$ 34,700	01/11/2023	30/11/2024
2023.67	Workforce and gender equality in SA Local Government	Local Government Professionals Australia, SA	The project will assess and address systemic drivers of gender inequality in SA Local Government through centralised collection and management of workforce data. Collected data will inform the development of initiatives to achieve improved gender diversity and equality in employment in the sector workforce.	\$ 75,000	01/11/2023	15/01/2025
2023.68	Building regulatory efficiencies for sustainable onsite wastewater system management	Environmental Health Australia (SA) Inc	This project seeks to improve the efficiency of Aerated Wastewater Treatment Systems (AWTSs) across SA. There are thousands of AWTSs in SA which must be serviced every quarter, and this project seeks to create an automated system that would save significant admin time and costs across councils.	\$ 70,897	01/01/2024	30/06/2024
2023.74	Recognising and rewarding staff of Local Government: A step toward greater wellbeing and retention in the workforce	University of South Australia	There are limited resources available to local governments on new recognition policies other than what is anecdotally understood as 'best practice'. This project seeks to bridge the gap between local government perceptions of the public's attitudes toward recognition, what the public genuinely thinks about these practices, and the Councillors' role in better-informing decision making and policy.	\$ 47,000	01/11/2023	31/07/2025
2023.82	Collaboration Towards Emergency Resilience	Mid Murray Council	This project focuses on disaster recovery and building resilience in the community, using intervention and protective elements and providing referral pathways and information on how to ask for help. The project aims to collaborate with flood-affected Councils, community and service providers to	\$ 120,000	01/11/2023	01/11/2024

			coordinate a future Natural Disaster Plan using the data gathered from the recent flood event.			
2023.96	Decision support for lower greenhouse gas (GHG) emissions in local roads and footpaths	City of Charles Sturt	This project will build sector knowledge of the embodied GHG emissions associated with standard road and footpath designs, materials and construction and highlight ways to lower emissions through procurement, design and construction specifications.	\$ 50,000	26/09/2023	28/06/2024
2023.98	Local Government Data Governance Framework	Local Government Information Technology Association of SA Inc.	This project seeks to establish a best-practice data governance framework for South Australian councils. This framework would focus on the effective management, classification, security, and utilisation of information within our care and control, enhancing outcomes for local communities while reducing the risk associated with being the custodian of this data.	\$ 49,500	20/11/2023	30/06/2024



Special Local Roads Program

Annual Report 2022-23

*Adopted by the LGA Board of
Directors on 21 September 2023*



Table of Contents

Table of Contents.....	2
Background.....	3
Special Local Roads Program.....	3
Local Government Transport Advisory Panel.....	3
LGTAP Membership.....	4
LGTAP Operations for 2022-23	5
Key Achievements for 2022-23.....	5
SLRP Grant Rounds.....	6
SLRP 2022-23 Grant Round	6
SLRP 2023-24 Grant Round	7
SLRP Assessment Criteria.....	7
Communication	7
Key Priorities and Work Plan for 2023-24.....	7
Further Information.....	8
Appendix A. SLRP 2022-23 funded projects	9

Background

Special Local Roads Program

Managed by the LGA, the Special Local Roads Program (SLRP) provides funding to South Australian councils for the construction and maintenance of strategic and significant local roads, through an annual competitive grant round.

All South Australian councils, regardless of their membership or affiliation with a Regional LGA are eligible to apply directly to the LGA. Each year the Local Government Transport Advisory Panel calls for applications for SLRP funding from councils.

Funding for the annual competitive SLRP grant round is provided from:

- 15% of identified local roads component of the Commonwealth Financial Assistance Grants.
- 15% of South Australia's Supplementary Local Road Funding (in available years).
- 15% of South Australia's allocation of the Roads to Recovery Program.

The LGA is responsible for facilitating the SLRP application process, and the monitoring and acquittal of SLRP funded projects. The funding sources for the SLRP, and subsequent distribution of funds to successful SLRP applicants, is the responsibility of the SA Local Government Grants Commission (the Commission).

The objectives of the SLRP are to:

- Prioritise the construction and maintenance of strategic and significant local roads whose benefits exceed the boundary of the council and its community.
- Support the delivery of local roads in an orderly and coordinated manner through evidence-based decisions that draw upon the best State, Regional and Local plans.
- Demonstrate accountability and transparency in the administration of the program.

The SLRP is governed by the *SLRP Policy Manual* which is available on the LGA's website www.lga.sa.gov.au

Local Government Transport Advisory Panel Operation

The LGA established the Local Government Transport Advisory Panel (LGTAP) to oversee SLRP governance and operations, including funding applications and recommendations to the LGA Board of Directors. The LGA Board forwards recommendations to the Commission, which, in turn, submits them to the State Minister for Local Government for endorsement and the Federal Minister for Regional Development, Local Government, and Territories for approval. The LGA Secretariat provides executive support for the LGTAP.

Annually, the LGTAP invites SLRP funding applications from South Australian Councils. After the application period ends, the LGA conducts a preliminary review. Applications from Councils affiliated with a Regional LGA or the Metropolitan Strategic Roads Committee (MSRC) are also sent to their respective bodies for feedback to ensure regional strategic alignment.

The LGTAP assesses all applications, considering preliminary feedback. The assessment and approval process adheres to LGTAP and SLRP policies for transparency and accountability.

The LGTAP is governed by the *LGTAP Terms of Reference* which is available via the following link www.lga.sa.gov.au

LGTAP Membership

As of 30 June 2023, membership of the Advisory Committee comprised:

Name	Role
Mayor Leon Stephens Mayor, Port Pirie Regional Council	LGA Board Director / Chairperson (Commenced December 2022)
Mr Richard Dodson Chief Executive Officer, Light Regional Council	Sector Member (Regional Council Representative)
Mr Peter Tsokas Chief Executive Officer, City of Unley	Sector Member (Greater Adelaide Council Representative)
Mr Chris Dunn Manager Design, Construction & Transport, City of Port Adelaide Enfield	Sector Member (Greater Adelaide Council Representative)
Mr Bridget Mather Chief Executive Officer, Coorong District Council	Sector Member (Regional Council Representative)
Vacant	LGA Representative
Mr Peter Ilee Executive Officer, SA Local Government Grants Commission / SA Local Government Boundaries Commission	Minister for Local Government Representative
Mr Russell Troup Director – Transport Strategy and Network Planning, Department for Infrastructure and Transport	Minister for Infrastructure and Transport Representative (Commenced May 2023)
Name	Role
Mayor Michael Coxon	Proxy for the LGA Board Director
Mr Andrew Wroniak	Proxy for the LGA Representative
Mr Alex Sgro	Proxy for the Minister for Local Government Representative
Mr Mike Wilde	Proxy for the Minister for Infrastructure and Transport Representative

The following members completed their terms on the LGTAP:

- Mayor Keith Parkes – Chair (November 2022)
- Mayor Erika Vickery – Proxy (November 2022)
- Mr Andrew Excell – Minister for Infrastructure and Transport Representative (May 2023)
- Mr Lea Bacon – LGA Representative (March 2023)

LGTap Operations for 2022-23

Under Item 10.2.1 of the *LGTap Terms of Reference*, the LGTap is required to meet at least three times per year. During 2022-23 the LGTap met on the following three occasions, at LGA House and electronically via MS Teams.

- 29 September 2022
- 16 February 2023
- 1 June 2023

The LGTap also held one additional out-of-session meeting on 29 March 2023.

The meetings were held in accordance with the LGA's meeting procedures, with the Panel adhering to the grounds of confidentiality as appropriate. The LGTap achieved a quorum for all meetings (being a minimum of four members in attendance).

The LGTap Agendas and Minutes (removing in-confidence information, as applicable) are available on the LGA website (member only access).

Key Achievements for 2022-23

During 2022-23 the focus of the LGTap and the LGA Secretariat continued to ensure the effective administration and management of the 2022-23 SLRP grant round. The LGA Secretariat also focussed on improving the administration and governance of the LGTap by implementing a yearly review of current policies and procedures and adopting a yearly work plan.

The first review was undertaken in October 2022, following the completion of the 2022-23 SLRP grant round. The LGTap identified that a policy to facilitate the return of unspent SLRP funds was required to support the *SLRP Policy Manual*. The intended outcome of this work is to strengthen the focus of the LGTap and to enable it to continue to effectively administer the SLRP.

Key achievements for 2022-23 were:

- The LGTap supported the distribution of \$15,229,000 SLRP funds to 22 South Australian councils, as part of the 2022-23 SLRP grant round.
- The LGTap, with the support of the LGA Secretariat, undertook a detailed review of the *SLRP Policy Manual* and *LGTap Terms of Reference* as part of an ongoing process of continued improvement. Suggested amendments to the *SLRP Policy Manual* were recommended to the LGA Board of Directors, who subsequently adopted the revised *SLRP Policy Manual* on 2 March 2023. There were no recommended amendments to the *LGTap Terms of Reference*.
- Following the review of the *SLRP Policy Manual*, the LGTap identified that a policy was needed to manage the recovery of unspent SLRP funds. The LGTap supported the development of the *Return of Unspent SLRP Funds Policy* by the LGA Secretariat which was endorsed by the LGA Board of Directors on 12 May 2023.
- To facilitate the process of receiving returned SLRP funding, the Commission sought and received the approval of the State Treasurer to maintain an account with the Local Government Finance Authority (LGFA) and for the LGFA to accept deposits from the Commission for this purpose.

- The LGTAP supported the development of the *Extension Request Assessment and Approval Process* by the LGA Secretariat, to assist in the administration and assessment of SLRP project extension requests.
- The LGTAP adopted a yearly Work Plan to ensure that it continues to effectively administer the SLRP program and discharge its responsibilities and functions under the *LGTAP Terms of Reference*.

SLRP Grant Rounds

SLRP 2022-23 Grant Round

The 2022-23 SLRP grant round opened on Monday 4 April 2022 and closed on Friday 20 May 2022.

Thirty-six applications were received requesting a total of \$21,122,000 of funding. All applications were referred to either the relevant Regional LGA or to the Metropolitan Strategic Roads Committee (MSRC) for comment.

As part of a newly implemented assessment process for the 2022-23 grant round, the SLRP Coordinator undertook a preliminary review of all applications based on the SLRP Assessment Criteria.

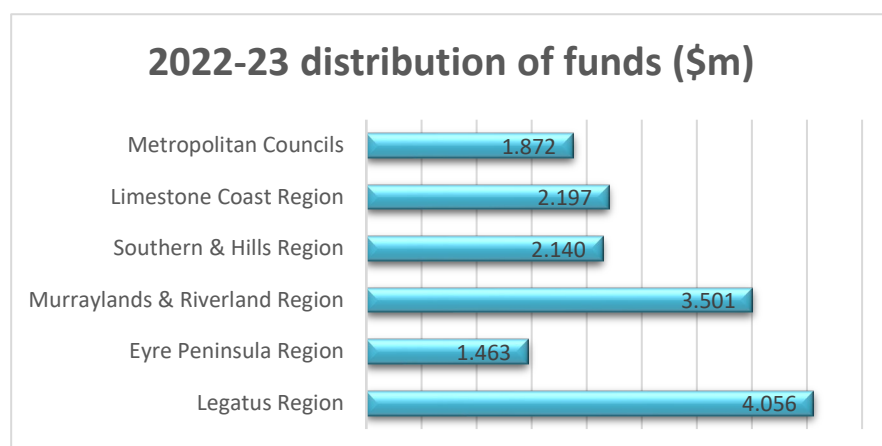
The LGTAP met on 14 June and 29 June 2022 to review the applications and make recommendations to the LGA Board of Directors.

Twenty-nine projects with a total funding allocation of \$16,212,000 for 2022-23 were recommended by the LGTAP to the LGA Board of Directors for submission to the Commission for its consideration. The Commission supported the recommendations of the LGA Board of Directors and the LGTAP and made its recommendations to the State Minister for Local Government for endorsement and the Federal Minister for approval. The State Minister advised all successful applicants as part of the advice provided for the 2022-23 Financial Assistance Grants.

The City of Playford was provided with grant funding of \$983,000 for a project for Carmello Road but was unable to undertake the intended works. The allocation of funding was subsequently returned to the Commission to be held for re-allocation as part of the 2023-24 SLRP.

The total funding distributed to South Australian councils for the 2022-23 SLRP grant round was \$15,229,000.

Diagram 1. SLRP 2022-23 distribution



SLRP 2023-24 Grant Round

The 2023-24 SLRP grant round opened on Monday 6 March 2023 and closed on Monday 1 May 2023.

Thirty-three applications were received requesting a total of \$24,031,735 of funding. Applications from councils affiliated with a Regional LGA were referred to their relevant Regional LGA for comment. Concurrent with this step, a preliminary review of all applications was undertaken by the SLRP Coordinator.

The LGTAP met on 1 June 2023 to review the applications and make a recommendation to the LGA Board of Directors for the 2023-24 Grant round.

SLRP Assessment Criteria

The *SLRP Policy Manual* outlines the following Assessment Criteria:

- Road Purpose – to what extent does the application demonstrate a strategic and significant purpose for the road (weighting = 30%)
- Scope of Works – how well does the application outline an acceptable and achievable scope of works to support the road's desired purpose (weighting = 20%)
- Value for Money – to what extent does the project represent value for money (weighting = 20%)
- Benefits of the Project – to what extent does the application outline the economic, access, safety and environmental benefits of the project (weighting = 30%)

Communication

The SLRP grant rounds were promoted on the LGA website and through the LGA Latest News, LGA CEO Update and via a media release.

An online information session for the 2022-23 SLRP grant round was held on 12 April 2022 and for the 2023-24 SLRP grant round on 15 March 2023. Recordings were made available on the LGA website.

Key Priorities and Work Plan for 2023-24

The following key priorities have been included in the LGTAP work plan for 2023-24:

- Support the State Minister's announcement of the outcomes of the 2023-24 SLRP grant round.
- Continue to monitor and review the progress of all ongoing SLRP funded projects to ensure that timelines and targets are met.
- Review the *SLRP Policy Manual* and *LGTAP Terms of Reference* as part of a yearly process of ongoing improvement.
- Support the appointment of an LGA Representative.
- Develop and adopt an appropriate Risk Management Policy for the SLRP.
- Review SLRP policies and procedures related to the effective administration of the SLRP and implement required improvements.
- Announce the 2024-25 SLRP grant round, assess applications, and make recommendations to the LGA Board of Directors.



Further Information

For further information, contact Alyssa Bates, Grants Coordinator, Ph: 8224 2041, Email: slrp@lga.sa.gov.au.

Appendix A. SLRP 2022-23 funded projects

Council	Road & Primary Purpose	Project Details	Scope	2022-23 Estimated Project Cost (\$m)	SLRP Grant (\$m)	Council Contribution (\$m)	Identified Local Roads (\$m)	Supplementary Local Roads (\$m)	Roads to Recovery (\$m)
EYRE PENINSULA LOCAL GOVERNMENT ASSOCIATION									
District Council of Franklin Harbour	Cowell Kimba and Lucky Bay Roads	The project scope includes stabilizing and sealing shoulders to attain an 8m seal width and resealing existing surface to safely accommodate increasing heavy vehicle movements and larger combinations of Restricted Access Vehicles associated with grain cartage to T-Ports export terminal at Lucky Bay. 2km of failing pavement will be overlaid.	Year 2 of 5	\$ 1,586,000	\$ 1,063,000	\$ 523,000	\$ 1,063,000		
District Council of Cleve	Ballumbah/Kinnaird Road, Darke Peak to Rudall	Upgrades along Ballumbah/Kinnaird Road which will include profiling edge of seal and stabilising widening of the shoulders. This will greatly improve the safety along this now major route for heavy vehicles.	Year 1 of 2	\$ 600,000	\$ 400,000	\$ 200,000			\$ 400,000
LEGATUS GROUP									
Yorke Peninsula Council	North Coast Road, Point Turton	The North Coast Road is approximately 11km in length and is a major link between tourist destinations. Council is proposing to undertake a combination of sealing and unsealed road upgrades to improve visitor experiences and road linkage between tourism offerings, as well as improve wider community access and safety. These works will be broken down into three self-contained stages, with Stage One commencing in 2022-23. In Stage One Council will seal the first 1.82km of the unsealed section of North Coast Road.	Year 1 of 3	\$ 1,711,500	\$ 1,141,000	\$ 570,500		\$ 1,141,000	
Light Regional Council	Gray Street, Freeling	This project will upgrade Gray Street between Hanson St and end of the kerb on Gray Street, which would deliver much-needed improvements on road safety, accessibility and connectivity for the local community and businesses. A safer road environment is proposed which includes widening of the pavement to include cycling lanes, on-street parking, improved lighting, and the new kerb and gutter to protect the pavement from premature failure and will also provide a minimum service level against flooding over the road.	Year 1 of 3	\$ 1,191,000	\$ 794,000	\$ 397,000			\$ 794,000
The Barossa Council	Moculta Road, Moculta	Upgrade of Moculta Road, including widening as required between 500 metres west of Perry Road, Penrice, and Truro Road, Moculta, and upgrade of the culvert between Gruenberg Road and Bastion Hill Road.	Year 1 of 1	\$ 2,400,000	\$ 1,200,000	\$ 1,200,000			\$ 1,200,000

Council	Road & Primary Purpose	Project Details	Scope	2022-23 Estimated Project Cost (\$m)	SLRP Grant (\$m)	Council Contribution (\$m)	Identified Local Roads (\$m)	Supplementary Local Roads (\$m)	Roads to Recovery (\$m)
Regional Council of Goyder	Hills Rd, Booborowie	Upgrade and Sealing of Hills Road to the Princess Royal Feedlot	Year 1 of 1	\$ 300,000	\$ 200,000	\$ 100,000	\$ 200,000		
Light Regional Council	Wilkinson Road & Gawler River Road	This project will upgrade sections of Gawler River Road and Wilkinson Road between Two Wells Road and Heaslip Road including the upgrade of side road intersections within this section. Proposed upgrade will provide a good level of service sufficient to accommodate its designated freight and commuting traffic through the region.	Year 1 of 1	\$ 1,082,000	\$ 721,000	\$ 361,000	\$ 721,000		

LIMESTONE COAST LGA

Tatiara District Council	Cannawigara Road, Bordertown	The work proposed involves widening and sealing the shoulders on a 6.8km section of Cannawigara Road from Meatworks Road to Siding Road. Cannawigara Road is classified as Regionally Significant Community Access Road and Freight Route and the current seal width is inadequate resulting in edge defects and dangerous edge drops/breaks. The works involve reconstructing and sealing the shoulders to meet fit for purpose standards.	Year 1 of 1	\$ 680,000	\$ 340,000	\$ 340,000		\$ 340,000	
District Council of Grant	Cafprico Road	Cafprico Road is located within the District Council of Grant running between Burrungule Road and the Princes Highway. It is a recognised 23 and 26 M GML B-Double regional freight route. This Stage 3 portion of the project will upgrade a 1.5km section of Cafprico Road, from Mulwala Road to Tollner Road. It will complete a 4.7km total section of Cafprico Road, the main thoroughfare for heavy vehicles accessing local industry sites for quarry operations, timber milling and forestry and livestock production. The completion of this upgrade will increase heavy vehicle safety.	Year 3 of 3	\$ 280,000	\$ 140,000	\$ 140,000		\$ 140,000	
Tatiara District Council	Bunker Road Widening Keith	The work proposed involves widening and sealing the shoulders on a 550m segment of Bunker Road. Bunker Road is classified as a Regionally Significant Freight route and the current seal width is inadequate for the current and future heavy vehicle traffic volumes.	Year 1 of 1	\$ 110,000	\$ 55,000	\$ 55,000		\$ 55,000	
Naracoorte Lucindale Council	Boddingtons West Road, Cadgee	The work proposed includes widening and reconstructing the road with a pavement that is suitable for long term (future projections with growth) heavy vehicle loading of adequate width and shoulders/clear zones. Riddoch Highway intersection improvements will reduce congestion on the highway and improve safe access to and from the Riddoch Highway.	Year 1 of 1	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000			\$ 1,000,000

Council	Road & Primary Purpose	Project Details	Scope	2022-23 Estimated Project Cost (\$m)	SLRP Grant (\$m)	Council Contribution (\$m)	Identified Local Roads (\$m)	Supplementary Local Roads (\$m)	Roads to Recovery (\$m)
Kingston District Council	Cape Jaffa Road, Cape Jaffa	The Cape Jaffa Road project will include widening sections of some 13.7km of the Cape Jaffa Road, with a key focus on breakaway and problem areas at intersections and through corners due to severe edge break, edge drop and cracking within the existing pavement which is evident in a number of locations. The main objective of this project will be to improve safety for all road users, as this road is a critical community access route and has key tourism and freight purposes within our district which will only continue to increase in the area into the future.	Year 2 of 2	\$ 1,200,000	\$ 450,000	\$ 450,000			\$ 450,000
City of Mount Gambier	Pine Hall Avenue, Mount Gambier	The work proposed includes Pavement Stripping of top seal and lay 150mm crushed rock after condensing the existing rubble base layer. Scrapped seal will be re-used before putting the crushed rock base. Road surface to be 2 coat seal with 7/15 aggregate. A concrete median strip is to be installed between traffic lane and shared user path to improve safety for pedestrians and cyclists. These works are a 1.1km section of Pine Hall Avenue and do not include the school carpark.	Year 1 of 1	\$ 424,000	\$ 212,000	\$ 106,000			\$ 212,000

MURRAYLANDS & RIVERLAND LGA

Coorong District Council	Carcuma Road	The Carcuma road Project will upgrade the section of road between the Dukes Highway and the TFI Feedlot. The project will widen the section of existing sealed road and provide new sealed pavement to the existing unsealed section of road.	Year 2 of 2	\$ 1,150,000	\$ 766,500	\$ 383,500	\$ 766,500		
Southern Mallee District Council	Kulkami Road	The proposed works to Kulkami Road includes widening and reconstructing 32km of road shoulder and will consist of new pavement incorporating crushed rock base course and a 2 coat bitumen spray seal to allow a road width of 7.2meters with 1 meter unsealed shoulder. Stage 2 -10km of shoulder widening works will compliment stage 1 which was completed in April 2022.	Year 2 of 2	\$ 1,000,000	\$ 666,000	\$ 334,000			\$ 666,000
District Council Loxton Waikerie	Billiat Road	Billiat Road is the gateway to the Billiat Conservation Park and links the Southern Mallee with The Riverland. Whilst being the main tourism route between the two districts, Billiat Road is not wide enough to accommodate the increased traffic and usage of the increased traffic of road trains and b-triples. Road edge breaks and stripping problems. Road requires shoulder reconstruction and widening with a reseal to accommodate GML Road Train and Oversized traffic, from 6.2m seal to 7.6m seal. This will also compliment Southern Mallee Councils proposal for upgrades to the same road in their district in 2023/2024.	Year 1 of 3	\$ 810,000	\$ 540,000	\$ 270,000			\$ 540,000

Council	Road & Primary Purpose	Project Details	Scope	2022-23 Estimated Project Cost (\$m)	SLRP Grant (\$m)	Council Contribution (\$m)	Identified Local Roads (\$m)	Supplementary Local Roads (\$m)	Roads to Recovery (\$m)
Berri Barmera Council	Mckay Road Stage II	Mckay Road, Glossop is the subject of this upgrade proposal and has been identified as a regionally significant freight route in the Murray and Mallee 2030 Regional Transport Plan and is also assigned as a B-Double route. Mckay Road Stage II has planned to separately address the tight curves along a 1km distance. Reconstruction and widening of the bends will be undertaken in order to achieve the minimum width standards.	Year 2 of 2	\$ 300,000	\$ 200,000	\$ 100,000		\$ 200,000	
Coorong District Council	Poltalloch Road	Reconstruction of existing sealed road which includes importation of base course materials, stabilisation of new and old base course materials and reseal of the road.	Year 1 of 1	\$ 1,650,055	\$ 1,028,000	\$ 622,055	\$ 984,000	\$ 44,000	
District Council Loxton Waikerie	Habel Road	Habel Road from the intersection of Karoonda Highway and Habel Road to the intersection of Browns Well Highway and Habel Road. It is also direct access to the Karoonda Highway Grain Bunkers. A seal to accommodate GML and Oversized traffic. A reseal of the entire length will ensure longevity and structural strength of the road. This project will be in conjunction with federal grant funding of intersection safety upgrades works to be carried out on each end of Habel Road as part of the Heavy Vehicle Safety and Productivity Program.	Year 1 of 1	\$ 450,000	\$ 300,000	\$ 150,000		\$ 300,000	

