

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 Ordinary General Meeting held on 30 April 2021	3
5.2 Resolutions and Actions from Previous Meetings	14
6. LGA Business	
6.1 LGA Annual Report 2020-2021	20
6.2 Financial Statements 2020-2021	21
6.3 Annual Reports for the LGA Committees	74
6.4 LGASA Mutual Annual Report 2020-2021	109
6.5 LGA Procurement Annual Report 2020-2021	110
6.6 Local Government Research and Development Scheme	111
6.7 LGA Advocacy Update	134
6.8 LGA Member Services Update	168
6.9 Local Government Financial Indicators 2021	170
6.10 SAROC and GAROC Terms of Reference	180
7. Recommendation Reports from the SAROC Committee	
7.1 Increasing South Australia's Influence at the National General Assembly (Wakefield)	206
7.2 Regional Homelessness (and Housing Affordability) (Mount Gambier)	211
8. Recommendation Reports from the GAROC Committee	
8.1 Boundary Reform Legislation Change (Adelaide Hills)	221
8.2 Cost and Timeframes for Adjustment to Telecommunication Pits on Road Reserves (Gawler)	227
8.3 Clear and Consistent Rules for Purchased Renewable Electricity (Gawler)	231



8.4	Homelessness (Port Adelaide Enfield)	237
8.5	Illegal Dumping (Port Adelaide Enfield)	244
9.	Recommendation Reports from the LGA Board of Directors	
9.1	Local Government Legislative Reforms – Likely Cost to Councils (Marion)	248
10.	Next Meeting	
	The LGA Ordinary General Meeting will be held on Friday 8 April 2022 at a venue to be confirmed.	
12.	Close	

Draft

Draft Minutes of the LGA Ordinary General Meeting held on Friday 30 April 2021 at 11.00am at the National Wine Centre of Australia, Corner Botanic and Hackney Roads, Adelaide

1. Open & Welcome

The President opened the meeting at 11:08am and welcomed members and staff.

Present:

President	Mayor Angela Evans
Chief Executive Officer	Matt Pinnegar
Executive Director Public Affairs	Lisa Teburea
Records Management & Projects Coordinator (Minutes)	Astrid Crago
Executive Assistant to the CEO & President (E-voting)	Ashlea Lyall
Human Resources and Administration Coordinator (E-voting)	Sarah Ryan

Member Councils (voting delegates):

City of Adelaide	The Flinders Ranges Council
Adelaide Hills Council	District Council of Franklin Harbour
Adelaide Plains Council	Town of Gawler
Alexandrina Council	District Council of Grant
The Barossa Council	Regional Council of Goyder
Berri Barmera Council	City of Holdfast Bay
City of Burnside	Kangaroo Island Council
Campbelltown City Council	District Council of Karoonda East Murray
City of Charles Sturt	District Council of Kimba
Clare & Gilbert Valleys Council	Kingston District Council
Coorong District Council	Light Regional Council
Copper Coast Council	District Council of Lower Eyre Peninsula
District Council of Coober Pedy	District Council of Loxton Waikerie
District Council of Elliston	City of Marion

Draft

City of Onkaparinga	Tatiara District Council
District Council of Orreroo/Carrieton	City of Tea Tree Gully
City of Playford	City of Unley
City of Port Adelaide Enfield	City of Victor Harbor
City of Port Lincoln	Wakefield Regional Council
Port Pirie Regional Council	Town of Walkerville
City of Prospect	Wattle Range Council
Renmark Paringa Council	City of West Torrens
District Council of Robe	City of Whyalla
City of Salisbury	Wudinna District Council
Southern Mallee District Council	District Council of Yankalilla
District Council of Streaky Bay	Yorke Peninsula Council

2. Apologies

Barunga West Council	Port Augusta City Council
District Council of Ceduna	Municipal Council of Roxby Downs
District Council of Cleve	District Council of Tumby Bay
District Council of Peterborough	

3. Notices & Arrangements

The Executive Director Public Affairs 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 on 29 October 2020

Moved Berri Barmera Seconded Kimba that the Ordinary General Meeting confirms the minutes of the Annual General Meeting held on 29 October 2020 as a true and accurate record of the proceedings held.

Carried

Draft

5.2 Resolutions and Actions from Previous Meetings

Moved Whyalla Seconded Campbelltown that the Ordinary General Meeting notes progress with resolutions resulting from the Annual General Meeting of 29 October 2020 and outstanding resolutions from earlier general meetings.

Carried

6. LGA Business

6.1 LGA Member Services Update

Moved Kangaroo Island Seconded Adelaide Plains that the Ordinary General Meeting notes the report.

Carried

6.2 LGA Advocacy Update

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

Carried

6.3 LGA Strategic Plan 2021-2025

Moved Naracoorte Lucindale Seconded Port Lincoln that the Ordinary General Meeting notes the LGA Strategic Plan 2021-2025 adopted by the LGA Board of Directors on 18 March 2021 following consultation with member councils.

Carried

6.4 LGA Climate Commitment Action Plan

Moved Alexandrina Seconded Light that the Ordinary General Meeting:

1. notes the LGA Climate Commitment Action Plan adopted by the Board of Directors on 18 March 2021, which outlines 24 actions for the LGA to implement in its own operations; and
2. notes that the LGA Climate Commitment Action Plan will be reviewed annually and that members will receive an annual progress report at an LGA General Meeting.

Carried

Draft

7. Recommendation Reports from the SAROC Committee

Nil.

8. Recommendation Reports from the GAROC Committee

8.1 COVID-19 Response (Salisbury)

Moved Salisbury Seconded Tea Tree Gully that the Ordinary General Meeting requests the LGA to seek direct local government input to any review that is undertaken into the State's response to the COVID-19 emergency with a view to playing a stronger partnership role in any future state-wide emergency.