SOUTHERN & HILLS LOCAL GOVERNMENT ASSOCIATION

Kangaroo Island Council	Ten Trees Lagoon Road	The road requires full pavement reconstruction due to its narrow width, mixed pavement materials, and poor road and shoulder drainage. The road has become a critical freight route vital to the area, with over 50,000 ton of crushed quarry product alone hauled along it. The overall carriageway width will be increased from 6m unsealed to a 7.2m seal width, plus design shoulders. The pavement will be thicker from the current 200mm to a design pavement suitable and fit for purpose matching the projected freight demand.	Year 1 of 1	\$ 2,000,000	\$ 1,340,000	\$ 670,000	\$ 1,340,000		
Alexandrina Council	Nangkita Road	This project involves upgrading the pavement and road surface along Nangkita Road to make the road fit for purpose for freight and community access vehicles. Nangkita Road is a Regionally Significant Freight Route and Regionally Significant Community Access Route.	Year 1 of 1	\$ 900,000	\$ 600,000	\$ 300,000			\$ 600,000

Council	Road & Primary Purpose	Project Details	Scope	2022-23 Estimated Project Cost (\$m)	SLRP Grant (\$m)	Council Contribution (\$m)	Identified Local Roads (\$m)	Supplementary Local Roads (\$m)	Roads to Recovery (\$m)
City of Victor Harbor	Three Gullies Road, Encounter Bay	The works cover the resurfacing of a section of Three Gullies Road, Encounter Bay (City of Victor Harbor), starting from the intersection with Battye Road and heads south 490m down the gully and back up to the crest in line with Mayflower Court. The road requires resurfacing with some deep lift patches due to aged and failed pavement. The road is a collector road and a critical tourism route vital to the region. The road surface suffers from extensive cracking, deformation and potholes. Areas have degraded too far for resurfacing and will require deep lift patches.	Year 1 of 1	\$ 300,000	\$ 200,000	\$ 100,000		\$ 200,000	
GREATER ADELAIDE ORGANISATION OF COUNCILS (GAROC)									
City of Onkaparinga	Regency Road, Happy Valley	Reconstruction of Regency Rd, Happy Valley between Glenloth Drive and Byards Rd. For vehicle users these works will incorporate traffic calming, improvements to parking arrangements and bus stop improvements. For active transport users this project will ensure all bus stops and side streets are connected to the footpath trail networks.	Year 1 of 1	\$ 2,670,000	\$ 1,000,000	\$ 1,670,000	\$ 787,000		\$ 213,000
City of Marion Council	Quailo Avenue & Barramundi Drive, Hallet Cove	For many years now, the T-Junction of Barramundi Drive and Quailo Avenue has caused issues for public transport bus services traversing this location. The South Australian Public Transit Association (SAPTA) are receiving reports from bus drivers of their vehicles scraping the road surface at this location. Project objective is to reconstruct the road to address gradient issues along the road and improve safety for vehicles especially buses.	Year 1 of 1	\$ 285,000	\$ 142,500	\$ 142,500	\$ 142,500		
City of Port Adelaide Enfield	Blacks Road, Gilles Plains	Blacks Road from Grand Junction Road to Dally Road. Reconstruction involves replacement of kerb and gutter and full reconstruction of granular and asphalt pavement. Council propose to trial an in-situ stabilisation of pavement using lime and foam bitumen.	Year 1 of 1	\$ 300,000	\$ 150,000	\$ 150,000		\$ 150,000	
City of Port Adelaide Enfield	East Parkway	Road renewal and asphalt deep lift of 150mm from Hampstead Road to Jeffcott Ave Lightsview	Year 1 of 1	\$ 200,000	\$ 100,000	\$ 100,000		\$ 100,000	
City of Port Adelaide Enfield	Elder Road, Largs Bay	Road renewal and replacement of kerb and gutter where required from Wills Street to Jetty Road	Year 1 of 1	\$ 300,000	\$ 150,000	\$ 150,000	\$ 150,000		
Adelaide Hills Council	Tiers Road Lenswood	The project involves the reconstruction of two sections of Tiers Road between Lenswood and Woodside.	Year 1 of 2	\$ 660,000	\$ 330,000	\$ 330,000		\$ 330,000	
TOTAL FUNDING:					\$ 15,299,000		\$ 6,154,000	\$ 3,000,000	\$ 6,075,000



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6.4 LGASA Mutual Annual Report 2022-2023

LGA Business

From:	Dr Andrew Johnson, Chief Executive Officer - LGASA Mutual	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	26 October 2023
ECM:	796321	

Recommendation

That the Annual General Meeting receives and notes the LGASA Mutual Annual Report for the year 2022-2023.

Discussion

David Holston, Independent Chair of LGASA Mutual Pty Ltd will present the annual report on the activities of LGASA Mutual, incorporating the LGA Mutual Liability Scheme and LGA Workers Compensation Scheme.

LGASA Mutual reach two major milestone during the year. The first was that in received a four-year licence renewal from Return to Work SA following an extensive evaluation process. This is in acknowledgement of the excellent work that councils have put into their WHS practises and injury management procedures.

The second was that LGASA Mutual negotiated a renewal of the Treasure's Indemnity with the state government. The Treasure's Indemnity is a unique and vital part of the cover the LGA Mutual Liability Scheme is able to provide councils. The agreement requires the Treasurer and LGASA Mutual to come together to resolve any claims that the LGA Mutual Liability Scheme receives beyond the reinsures that it acquires from the commercial insurance market. The Treasure's Indemnity is thus important to the viability of the Mutual Liability Scheme and provides councils and the South Australian Community a degree of comfort should a council be subject to a claim for a catastrophic event.

This Board has investing heavily during the year in a number of new programs and resources to assist councils keep on top of the emerging risks facing the sector. These new innovative proactive programs will be further developed and rolled out in the coming year to assist the sector manage its every increasing risk profile.

One of these key new initiatives that the Board has invested in heavily during the year has been the LG Safe program. The LG Safe project has made its objective to provide a compliant WHS framework that is user friendly. A large amount of work has been undertaken to consult the sector to determine their needs ahead of rolling out a simplified framework, more user-friendly documents and a greatly enhanced electronic system.

The Schemes continues to perform very well in a challenging environment.

The operating result for the LGA Mutual Liability Scheme for FY2023 was a surplus of \$1,082,136 (FY2022 deficit of \$712,979). This is exclusive of payments from the risk incentive program of \$199,042 (FY2022 \$256,035). The total comprehensive surplus for the year, inclusive of risk incentive payments made to members, is \$883,094 (FY2022 deficit \$969,014).

The result for the year represents a favorable variance of \$1,061,735 from the adopted 2022/23 budget. This was primarily due to an increase in investment income resulting from increases in interest rates received and also due a favorable settlement, compared to case estimate, on a historic claim.

The LGA Mutual Liability Scheme's accumulated surplus at year end was \$17,966,514 (FY2022 \$16,884,377). This is at the lower level of the Board's Policy and the recommendation of the independent actuary, which is 1.4 to 1.9 times the APRA Minimum capital requirements or between \$17.09 and \$23.2 million.

The LGA Mutual Liability Scheme has continued to provide excellent value to Members. The LGAMLS has assisted Councils with the production of a number of guides and best practice manuals during the year as well as commenced its Behavioural Standards Risk Management Services which provides an early intervention when elected member relationships start to break down. The Mutual Liability Scheme has also continued to support Councils with identifying and managing their strategic and operational risk as well as providing staff and Elected Member training.

The operating result for the LGA Workers Compensation Scheme for FY2023 was a surplus of \$1,131,391 (FY2022 surplus of \$874,730). This is exclusive of payments from the risk incentive program of \$268,011 (FY2022 \$344,940) and a special distribution of \$1,000,000 (FY2022 NIL) to members. The total comprehensive deficit for the year was \$136,6201 (FY2022 surplus of \$529,790) after the special distribution and risk incentive fund payments to members.

The result for the year represents a favorable variance of \$432,503 from the adopted 2022/23 budget. This was primarily due to an increase in investment income resulting from increases in interest rates received.

The main feature of Scheme experience has been the sustained drop in claim numbers since 2014. While average costs per claim have trended upwards, the drop in claims (currently 60% of their pre-2014 levels) is large enough to result in broadly stable aggregate inflated costs.

Outstanding provisions (after reinsurance receivables) as at 30 June 2023 are projected to be \$21.108m. This is higher than last year's provisions of \$19.489m almost exclusively due to higher case estimates emerging late in the 2023 development year.

The LGA Workers Compensation Scheme's accumulated surplus at year end was \$18,581,447 (FY2022 \$18,450,056). This is more than the Board's approved target surplus band which is between 1.2 to 1.5 times the maximum of APRA minimum capital requirements and those implied under RTWSA's minimum Financial Guarantee requirements, and this equates to a target surplus of between \$12.8 and \$16.0 million.

Within the LGA Workers Compensation Scheme claim number have continued on their downward trend as a result of the exceptional efforts of our members and the LGRS team recording 438 claims for the year. This downward trend has assisted in keeping total claim costs down despite average claim costs rising.

LGASA Mutual Board would like to extend its thanks for the hard work and dedication of the LGRS team who continue to deliver all the Scheme services and were pivotal in the delivery of another outstanding year for both Schemes.

The LGASA Mutual Board looks forward to continuing work with its members to add value to their business by providing unique cover and risk services to meet their needs.

The LGASA Mutual Pty Ltd's 2022-2023 Annual Report (including the Schemes abridged financial statements) will be available on the LGA's website prior to the meeting, and printed copies will be provided at the meeting.

6.5 LGA Procurement Annual Report 2022/2023

LGA Business

From:	Simon Blom, Chief Executive Officer	
Strategy:	4 - Achieve	
Outcome:	4.2 The LGA's financial sustainability is supported by a growth in revenue from value-adding member services and LGA Procurement	
Meeting	Annual General Meeting	26 October 2023
ECM:	797202	Attachment: 796230

Recommendation

That the Annual General Meeting receives and notes the LGA Procurement Annual Report for the year 2022-2023.

Discussion

LGA Procurement achieved a net surplus for the 2023 financial year, although less than budget. There was an increase in overall revenue on the 2022 result, however, both revenue and expenses were less than budget.

LGA Procurement remained focused on delivering savings to the sector through effective buying power, panel contracts, and direct assistance. Further value was created by providing information and assistance via webinars, in-person sessions, one-on-one interactions, and free resources.

New panels were created to meet the changing needs of councils and the management of existing panels continually refined in response to the requirements of the sector and suppliers alike.

A copy of the LGA Procurement Annual Report 2022/2023 is attached.

Financial and Resource Implications

This activity has been anticipated in the LGA Procurement's work program and resources are available to progress this work.



LGA Procurement Annual Report 2022-23

lgaprocurement.sa.gov.au



Vision

To deliver best value
purchasing and procurement
services for the ultimate
benefit of South Australian
ratepayers.

Mission

We enable South Australian
councils to save time, save
money and reduce risk in
their purchasing and
procurement
activities.

Value

Value and Respect
Optimism
Integrity
Connectivity
Excellence

Strategic pillars





Table of Contents

LGA Procurement Board	3
LGA Procurement Board	4
Strategic context.....	5
Message from the Chair.....	6
David O'Loughlin	6
Chief Executive Officer Message	7
Simon Blom Chief Executive Officer	7
Overview of 2022-23.....	8
Company summary	8
Our customers.....	8
LGA Procurement 2022-23 service engagements	8
A year in review	9
Communications.....	10
Key achievements during 2022-23.....	11
1. Customer engagement.....	11
2. Products and services.....	12
3. Education and thought leadership.....	13
4. Data driven	13
5. Operational performance	13

LGA Procurement Board

David O'Loughlin

With experience gained through more than 30 years in executive roles in the private and public development sectors, David O'Loughlin also has 20 years of government experience including as a Mayor, LGASA Board Director, LGASA President and National Australian Local Government Association President. He is currently Chair of the LGA Procurement Board.



David has a breadth of governance experience and currently serves on the State Planning Commission, the National Housing Supply and Affordability Council, the Renewal SA Board, The Cottage Homes Incorporated Board, Blackfriars Priory School Board, Prospect Kiwanis, Art Deco and Modernism Society SA, and the UniSA Architecture Museum Advisory Board.

Martin Bowens

Martin has over 25 years of experience across local government, power and utilities, defence, transport, mining and health clients and brings experience working in regulated industries including health, power, water, waste and airports.

He has delivered transformation projects to deliver physical infrastructure, public private partnerships (PPP) and eHealth projects in UK, Ireland and Australia across projects of \$400 million, to programs of up to \$35 billion.

With a background in procurement, program management, mergers and acquisitions and PPP advisory, he brings knowledge of working in complex stakeholder environments, together with experience of growing his own consulting and interim procurement leadership consultancy.

This is in addition to growing divisions within Big 4 consulting firms, while also engaging in community groups such as school governing boards.

Martin has an inclusive leadership style, which builds trust while delivering change initiatives through stakeholder buy-in at all levels. His experience includes engaging and working with executives, project teams, consultants and operational team members.



Clinton Jury GAICD

As Chief Executive Officer of the Local Government Association of SA, Clinton Jury is committed to fostering growth, providing strong advocacy and working collaboratively with stakeholders for the benefit of South Australia's councils.

Clinton is a passionate and influential leader with extensive experience leading member-based organisations, having held executive positions with the Australian Institute of Company Directors and Australian Red Cross.

For over 30 years, he has led teams to achieve innovative member and community engagement, deliver policy change and implement commercial strategies across the healthcare, education, and humanitarian services sectors.

Clinton is driven to deliver positive outcomes for local government which support communities and enrich the state's liveability. He is currently a Director of the Local Government Finance Authority, LGASA Mutual Services, LG Procurement, Cure4 Cystic Fibrosis Foundation, Ambassador for CEO Sleepout and member of the Commercial Advisory Committee for St Vincent de Paul SA, and Advisory Committee of Austrian Association of SA.





LGA Procurement Board

Caroline Phillips

Caroline is Mayor of the District Council of Karoonda East Murray and has served as an elected member for the past 12 years.

Residing in regional South Australia, she has a passion for building and developing local communities.

Caroline has extensive experience in regional tourism following a 10-year stint with the South Australian Tourism Commission, which included roles in the marketing and research teams and holding the position of Regional Tourism Manager in both the Murraylands and Riverland regions of SA.

With professional qualifications in marketing and a Bachelor of International Business, she has over 20 years' experience working in marketing and communications in both the public and private sector.

Caroline is also currently a board member of the Local Government Association of South Australia, Tourism Industry Council of South Australia, Netball South Australia and Landscapes SA Murraylands & Riverland, along with president of the Murraylands and Riverland Local Government Association.



Strategic context

The LGA Procurement 2019-2023 Strategic Plan is underpinned by strong business and governance fundamentals and a solid value proposition focused on value for money and management of risk for the benefit of South Australian councils.

The 2022-23 Annual Report reflects Phase 2 of the Strategic Plan. The nurture and growth focus in this phase aims at embedding the initiatives of Phase 1 in process and procedures and moving toward attracting new customers, expanding services, growing our reputation and increasing efficiencies.

The LGA Procurement Board and staff will review and design a new Strategic Plan in 2023. This aims to ensure there is a continued progression from Phase 2 Nurture and Growth, to Phase 3 Thrive and Beyond.





Message from the Chair

This year LGA Procurement has continued to deliver millions of dollars in savings to councils through effective buying power, panel contracts and direct assistance.

Our team has also managed over 130 efficient and risk mitigated procurement consultancies in the last year on behalf of South Australian councils.

In the face of one of the most volatile periods in energy pricing in living memory, I'm proud of the way LGA Procurement stepped up, engaging the smartest minds in energy procurement across the industry and within our own sector.

Taking an innovative approach to move forward with not one but two aggregated electricity procurement processes to bridge geopolitical energy instability provided time for the Australian Government to intervene and stabilise wholesale gas price escalation. This allowed LGA Procurement to secure the most competitive aggregated pricing structures currently available, providing \$9.43m in savings for members.

Thanks must go to representatives from across our member councils who helped shape this process and to the many others who reviewed our proposed procurement panels and undertook training to improve their procurement skills.

During the year, I was pleased to welcome our new Chief Executive Officer Simon Blom and Manager Operations Debra Scott. This new leadership will help us move through to the next phase of planned growth, particularly in attracting new customers, expanding services and increasing efficiencies. The insights they have gained are already proving invaluable as we steer the business to exceed the procurement needs of our members.

In shaping the above, I'd like to thank our team of staff, and those of our members who trust LGA Procurement's services and purchasing efficiencies. I acknowledge the contribution of fellow LGA Procurement Board Members Martin Bowens, Mayor Caroline Phillips, and LGA CEO Clinton Jury for their ongoing commitment, knowledge and leadership throughout this most challenging and inspirational year.

We look forward to continuing to provide value and exceptional service for our members.

David O'Loughlin
LGA Procurement Chair



Chief Executive Officer Message



In early 2023 I started as LGA Procurement's Chief Executive Officer and could not be more pleased to join such a vibrant and member-focused team.

Having spent several years in the local government sector, it's exciting to be on this side of member service and part of an organisation that drives value for local communities.

As we set our focus on the next phase of growth in our strategic planning, it's important to acknowledge the achievements of the past year. To that end, I'd like to thank the LGA Procurement Board for their diligence in leading our organisation and sound advice.

Despite a challenging year, LGA Procurement remained financially sustainable through rebates from suppliers engaged through pre-approved panels and cost recovery from procurement activities.

We continued to achieve value for money for members through the VendorPanel, delivering over \$2.7 million in savings through direct panel access, contract management efficiencies and price savings. This included panel contracts our most popular categories including engineering and professional services, minor civil, information and communication technology, open spaces and trucks.

Our panel arrangements continued to perform well during the year, with our team now managing over 600 pre-qualified suppliers which are available for members to use and benefit from.

As part of our focus on innovation and sector capability, we are delivering free interactive workshops, thought leadership and resources. In the last year, our focus on electricity management intended to support members better understand the electricity environment and achieve greater value through energy contracts.

As a not-for-profit business any revenue we may make is reinvested into the Local Government Association to further the delivery of services directly to members. This model benefits councils with services that achieve value to the entire sector.

In 2022-23, we provided a surplus to Local Government Association of SA consistent with our performance over the past three years.

None of these achievements would be possible without the support of councils and our approved contractors and stakeholders. I thank them all for their continued trust in the LGA Procurement team.

I also recognise the exceptional dedication of our people. Their enthusiasm to deliver best value, quality advice and support for councils, despite the challenges of the year, is to be congratulated.

Looking ahead, we are focused on building on our panel management and resources to increase conformance and provide an efficient and effective way for councils to engage suppliers.

It is our vision to deliver best value purchasing for councils and I am confident we are well-equipped to improve on our performance and deliver against our strategic pillars.

Simon Blom
Chief Executive Officer

Overview of 2022-23

Company summary

LGA Procurement delivers best value purchasing and procurement services to the local government sector. We offer free resources, purchasing advice and connection with hundreds of pre-qualified suppliers to help councils deliver the services and programs that matter most for communities.

Our customers

We are able to serve a diverse range of customers, including South Australian councils and subsidiaries, state and federal government agencies, educational institutions, industry and member associations and not-for-profit organisations.

LGA Procurement 2022-23 service engagements





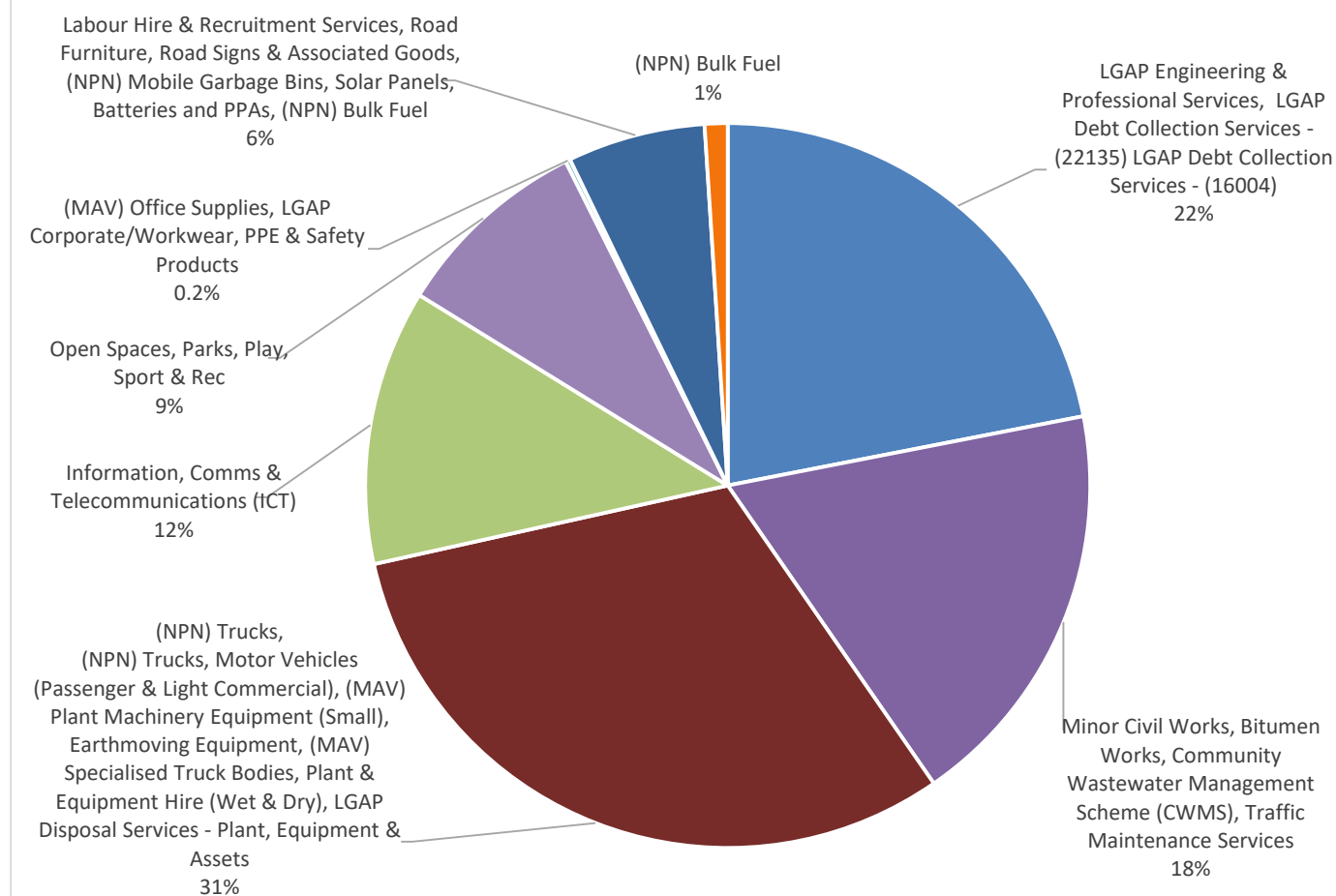
A year in review

Using VendorPanel, LGA Procurement has delivered over \$2.7 million in savings to the sector during 2022-23 with contract management efficiencies, tender avoidance savings and negotiated price savings.

South Australia's Local Government sector spent in excess of \$35 million through managed contracts on VendorPanel.



VendorPanel Requests for 2022/23



7 NEW CONTRACTS

- Debt Collection
- Bill Payment Services
- Electricity
- Road Furniture
- Bulk Fuels Suppliers
- Bulk Fuel, Oil Storage Tanks, Dispensing Equip
- Oils, Lubricants, Adblue & Vehicle Care Products

5 EXTENDED CONTRACTS

- Motor Vehicles
- Office Suppliers
- CWMS
- Corporate Workwear
- Solar Panels, Batteries & PPA

3 REFRESHED

- Corporate workwear
- Information, Communication & Telecommunications
- Motor Vehicles

Communications

The LGA Procurement newsletter has doubled its frequency to provide targeted updates to councils on a monthly basis. Our website continues to be updated with key contract information, templates, resources, webinars and relevant information for the sector throughout the year.

Key achievements during 2022-23

To deliver our vision and mission, LGA Procurement has five strategic pillars which provide focus to our business planning and strategic projects:

- Customer engagement
- Products and services
- Education and thought leadership
- Data driven
- Operational performance.

Our principle of efficient group purchasing power provides many benefits for busy procurement teams. Our work to secure the most effective and efficient purchasing solutions provides all councils access to savings, leveraging the volumes of large council demands to benefit smaller volume requirements of other councils.

1. Customer engagement

Building brand recognition, relationships and trust.

2022-23 outcomes:

- We continue to engage with councils to provide ongoing free of charge materials including procurement templates and procedures.
- Maintained newsletters and website which continued to attract new subscribers, deliver relevant and targeted communication and support education and information.
- Delivered independent and expert advice through council procurement officers who assisted in the development and evaluation of suppliers in each aggregated category. Panels were sourced and negotiated with expert help, including from expert consultants –avoiding pitfalls and capturing the full opportunity of the category.
- New VendorPanel templates were created for all panels, providing continuity for both councils and suppliers.
- Entered a Memorandum of Agreement with the Local Government Association of SA for review and support of waste model documents.
- Negotiated rate savings of \$130 for each individual annually to join the Chartered Institute of Procurement and Supply, an international organisation founded on quality procurement.
- Hosted a presentation with our partner, Maxxia, to explain salary sacrificing options available for local government to help staff better understand salary packing and sacrificing.
- Assisted councils to effectively and efficiently use the labour hire panel through webinars and advice.

2. Products and services

Create value for money purchasing opportunities for councils by working closely with sector suppliers and refining our contractual offerings.

2022-23 outcomes:

- New panels or contracts were created for:
 - Debt collection
 - Bill payment services
 - Electricity
 - Road furniture
 - Bulk fuels suppliers
 - Bulk fuel, oil storage tanks, dispensing equip
 - Oils, lubricants, adblue & vehicle care products
- Several panels were added to the LGA Procurement catalogue, created in direct response to the sector's needs. Some of these panels LGA Procurement directly managed the process and others were in collaboration with our interstate counterparts.
- Dissolved the Fleet Card Option panel following a decision to transition to a State Government contract which provided members' greater benefit. Also ceased the Directions on Microsoft license as this reached its end of life and was determined to no longer meet council needs.
- Delivered \$9.43 million in savings over the next two years for councils through electricity procurement processes during unprecedented volatility in the electricity market. Across the state, about 70% of all councils opted to execute the agreement which will see a spend in the order of \$27.5 million over the next two years.
- Increased our focus on using South Australian suppliers, First Nations businesses, suppliers with social and community benefit.,
- Continued to create and maintain strong working relationships with the local government sector through networks and partnerships.
- Continued our service offering helping councils deliver their business through managed contracts, consultancy services and professional development – ensuring a streamlined interface between councils and suppliers.
- Offered councils updated templates, documents and resources, including a new model procurement policy and VendorPanel templates.
- Commenced a review of procurement templates and processes, as well as undertaking review of individual tendering processes to ensure compliance with council Procurement Policy and Procedures.
- Supported councils effectively deliver 134 projects to benefit their communities.
- Secured 20 Managed Panel Contracts and 9 Special Contracts to provide consolidated spend and better discounts for buyers.

3. Education and thought leadership

Develop procurement capacity and capability by improving the sector's understanding of best practice procurement processes.

2022-23 outcomes:

- Delivered training through face-to-face and online modules to 76 council employees.
- Further training was provided to council subsidiary staff to address greater understanding of procurement processes.
- Provided advice and support directly to councils on procurement questions and made free webinars available throughout the year in collaboration with strategic partners as part of our education and thought leadership pillar.

4. Data driven

Drive outcomes in relation to business development activities, rebate reporting and general staff performance.

2022-23 outcomes:

- Participated in ongoing development of the VendorPanel platform through feedback and engagement with the software provider.
- Continued to review and modify the rebate reporting process and methodology to improve results and user experience.
- Conducted a survey of suppliers to enhance our understanding of their experience and better understand their expectations.

5. Operational performance

Recognise our responsibility to be efficient in our operations, to operate a financially sustainable business and to deliver a dividend to our owner, the Local Government Association of South Australia.

2022-23 outcomes:

- Clarified our vision with the Board to grow our business in a financially sustainable way, with a focus and intent to provide value to the South Australian community through the effective and efficient support of council procurement.
- Built on and refined our practices for refreshing existing managed contracts and delivered on our forward Procurement Plan
- Continued to invite sector feedback, scan the political, economic, and legislative environments for risks and opportunities, and action results for continuous improvement.



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6.6 Local Government Financial Indicators 2023

LGA Business

From:	Nathan Petrus, Executive Director Member Services	
Key Initiative:	2 - Assist	
Strategy:	2.3 Councils are engaged in addressing sector-wide priorities, including local government reforms and achieving greater financial sustainability	
Meeting:	Annual General Meeting	
ECM:	797273	Attachment: 797274

Recommendation

That the Annual General Meeting receives and 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 2023* (the report) delivers on a recommendation from the Inquiry 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 analysis of the most recent SA Local Government Grants Commission Database Reports 2021-22 and demonstrates the ongoing progress in both the financial performance and financial position of the sector as a whole.

In 2021-22:-

- the sector's adjusted **operating surplus ratio was 3.2 per cent** – showing that existing levels of income are sufficient to cover day-to-day spending. Overall, the sector's income exceeded operating expenses by \$84 million;
- the sector's adjusted **net financial liabilities ratio was 33 per cent** – showing that the net amount owed to others is a relatively modest portion of one-year's income. The sector's net amount owed to others of around \$871 million at 30 June 2022 is also very low when put in the context of infrastructure and other physical assets valued at over \$28 billion. It is comparable to a family living in a \$500,000 house having a mortgage of around \$15,500 and no other debts; and
- the sector's **asset renewal funding ratio was 85 per cent**. 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 desired and affordable service levels from their assets.

In summary, the evidence shows that South Australian local government is living within its means, has a low level of indebtedness, and generally is managing its assets satisfactorily.



SA Local Government Sector Financial Indicators Report 2023

Financial Year 2021-2022

Released September 2023

1. Introduction

To provide an understanding of the current financial performance and position of the local government sector in South Australia, the Local Government Association (LGA) has undertaken analysis of the most recent SA Local Government Grants Commission Database Reports, which relate to the 2021-22 financial year.

The following report highlights the 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 2021-22:-

- the sector's adjusted **operating surplus ratio was 3.2 per cent** – showing that existing levels of income are sufficient to cover day-to-day spending. Overall, the sector's income exceeded operating expenses by \$84 million;
- the sector's adjusted **net financial liabilities ratio was 33 per cent** – showing that the net amount owed to others is a relatively modest portion of one-year's income. The sector's net amount owed to others of around \$871 million at 30 June 2022 is also very low when put in the context of infrastructure and other physical assets valued at over \$28 billion. It is comparable to a family living in a \$500,000 house having a mortgage of around \$15,500 and no other debts; and
- the sector's **asset renewal funding ratio was 85 per cent**. 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 desired and 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 seek to improve the services they provide to their local communities.

South Australian councils collectively manage an annual budget in excess of \$2.6 billion and maintain infrastructure and other physical assets worth around \$28.2 billion.

Taxation revenue raised by councils (from general and other rates on property) was \$1,903 million in 2021-22. Together with other own-source funding (mainly user and statutory charges), approximately 85 per cent of local government operating revenue is from its own sources. The remaining revenue comes from grants from federal and state governments.

The rates collected by councils nationally are around 3 per cent of the total taxes paid by Australians.

South Australian councils manage their finances conservatively under difficult constraints. Local government can raise only one type of tax (council rates), has very low indebtedness, receives the lowest per capita level of grants from other levels of government in the nation, and relies on an ongoing extension of the Supplementary Local Roads Program to ensure a fair share of federal government grant funding.

Cost shifting from State to local government continues to apply pressure to council budgets. Key cost shifting pressures include mandatory rate rebates required to be provided to educational institutions and Housing SA properties transferred to community housing providers, along with a shortfall in the reimbursement of council costs incurred in collecting the State's Regional Landscapes (RL) levy.

Within this context, South Australian councils are doing a lot with a little and often providing an increased range or level of services to a high standard.

In 2019, the South Australian Productivity Commission undertook an Inquiry into Local Government Costs and Efficiency. The Inquiry found that '*compared with each other, most councils achieved high levels of relative efficiency*'.

3. Local government financial sustainability

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*.

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, improved internal controls and better 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 (IPWEA) to adopt internationally recognised approaches for preparing asset management policies and plans.

More information about the Program and resources for councils can be found on the LGA's Financial Sustainability Program webpage www.lga.sa.gov.au/FSP

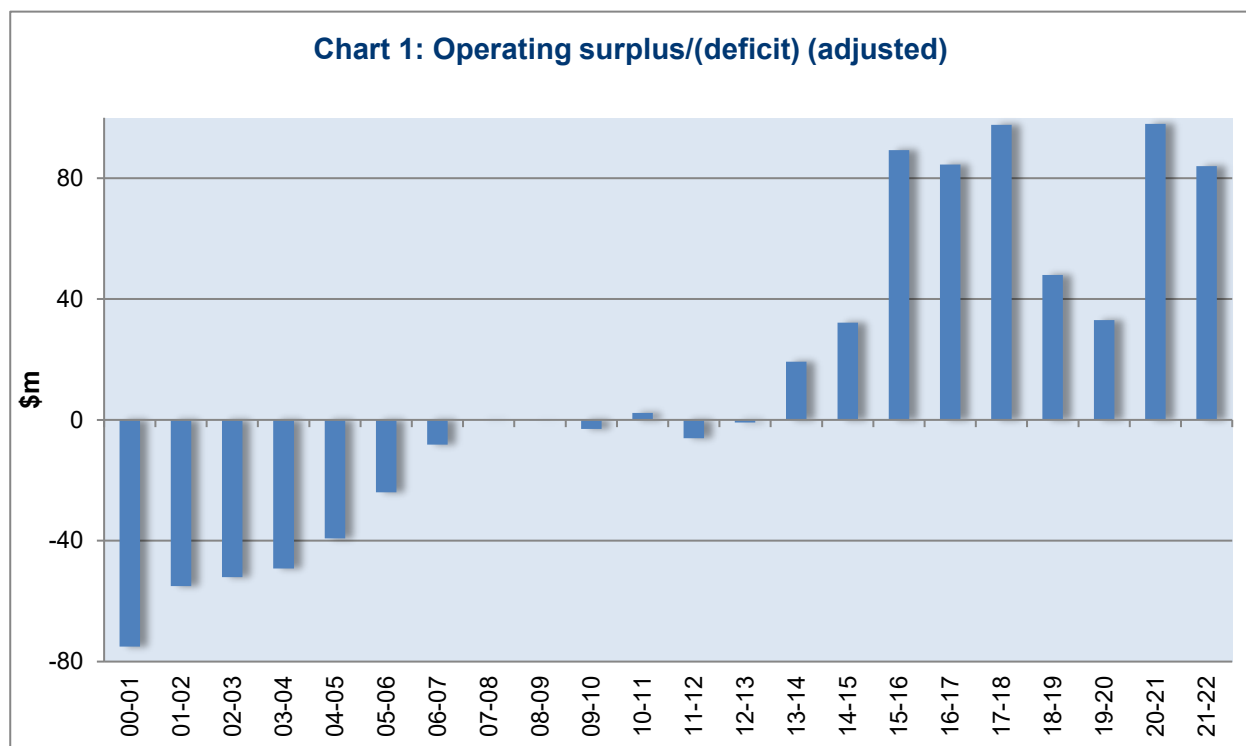
4. Measuring Financial Performance

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.

Historically, 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 improvement in the financial performance of councils, with an operating surplus of \$84 million reported in 2021-22.

A total of 48 councils recorded an operating surplus in 2021-22 (compared with only 16 councils in 2000-01).

Chart 1 provides aggregate data from 2000-01 until 2021-22 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 (FAGs) received in some years.

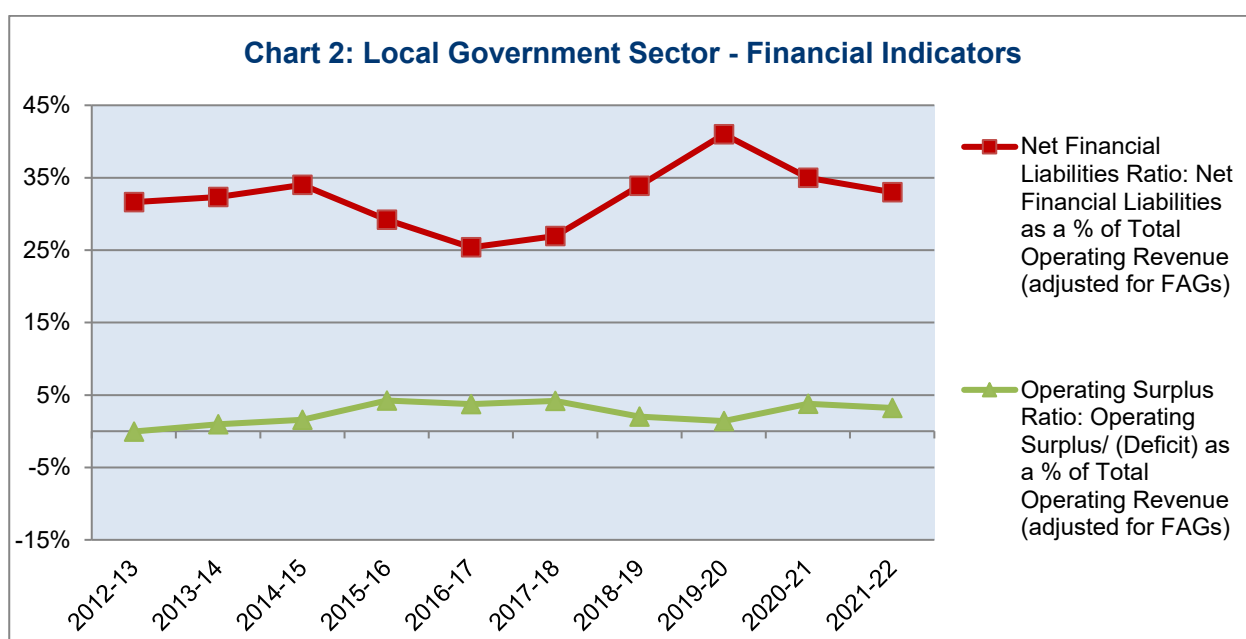


5. Financial Indicators

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 its financial performance (operating surplus ratio) and financial position (net financial liabilities ratio).

Chart 2 below provides aggregate data for the last decade (from 2012-13 until 2021-22) 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 (FAGs) in some years.



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 operating income.

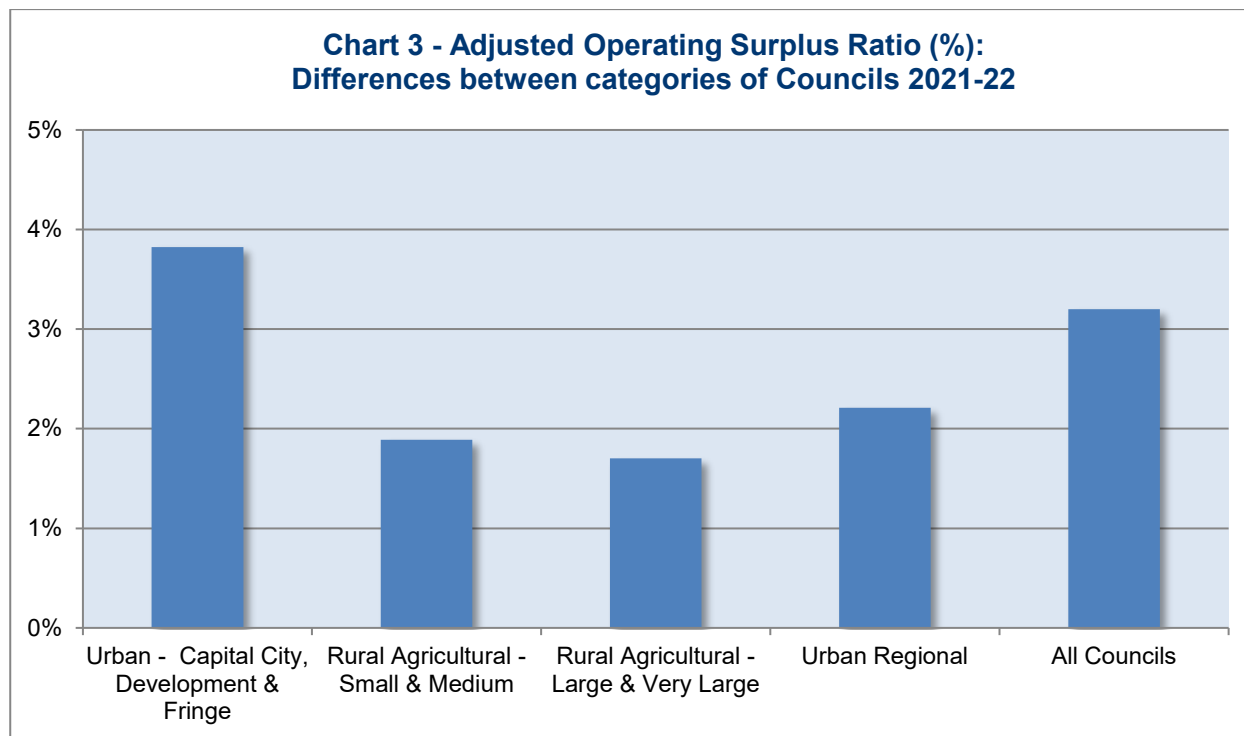
Guidance material provided to councils under the LGA's Financial Sustainability Program suggests that councils generally should seek to achieve, on average over time, a target range for an operating surplus ratio of between 0 per cent and 10 per cent.

As shown in **Chart 2** above, the local government sector's operating surplus ratio in 2021-22 was 3.2 per cent. This result compares with an operating surplus ratio of negative 0.0 per cent in 2012-13.

Historically, this ratio has been as low as negative 8.3 per cent in 2000-01 and recent performance represents a significant improvement in the financial sustainability of councils over the last two decades.

The local government sector's operating surplus ratio has consistently been within the target range for the last ten years.

Chart 3 below shows the differences in the operating surplus ratios between categories of councils recorded in 2021-22.



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.

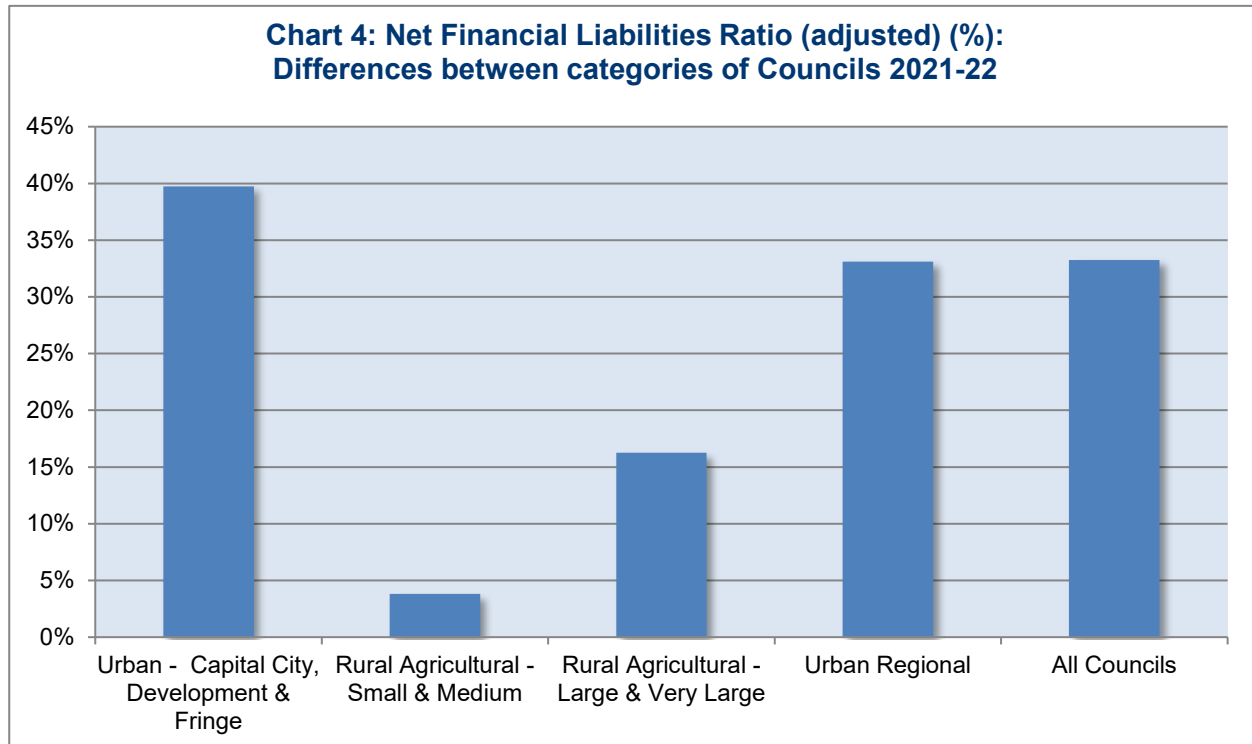
At 30 June 2022, the level of net financial liabilities was around \$871 million. This is very low when put in the context of local government infrastructure and other physical assets valued at around \$28.2 billion.

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.

There is no right or wrong target range for the net financial liabilities ratio. Councils generally seek to achieve a target range of between zero and 100 per cent, but higher than 100 per cent may be appropriate in some circumstances. A target range should be set by a council having regard to the target for its operating surplus ratio and the needs that are identified in its long-term financial plan and its infrastructure and asset management plan.

As shown in **Chart 2** (on the previous page), the adjusted net financial liabilities ratio for the local government sector in 2021-22 was 33 per cent. The ratio has consistently landed between 25 to 45 percent (ie. around the middle of the suggested target range) over the decade.

Chart 4 below shows the differences in the net financial liabilities ratios between categories of councils recorded in 2021-22. The chart highlights that some councils are averse to incurring debt to help finance the cost of infrastructure. This may lead to these councils under-investing in infrastructure relative to what their operating revenue streams will allow. Their service levels will be lower as a result.



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.

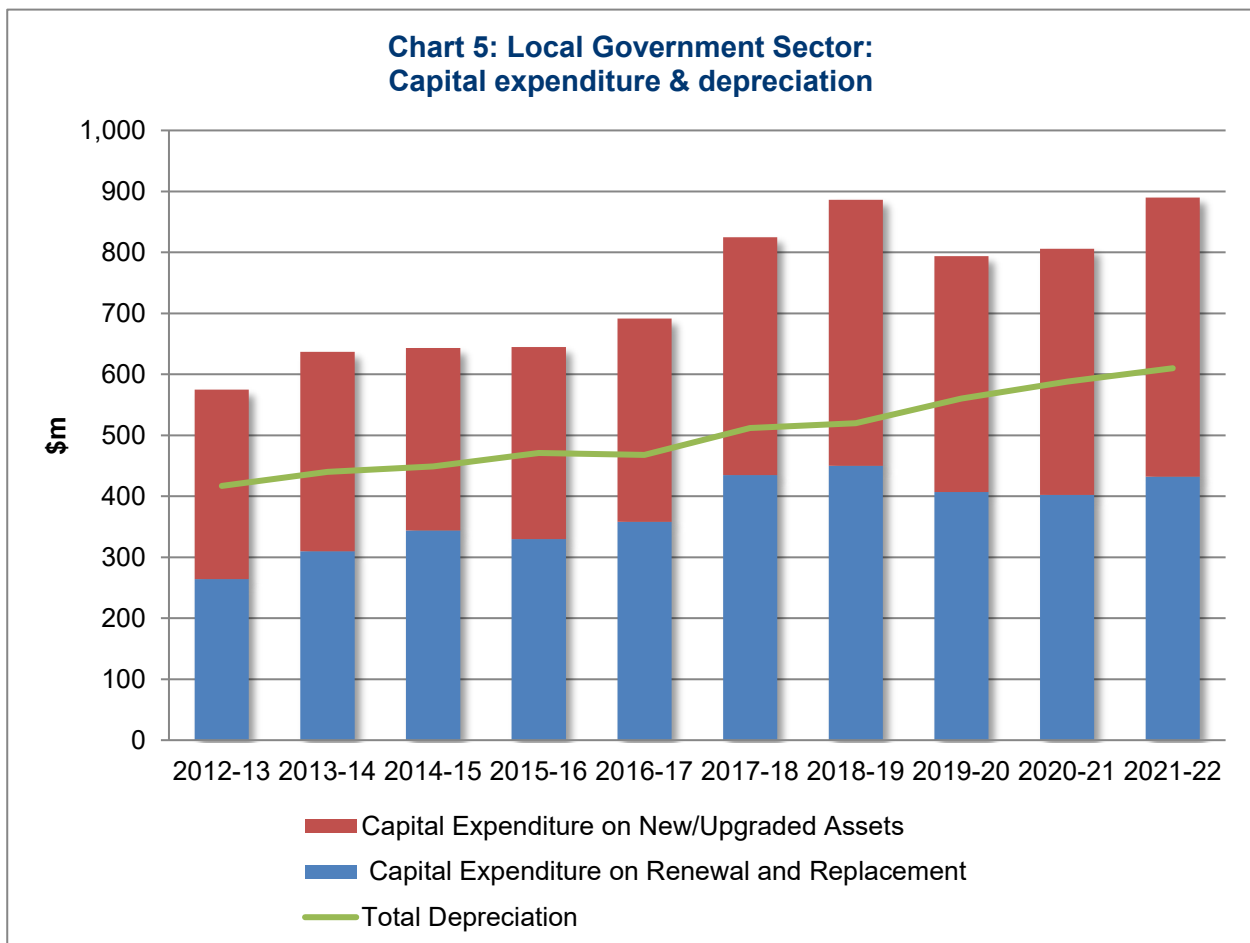
Of course, where a council is not achieving an underlying operating surplus, or trending towards doing so in the medium term, then generally any capital expenditure on upgrading or expanding infrastructure needs to be modest and targeted, because it normally will lead to additional maintenance and depreciation costs.

Capital Investment Expenditure

Overall, capital expenditure in 2021-22 was \$890 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.



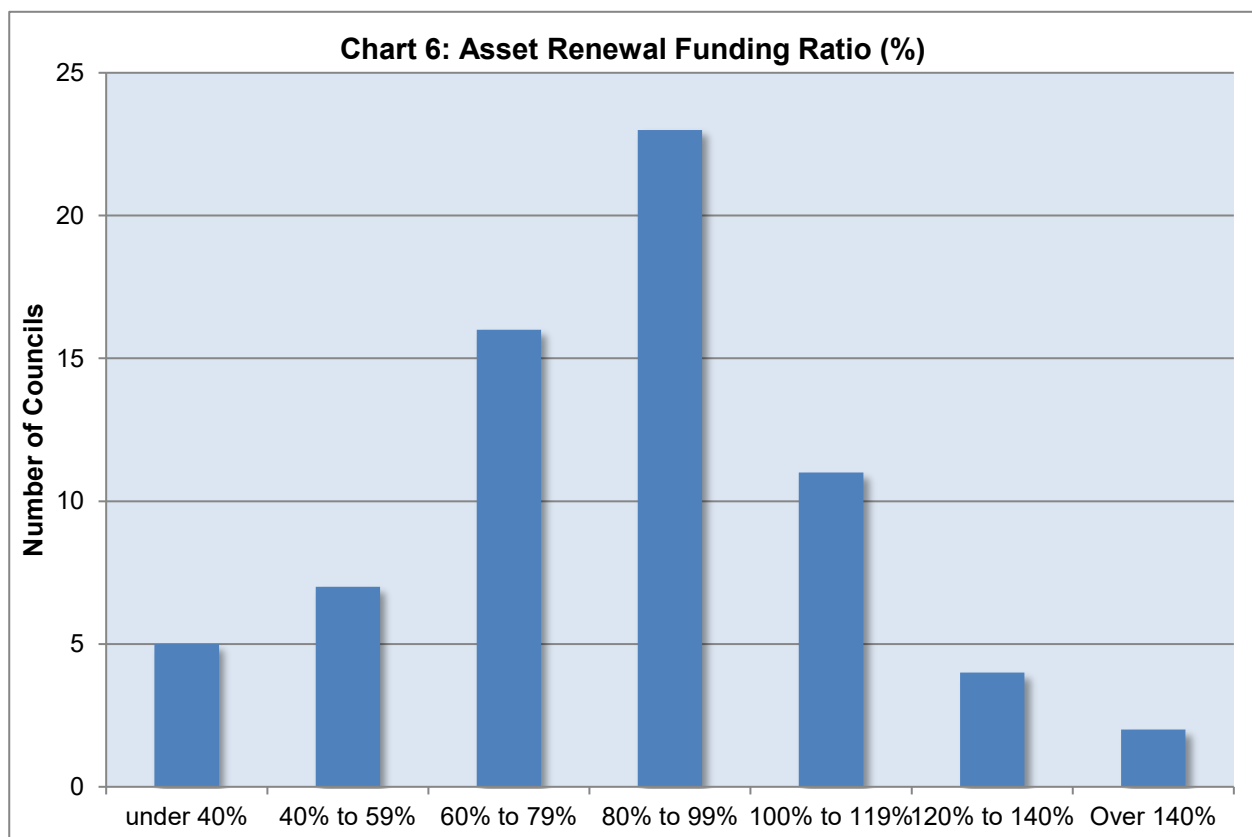
Indicator 3: Asset Renewal Funding Ratio

A third financial indicator adopted by the sector in recent years covers the asset management performance of councils. The asset renewal funding 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 renewal funding 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).

Chart 6 below provides summary information for the asset renewal funding ratio in 2021-22, 59 per cent of councils had a ratio higher than 80 per cent.



A note on the differing financial performance of councils

This report demonstrates the significant improvement 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.

6.7 LGA Board and Committee Member Allowances & Expenses

LGA Business

From:	Clinton Jury, Chief Executive Officer	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting	Annual General Meeting	26 October 2023
ECM:	796818	Attachments:797128

Recommendation

That the Annual General Meeting:

1. Approves the updated *Board and Committee Allowances and Expenses* policy
2. Approves the current Board Members receiving:
 - an increase in the allowance of 9.0%, noting that the last increase was in 2017, which represents an annual increment of 1.5% compared to an average CPI increment of 3.5% over the same period.
 - the increase to be effective following the 2023 Annual General Meeting resulting in an additional expense of \$5,284 in 2023/24.
3. Notes that an independent review to establish a benchmark for future increments is underway, with recommendations to be presented at the Ordinary General Meeting in 2024 and, subject to member approval, to commence after the October 2024 Annual General Meeting.

Executive Summary

The Board and Committee Allowances and Expenses policy is provided by the LGA Secretariat to the Annual General Meeting (AGM) for consideration and approval by member councils.

Allowances for the LGA Board of Directors have remained unchanged since November 2017, while the President's allowance has remained unchanged since July 2015. The objective behind these proposed changes is to align allowances with the indexation provisions for elected members in councils. It should be noted that this indexation is notably lower than the Consumer Price Index (CPI).

The annual allowance for Board members, which is proposed to increase to \$4,680, is lower than the allowance for a councillor in a Group 5 Council, which currently stands at \$7,192. Similarly, the proposed increase in the President's allowance to \$52,300 falls between the allowances for a Mayor in a Group 3 and a Group 4 Council.

The current policy was last endorsed by members at the AGM in 2019. An updated policy was proposed at the 2020 AGM, which included an increase in board fees. At the time, this did not receive approval from the majority of members.

Following a review of the policy the following changes have been made:

Summary	Main changes
Board Member Allowances automatically adjust every two years based on Remuneration Tribunal advice for elected members.	<ul style="list-style-type: none"> The allowances payable to LGA Board Members including the President, will automatically adjust biennially at the conclusion of the AGM. The allowance paid to the President and Directors will be adjusted biennially by half of the percentage change in the base allowance payable under the determination of the Remuneration Tribunal in respect of Allowances for members of Local Government Councils (which occurs every four years), in accordance with the formula set out in the revised draft policy.
Members endorsement required every two years.	<ul style="list-style-type: none"> The increased allowances will be presented to the Ordinary General Meeting in April for noting, commencing after October's AGM. This will set the fees before the LGA Board's biennial elections. Members may vote not to follow the policy.
Independent Market testing	<ul style="list-style-type: none"> There is an ability for the Board/Members to consider independent advice on allowances. Any changes above the automatic increment will require specific approval from the Members.
Other changes	<ul style="list-style-type: none"> Other minor changes have been made to the policy for clarity and consistency in wording.

Increase to the current Board Member's Allowance

The 9.0% fee increase will be effective following the acceptance of the resolution, marking the first increase in fees in six years. This equates to a slightly less than cumulative increase of 1.5% increase each year over the past six years.

The proposed increase is based on the increase between the 2014 and 2018 Remuneration Tribunal determination for elected member fees.

The change will result in the following:

	Current Allowance	9% Increase	New Allowance
President	\$47,982	\$4,318	\$52,300
Directors and Immediate Past President (9 members)	\$4,294	\$386	\$4,680

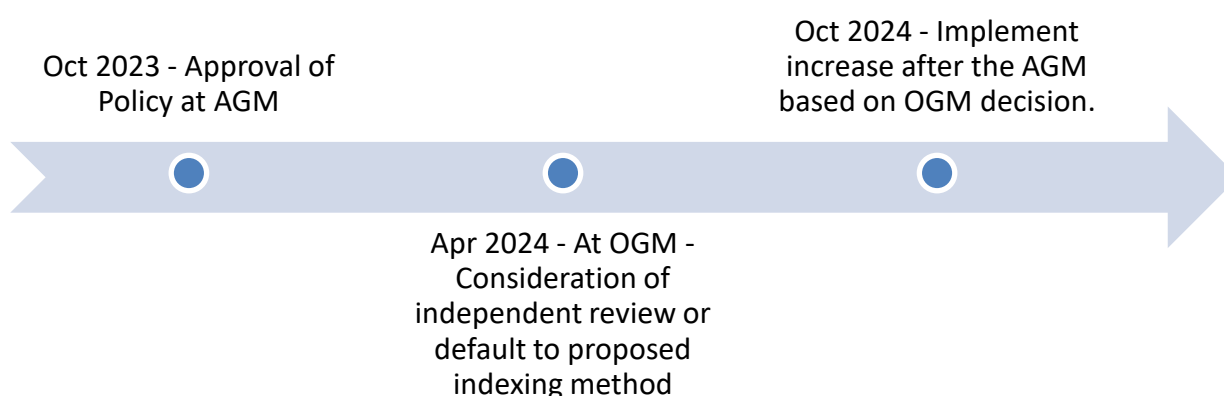
The annual budget impact of the increase will be \$7,792 per annum. Since this change will take effect after the AGM on 26 October 2023, it will result in an additional expense of \$5,284 in the 2023/24 financial year, which can be managed within the LGA's existing budget.

The increment has been based on the following data from the Remuneration Tribunal.

	2014	2018	change
Group 1A	21,500	23,350	1,850
Group 1	19,000	20,630	1,630
Group 2	15,900	17,270	1,370
Group 3	12,800	13,900	1,100
Group 4	9,100	9,900	800
Group 5	5,700	6,500	800
	84,000	91,550	7,550
Percentage Change		9.0%	

Independent Review

To support future decision-making, the LGA is conducting an independent remuneration review to establish a benchmark for future increments. A report will be submitted to members for consideration at the next Ordinary General Meeting in April 2024. If no specific decision is reached, fees will default to a 5.3% increase in October 2024 based on the indexing formula within the policy. This is based on the 2022 Remuneration Tribunal determination.



Responsibilities of Board Members

The LGA Board of Directors makes significant decisions regarding the finances, risk management, corporate policies, and operations of the LGA and its subsidiaries. An allowance is provided to the LGA Board of Directors in recognition of the skills, knowledge, and experience required for the role, as well as the governance expectations and fiduciary duties of a Board Director.

Board members have legal responsibilities and a higher level of personal responsibility and accountability than do mayors or elected council members. They collectively and personally oversee the governance of the LGA, which involves:

- Managing a higher risk of insolvency compared to a council.

- Overseeing diverse subsidiaries, including the Workers Compensation Scheme and Mutual Liability Scheme, along with fee-for-service operations, each carrying its own inherent risks.
- Maintaining financial sustainability with limited revenue streams.

Board members also serve on unpaid sub-committees, including one of the LGA's three grant advisory committees and the nomination committee.

The role of the Board of Directors is distinct from the representative and advocacy role of unpaid members on the SAROC Committee and GAROC Committee, as Board Directors have higher levels of corporate and individual responsibility and accountability.

Financial and Resource Implications

The LGA requested the Remuneration Tribunal to provide a specific determination on the LGA's Board allowances, but the request was declined.

Aligning the biennial increment to the Remuneration Tribunal with the percentage increment of all groups provides consistency with elected members. The 9% allowance increase after the AGM has a total impact of \$5,284 on the 2023-24 budget.

The independent review is currently underway and any changes will be subject to members' approval. Based on the proposed policy any change would not take effect until after the 2024 October AGM in the 2024-25 financial year. As the fees will be set in April 2024 everyone nominating to be on the Board will be aware of the fee that will apply.

GP02 Board and Committee Member Allowances and Expenses

First Issue/Approved	October 2004
LGA File Reference	ECM 83590
Last Reviewed	<i>Pending – LGA Secretariat proposing to AGM October 2023</i>
Next Review	March 2026
Responsible Officer	Executive Director Corporate Services
Related Documents	Claim for Reimbursement Form (ECM 669180)

1. Purpose

This Policy is designed to outline the remuneration, allowances and expenditure reimbursements payable by the LGA to members of the LGA Board of Directors, SAROC Committee, GAROC Committee and the CEO Advisory Group.

2. Scope

This policy is applicable for all remuneration, allowances and expenditure reimbursed / payable to members of the:

- LGA Board of Directors (**Board Members**)
- SAROC Committee (**SAROC Members**)
- GAROC Committee (**GAROC Members**)
- CEO Advisory Group (**Group Members**)

(collectively **Board/Committee Members**).

This Policy excludes members of the LGA Audit and Risk Committee and the boards of the LGA's subsidiaries, which are subject to a separate policy and approval process.

3. Principles

The following principles apply to the allowances and expenses paid by the LGA to its President, other Board Members, SAROC Members, GAROC Members and Group Members:

1. No-one should be left personally out of pocket as a result of their membership of the LGA Board of Directors, SAROC Committee, GAROC Committee or the CEO Advisory Group.
2. The allowances (where payable) are not a 'wage' but an amount paid in recognition of the Board/Committee Member's service and the out-of-pocket expenses incurred by the Board/Committee Member in undertaking LGA business not otherwise covered by this Policy.
3. No person shall be disadvantaged in their allowance / sitting fee due to their current position in a council and/or their location. The Chief Executive Officer may refer a request for reimbursement of additional expenses to the LGA Board of Directors if, in his/her opinion, the request for reimbursement is not consistent with these guidelines.

4. Allowances

4.1 Decision Making and Review

Pursuant to clause 6.10 of the LGA's Constitution, the membership of the LGA has the power to '*determine remuneration for Directors or members of committees established under this Constitution.*'

Consistent with best practice corporate governance principles, it is the LGA's position that no individual director or committee member should be responsible for deciding their own remuneration.

As a result, the LGA Board of Directors shall review the quantum of LGA allowances and expenses and all other provisions of this Policy every two years and shall make recommendations to its Members at the LGA OGM as to whether any changes are recommended to the Board and Committee Member allowance and expenses policy.

Subject to a decision of the Members to the contrary, changes to this Policy (including any change to allowances or expenses to be paid to Board Members) will take effect from the assumption of office of a new Board following the AGM in that same year.

4.2 Guiding Principles

The following guiding principles shall be taken into consideration by the Board of Directors in making its recommendation to LGA Members regarding the payment of allowances and expenses for the LGA Board of Directors:

1. the Consumer Price Index;
2. any adjustments made by the Remuneration Tribunal of South Australia to the remuneration of council members;
3. the level of work required to fulfil the duties and responsibilities of each office;
4. the size, complexity, commercial activities, management of Schemes, activities and advocacy undertaken by the LGA, for and on behalf of member councils;
5. the role and responsibilities of Board Members as outlined in the LGA's Constitution;
6. the general governance requirements and other expectations of a Board Member;
7. the reasonable level of out of pocket expenses required in respect of each office;
8. allowances/sitting fees paid to similar positions in other comparable organisations;
9. with respect to the President, the average of the sum of the allowances paid or payable to Principal Members of councils in this State (excluding the City of Adelaide);
10. independent remuneration advice received by the Board;
11. any other special circumstances considered relevant by the LGA Board of Directors.

4.3 Payment of allowances and expenses to Board Members

1. Subject to paragraph 2, a Board Member is entitled to the allowance applicable to their office determined by the Membership, as set out in Schedule 1.
2. The amount of any allowance to be paid to a Board Member, including the President, as set out in Schedule 1, will be automatically adjusted biennially at the conclusion of the AGM, in accordance with the formula set out in Schedule 1, or at such other times as determined by the Membership.
3. The President's and Board Member's allowances shall be paid monthly, in arrears.

4. If required under legislation, or at the request of a Board Member, income tax may be deducted from the allowance.
5. The amount of any allowance paid to Board Members is exclusive of any amount that the LGA is required to pay in respect of that allowance pursuant to the *Superannuation Guarantee (Administration) Act 1992* (Cth).

5. Expenses

5.1 Guiding Principles

The LGA shall pay for all accommodation, reasonable meals and taxi fares when a Board/Committee Member is away on official LGA business, where those expenses are not met by the Board/Committee Member's council. When not accompanied by the Chief Executive Officer (who shall generally be responsible for payment of these expenses), reimbursement of these expenses may be claimed after consultation with the Chief Executive Officer.

In paying expenses under this Policy, the LGA will have regard to the allowances and expenses that are separately funded to Board/Committee Members by their respective councils.

5.2 SAROC, GAROC and CEO Advisory Group Members

In setting the allowances and expenses for GAROC, SAROC and CEO Advisory Group members, consideration is to be given to the guiding principles set out in section 5.1 of this Policy.

SAROC Members, GAROC Members and Group Members:

- are not entitled to a sitting fee or allowance for their role on these committees;
- are entitled to reasonable travel costs associated with attending their respective GAROC, SAROC and CEO Advisory Group meetings, which are not met by their respective regions and/or councils.
Reasonable travel costs include:
 - Airfares (See Section 5.4)
 - Vehicle travel (see section 5.5)
 - Car parking (See section 5.7)
- are entitled to reasonable accommodation costs associated with attending meetings where it is impractical/unsafe to travel to and from the meeting on the same day.

5.3 Conferences / Seminars

Board Members, SAROC Members and GAROC Members may seek reimbursement of expenses incurred in attending approved conferences / seminars that will assist them to carry out their functions or duties for the LGA.

The LGA will fund / reimburse the fees, accommodation, reasonable meals and travel costs for attendance at conferences / seminars that have been approved by the Board, SAROC or GAROC.

Members attending conferences / seminars will be required to provide a written report to the LGA Board and / or relevant committee sharing the key learnings from their attendance.

5.4 Airfares and accommodation

The LGA will only reimburse economy class airfares for Board Members, SAROC, GAROC and CEO Advisory Group members attending approved LGA meetings and activities.

5.5 Vehicle travel

In many cases a Board/Committee Member also holds the position of Mayor/Chairperson, and their respective council provides them a vehicle with all associated expenses associated with this vehicle being paid for by their council.

Where a council provides a Board/Committee Member with a fully funded vehicle to undertake their council role and the vehicle is used for a purpose for which the member may seek reimbursement from their council or the council be entitled to pay for that use under the *Local Government Act 1999*, no reimbursement for travel expenditure associated with the use of this vehicle will be made by the LGA.

In all other cases, where approval is given for reimbursement of travel the rate of reimbursement for motor vehicle costs will be at a rate equal to the appropriate rate per kilometre prescribed for the purposes of calculating deductions for car expenses under section 28.25 of the *Income Tax Assessment Act 1997* (Cth).

5.6 Car parking for Board Members

By arrangement with the City of Adelaide, the LGA will provide electronic swipe cards or other suitable means of entry to UPark car parks located within close proximity of LG House to Board Directors. The terms and conditions of this arrangement will be:

- the swipe cards will be provided only to Board Members and must be returned to the LGA at the conclusion of each Board Member's term of office, unless re-elected;
- the LGA will pay for parking associated with attendance at meetings of the LGA Board of Directors;
- the LGA will also pay for Board Members' parking for attendance at meetings of other standing committees and working groups, and for other casual meetings at LG House for the purposes of conducting LGA business;
- unauthorised use (including private use) of UPark swipe cards is strictly not permitted and will be treated as a breach of the LGA's Code of Conduct;
- where UPark facilities are not available for LGA related business, Board Members are to find ticket parking and seek reimbursement for these costs from the LGA.

5.7 Car parking for SAROC, GAROC and CEO Advisory Group Members

The LGA will reimburse SAROC Members, GAROC Members and Group Members the cost of car parking associated with attending their respective meetings and associated activities in their capacity as members of SAROC, GAROC and CEO Advisory Group.

5.8 Frequent flyer and other rewards points

From time to time, Board/Committee Members may be required to travel to conduct LGA business.

As part of these travel arrangements, Board/Committee Members may earn frequent flyer points or other similar rewards, such as those provided by accommodation providers, to be credited for future air travel or accommodation. These types of reward schemes allocate the reward to the individual, rather than the organisation they represent.

The LGA acknowledges that Board/Committee Members are not fully compensated for their time and commitment for their LGA role, and volunteer significant amounts of their own time to help conduct the business of the LGA. It is appropriate that this contribution be recognised by allowing Board/Committee Members unrestricted use of frequent flyer points or other rewards earned by them while traveling on the LGA's behalf.

6. Reporting expenditure

The Board will be provided with a quarterly report on the allowances and reimbursed expenses paid to each Board/Committee Member during the previous quarter.

The LGA's annual report will also disclose the amount of allowances and reimbursed expenses paid to each Board/Committee Member during the year.

7. Policy review

This policy will be reviewed every two years, or as required to improve its effectiveness.

Review History

Document History	Version No:	Issue Date:	Description of Change
	Last Review	Jun 2019	Approved by LGA Board of Directors at the meeting held 20/06/2019 and endorsed by membership at 2019 AGM. No change to remuneration.
	Pending	Sept 2023	Reviewed by LGA Board of Directors Sept 2023. Proposed by LGA Secretariat to AGM Oct 2023. Changes to indexing methodology, definitions, principles.

Schedule 1 – Board Member Allowances & Biennial Adjustment Formula

Allowances

	Allowance
President	\$47,982
Directors (x 9 including the Immediate Past President)	\$4,291

Biennial Adjustment Formula

The allowance paid to the President and Board Members will be adjusted biennially by half of the percentage change in the base allowance payable under the determination of the Remuneration Tribunal in respect of Allowances for members of Local Government Councils (which occurs every four years), in accordance with the formula set out below:

$$\text{Allowance adjustment} = 0.5 \times \frac{V_2 - V_1}{V_1}$$

where V_2 = the sum of the base allowances payable to each Council Group pursuant to the most recent determination of the Remuneration Tribunal in respect of Allowances for members of Local Government Councils (year y)

and V_1 = the sum of the base allowances payable to each Council Group pursuant to the determination of the Remuneration Tribunal in respect of Allowances for members of Local Government Councils which preceded the most recent determination (year $y-4$)

Example:

	2018	2022
Council Group	Base allowance (Year $y-4$)	Base allowance (Year y)
1A	23,350	25,838
1B	20,630	22,828
2	17,270	19,110
3	13,900	15,381
4	9,900	10,955
5	6,500	7,192
Sum	91,550	101,304

$$= 0.5 \times \frac{V_2 - V_1}{V_1}$$

$$\text{Allowance adjustment in year } y = 0.5 \times \frac{101304 - 91550}{91550}$$

$$= 0.5 \times 0.1065$$

$$= 0.53271$$

$$= 5.3\%$$

6.8 SAROC and GAROC Terms of Reference

LGA Business

From:	Andrew Wroniak, Executive Director Corporate Services	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	26 October 2023
ECM:	796729	Attachments: 687690, 687694

Recommendation

That the Annual General Meeting ratifies the LGA SAROC Terms of Reference and LGA GAROC Terms of Reference.

Discussion

Clause 2.3 of the Greater Adelaide Regional Organisation of Councils (GAROC) Terms of Reference and the South Australian Regional Organisation of Councils (SAROC) Terms of Reference specify that these documents will be presented to Members at a General Meeting for annually for ratification.

The Terms of Reference are unchanged since last ratified by Members at the LGA Annual General Meeting in 2020.

Given that the SAROC and GAROC Terms of Reference are included as part of the broader constitution review, Member Councils are requested to ratify the current terms.

LGA Constitution Review

The LGA is engaging a consultant to support the Secretariat's review of the LGA's constitution and GAROC and SAROC terms of reference.

This consultancy will offer independent advice and encourage open conversations with councils, LGA Board, GAROC and SAROC Committees as well as other relevant stakeholders.

Regular updates will be provided to members over the next few months with an aim to complete the process by the next Ordinary General Meeting in 2024.

Financial and Resource Implications

This activity has been anticipated in the LGA's work program and resources are available to progress this work.

LGA SAROC Terms of Reference

Effective 8 January 2020



Local Government Association of South Australia

SAROC Terms of Reference

Received Ministerial approval on 8 January 2020 and re-ratified Members at the AGM held
29 October 2021

1. Establishment

In accordance with clause 19 of the Local Government Association of South Australia Constitution and Rules (**Constitution**) there are 2 regional organisations of Members: the South Australian Regional Organisation of Councils (**SAROC**) and the Greater Adelaide Regional 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. The term:

SAROC Region means the combined local government area of each Member listed in the Schedule.

SAROC Regional Grouping means all of the Members of the Regional Groupings of Members as identified in the Schedule.

2.6. 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 SAROC Region.



4.2. Membership

Each 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 Regional Grouping of Members, 2 Council Members as members of 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 Members of the SAROC Regional Grouping, as listed in the schedule, calling for nominations for the membership of SAROC.
- 4.3.3. Each Member of the SAROC Regional Grouping may nominate a candidate for membership of SAROC, provided that:
 - 4.3.3.1. a person nominated as a member of SAROC must be a representative of a Member on the relevant Regional Grouping of Members; and
 - 4.3.3.2. only a Council Member can be nominated to SAROC.
- 4.3.4. 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 Regional Grouping of Members 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 4.2 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 a Regional Grouping of Members exceeds the number of membership positions described in clause 4.2, then an election for the purpose of clause 4.2 must be held in accordance with this clause.
- 4.4.5. In the event of an election being required, the SAROC Regional Grouping in consultation with the Chief Executive shall conduct an election.
- 4.4.6. The Chief Executive, in consultation with the SAROC Regional Grouping 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, the 2 candidates from a Regional Grouping of Members with the most votes shall be deemed elected and the Chief Executive shall declare the candidates elected at the Annual General Meeting; and
- (c) in the case of candidates for membership positions described in clause 4.2 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 an Executive Officer of a Regional Grouping of Members who shall act accordingly for the conduct of elections for the purpose of clause 4.2 in respect of the Regional Grouping of Members relevant to that Executive Officer.

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 4.7.2 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 Regional Grouping of Members 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;
 - (d) ceases to be a Council Member; or
 - (e) 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 Regional Grouping of Members relevant to the SAROC member the subject of the casual vacancy will appoint by resolution of the majority of Members comprising the Regional Grouping of Members 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 the 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 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 expense, 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 Grouping;
- (d) encouraging engagement of Members within the SAROC Regional Grouping 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 of the SAROC Regional Grouping, 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 Grouping, 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; and

6.6.2. delegated by the Board of Directors to SAROC.

7. Budget

7.1 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.

7.2 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.

7.3 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 Regional Grouping of Members must be present except for a Regional Grouping of Members 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 SAROC Region 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 through 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.

Schedule: List of Regional Groupings of Members in the SAROC Regional Grouping

Regional Grouping of Members	Members
Southern & Hills Councils	Alexandrina Mount Barker Victor Harbor Yankalilla Kangaroo Island
Legatus Councils	Adelaide Plains Barossa Barunga West Clare & Gilbert Valleys Copper Coast Goyder Light Mount Remarkable Northern Areas Orroroo Carrieton Peterborough Wakefield Yorke Peninsula Flinders Ranges
Eyre Peninsula	Ceduna Cleve Elliston Franklin Harbor Kimba Streaky Bay Tumby Bay Wudinna Lower Eyre Peninsula Port Lincoln
Limestone Coast	Grant Kingston Mount Gambier Naracoorte Lucindale Robe Tatiara Wattle Range



Murraylands & Riverland	Loxton Waikerie Mid Murray Karoonda East Murray Coorong District Southern Mallee Berri Barmera Renmark Paringa Murray Bridge
Spencer Gulf Cities	Port Augusta Port Pirie Whyalla

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LGA GAROC Terms of Reference

Effective 23 July 2020



Local Government Association of South Australia

GAROC Terms of Reference

Adopted by the LGA Board on 23 July 2020 and re-ratified by Members at the AGM held 29 October 2021

1. Establishment

In accordance with clause 19 of the Local Government Association of South Australia Constitution and Rules (**Constitution**) there are 2 regional organisations of Members: the South Australian Regional Organisation of Councils (**SAROC**) and the Greater Adelaide Regional 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. The term:

GAROC Region means the combined local government area of each Member listed in the Schedule and the City of Adelaide.

GAROC Regional Grouping means all of the Members of the Regional Groupings of Members as identified in the Schedule and, for the purposes of Clause 6 of these Terms of Reference and Clause 28.6 of the Constitution, includes the City of Adelaide.

2.6. 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 GAROC Region.



4.2. Membership

- 4.2.1. Each 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 Regional Grouping of Members, 2 Council Members of Members in the Regional Grouping of Members as members of 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 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 the GAROC Regional Grouping as listed in the schedule calling for nominations for the membership of GAROC.
- 4.3.3. Each Member of the GAROC Regional Grouping may nominate a candidate for membership of GAROC, provided that:
 - (a) a person nominated as a member of GAROC must be a representative of a member on the relevant Regional Grouping of Members; and
 - (b) 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 each Regional Grouping of Members of the candidates for membership of GAROC 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 4.2.1, 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 a Regional Grouping of Members exceeds the number of membership positions described in clause 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 candidates for election;
 - (ii) specify the day of closure of the election;
 - (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 2 candidates from a Regional Grouping of Members with the most votes shall be deemed elected in respect of that Regional Grouping of Members and the Chief Executive shall declare the candidates elected at the Annual General Meeting; and
 - (i) in the case of candidates for membership positions described in clause 4.2.1 from a Regional Grouping of Members 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.
- 4.4.7. The Chief Executive may, in his or her discretion, delegate any of his or her powers, functions or duties to an Executive Officer of a Regional Grouping of Members who shall act accordingly for the conduct of elections for the purpose of clause 4.2.1 in respect of the Regional Grouping of Members relevant to that Executive Officer.

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 Regional Grouping of Members 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;



- (d) ceases to be a Council Member;
- (e) the Member for which the member of GAROC is a Council Member is no longer a member of the Local Government Association; or
- (f) 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 Regional Grouping of Members relevant to the GAROC member the subject of the casual vacancy will appoint by resolution of the majority of Members comprising the Regional Grouping of Members 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 the 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 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 expense, 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 Grouping;
 - (d) encouraging engagement of Members within the GAROC Regional Grouping 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 of the GAROC Regional Grouping, 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; and
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 Regional Grouping of Members must be present except for a Regional Grouping of Members 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 GAROC Region 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 through 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.

12. Transitional provisions

12.1. Interpretation

- 12.1.1. Transitional arrangements associated with these Terms of Reference are set out in this clause 12.
- 12.1.2. In this clause 12:



“Commencement Date” means the date on which both of the following criteria have been satisfied (regardless of the order in which they are satisfied):

- (a) these Terms of Reference have been adopted by resolution passed at a General Meeting of which at least 30 days’ notice has been given to Members; and
- (b) the Minister has approved the amendments to clauses 4.2, 4.3 and 4.4.

“Previous Terms of Reference” means the terms of reference for GAROC in operation immediately prior to the Commencement Date.

“Transitional Period” means the period between the Commencement Date and the Annual General Meeting in 2020.

- 12.1.3. The term of office of each member of GAROC appointed prior to the Commencement Date will expire at the Annual General Meeting in 2020 or when a casual vacancy arises under clause 4.7.2.
- 12.1.4. If a leave of absence is granted under clause 4.7.1 in respect of a member of GAROC during the Transitional Period, 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 Regional Grouping of Members specified in the schedule to the Previous Terms of Reference.
- 12.1.5. If a casual vacancy arises under clause 4.7.2 in respect of a member of GAROC during the Transitional Period, another Council Member will be appointed to serve as a member of GAROC for the balance of the membership term by resolution of the majority of Members comprising the Regional Grouping of Members specified in the schedule to the Previous Terms of Reference.

Schedule: List of Regional Groupings of Members within the GAROC Regional Grouping

Regional Grouping of Members	Members
North	Gawler Playford Salisbury Tea Tree Gully
West	Charles Sturt Holdfast Bay Port Adelaide Enfield West Torrens
South	Marion Mitcham Onkaparinga
East	Adelaide Hills Burnside Campbelltown Norwood Payneham & St Peters Prospect Unley Walkerville

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7.1 ESCOSA Fee Structure – DC Orroroo Carrieton

Recommendation reports from the SAROC Committee

Submitted by:	District Council of Orroroo Carrieton	
Approved by:	SAROC Committee	
Meeting	Annual General Meeting	26 October 2023
ECM:	795717	Attachment: 794561

Recommendation

That the Annual General Meeting request the Local Government Association (LGA) Secretariat to advocate to the Essential Services Commission SA (ESCOSA) for a change to the cost structure being applied to the Strategic Management Plan Advice Scheme, conducted by ESCOSA pursuant to section 122 of the *Local Government Act 1999*, to an approach that has costs allocated to councils on a proportional basis consistent with the value assigned to votes of delegates of the LGA at an LGA General Meeting (as set out in clause 17 of the LGA Constitution).

SAROC Committee's Comments

The SAROC Committee considered the Proposed Item of Business (IoB) from the District Council of Orroroo Carrieton (Council) at its meeting on 20 July 2023. The SAROC Committee endorsed the IoB being included on the AGM Agenda.

Council has argued that the LGA should advocate for ESCOSA to set its charges for Strategic Management Plan Advice on a proportional basis in line with the value of delegates' votes at an LGA General Meeting. It argues for this approach on the basis that:

- The charges represent a significant proportion of a small council's total general rate revenue.
- It is unfair for small and medium rural agricultural councils to pay the same fee as large urban councils as the levels and quantities of services and data analysis would differ significantly. A scaled approach is more equitable due to workload disparities in ESCOSA's assessments.
- A scaled approach takes into account each community's capacity to pay.

The SAROC Committee did not accept the LGA Secretariat's assessment that the IoB should not progress to the Annual General Meeting. The LGA Secretariat argued that:

- Significant LGA resources are already being used to actively advocate in relation to the small value and large costs of ESCOSA's approach to administering the scheme.
- If the LGA Advocacy efforts on the inefficacy of the entire Scheme and the need for a reduction in the overall costs were to stop and focus instead on the distribution of the fee amongst councils, this would be a lost opportunity and likely limit the overall outcome able to be achieved for member councils.
- Through previous engagement with councils as ESCOSA was developing its framework and approach, there were divided views amongst member councils as to the most appropriate cost recovery mechanism (for example, a scaled approach to fees may equally be seen as unfair by large councils), which means it is difficult for the LGA to advocate in support of one particular approach as representative of all member council views.

- To date, LGA advocacy has achieved an overall reduction in the SMP Advice Scheme costs and this should continue to be the LGA's focus, rather than the distribution of costs. Costs were initially proposed by ESCOSA in its Draft Framework and Approach as approximately \$52K per council to be paid as a one-off payment. This reduced to \$48K in ESCOSA's Final Framework and Approach and, as a consequence of further LGA advocacy and direct feedback from councils, ESCOSA reached a final position of \$40K per council with payment able to be made across a four year period.
- LGA advocacy continues to argue that the model/approach adopted by ESCOSA extends far beyond what is contemplated by the legislation and consequently councils are paying considerably more than necessary.
- Under the legislation, the mechanics of the cost recovery is a matter for ESCOSA to determine. ESCOSA may recover from a council "the costs reasonably incurred by [it] in performing its functions under this section in relation to the council". It stated that equal cost recovery across councils reflects its best estimates of expected effort and cost and that, at the time of setting the charges, the degree of interaction with each council was unknown. It indicated that its costs in providing advice to councils under the Scheme fall into two categories:
 - a. Set up and development costs, which relate primarily to the upfront and ongoing work to develop the analytical framework used and the systems and capability to support it; and
 - b. operational costs, which relate to the annual costs of implementing the Scheme and include staff and Commissioner costs as well as an allocation of overheads and other operating expenses.
- The LGA is continuing to advocate for a simplified scheme with a focus on continuous improvement, as originally envisaged by the reforms, ultimately with a view to reducing overall costs to councils.

LGA Officer's Comments

(Officer: Tami Norman, Director Governance)

Background

The SMP Advice Scheme was the negotiated alternative to rate capping, achieved through extensive advocacy/lobbying by the LGA, in consultation with member councils, during the LG reform process. ESCOSA is the designated authority specified within section 122(9) of the *Local Government Act 1999*.

In the lead up to commencement of the SMP Advice Scheme provisions, ESCOSA issued a 'Draft Framework and Approach' (DFA) document, setting out its proposed approach to the SMP Advice Scheme. In response, the LGA consulted with member councils and along with a submission on behalf of the sector, supported councils to make direct submissions. A key area of concern was proposed costs.

The DFA indicated the ESCOSA's total costs per council over the first cycle of the scheme (four years) as \$52,133. According to the DFA, these 'reasonable costs' covered:

- Set up and development costs: these relate, but need not be limited to, the upfront and ongoing work taking place in 2021-22 and 2022-23 to develop the analytical framework used and the technological infrastructure to support it.
- Operational costs: these relate, but need not be limited to, the yearly costs of implementing the scheme. These primarily comprise staff costs.

The DFA indicated the total indicative costs for the first cycle of the scheme as approx. \$3.5million and proposed the allocation of costs equally across councils. The DFA specifically consulted on whether stakeholders supported the Commission's approach to allocating projected costs across the first cycle of the scheme, with the two options being:

- ESCOSA bill each council directly its share of the costs, split equally across the 68 councils (i.e. \$52,133 per council); or
- ESCOSA bill the LGA its yearly costs, the LGA pay the costs on behalf of councils and then recover those costs from councils (noting, this option is not provided for within the legislation).

Following the consultation process, ESCOSA issued the Final Framework and Approach (FFA), which made little change to the proposals outlined in the DFA. A key change related to costs, with ESCOSA indicating an overall reduction in costs (from approx. \$3.5m to \$3.2m or approx. \$48k per council) and proposing to recover costs from councils using a split of total costs based on the LGA Membership Fee allocation.

Councils in Tranche 1 were particularly vocal and critical in the lead up to and following receipt of advice from ESCOSA. In February of this year, as a consequence of the continued pressure/criticism it received, ESCOSA issued an update to the sector advising it had made a final determination of the scheme costs and allocation methodology for the initial four-year cycle of the scheme, as follows:

1. Total annual ESCOSA costs: \$680,000 (for each year of the initial four-year cycle).
2. Allocation methodology: equal split between councils.
3. Cost per advice per council: \$40,000, or \$10,000 per annum.

In that advice (provided directly to councils) ESCOSA noted that some submissions to the DFA urged a methodology other than an equal split (including the approach initially adopted by ESCOSA in the final FFA to utilise the LGA membership fee allocation), however, having had regard to the representations it received ESCOSA concluded that an equal allocation across councils is appropriate. This is on the basis that, for at least the first cycle, any difference between councils in terms of the effort required to prepare the advice will not be known by either the Commission or councils.

LGA Advocacy

Given what has transpired to date in relation to costs for the SMP Advice Scheme, and the nature of communications with ESCOSA during the operation of the first year of the Scheme, the LGA considers it unlikely (at least for the remaining years of the first cycle of the Scheme) that any further change to allocation/recovery of costs would be considered by ESCOSA.

The first Tranche of councils have received their ESCOSA advice and included this within their Annual Business Plans & Budgets, while also responding to the advice. It is fair to say that there has been limited value for councils in the advice received, and this should continue to be a focus of LGA advocacy. In particular, the LGA is arguing that the model/approach adopted by ESCOSA extends far beyond what was contemplated by the legislation and consequently councils are paying considerably more than necessary.

The LGA has advocated strongly to ESCOSA and the Minister about the lack of value to councils from ESCOSA's approach and the overall high cost of the scheme. It has also been advocating strongly to the State Government that the ESCOSA advice places undue emphasis on council rates and argues that any rate increase above CPI (forecast by ESCOSA at 2.8%) leads to affordability risk to ratepayers. The LGA is arguing that this approach constrains councils' ability to drive economic growth for their communities, at a time when the State Government and Local Government need to work together to promote that growth.

The LGA has also been encouraging councils to communicate concerns directly to ESCOSA to ensure ESCOSA understands the issues being raised are coming directly from councils.

Similarly, it is important that the State Government (i.e., the Minister for Local Government) hears directly from councils in relation to the Scheme. As a consequence of public commentary from Minister Brock, following receipt of correspondence from a council CEO, the LGA encourages formal communication to the Minister from Mayors.

Prior to the LGA Ordinary General Meeting (OGM) in April 2023, the Minister had indicated a lack of willingness to consider changes to the Scheme prior to the conclusion of the first four year cycle. During his address to the OGM, the Minister suggested he would speak to ESCOSA about the viability of the Scheme, having heard concerns expressed by the LGA Chief Executive on behalf of councils.

A continued focus on advocating for changes to the Scheme overall so it is more in line with the legislative requirements is likely to provide a reduction in total costs. The LGA will continue to take every opportunity to emphasise the impact to councils from the operation of the Scheme as currently implemented by ESCOSA. Individual councils (or regions) are encouraged to write directly to ESCOSA and the Minister to share their unique frustrations as further evidence for the need for changes to the overall scope and administration of the Scheme.

Financial and Resource Implications

This activity has been anticipated in the LGA's work program and resources are available to progress this work.

LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	District Council of Orroroo Carrieton
The body the item is being referred to <i>Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.</i>	SAROC
Subject of the proposed item of business	ESCOSA Fee Structure
Proposed motion for the General Meeting	That the Council requests the Local Government Association (LGA) Secretariat to advocate to the Essential Services Commission SA (ESCOSA) for a change to the cost structure being applied to the Strategic Management Plan Advice Scheme, conducted by ESCOSA pursuant to section 122 of the Local Government Act 1999, to an approach that has costs allocated to councils on a proportional basis consistent with the value assigned to votes of delegates of the LGA at an LGA General Meeting (as set out in clause 17 of the LGA Constitution).
Supporting information <i>Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.</i>	<p>3 BACKGROUND</p> <p>The proposed model Fee Structure proposed by ESCOSA for the new Local Government Advice Scheme has raised concern with the District Council of Orroroo Carrieton (DCOC). This concern has been reflected in a number of conversations with Chief Executive Officers and Mayors and for this reason it was considered by the Legatus Group to seek support. Ultimately the aim was to provide a motion to SAROC and eventually onto the LGA Annual General Meeting regarding focused advocacy.</p> <p>The ESCOSA fee structure is an important issue affecting more than just the DCOC. Many of the 'Small Councils' ratepayers will be directly impacted by the current fee structure.</p> <p>By way of example the budgeting of this ESCOSA expenditure (quoted as \$40,000 per assessment) is equivalent to 3.5% to 4% of total general rate revenue in the 'assessment year', for the DCOC.</p> <p>To cover this proposed cost, it would require a possible reduction in service provision or additional rate increases to meet the additional expenditure. This will be a direct burden to ratepayers to recover the costs, as we appreciate small rural/remote Councils already operate extremely efficiently with minimal service breadth due to the low rateable</p>

bases. This ESCOSA fee would need be built into operational budgets and LTFFPs in addition to other considerations such as growth, service provision and CPI.

It is manifestly unfair that small and medium rural agricultural councils would be paying the same fee as a large urban Councils; we have completely dissimilar 'levels and quantities' of services and the data analysis would differ significantly. It is the DCOC view that a scaled approach must be more equitable due to the clear workload disparity of the ESCOSA assessment and takes into consideration each community's capacity to pay.

To provide further context there are eleven South Australian Council with less than 2000 ratepayers (Source ERP by LGA ASGS 2021) of those Councils the average is 1347 ratepayers, this equates to approximately **\$30** per ratepayer for the ESCOSA advice scheme in the year of assessment.

There are ten South Australian Council with above 50,000 ratepayers (Source ERP by LGA ASGS 2021) of those Council the average is 106,599 ratepayers, this equates to approximately **\$0.38c** per ratepayer for the ESCOSA advice scheme in the year of the assessment.

The District Council of Orroroo contend that this issue and motion is only relevant to the distribution of the ESCOSA fee cost burden. It does not seek to address the issue of the validity or effectiveness of the scheme. We believe this can be dealt with separate advocacy. We seek the sector wide support of the larger population Councils to address the obvious inequity of the current fee recovery model of ESCOSA.

The recommendation by DCOC is that the ESCOSA model fee structure be is scaled in accordance with the 'LGA Constitution' parallel with Clause 17. Votes of Delegates at meetings of the LGA shall have the following values;

17.2.1 Delegates of Members whose areas have populations up to 10,000 people - value of 1 vote;

17.2.2 Delegates of Members whose areas have populations of between 10,001 and 50,000 people - value of 2 votes; and

17.2.3 Delegates of Members whose areas have populations of over 50,001 people - value of 3 votes. 17.3

Therefore taking into consideration the size of the Council and the ability of that organisation to meet the costs associated with the review. Essentially we propose that the ESCOSA fees be more appropriately apportioned as such;

- 3 Votes = \$60,000
- 2 Votes = \$40,000
- 1 Vote = \$20,000

The fees would need to reflect the total cost recovery, and therefore the costs above are a reflection of the percentage, rather than the actual fee dispersal.



It is interesting to note that recent ESCOSA advice (email 28.02.2023) states and acknowledges 'While submissions to the draft Framework and Approach urged a methodology other than an equal split', yet have implemented an 'equal split' regardless of submissions. This indicates a decision seemingly out of touch with the realities of small rural/remote councils and the available income raised within.

Having met with the CEO of ESCOSA, it is apparent that the decision of the commission will stand for the next four years unless the LGA SA board advocate for change. The ESCOSA Local Government Rates Oversight Scheme 'Draft Framework and Approach' – (March 2022 Pg. 52, 7.3.1) indeed consulted on the following;

Should councils be billed directly or via the LGA? The Commission and the LGA have consulted on this. It may be considered beneficial by councils that each year the Commission bill the LGA the Commission's yearly total cost, the LGA pays this on behalf of councils, with the LGA splitting the costs between councils on a basis agreed between the LGA and the councils. While ultimately a matter for councils to agree with the LGA, this may be advantageous as it reduces transaction costs relative to managing a billing process for 68 councils separately. It may also provide the LGA and councils with greater control on how costs will be allocated between councils - albeit that would be a matter of separate agreement between those parties.

This question indicates that this option was indeed open for consideration and seemingly the feedback submissions had provided a level of support, it is our view that this should in fact be the preferred method of cost recovery regarding the ESCOSA review processes.

The Legatus Group on 19 May 2023 passed the following motion:

1. That the LEGATUS CEO writes to Adam Wilson, the CEO of ESCOSA, the Honourable Geoff Brock MP, Minister of Local Government and the Honourable Susan Close MP, Deputy Premier and Minister for Environment and Water advising of the Legatus Group's opposition to the model Fee Structure being set by ESCOSA.
2. That the LEGATUS CEO writes to all other SA Regional LGAs seeking support in advocating for change to the model Fee Structure currently set by ESCOSA.
3. That the LEGATUS Board provide support to the District Council of Orroroo Carrieton in its motion seeking SAROC board support for a change to the model Fee Structure currently set by ESCOSA.

The Legatus group has written to the Minister for Local Government, Minister for Environment and Water and ESCOSA, they are aware of the concerns of the District Council of Orroroo Carrieton and the Legatus Group.

With SAROC support of the motion it is the intention to proceed further to the LGA Annual General Meeting to seek support and provide direction for future advocacy from the LGASA secretariat.

LGA Policy Manual <i>Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?</i>	No
LGA Strategic Plan reference	Advocate Achieve greater influence for local government 1.1 We are close to our members, seek their feedback and represent them with evidencebased advocacy on issues that matter.
Council Contact Officer submitting form	(Paul Simpson) (ceo@orraroo.sa.gov.au) (08 8658 1260)
Council Meeting minute reference and date of meeting	28 June 2023- Ordinary Council Meeting 12.7 SAROC LGA - ESCOSA ADVOCACY REPORT MOTION: (015/0623) That the Council requests the Local Government Association (LGA) Secretariat to advocate to the Essential Services Commission SA (ESCOSA) for a change to the cost structure being applied to the Strategic Management Plan Advice Scheme, conducted by ESCOSA pursuant to section 122 of the Local Government Act 1999, to an approach that has costs allocated to councils on a proportional basis consistent with the value assigned to votes of delegates of the LGA at an LGA General Meeting (as set out in clause 17 of the LGA Constitution). Cr Parkyn / Cr Ford CARRIED UNANIMOUSLY
Date submitted to LGA	29.06.2023

Please return Word version of completed form to lgasa@lga.sa.gov.au.
 Refer to [LGA Latest News](#) in respect to deadlines for upcoming General Meetings.

7.2 Youth participation in post-secondary education - Youth Allowance Eligibility criteria

Items of Business approved by the SAROC Committee

Submitted by:	City of Mount Gambier	
Strategy:	1 - Advocate	
Outcome:	1.2 Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities	
Meeting	Annual General Meeting	26 October 2023
ECM:	797271	Attachment: 795733

Recommendation

That the Annual General Meeting request that the Local Government Association:

- 1. Amend its Policy Manual to recognise and advocate on factors that impact regional youth participation in post-secondary education in light of skills shortages and localised social and economic impacts for regional communities; and**
- 2. Advocate for removal of the parental income test as a qualifying criterion for Youth Allowance eligibility for regional students relocating to pursue post-secondary education, and other measures that encourage youth/regional participation in further education.**

SAROC Committee's Comments

The SAROC Committee supported the Item of Business (IoB) (provided as an Attachment to this Report) put forward by the City of Mount Gambier ('the Council').

LGA Guidelines

The LGA's Guidelines outline that all proposals will be assessed against the guiding principles in terms of their strategic importance to local government and the LGA, supporting evidence, alignment with LGA policy and resourcing requirements.

The matter raised in this item of business (IoB) has been assessed against these guiding principles which can be summarised in the table on the following page.

LGA Guiding Principle	Secretariat comment
Strategic importance	<p>The proposed Item of Business would support all regions facing skills shortages, which is an issue of strategic importance to the local government sector.</p> <p>It aligns with the following priorities and objectives in SAROC's 2023/24 Annual Business Plan:</p> <p><u>Priority 1 Liveability</u></p> <p>Objective 2: Advocate for State and Federal Government funding, initiatives and legislation that assists with growth and development of regional South Australia</p> <p><u>Priority 4: Regional skills & workforce</u></p> <p>Objective 1 – Advocate and implement strategies to support the Local Government sector with addressing skills and capability needs.</p>
Supporting evidence	<p>The proposed Item of Business contains information about the criteria for obtaining a youth allowance, including the parental income test. It argues that the removal of this test would “give our young students a fair go at success”.</p>
Alignment with LGA policy	<p>The LGA's Policy Manual currently contains policy statements that relate to this proposal:</p> <p><i>Education and Training</i></p> <p><i>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.</i></p> <p><i>State Regional Development Policy</i></p> <p><i>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.</i></p> <p><i>Specific Funding Requirements</i></p> <p><i>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.</i></p>
Resourcing	<p>This action can be delivered within existing LGA resources (see section below on Financial and Resource Implications)</p>

LGA Officer's Comments

Officer: Nathan Petrus

The proposed Item of Business from the City of Mt Gambier has two components.

The first component asks for an amendment to the LGA's policy manual to recognise and advocate on factors that impact regional youth participation in post-secondary education in light of skills shortages and localised social and economic impacts for regional communities. This amendment would be consistent with the broader Education and Training statement in the Policy Manual, albeit it focuses specifically on post-secondary education. Incorporating the amendment fits within the broader strategy of advocating for Governments to address skills shortages in the regions.

The second component requests the LGA to advocate for the removal of the parental income test as a qualifying criterion for Youth Allowance eligibility for regional students relocating to pursue post-secondary education, and other measures that encourage youth/regional participation in further education.

Note that the removal of the parental income test for regional students would have a cost impact for the Youth Allowance scheme, as the allowance would be accessible for a greater number of students (noting that any change would apply nationally, as it is a national scheme). It is unclear how significant this cost impact would be or what it might mean for the Youth Allowance scheme generally. However, advocating for the Federal Government to review the eligibility criteria for regional students would likely elicit that information and provide an opportunity for all councils to comment on it.

Financial and Resource Implications

If this Item of Business were to be approved at the Annual General Meeting, the LGA Secretariat would deliver the proposed advocacy by writing to the Federal Minister for Education, Minister for Youth, Minister for Regional Development and Minister for Social Services to propose a review of the Youth Allowance eligibility criteria for regional students. This action is not currently anticipated in the LGA's work program but can be delivered within existing LGA resources.

LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	City of Mount Gambier
The body the item is being referred to	SAROC
Subject of the proposed item of business	Youth participation in post-secondary education - Youth Allowance Eligibility criteria
Proposed motion for the General Meeting	<p>That the Ordinary General Meeting requests the LGA to amend its Policy Manual to recognise and advocate on factors that impact regional youth participation in post-secondary education in light of skills shortages and localised social and economic impacts for regional communities.</p> <p>That the LGA advocate for removal of the parental income test as a qualifying criteria for Youth Allowance eligibility for regional students relocating to pursue post-secondary education, and other measures that encourage youth/regional participation in further education.</p>
Supporting information <i>Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.</i>	<p>To be classified as "independent" and exempt from the ongoing parental income test under the current Youth Allowance qualification criteria, students must meet the following conditions:</p> <ul style="list-style-type: none"> • Be under the age of 22. • Not be in a registered or de facto relationship. • Not have a dependent child. <p>To fulfill these requirements, they need to pass a workforce participation test. This involves working full-time (30 hours per week) for a minimum of 18 months within a 2-year timeframe. By meeting these criteria, students can maintain their independence and continue receiving Youth Allowance payments without being subject to their parents' income assessment.</p> <p>There is an alternative qualifying criteria for regional, rural and remote students which means they can be considered independent if they have earned at least 75% of the National Training Wage (approx. \$29,000) in a 14 month period since leaving school or they have worked part time (at least 15 hours per week) for at least 2 years since leaving school. To qualify as independent using this alternate criteria, students must be moving away from home to study and their parents must earn less than a combined income of \$160,000 pa plus \$10,000 for each eligible sibling.</p> <p>Given the considerable economic pressures already being faced by regional families sending a child to a major city to study and the relatively meagre payments provided by Youth Allowance towards a student's cost of living, the parental income test and workforce participation requirements is considered unjust for regional students.</p> <p>The City of Mount Gambier is seeking assistance from the LGA and a show of support from fellow regional councils to advocate to have the</p>

	parental income test removed under this alternative qualifying criteria to give our young students a fair go at success.
LGA Policy Manual <i>Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?</i>	<p>Warrants change/addition to the following LGA Policies:</p> <p><u>2.2.3 Education and Training</u></p> <p>To recognise the relative disadvantage that government policy (Youth Allowance eligibility/means/income and workforce participation tests) contribute to in relation to tertiary education and vocational skills/training access for regional youth, and the resulting social and economic impacts of localised skill shortages on regional and rural/remote communities.</p> <p>To lobby for holistic policy changes that encourage rather than inhibit youth participation in post-secondary education and vocational training.</p> <p><u>3.4.3 Youth</u></p> <p>To include the right for regional youth to participate in education/vocational training uninhibited by (relative to relocation/living costs) unrealistic parental income tests.</p> <p>To encourage youth participation in engagement on youth issues at a state level (i.e. actively engaging regional rural/remote youth) on issues.</p>
LGA Strategic Plan reference	<p>Strategy 1 – Advocate</p> <p>1.2 Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities.</p>
Council Contact Officer submitting form	<p>Michael McCarthy</p> <p>mmccarthy@mountgambier.sa.gov.au</p> <p>8721 2555</p>
Council Meeting minute reference and date of meeting	<p>Minutes Reference 19.3</p> <p>Meeting Date 18/07/2023</p>
Date submitted to LGA	04/08/2023

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to [LGA Latest News](#) in respect to deadlines for upcoming General Meetings.

8.1 SAPN Dispute Regarding Tree Management

Items of Business approved by the GAROC Committee

Submitted by:	City of Marion	
Strategy:	2 - Assist	
Outcome:	2.3 Councils are engaged in addressing sector-wide priorities, including local government reforms and achieving greater financial sustainability	
Meeting	Annual General Meeting	26 October 2023
ECM:	797223	Attachment: 795435

Recommendation

That the Annual General Meeting:

1. Requests that the LGA support with coordination and advocacy to reconcile the Electricity Regulations, which suppress canopy coverage, with the state government targets set to increase canopy coverage; and
2. Notes that if the item is approved by members at the 2023 LGA Annual General Meeting, the LGA Secretariat would undertake the following activities:
 - a) the LGA writes to the Minister for Energy and Mining and the Minister for Climate, Environment and Water about the barrier imposed by the *Electricity (Principles of Vegetation Clearance) Regulations 2021* to the State Government in achieving its urban greening agenda; and
 - b) the LGA continues its current advocacy through existing channels with SAPN and Green Adelaide, and takes advantage of other potential avenues which may arise, to support these changes to the Regulations.

GAROC Committee's Comments

The GAROC Committee supported the Item of Business (IoB) (provided as an Attachment to this Report) put forward by the City of Marion ('the Council').

LGA Guidelines

The LGA Guidelines outline that all proposals will be assessed against the guiding principles in terms of their strategic importance to local government and the LGA, supporting evidence, alignment with LGA policy and resourcing requirements.

The matter raised in this IoB has been assessed against these guiding principles which are summarised in the following table:

LGA Guiding Principle	Secretariat comment
Strategic importance	This issue could potentially affect all urban (not just metro) councils where there is conflict with vegetation management around powerlines.
Supporting evidence	Limited information was supplied by the City of Marion (the Council) in its IoB. Follow up emails and telephone discussions with staff from the Council has furnished the information included in this report and information has also been sourced from the LGA Mutual Liability Scheme (LGAMLS).
Alignment with LGA policy	The LGA Policy Manual includes Policy 6.2.9 Urban Greening: Local government understands that having higher levels of natural plant life (trees and shrubs located in street verges, parks and on private properties) in their local communities has many social and environmental benefits, particularly in urban communities. Councils shall continue to explore and implement strategies that maintain and increase levels of urban greenery to maximise the benefits of green cover. The IoB is consistent with the Policy as it seeks to increase the tree canopy cover in the metropolitan area.
Resourcing	This issue is already being addressed to a degree as explained in this report. However, this has not been successful in changing the regulations which govern the vegetation around powerlines. The LGAMLS has also been involved in supporting some councils on this issue, although its focus is on the liability issues for councils, rather the urgent need to increase the urban tree canopy.

LGA Officer's Comments

Officer: Katherine Russell, Manager Policy Projects

Background

The *Electricity (Principles of Vegetation Clearance) Regulations 2021* ('the Regulations') set out how vegetation must be kept clear of powerlines, most commonly by the South Australian electricity network companies including SA Power Networks (SAPN). The Regulations are administered by the Office of the Technical Regulator (OTR), a statutory authority established to regulate the industry. In effect, the Regulations are managed by SAPN.

The Regulations set limitations on the types of vegetation that can be planted near powerlines and the OTR maintains the list of allowed and permitted species.

SAPN spends considerable resources in maintaining vegetation around powerlines to ensure reliable electricity supply and safety, especially in bushfire risk areas. SAPN is seeking to reduce

its vegetation management costs (through regular pruning) which puts SAPN in potential conflict with the urban greening objectives of councils and the community which is also interested in maintaining and enhancing the urban tree canopy.

Adelaide's tree canopy is disappearing at a rapid rate, with over 75,000 trees removed every year. Other legislative barriers, unconnected with this issue, are also contributing to this rapid loss of tree canopy.

LGA Activity to date

The LGA provides a representative to the SAPN Local Government Working Group which considers tree management issues impacting councils, as well as to the SAPN Advisory Committee which advises the OTR on the approved and permitted species lists. The LGA is also represented on working groups developing the Urban Greening Strategy by the State Government's Green Adelaide, a State Government agency charged with developing a cooler, greener, wilder and climate-resilient Adelaide.

The LGA has raised the issue of this conflict between the management of vegetation by utilities (including SA Water) and the need to increase tree canopy at every opportunity, such as:

- with Green Adelaide at its consultation workshop with local government in developing the Urban Greening Strategy 19 October 2021;
- in consultation with SAPN at its 2025-30 Regulatory Proposal Engagement Vegetation Management Workshop held on 24 August 2022; and
- the Green Adelaide's Future Trees Workshop on Tuesday 11th October 2022.

In its submission to the Environment, Resources and Development Committee (ERDC) of Parliament Inquiry into the Urban Forest dated February 2023, the LGA recommended:

- Improving regulated and significant tree legislation to enhance protection of trees and increase the urban forest as the current protections that exist in the South Australian planning system are not sufficient;
- Considering undergrounding and bushfire switches to manage vegetation around powerlines in bushfire risk areas; and
- Supporting further and more targeted funding programs to support councils in the development, design and support of tree canopy strategies and planning including tree planting on public land.

The LGA submission noted significant barriers to increasing the urban forest, being:

- Remove the barriers that power and water utilities create to urban greening by:
 - wanting to reduce the cost of vegetation management around powerlines/water pipes;
 - encouraging tree removal;
 - encouraging planting of small trees (e.g., SAPN Powerline Friendly Trees List);
 - discouraging planting altogether; and
 - transferring risk of tree planting to councils.
- SAPN is recently more stringently enforcing transfer of responsibility for trees planted under powerline which is inconsistent with the Powerline Friendly Species List. The risk implications of this for councils are significant (responsible for cost of outages and the damage caused by trees) as is the potential impact on the urban forest as councils are directed to remove trees.

- Address the challenges of the species lists - SAPN's Powerline Friendly Tree document and SA Water's Tree Planting Guide, which mean only 62 tree species are considered appropriate for street tree planting, and most of these are either shrubs or small trees (offering limited shade and tree canopy).
- Proper cost-benefit analysis of the costs of not improving bushfire risk.

Issue at the City of Marion

The Council also made a submission to the ERDC Inquiry and noted:

- the extensive work it is undertaking to increase the tree canopy;
- the barriers imposed by utilities and the legislation under which they operate;
- the need for greater integration of these issues in Green Adelaide's Urban Greening Strategy; and
- the need to widen the focus of the OTR beyond technical and safety regulations for the electricity, gas, plumbing and water industries, to including responsibility for the positive benefits of trees and green spaces.

The Council now has a particular issue with SAPN, which has become apparent as much of Adelaide's urban forest dates from before the approved lists of tree species were instituted, meaning that many Council plantings are non-compliant. The Council apparently has the largest number of non-compliant trees in Adelaide.

SAPN has historically offered some latitude to councils by accepting responsibility for pruning newer plantings and ensuring powerline clearance. However, SAPN has adopted a zero-tolerance approach to any trees planted since 2017.

SAPN has now issued non-compliance notices to several councils across Adelaide to request the removal of common street trees including jacarandas (*Jacaranda mimosifolia*), Queensland Brush Box (*Lophostemon confertus*) and Coral Gums (*Eucalyptus torquata*) planted since 2017 because these are not on the allowed or permitted species lists.

The Council has been asked to remove around 500 trees which were planted due to the failure of previous plantings and following many years of SAPN tolerating non-approved species being planted under power lines. These trees are now well-established and too large for relocation to be feasible.

Removal of these trees will have significant impact on the tree canopy of the Council, as well as outraging residents who do not wish to see flourishing mature trees removed from their streets.

The legal issues in which the Council is engaged are beyond the scope of this report. The Council has asked for support from the LGA with reconciling the Regulations with the need to increase the tree canopy.

Impact on the Urban Tree Canopy

Councils are continuing to work with SAPN to find a way to maintain existing plantings, but overhead power lines and the allowed and permitted species lists are a major impediment to councils with ambitious greening and canopy targets consistent with The 30 Year Plan for Greater Adelaide. The Plan sets targets for councils to achieve certain increases in tree canopy cover, but the State Government's Regulations limit councils' ability to achieve these targets.

The permitted species list contains 272 tree varieties, however several are synonyms of other species or have obsolete taxonomy, making it unclear which species is referred to. A list of errors with recommended amendments was provided to the OTR in June 2022 but it is believed that no amendments have yet occurred.

The list of allowed and permitted species also include small trees which contribute limited value to the tree canopy and also create an increased financial burden to councils because of their generally limited life expectancy, requiring more regular replacement.

When compared to the SA Water Tree Planting Guide, which contains 219 tree species that can be planted in the vicinity of water or wastewater infrastructure, there are only 62 tree species common to both lists. Many of the tree species common to both lists grow to less than three metres high and provide limited public amenity and shade. They have also not been assessed for issues which concern councils in selecting its street trees (such as consistency of form, clear line of sight for traffic, lack of spiky or poisonous parts, lack of extensive litter, climate and soil suitability, nursery availability, etc.).

A review of these lists is required in order to address the significant barriers they pose to increasing the urban tree canopy. This should be undertaken in conjunction with Green Adelaide, which is charged with the Government's responsibility to address the canopy.

The current Regulations do not recognise the importance of increasing the urban tree canopy to mitigate the impacts of climate change.

The Regulations also empower SAPN, a 100% foreign-owned, profit-driven private enterprise, to exercise a very strong suppressive influence on canopy growth on public land in the City of Adelaide.

Mutual Liability Scheme

The Council has been working with the LGAMLS to address the issue of the liability to which the Council would be exposed should it enter into a specific agreement regarding the vegetation management of the subject trees. The Regulations allow an exemption to be sought via the OTR to plant a tree that is not approved, the effect of which would be that the Council would be responsible for the management and long-term maintenance of the tree.

Applying for exemption would be a costly exercise; for example, if a council chose to plant a tree that is not approved, it would be required to also maintain the tree, and if, as a result of damage caused by the tree, SAPN service is disrupted (with a minimum of 2 hours to have power restored), it could incur penalties of around \$200-300K.

LGAMLS sought legal advice on this issue which is yet to be tested. In any event, councils are unlikely to choose this path which offers potential exposure to liability.

The Office of the Technical Regulator

Apart from the limitations on the permitted species list explained above, the OTR could take a stronger leadership role in enforcing the Regulations for which it is responsible. The Advisory Committee referred to above is established and managed by SAPN to advise the OTR, where this should be led by the OTR.

The OTR should be enabled to strike a balance between managing vegetation around powerlines and increasing the urban tree canopy. This would require a change to the Regulations regarding ongoing planting.

The OTR should also take a stronger role in managing its own Regulations – the permitted species list is an editable excel spreadsheet available online (anyone can go online and amend it) and it has not taken responsibility to update the list to correct errors. Councils rely on these Regulations.

Next Steps

While this issue is already on the LGA agenda through activities identified above, if further work is to be undertaken, beyond the proposed correspondence referred to below, more resources would need to be assigned to it.

If the IoB is approved at the AGM, it is recommended that:

- the LGA writes to the Minister for Energy and Mining and the Minister for Climate, Environment and Water about:
 - the barriers imposed by the Regulations to the State achieving its urban greening agenda;
 - the need to amend the Regulations to accommodate existing trees;
 - the need to review the list of allowed and permitted species to facilitate the urban canopy; and
 - the need for the OTR to lead implementation of its Regulations.
- the LGA continues advocacy through existing channels with SAPN and Green Adelaide and takes advantage of other potential avenues which may arise, to support these changes.

Financial and Resource Implications

The current and proposed activities can be undertaken within current resources.



LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Please return Word version of completed form to lgasa@lga.sa.gov.au.

Council Name	City of Marion
The body the item is being referred to	Board of Directors GAROC
Subject of the proposed item of business	SAPN Dispute Regarding Tree Management
Proposed motion for the General Meeting	That the Annual / Ordinary General Meeting requests the LGA to support with coordination and advocacy to reconcile the Electricity Regulations, which suppress canopy coverage, with the state government targets set to increase canopy coverage.
Supporting information <i>Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.</i>	<p>City of Marion has been in protracted negotiations with SA Power Networks regarding the retention of street trees that are not compliant with the <i>Electricity (Principles of Vegetation Clearance) Regulations 2021</i>. SAPN has been resolute in their position that they require the trees be removed or that Council bear the cost for pruning them to a point where they will lose a lot of their value. This is of particular concern to us as Marion has some of the hottest and lowest-canopy cover suburbs in Adelaide.</p> <p>We understand that the LiDAR tree canopy mapping due to be released by the state government shortly will reveal substantial decline in canopy in Marion and across greater Adelaide and we struggle to reconcile the Electricity Regulations, which suppress canopy, with the targets that the state government has set to grow it. This is an issue which impacts all local governments, and which would benefit from increased coordination and advocacy from the Local Government Association. We would appreciate any assistance you are able to provide to achieve the best result for our residents.</p>
LGA Policy Manual <i>Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?</i>	(please click here to view the LGA Policy Manual)
LGA Strategic Plan reference	<p>(please click here to view the 2021-25 LGA Strategic Plan)</p> <p>2.3 Councils are engaged in addressing sector wide priorities, including local government reforms and achieving greater financial sustainability.</p>



Council Contact Officer submitting form	Kate McKenzie, Manager Office of the CEO Kate.mckenzie@marion.sa.gov.au 8375 6625
Council Meeting minute reference and date of meeting	General Council Meeting – 25 July 2023
Date submitted to LGA	27 July 2023

Please return Word version of completed form to lgasa@lga.sa.gov.au.
 Refer to [LGA Latest News](#) in respect to deadlines for upcoming General Meetings.

8.2 Animal Impounding/Rehoming

Items of Business approved by the GAROC Committee

Submitted by:	City of Port Adelaide Enfield	
Strategy:	1 - Advocate	
Outcome:	1.1 We are close to our members, seek their feedback and represent them with evidence-based advocacy on issues that matter	
Meeting	Annual General Meeting	26 October 2023
ECM:	797222	Attachment: 795091

Recommendation

That the Annual General Meeting requests that the LGA:

- 1. Investigate the current capacity/rehoming issues for dogs and cats currently faced by South Australian Councils; and**
- 2. Undertake a scoping study into all potential animal pound and rehoming models, including the feasibility of a state-wide impounding and rehoming facility and associated services, considering the costs and risks with each model and how this could be practically implemented to meet the needs of regional and metropolitan Councils.**

GAROC Committee's Comments

The GAROC Committee supported the Item of Business put forward by the City of Port Adelaide Enfield to be tabled at the Annual General Meeting.

SAROC Committee's Comments

This Item of Business was also submitted by Clare and Gilbert Valleys Council and tabled at the SAROC Committee. However, the motion was lost and not supported on the basis that it did not appear to impact the majority of regional councils.

LGA Guidelines

The LGA Guidelines for considering proposed Items of Business for LGA General Meetings outlines that all proposals will be assessed in terms of their strategic importance to the sector, alignment with LGA policy, the supporting evidence provided and resourcing requirements.

The matters raised in this Item of Business have been assessed against these guiding principles which can be summarised in the following table:

LGA Guiding Principle	Secretariat comment
Strategic importance	<p>The challenges confronting the Councils of Port Adelaide Enfield and Clare and Gilbert Valleys regarding animal impounding/rehoming resonate across the entire local government sector. The challenges present significant issues regarding the ability of the local government sector to deliver its mandate under the <i>Dog and Cat Management Act 1995</i>.</p> <p>Dog and cat management issues are included in the LGA Advocacy Plan 2019-23 with the LGA's related position being that:</p> <p style="padding-left: 40px;">Dog and cat management issues impact on councils across the State and have the potential to impact on council resourcing requirements.</p> <p>An outcome sought in relation to the above position is that there should be a recognition of:</p> <p style="padding-left: 40px;">Resource limitations and operational realities of regional councils in administering the Act (<i>Dog and Cat Management Act 1995</i>).</p> <p>Moreover, the LGA's Strategic Plan 2021-25 features "Assist" as one of its four themes, under which:</p> <p style="padding-left: 40px;">The LGA will continue to provide resources, services and advice that assist councils. Through these services and by working together as a united local government sector, councils will be able to achieve more with less, leading to better outcomes for their communities [...] The LGA's Assist services, which enable the sharing of knowledge and experience between councils, will help drive an effective and efficient local government sector.</p> <p>In addition, an outcome of the LGA's "Advance" services as featured in its Strategic Plan 2021-25 is that:</p> <p style="padding-left: 40px;">We research and communicate on emerging issues for councils and their communities.</p>
Supporting evidence	<p>The City of Port Adelaide Enfield and Clare and Gilbert Valleys Council have cited some statistics and evidence to give a broad overview of the challenges confronting councils regarding animal impounding and/or rehoming. The Item of Business recounts the Dog and Cat Management Board's position that "animal impounding and rehoming services are an issue and risk for Councils and that this problem cannot be solved by individual Councils or the Board in isolation".</p>
Alignment with LGA policy	<p>Broadly, the outcomes sought in the Proposed Item of Business relate to the LGA Policy 1.1.6 on Service Provision which provides that: 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.</p>

Resourcing	The requested investigation and scoping study would require engaging the services of a consultant, which is estimated to cost between \$20,000 and \$30,000. The capacity of an existing LGA staff member to manage the project and consultant would also be required.
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LGA Officer's Comments

Officer: Dr Kwaku Dankwah

The City of Port Adelaide Enfield and Clare and Gilbert Valleys Council submitted identical Items of Businesses on the subject-matter. The GAROC Committee approved the City of Port Adelaide Enfield's Item of Business on 11 September 2023 for inclusion in the agenda of the LGA Annual General Meeting to be held on 26 October 2023. However, the SAROC Committee did not support the Clare and Gilbert Valleys Council's Item of Business on 21 September 2023. Given approval by GAROC, the Item of Business has been included in the agenda for the Annual General Meeting.

A 2020 feasibility study funded by the Local Government Research and Development Scheme has explored models for the detention of dogs and cats seized under the Dog and Cat Management Act 1995. Initiated by the Cities of Charles Sturt, West Torrens and Port Adelaide Enfield, the 2020 feasibility report, however, mostly focused on animal detention facilities, being the 72-hours holding period.

The report did not explore the pressures faced by Councils in assessing and rehoming dogs and cats beyond the 72-hour holding period. Note that there is no requirement for councils to hold dogs for longer than 72 hours, or hold cats at all, before exercising its powers to euthanise or transfer ownership.

In light of recent impounding/rehoming pressures faced by councils as forecast by the report, the Item of Business calls for a more current investigation of the capacity/rehoming challenges faced by Councils regarding the management of dogs and cats.

It is the view of the LGA Secretariat that a more recent study into the challenges faced by councils regarding animal rehoming and impounding is a step in the right direction.

Further, the 2020 report does not estimate the 'full' costs of varying models for impounding/rehoming dogs and cats, except for the model where Councils develop a local/joint pound (even that the report only provides a partial cost estimate). Consequently, it would be prudent to map the full cost estimations for the various models identified by the 2020 study including any other potential models subsequent to an investigation of the current challenges being faced by councils.

The LGA's Secretariat engagement with *some* Councils' staff indicates that the scope of councils' services for dogs and cat management is increasingly expanding from detention (the 72-hour holding period) to providing shelter services (rehoming/reselling/euthanasia).

In light of this changing/expansive role, the Secretariat as part of its mandate to advance the local government sector ought to research the more contemporary challenges faced by Councils and potential solutions as requested by the Proposed Item of Business.

If this Item of Business is approved, as part of the exploration of options, the Reviewer should consult with councils to ascertain the range of services and the standard of care required. For example:

- What resources should be expended attempting to rehome unwanted and abandoned dogs and cats?

- Will dogs and cats be detained for the minimum time required by legislation or for a longer period?
- Who should make decisions about euthanising dog and cats and under what circumstances?

Also, the LGA anticipates that as part of its “Assist” function, a potential option that could be included in the various model cost estimations by the Consultant is where the LGA or LGA Procurement engages the services of a Contractor or panel of Contractors who would provide impounding and/or rehoming services to Councils.

Financial and Resource Implications

This activity will require significant staff resources and funding that are not currently anticipated in the LGA budget. It is estimated that it will cost between \$20,000 and \$30,000 to engage the services of a Consultant to complete the investigation and scoping study as requested by the Proposed Item of Business.

Hence, the LGA Secretariat recommends that the LGA makes a budgetary allocation for this study.

It is proposed that this study be planned for 2024/25, on the basis that work plans/budgets for 2023/24 are already set and this study is not considered to be of greater priority than existing work. If this was deemed to be a more urgent study, priorities, and existing budget allocations for 2023/24 would need to be reassessed.

LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	Clare and Gilbert Valleys Council
The body the item is being referred to <i>Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.</i>	SAROC
Subject of the proposed item of business	Animal Impounding/Rehoming
Proposed motion for the General Meeting	<p>That the Annual / Ordinary General Meeting requests the LGA to:</p> <ol style="list-style-type: none"> 1. Investigate the current capacity/ rehoming issues for dogs and cats currently faced by South Australian Councils. 2. Undertake a scoping study into all potential animal pound and rehoming models, including the feasibility of a state-wide impounding and rehoming facility and associated services, considering the costs and risks with each model and how this could be practically implemented to meet the needs of regional and metropolitan Councils.
Supporting information <i>Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.</i>	<p>In 2021/2022, 3,383 dogs were impounded by Councils in South Australia, of those dogs 2,140 were returned to their owners, the remaining 1,243 dogs were rehomed or euthanised. During the same period, the Clare and Gilbert Valleys Council impounded 20 dogs with 16 returned to their owners.</p> <p>The Clare and Gilbert Valleys Council (CGVC), like many Councils has an agreement with the Animal Welfare League (AWL) for dog and cat impounding and rehoming services. Due to capacity issues, on 15th May 2023 the AWL ceased accepting cats and kittens from the public, which remains to date. On 10th June 2023, the AWL ceased accepting dog impounds from CGVC and other Councils, along with community surrenders with only days' notice. These closures have put pressure on Councils to find alternative arrangements for dog impounding and rehoming at short notice, which are not sustainable models.</p> <p>Similarly on 10 March 2023, the RSPCA ceased accepting dogs and cats except from those Councils with a direct contract due to being at capacity. Like the RSPCA and AWL, many rescues and shelters across South Australia are experiencing the same issues with being at capacity.</p> <p>There are many factors which are contributing to the capacity issues such as high cat intake, zero euthanasia targets for both dogs and cats, limited resources such as vets, and costs of living/ housing shortages</p>

These capacity issues are prior to the introduction of state-wide cat legislation and potential mandatory cat holding detention periods, which is currently being considered in the review of the Dog and Cat Management Act.

These capacity issues are putting additional pressures on Councils to consider alternative impound and rehoming models, whereby some Councils have commenced rehoming dogs through their existing pounds, which were originally designed for 72 hour holding only and not long term shelters. These arrangements are putting pressure on both the staff at the Councils but also the welfare of the animals in their care, not to mention the additional financial impacts and increased risks around rehoming processes.

Whilst Councils have heavily relied on AWL and RSPCA for impound and rehoming services for many years, this model is not sustainable and susceptible to the risk of these organisations ceasing to provide services at any time, and Councils may not be able to fulfil their legislative obligations under the Dog and Cat Management Act 1995.

The Dog and Cat Management Board has identified that animal impounding and rehoming services are an issue and risk for Councils and that this problem cannot be solved by individual Councils or the Board in isolation. It requires a collaborative approach between all affected stakeholders, including the LGA to develop solutions to enable Councils to continue meeting its legislative obligations and community expectations about the way dogs and cats are managed.

A meeting on 28 June 2023 of animal management staff, team leaders and managers from 33 metro and regional Councils, identified that most Councils are experiencing the same situation with impounding and rehoming options. Whilst some Councils are currently exploring their own pound options, current experiences have identified that this is not a sustainable model, as it still relies on the already limited and strained resources available in the industry. It was an agreed position at this meeting, that the LGA should develop a research paper into the future of animal impounding and rehoming in South Australia, that is not so reliant on third party organisations

As such, it is recommended that the LGA undertakes a scoping study into all potential animal pound and rehoming models, including the feasibility of a state-wide impounding and rehoming facility and associated services, considering the costs and risks with each model and how this could be practically implemented to meet the needs of all metropolitan and regional Councils.

In doing so the LGA, along with stakeholders should look to understand how this is currently affecting each Council, and what their current pound and rehoming models are, to understand how this is impacting the state wholistically and to have all the required information for planning future models.

LGA Policy Manual <i>Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?</i>	<p>(please click here to view the LGA Policy Manual)</p> <p>N/A</p>
LGA Strategic Plan reference	<p>(please click here to view the 2021-25 LGA Strategic Plan)</p> <p><i>Advance – We research and communicate on emerging issues for Councils and their communities</i></p>
Council Contact Officer submitting form	<p>Boyd Kench</p> <p>Compliance Officer</p> <p>0429 426 411</p> <p>bkench@cgvc.sa.gov.au</p>
Council Meeting minute reference and date of meeting	<p>Ordinary Meeting 19th July 2023</p> <p>Agenda Item 9.3</p> <p>Minute reference 217-23</p>
Date submitted to LGA	<p>1st August 2023</p>

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to [LGA Latest News](#) in respect to deadlines for upcoming General Meetings.

8.3 Reducing Heat Island impacts on Road Infrastructure

Items of Business approved by the GAROC Committee

Submitted by:	Campbelltown City Council	
Strategy:	1 - Advocate	
Outcome:	1.2 Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities	
Meeting	Annual General Meeting	26 October 2023
ECM:	797221	Attachment: 795727

Recommendation

That the Annual General Meeting:

- 1. Requests the LGA advocate to the Department for Infrastructure and Transport to seek the Department's commitment to reducing the heat island impact on their road assets, including a review of current technical documentation (operational Instructions) to consider greater flexibility to support greening initiatives whilst not compromising vehicle safety, and partnering with Councils to cost share works undertaken (including ongoing maintenance); and**
- 2. Notes that if the Item is approved by members at the 2023 Annual General Meeting, the LGA Secretariat would write to the Minister for Infrastructure and Transport as well as the Minister for Climate, Environment and Water seeking support for ongoing review of the Operational Guideline to consider greater flexibility to encourage greening initiatives while not compromising vehicle safety on roads managed by the Department for Infrastructure and Transport.**

GAROC Committee's Comments

The GAROC Committee supported the Item of Business (IoB) (provided as an Attachment to this Report) put forward by the Campbelltown City Council ('the Council').

LGA Guidelines

The LGA Guidelines outline that all proposals will be assessed against the guiding principles in terms of their strategic importance to local government and the LGA, supporting evidence, alignment with LGA policy and resourcing requirements.

The matter raised in this IoB has been assessed against these guiding principles which can be summarised in the following table:

LGA Guiding Principle	Secretariat comment
Strategic importance	This IoB supports all councils in reducing the urban heat island effect, consistent with the LGA's declaration of a climate emergency. While it is an issue which applies across the sector, the example supplied here is quite specific. While it could inform part of a package of measures on this topic, the action required is relatively easily dealt with as a result of this IoB.
Supporting evidence	There is sufficient information supplied to make a decision, and readily available research to support the initiative. The LGA sought further detail from the Council about the specific regulatory barriers encountered and the specific actions by the Council.
Alignment with LGA policy	<p>The LGA Policy Manual includes:</p> <p>Policy 4.4 Managing the Risks of Climate Change:</p> <p>Policy 4.4.1 Partnerships:</p> <p>Local Government accepts that negative impacts from climate change are inevitable and recognises that building resilience to these impacts is a responsibility shared by everyone. Councils shall continue to be key partners in delivering a strategic response to climate risks.</p> <p>Policy 5.1 Roads:</p> <p>Policy 5.1.2 State Roads:</p> <p>Local Government recognises the importance of investment in the strategic road network for economic and social prosperity. Local Government shall continue to lobby state government for increased investment in the strategic road network on the basis of sound evidence and needs assessment, for the benefit of the community.</p> <p>Policy 6.2 Planning Processes:</p> <p>Policy 6.2.9 Urban Greening:</p> <p>Local government understands that having higher levels of natural plant life (trees and shrubs located in street verges, parks and on private properties) in their local communities has many social and environmental benefits, particularly in urban communities. Councils shall continue to explore and implement strategies that maintain and increase levels of urban greenery to maximise the benefits of green cover.</p>
Resourcing	This issue can be dealt with as part of the LGA's advocacy around climate change.

LGA Officer's Comments

Officer: Katherine Russell, Manager Policy Projects

Background

The Council refers to the Department for Infrastructure and Transport's Operational Guideline Trees in Medians and Roadsides in the Urban Environment (the Operational Guideline) which emphasises the importance of road safety over environmental considerations, highlighting the risk associated with trees on roadsides. It states, "Tree plantings within road reserves have often been the result of DIT, local Council, community desires, or a combination of these to improve the aesthetics and environmental quality of the road environment."

The Council has highlighted in the Attachment that its project to provide a comfortable shaded roadside environment was prevented by the regulatory barriers imposed by the Department for Infrastructure and Transport (the Department) based on the Operational Guideline.

Research has shown for many years that the urban heat island effect is exacerbated by urban infill. Buildings cool rapidly compared to bitumen, leaving paved, hard surfaces as the main contributor to night time heat, according to the Western Adelaide Urban Heat Mapping Project dated August 2017. Measures to cool bitumen, such as tree-lined streets, result in less heat to re-emit at night, leading to cooler temperatures during both day and night.

Treelined streets also contribute to a more comfortable, appealing living environment.

The Western Adelaide Report also highlights many other measures which serve to cool temperatures, such as use of light-coloured roofs, light-coloured bitumen/concrete, greening, use of irrigated turf rather than artificial turf and use of water bodies. All these influences could be mandated by the State Government in urban design.

LGA Activity to date

LGA activity to date is consistent with this IoB.

Measures to mitigate against the urban heat island effect would be investigated further in a project proposed by the LGA for funding under the Local Government Research and Development Scheme. A project proposal has been developed and funding sought as part of a package of measures for the LGA to address its declaration of a climate emergency.

The LGA has been active on engaging in consultation with Green Adelaide in development of its Urban Greening Strategy. In its submission to the Environment, Resources and Development Committee (ERDC) of Parliament Inquiry into the Urban Forest dated February 2023, the LGA recommended supporting further and more targeted funding programs to support councils in the development, design and support of tree canopy strategies and planning including tree planting on public land.

The LGA has been active in road safety, involved in consultation on the State Government's Road Safety Strategy and also developing the Local Government Guide to a Road Safety Strategy and Action Plan. That Guide also addresses the benefits of alternative modes of transport which meet other public policy objectives such as reducing greenhouse gas emissions and influencing climate change, and the importance of shaded pedestrian routes in encouraging active travel. The Guide recognises the importance of road safety balanced with climate change objectives.

Issue at the City of Campbelltown

The City of Campbelltown had a project to increase tree canopy on Gorge Road but encountered barriers from the Department's staff who, while sympathetic to the Council's objectives, were also concerned about the potential road safety issues if the project did not adhere to the Department's operational guidelines.

The Council's plan had the objective to reduce urban heat island effect as well as to help meet the State Government's tree canopy targets from The 30 Year Plan for Greater Adelaide. As Gorge Road is within the control of the Department, the Department had to approve the road design. The Department raised concerns about the width of the median for planting based on the Operational Guideline which put the project at risk.

Subsequently, the Council has requested the LGA advocate to seek:

- the Department's commitment towards reducing the urban heat island effect on Department roads;
- a review of the Department's Operational Guidelines to consider greater flexibility to support greening initiatives while not compromising vehicle safety; and
- partnering in cost sharing to undertake these works.

The Department for Infrastructure and Transport

The Council's Agenda Report dated 4 July 2023 explains the regulatory issue of concern to the Department, being insufficient width in the existing carriageway to safely facilitate a 3m raised median for planting. In this instance, parking bays could be removed to facilitate this width but this would be opposed by residents. There is no evidence supplied by Council about whether this conflict, between the width required for a central median strip for planting trees, and the width of the roadway, is a widespread concern. Nonetheless, the issue of facilitating trees to shade roadways and mitigate against the urban heat island effect is an important issue to raise.

Next Steps

This issue is already on the LGA agenda to a degree, but with no specific resources allocated to it.

The IoB focusses on the collaboration required to provide more tree-lined streets to reduce the urban heat island effect and the Council has also requested the LGA to:

- Seek to enable peer reviews of alternatives to ensure road safety is not compromised; and
- Undertake advocacy (such as a letter to the Minister/Department) encouraging collaboration and innovation between State and local government.

If the IoB is approved, the LGA would write to the Minister for Infrastructure and Transport as well as the Minister for Climate, Environment and Water seeking:

- the Department's commitment towards reducing the urban heat island effect on Department roads;
- a review of the Department's Operational Guideline to consider greater flexibility to support greening initiatives while not compromising vehicle safety;
- to enable peer reviews of alternatives to ensure road safety is not compromised;
- to encourage collaboration and innovation between State and local government; and
- partnering in cost sharing to undertake these works.

Financial and Resource Implications

This activity is not currently anticipated in the LGA's work program, but can be accommodated within existing resources.

LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	Campbelltown City Council
The body the item is being referred to	GAROC
Subject of the proposed item of business	Reducing Heat Island impacts on Road Infrastructure
Proposed motion for the General Meeting	That the Annual General Meeting requests the LGA to advocate to the Department for Infrastructure and Transport to seek the Department's commitment to reducing the heat island impact on their road assets, including a review of current technical documentation (operational Instructions) to consider greater flexibility to support greening initiatives whilst not compromising vehicle safety, and partnering with Councils to cost share works undertaken (including ongoing maintenance).
Supporting information <i>Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.</i>	<p>The Department of Infrastructure and Transport (DIT) Operational Instruction – <i>Trees in Medians and Roadsides in the Urban Environment</i> (19.8) is a directional guideline used for traffic engineering standards which apply on DIT managed roads.</p> <p>These guidelines aim to balance the safety risk to road users with enhancing the public realm through planting of trees and other vegetation for community benefit.</p> <p>Greening projects to upgrade and improve roads and traffic corridors, particularly where the roads subject to upgrade are controlled and managed by DIT, are typically driven by Local Government.</p> <p>In a recent report presented to the Campbelltown City Council, the focus was on upgrading Gorge Road, bordering Newton and Athelstone. The Council aimed to address general heat island impacts by incorporating plantings that could alleviate these effects. These plantings were carefully chosen to align with the aspirations outlined in strategic documents from both the Council and DIT.</p> <p>However, despite both parties being open to landscaping alternatives to support heat reduction efforts, the project could not proceed due to imposed restrictions (including regulatory barriers associated with the DIT standards).</p> <p>This situation highlights the challenges faced when trying to strike a balance between regulatory standards and innovative solutions to environmental concerns, something experienced consistently throughout other similar initiatives. Despite the potential benefits of adopting alternative methods, the existing guidelines prevailed, limiting the opportunity for more progressive and eco-friendly approaches to be implemented and the project was withdrawn.</p>

	Options such as enabling peer reviews of alternatives to the prescribed standards to ensure that safety is not compromised could be considered. LGA advocacy to support such collaboration and innovation between State and Local Governments is being sought.
LGA Policy Manual <i>Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?</i>	<p>(please click here to view the LGA Policy Manual)</p> <p>This item of business does not require new or changed policy. It is consistent with:</p> <p>4.4 Managing the Risks of Climate Change; 4.4.1 Partnerships - Local Government accepts that negative impacts from climate change are inevitable, and recognises that building resilience to these impacts is a responsibility shared by everyone. Councils shall continue to be key partners in delivering a strategic response to climate risks.</p> <p>5.1 Roads; 5.1.2 State Roads - Local Government recognises the importance of investment in the strategic road network for economic and social prosperity. Local Government shall continue to lobby state government for increased investment in the strategic road network on the basis of sound evidence and needs assessment, for the benefit of the community.</p>
LGA Strategic Plan reference	<p>(please click here to view the 2021-25 LGA Strategic Plan)</p> <p>Strategy 1: Advocate - Achieve greater influence for Local Government.</p> <p>Outcome 1.2: Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities.</p> <p>LGA Climate Action Plan: LGA's Climate Commitment</p> <p>The LGA acknowledges that climate change poses a serious risk to councils, and the communities and ecosystems that they support. The LGA stands ready to:</p> <ol style="list-style-type: none"> 1. Advocate for urgent action on climate change; 2. Assist member councils in their efforts to reduce carbon emissions and adapt to the impacts of climate change; 3. Advance the Local Government sector's leadership on climate change; 4. Achieve emissions reduction and adaptation through the operations of the LGA.
Council Contact Officer submitting form	Lyn Barton, lbarton@campbelltown.sa.gov.au , (08) 8366 9234
Council Meeting minute reference and date of meeting	<p>4 July 2023 – Item 11.3</p> <p>Greening the Central Median of Gorge Road – Stage 1</p>
Date submitted to LGA	4 August 2023

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to [LGA Latest News](#) in respect to deadlines for upcoming General Meetings.

8.4 Conflict of Interest Regional Subsidiary

Items of Business approved by the GAROC Committee

Submitted by:	Town of Gawler	
Strategy:	1 - Advocate	
Outcome:	1.2 Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities	
Meeting	Annual General Meeting	26 October 2023
ECM:	797220	Attachment: 795589

Recommendation

That the Annual General Meeting requests the LGA to lobby the State Government to undertake legislative reform to enable Council Member appointees to subsidiaries to remain in a meeting, participate and vote in a matter being considered by council or a committee, where the outcome would result in a benefit or loss for the subsidiary; rather than the current legislative obligation that appointees must declare a material conflict of interest.

GAROC Committee's Comments

At the meeting held on 11 September 2023 the GAROC Committee considered the item of business proposed by the Town of Gawler relating to management of material conflicts of interest by subsidiary board members and supported the progression of the item to the Annual General Meeting. GAROC members acknowledged advice provided that the legislative provisions are operating as intended, however, determined that the full LGA membership should have the opportunity to consider whether it supported efforts being made to achieve legislative change that would allow subsidiary board members to participate in debate and vote on items at a council meeting which are currently captured by the material conflict of interest provisions.

LGA Guidelines

The Guidelines for Considering Proposed Items of Business for LGA General Meetings (the Guidelines) outline that all proposals will be assessed against the guiding principles in terms of their strategic importance to local government and the LGA, supporting evidence, alignment with LGA policy and resourcing requirements.

The matter raised in this item of business has been assessed against these guiding principles which can be summarised in the following table:

LGA Guiding Principle	Secretariat comment
Strategic importance	<p>In assessing whether the proposed item of business is of strategic importance to local government, the Town of Gawler has identified the Advocate strategy from the LGA Strategic Plan 2021-2025 and the associated outcome '(1.2) <i>Governments rely on our proactive contribution to policy and legislation that impacts councils leading to better outcomes for communities</i>'.</p> <p>Appropriate management of conflicts of interest is a key element of good governance within the local government sector. Conflicts of interest are to be expected, especially given that members are generally elected and appointed because of their involvement and influence in their local community.</p> <p>The <i>Local Government Act 1999</i> requires members to manage any conflicts so that the individual member's private interests do not inappropriately influence or conflict with the proper fulfilment or exercise of a council, committee or subsidiary's roles, functions or powers.</p> <p>The failure to manage conflicts effectively could result in decisions of councils being challenged, damage to the reputation of individual council members, councils or the sector more broadly or greater legislative requirements being imposed.</p> <p>It is important that all council members understand the conflict of interest requirements and take appropriate action when conflicts arise.</p>
Supporting evidence	<p>By way of supporting evidence, the Town of Gawler has indicated that the current conflict of interest provisions applicable to council members appointed to subsidiary boards have <i>"caused confusion for Council Members and more broadly for other councils across the sector. It is understood the concern regarding this legal requirement is shared with at least one other large council and there are other councils who are not aware of the requirements and as a result Council Members who are on subsidiary boards have not declared material conflicts of interest in the required circumstances."</i></p> <p>Of particular concern to the Town of Gawler is the inability for council members appointed to subsidiary boards, who have specific knowledge/insights in relation to the subsidiary, to contribute to discussion on matters before the council for decision relating to a subsidiary.</p>

LGA Guiding Principle	Secretariat comment
Alignment with LGA policy	<p>The Town of Gawler has identified the following item from the Policy Manual as being of relevance:</p> <p>1.2—Partners in Government</p> <p>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.</p> <p>It also appropriately sits within:</p> <p>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.</p>
Resourcing	<p>Resourcing/capacity to undertake lobbying for legislative change relating to conflict of interest provisions is not currently available within existing LGA resources/work plans.</p> <p>If supported by member councils and additional staff resources and/or funding are not available, a trade-off decision will be required from the LGA Board of Directors or LGA Secretariat regarding what current work will be paused or delayed to accommodate the new activity. Timeframe for commencement will need to be determined having regard to existing workplans and priorities.</p> <p>An update to the LGA Conflict of Interest Guideline could incorporate additional information to support the operation and application of conflict of interest provisions within the <i>Local Government Act 1999</i> as they relate to council members appointed to subsidiary boards. This level of work can be accommodated within existing resources and will be undertaken irrespective of the decision made by the AGM in relation to this proposed item of business.</p>

LGA Officer's Comments

Officer: Tami Norman

The legislative framework

Sections 74 to 75D inclusive of the *Local Government Act 1999* (the Local Government Act) set out the conflict of interest provisions applicable to council members.

A key reform arising from the passage of the *Statutes Amendment (Local Government Review) Act 2021* was changes to the conflict of interest provisions so that there are now only two categories:

- **General conflicts of interest:** (subject to exemptions and other matters) a member of a council has a **general conflict of interest** in a matter to be discussed at a meeting of the council if an impartial, fair-minded person might consider that the member's private interests might result in the member acting in a manner that is contrary to their public duty.

In this context:

private interests mean any direct or indirect interest of a member that does not derive from their public duty and does not include an interest that is only a matter of personal opinion or belief.

public duty means the responsibilities and obligations that a member has to members of the public in their role as a member.

- **Material conflicts of interest:** (subject to exemptions and other matters) a member of a council has a **material conflict of interest** in a matter to be discussed at a meeting of the council if any of the specified persons would gain a benefit, or suffer a loss, (whether directly or indirectly and whether of a personal or pecuniary nature) depending on the outcome of the consideration of the matter at the meeting.

Of relevance to this proposed item of business is the following defined 'specified person':

75 (1)(c) *a body corporate of which the member is a director or a member of the governing body.*

Exemptions

Section 75A sets out a range of circumstances where a council member will not be regarded as having a conflict of interest in a matter. These include where the interest is:

- held in common with a substantial proportion of ratepayers, electors or residents and does not materially exceed the interest held by others; or
- that of an employer or employee and the member does not know or could not reasonably be expected to know of that interest; or
- that of a relative (other than the member's spouse/domestic partner) and the member does not know or could not reasonably be expected to know of that interest.

Section 75A(1)(d) provides for exemptions in relation to a "*prescribed matter or in prescribed circumstances*" if the member complies with any requirements of the regulations in relation to the prescribed matter/circumstance.

In accordance with section 75A(1)(d), regulation 8AAA (1)(h) of the *Local Government (General) Regulations 2013* (the General Regulations) prescribes the following:

- (h) *a discussion or decision of a matter at a meeting of a council if the matter—*
 - (i) *relates to a matter that was discussed before a meeting of a subsidiary or committee of the council; and*
 - (ii) *the relevant interest in the matter is the interest of the council that established the committee or which appointed, or nominated for appointment, a member of the board of management of the council subsidiary or regional subsidiary.*

The effect of this provision is to exempt a council member, who is also a member of a subsidiary board, from the **general and material conflict of interest provisions** in circumstances where matters discussed at subsidiary board meetings subsequently come before a council meeting for decision **and the relevant interest is the interest of the council that appointed the member to the subsidiary board.**

Section 75A(2)(e) sets out a further exemption in relation to a **general conflict of interest** for a council member appointed to the board of a subsidiary. The section provides that a member of a council will not be regarded as having a **general** conflict of interest in a matter by reason only of “a *nomination or appointment as a member of a board of a corporation or other association, if the member was nominated for appointment by a council*”.

In a circumstance where a matter comes before the council involving the subsidiary that would ordinarily give rise to a **general conflict of interest**, the effect of 75A(2)(e) is to entirely exempt the member from that general conflict of interest.

In terms of **material conflicts of interest** there is no exemption for a council member appointed to a subsidiary board in a circumstance where the relevant interest to which the conflict relates is the **subsidiary's interest** (whereas Regulation 8AAA(1)(h) provides an exemption for circumstances where the relevant interest is the interest of the *council* that appointed the member to the subsidiary board).

Policy intent

LGA Secretariat staff have sought background from the Office for Local Government on the policy intent of the conflict of interest provisions. Based on officer level discussions it is understood that it has been a deliberate policy decision **not** to provide an exemption from the material conflict of interest requirements for council members appointed to a subsidiary board, when the interest in the matter before council for discussion/decision is the interest of the subsidiary. There were no substantive changes made to the material conflict of interest exemptions in the Local Government Act under the *Statutes Amendment (Local Government Review) Act 2021*.

Since the amendments to the conflict of interest provisions in the Act were made under the *Local Government (Accountability and Governance) Amendment Act 2015*, which commenced in 2016, council members who are members on a council subsidiary board have had a material conflict of interest in a matter to be discussed at a meeting of the council where the subsidiary ‘would gain a benefit, or suffer a loss, (whether directly or indirectly and whether of a personal or pecuniary nature) depending on the outcome of the consideration of the matter at the meeting’ and must declare the interest and leave the meeting.

The policy position is that it is not appropriate for council members who are members on boards of subsidiaries to participate in council decisions in which the subsidiary would gain a benefit or loss, for example, where the council is deciding whether to provide funding to the subsidiary.

The Town of Gawler report seeking endorsement of the item of business (Item 10.5, Ordinary Council Meeting Agenda, 25 July 2023) also refers to advice provided by OLG representatives as follows:

“Council Staff have met with Office of Local Government (OLG) representatives who advised that the drafting of the legislation to not provide an exemption when there is an interest for the subsidiary, in a matter, was a deliberate and direct policy decision. Further more, it was explained that the material conflict of interest requirements in the Local Government Act 1999 have not changed in many years, rather Regulation 8AAA detailing the exemptions has been expanded, resulting in it being more evident that an exemption for subsidiaries interests is not in place.”

The explanation of the policy intent clarifies that the conflict of interest provisions as currently drafted are consistent with good governance practice regarding the appropriate identification and management of conflicts by council members and are operating as intended.

The material conflict of interest provisions, require council members in circumstances where they, or any of the defined persons/bodies, would gain a benefit or suffer a loss (whether directly or indirectly and whether of a personal or pecuniary nature) to:

- inform the meeting of their material conflict of interest in the matter; and
- leave the meeting room (including any area set aside for the public) such that they cannot view or hear any discussion or voting at the meeting, and stay out of the meeting room while the matter is being discussed and voted on.

There are exemptions in place to ensure that council members are not unreasonably prevented from participating in discussions and decision making for matters being determined by councils in a majority of cases.

Alternative mechanism to clarify conflict of interest requirements

Noting the specific policy decision to not provide an exemption for material conflicts of interest to subsidiary board members as part of the Reforms, it is unlikely that legislative change would be achieved.

The Town of Gawler item of business indicates that the current provision has “*caused confusion for Council Members and more broadly for other councils across the sector*”. An alternative solution to seeking legislative change, would be to ensure that the LGA Conflict of Interest Guideline provides examples to clearly explain the operation of the general and material conflict of interest provisions for council members appointed to subsidiary boards.

Ensuring more detail on this particular aspect of managing conflicts of interest in the Guideline and as part of council member training would ensure there is clarity for all council members on the operation and application of the conflict of interest provisions.

The Conflict of Interest Guideline is in the process of being updated to reflect the changes arising from the reforms and the inclusion of further, specific detail in relation to council members appointed to subsidiary boards can be accommodated within existing LGA Secretariat work plans and resources.

Actions – if Item of Business is supported

If the item of business is supported by LGA Members additional resources will be required to allow the necessary work to be undertaken. Achieving legislative change requires significant effort and this activity is not currently considered within existing resources and work plans. Timing of commencement of the work will need to be considered and prioritised within the current LGA Secretariat endorsed work plan/resource allocation.

If supported, the resolution would be actioned in the first instance by way of a letter from the LGA President to the Minister for Local Government proposing changes to the conflict of interest provisions. This will ideally result in an indication from the State Government of their appetite to consider any changes. Subject to the response to that request, subsequent actions that would require resourcing may include:

- Engagement with the Office of Local Government to negotiate legislative provisions and potential amendments to legislation.
- Legal advice and support for drafting of sector information and legislative provisions.
- Potentially, public consultation processes, including broad consultation by the state government.
- Ongoing information provision/communication with the sector on progress.
- If supported and changes proceed, amendments/updates to existing LGA resources.
- Training of council members on the revised provisions.

The Secretariat will also continue the update of the LGA Conflict of Interest Guideline with additional detail/examples for council members appointed to subsidiary boards to assist with greater understanding and application of the conflict of interest provisions, as well as explore options for improving/enhancing council member conflict of interest training.

Actions – if Item of Business is not supported

If the item of business is not supported by LGA Members, the LGA Secretariat will consider any modifications that could be made to the Conflict of Interest Guideline to assist with clarification/application of the current legislative provisions. This could extend to the incorporation of further specific detail/examples for council members appointed to subsidiary boards to assist with greater understanding and application of the conflict of interest provisions.

In addition, discussions with LGA's Legal Connect Partner, Norman Waterhouse Lawyers, and LGA Training will be progressed with a view to identifying opportunities to improve/enhance council member conflict of interest training.

This level of activity can be accommodated within existing LGA Secretariat work plans/resources.

Financial and Resource Implications

The work associated with lobbying for and achieving legislative change will require significant staff resources and/or funding that is/are not currently anticipated in the LGA budget.

If additional staff resources and/or funding are not available, a trade-off decision will be required from the LGA Board of Directors or LGA Secretariat regarding what current work will be paused or delayed to accommodate the new activity. Timeframe for commencement will need to be determined having regard to existing workplans and priorities.

LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	Town of Gawler
The body the item is being referred to <i>Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.</i>	GAROC
Subject of the proposed item of business	Conflict of Interest Regional Subsidiary
Proposed motion for the General Meeting	That the Annual General Meeting requests the LGA to lobby the State Government to undertake legislative reform to enable Council Member appointees to subsidiaries to remain in a meeting, participate and vote in a matter being considered by council or a committee, where the outcome would result in a benefit or loss for the subsidiary; rather the current legislative obligation that appointees must declare a material conflict of interest.
Supporting information <i>Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.</i>	<p>The legislative requirement for Council Member appointees to subsidiaries to declare a material conflict in circumstances where there is an interest for the subsidiary, has caused confusion for Council Members and more broadly for other councils across the sector. It is understood the concern regarding this legal requirement is shared with at least one other large council and there are other councils who are not aware of the requirements and as a result Council Members who are on subsidiary boards have not declared material conflicts of interest in the required circumstances.</p> <p>The legislative framework that gives rise to this situation is:</p> <p>Section 75A(1)(d) of the <i>Local Government Act 1999</i> provides:</p> <p style="padding-left: 40px;">(1) <i>A member of a council will not be regarded as having a conflict of interest in a matter</i></p> <p style="padding-left: 40px;"><i>to be discussed at a meeting of the council—</i></p> <p style="padding-left: 40px;">(d) <i>if—</i></p> <p style="padding-left: 80px;">(i) <i>the interest arises in relation to a prescribed matter or in prescribed circumstances; and</i></p>



(ii) *the member complies with the requirements of the regulations (if any) relating to dealing with the matter.*

Local Government (General) Regulations 2013, Regulation 8AAA(1)(h) provides an exemption for purposes 75A(1) of the Act:

(1) For the purposes of section 75A(1)(d)(i) of the Act, the following matters are prescribed:

(2) (h) a discussion or decision of a matter at a meeting of a council if the matter—

- (i) relates to a matter that was discussed before a meeting of a subsidiary or committee of the council; and*
- (ii) the relevant interest in the matter is the interest of the council that established the committee or which appointed, or nominated for appointment, a member of the board of management of the council subsidiary or regional subsidiary.*

Accordingly, a member of a council who is a member of a subsidiary board would have a material conflict of interest in a matter to be discussed at a meeting of a council or committee, if the outcome would result in the subsidiary gaining a benefit or suffering a loss.

Although this is the case, many Members at the Town of Gawler have expressed concerns regarding this legislative restriction, given appointees to subsidiaries through their involvement are best placed to inform the Council or a committee on matters for consideration relating to a subsidiary.

Council involvement with subsidiaries results in economies of scale in areas where there is a benefit to the viability of service or infrastructure provision over a larger area. In some circumstances, it may be cost prohibitive for individual councils to offer certain services and/or infrastructure and at the very least would be more costly and inefficient.

Subsidiary arrangements aim at bringing about cost advantages for councils, so it is in the interest of all councils who are a part of the subsidiary, that the subsidiary operates successfully.

Therefore, any council decision that would result in a benefit or loss to a subsidiary, would consequently result in a benefit or loss for the councils who are party to that subsidiary. In effect, the benefit or loss is shared by both the council and the relevant subsidiary.

	<p>The success of a subsidiary should deliver positive benefits to the member councils, with the contrary being the same in that if a subsidiary suffers a loss, it may be of detriment to member councils.</p> <p>It therefore seems logical that Council Member representatives to subsidiaries who have an informed knowledge through their involvement, be able to use this knowledge to inform councils or committees considering an item that may result in benefit or loss to the subsidiary.</p>
LGA Policy Manual <i>Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?</i>	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.
LGA Strategic Plan reference	Strategy 1: Advocate Achieve greater influence for local government Outcome 1.2 Governments rely on our proactive contribution to policy and legislation that impacts councils leading to better outcomes for
Council Contact Officer submitting form	Susie Reichstein, Team Leader Governance susie.reichstein@gawler.sa.gov.au 8522 0105
Council Meeting minute reference and date of meeting	Ordinary Council Meeting, 25 July 2023 Resolution 2023:07:COU001
Date submitted to LGA	28 July 2023

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to [LGA Latest News](#) in respect to deadlines for upcoming General Meetings.

Attachment 2

Recommendation Reports from the SAROC Committee

	Recommendation	Comments	Recommended Voting Position
7.1	That the Annual General Meeting request the Local Government Association (LGA) Secretariat to advocate to the Essential Services Commission SA (ESCOSA) for a change to the cost structure being applied to the Strategic Management Plan Advice Scheme, conducted by ESCOSA pursuant to section 122 of the Local Government Act 1999, to an approach that has costs allocated to councils on a proportional basis consistent with the value assigned to votes of delegates of the LGA at an LGA General Meeting (as set out in clause 17 of the LGA Constitution).	<p>If this action was successful, and the cost structure changed as recommended, it is expected that there would be no change to the City of Holdfast Bay costs.</p> <p>In principle the notion of proportional costs assigned by the size of a Council is sound. It is therefore proposed that this recommendation be supported.</p>	Support
7.2	<p>That the Annual General Meeting request that the Local Government Association:</p> <ol style="list-style-type: none"> 1. Amend its Policy Manual to recognise and advocate on factors that impact regional youth participation in post-secondary education in light of skills shortages and localised social and economic impacts for regional communities; and 2. Advocate for removal of the parental income test as a qualifying criterion for Youth Allowance eligibility for regional students relocating to pursue post-secondary education, and other measures that encourage youth/regional participation in further education. 	While the City of Holdfast Bay may not be directly impacted by this issue (apart from regional students who may reside in the City of Holdfast Bay while pursuing post-secondary education) this recommendation could significantly benefit for regional young people and their families.	Support

Recommendation Reports from the GAROC Committee

	Recommendation	Comments	Recommended Voting Position
8.1	<p>That the Annual General Meeting:</p> <ol style="list-style-type: none"> 1. Requests that the LGA support with coordination and advocacy to reconcile the Electricity Regulations, which suppress canopy coverage, with the state government targets set to increase canopy coverage; and 2. Notes that if the item is approved by members at the 2023 LGA Annual General Meeting, the LGA Secretariat would undertake the following activities: <ol style="list-style-type: none"> a) the LGA writes to the Minister for Energy and Mining and the Minister for Climate, Environment and Water about the barrier imposed by the Electricity (Principles of Vegetation Clearance) Regulations 2021 to the State Government in achieving its urban greening agenda; and b) the LGA continues its current advocacy through existing channels with SAPN and Green Adelaide and takes advantage of other potential avenues which may arise, to support these changes to the Regulations. 	<p>The City of Holdfast Bay is impacted by the Electricity (Principles of Vegetation Clearance) Regulations 2021, but not to the degree of some Council areas.</p> <p>Greater flexibility in the application of this Regulation would assist in achieving the Aspiration in the Strategic <i>Plan Our Holdfast 2050+</i> of increasing our tree canopy to 16.8%.</p>	Support
8.2	<p>That the Annual General Meeting requests that the LGA:</p> <ol style="list-style-type: none"> 1. Investigate the current capacity/rehoming issues for dogs and cats currently faced by South Australian Councils; and 2. Undertake a scoping study into all potential animal pound and rehoming models, including the feasibility of a state-wide impounding and rehoming facility and associated services, considering the costs and risks with each model and how this could be practically implemented to meet the needs of regional and metropolitan Councils. 	<p>The high demand on dog and cat rescue services is well acknowledged by the City of Holdfast Bay.</p> <p>While acknowledging the need to maintain community safety with animals that may be dangerous, efforts to increase re-homing are important.</p> <p>The recommendation poses a scoping study which will commit additional LGA resources in 2024-25. This is seen as a sound use of LGA resources.</p>	Support

	Recommendation	Comments	Recommended Voting Position
8.3	<p>That the Annual General Meeting:</p> <p>1. Requests the LGA advocate to the Department for Infrastructure and Transport to seek the Department's commitment to reducing the heat island impact on their road assets, including a review of current technical documentation (operational Instructions) to consider greater flexibility to support greening initiatives whilst not compromising vehicle safety, and partnering with Councils to cost share works undertaken (including ongoing maintenance); and</p> <p>2. Notes that if the Item is approved by members at the 2023 Annual General Meeting, the LGA Secretariat would write to the Minister for Infrastructure and Transport as well as the Minister for Climate, Environment and Water seeking support for ongoing review of the Operational Guideline to consider greater flexibility to encourage greening initiatives while not compromising vehicle safety on roads managed by the Department for Infrastructure and Transport.</p>	<p>This recommendation is aligned to Council's Environmental Strategy and the action theme <i>Addressing our adaptability and resilience to a changing climate</i>.</p> <p>While recognising the need for road safety, there is a concern that an inflexible approach to instituting operational instructions. This can result in missed opportunities for more greening to reduce the impacts of climate change.</p>	Support
8.4	<p>That the Annual General Meeting requests the LGA to lobby the State Government to undertake legislative reform to enable Council Member appointees to subsidiaries to remain in a meeting, participate and vote in a matter being considered by council or a committee, where the outcome would result in a benefit or loss for the subsidiary; rather than the current legislative obligation that appointees must declare a material conflict of interest.</p>	<p>It is noted that the position of the Office of Local Government is that there is a deliberate policy decision not to provide an exemption from the material conflict of interest requirements for council members appointed to a subsidiary board.</p> <p>From the LGA Officer's Comments, it is not clear that Elected Members who are appointed by Council to serve on the Southern Region Waste Resource Authority (SRWRA) have a material conflict of interest.</p> <p>For the City of Holdfast Bay, it is considered useful that Elected Members who are appointed can bring back information in relation to SRWRA. To this end it is proposed that this recommendation be supported in principle, subject to any further clarification about the material conflict of interest definition.</p>	Support in principle