Carried

8.2 Damage to Infrastructure caused by Developers and Builders (Tea Tree Gully)

Moved Tea Tree Gully Seconded Prospect that the Ordinary General Meeting:

- a. calls on the Minister for Planning and Local Government, Hon Vickie Chapman MP to work with the local government sector to investigate and implement an effective solution to the long-standing problem of councils and their ratepayers being left out of pocket when public infrastructure is damaged during private construction projects; and
- b. calls on the Local Government Association to seek to undertake further collaborative discussions with the various public utilities and/or their agents to improve the quality and timeliness of reinstatement works to any damaged local government infrastructure in the course of carrying out their works.

Carried

8.3 Electric Vehicles Fleet Incentives (Campbelltown)

Moved Campbelltown Seconded Adelaide Hills:

1. that the Ordinary General Meeting requests the LGA to lobby the Federal Government to remove the luxury vehicle tax on electric vehicles and to introduce incentives for local vehicle manufacturing to create local industries to change the Internal combustion fleet to an electric fleet based on renewable, locally produced power; and
2. that the Ordinary General Meeting requests the LGA to lobby the State Government to assist councils convert to an electric vehicle fleet by providing incentives.

Carried

8.4 Seeking a comprehensive State Government review of mandatory statutory rebates and exemptions from payment of local government rates (Adelaide)

Moved Adelaide Seconded Mount Barker that the Ordinary General Meeting:

1. calls for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions;

Draft

2. 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 issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide; and
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.

Amendment:

Moved Salisbury Seconded Gawler that the Ordinary General Meeting:

1. calls for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions where negotiated agreements exist between councils and State Government and other relevant entities for payments of monies in lieu of council rates, and including legislatively mandated rebates such as community housing;
2. 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 affected councils to undertake analysis and prepare an issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide; and
3. requests that following preparation of the issues paper and consultation with affected councils, the LGA seeks to engage an appropriate economic advisory consultant to undertake an assessment of the support in subsidies and exemptions that councils receive from state and federal governments, and to prepare a separate report for government to be used by the LGA for advocating for changes to statutory rate rebates and exemptions in SA in those cases where negotiated agreements exist between councils and relevant entities for payments of monies in lieu of council rates.

The Amendment was put and **Lost**

The Main motion was put and **Carried**

9. Recommendation Reports from the LGA Board of Directors

Nil.

10. Next Meeting

An Annual General meeting will be held on Friday 29 October 2021 at a venue to be confirmed.

Draft

12. Close

The meeting was declared closed at 11.52pm.

Minutes confirmed

.....

Chairperson

Date

2021 LGA President's Ordinary General Meeting Report

It is my pleasure to present the President's Report to the 2021 LGA Ordinary General Meeting.

The past six months have once again highlighted the importance of partnerships, and what we can achieve by working together and with our partners in government.

The LGA spent much of last year advocating for stimulus funding for local government, that would support councils to invest in infrastructure and create local jobs.

We specifically asked for this funding in our 2020 Pre-State Budget submission, and were thrilled when the Government announced its \$100 million Local Government Infrastructure Partnership Program.

The funding allocations were announced last month, with 57 councils sharing in almost \$107 million.

Importantly, this will be leveraged by matching council funding, as well as federal contributions, supporting projects worth almost \$300 million.

This is a fantastic outcome, and I want to acknowledge the Premier, Treasurer and our State Government for partnering with us on this program.

The LGA has requested a second round of funding in this year's Budget, so we can deliver even more projects and more jobs for our communities.

To help councils develop their funding applications, the LGA partnered with the Local Government Finance Authority, LG Professionals SA, LGA Procurement and Norman Waterhouse Lawyers to create a new Shovel Ready program.

Thanks to funding assistance from SAROC and GAROC, this program will continue throughout 2021, providing councils with practical advice and support to help deliver their projects in a challenging market with challenging time frames.

Emergency management is another area where we have benefitted by working together, and with our partners in government.

The Local Government Functional Support Group continues to provide support and coordination to councils, and connection with state emergency agencies.

It's been great to see councils supporting the LGFSG with staff and resources, as well as each other during emergencies.

The Council Ready program will conclude in June, and this has been a massive success, with all 68 of our State's councils engaging in the program to develop fit for purpose emergency management plans.

This program wouldn't have been possible without state and federal funding, as well as support from the LGA Mutual Liability Scheme.

Local government reform is another area where the LGA is working closely with its members as well as the State Parliament.

The Local Government Review Bill is currently before the Legislative Council, and we're hoping it will finally pass both Houses when Parliament resumes in the next few weeks.

Over recent months the LGA has worked with all parties to make sure that amendments to the Bill are sensible, evidence-based, and in the best interests of our communities.

In particular, we've been able to advocate for an amendment in the legislative council that will allow councils to have more than 12 members, and more than 13 if supported by their community through a representation review.

This is an excellent outcome for larger metropolitan councils, and I would like to thank the Opposition and cross-bench for their support.

Importantly, the Bill will establish a much better system for councils to deal with member conduct, and help protect both council members and staff from inappropriate behaviour.

The LGA has already started work on the implementation process, developing a comprehensive work plan outlining how it will support its members.

This will be a significant piece of work, and the LGA has already identified more than 150 different outputs that will be required. We will all need to work together to ensure we realise the benefits of the reform program.

The past six months have also seen the final rollout of our State's new Planning and Design Code.

Strong advocacy from the LGA and councils led to almost all existing contributory items that were included in council Development Plans being given better protection in the final Code.

This was a big win for our communities, and I would like to thank our Minister the Hon Vickie Chapman MP for listening to and responding to our concerns.

The LGA has been monitoring the rollout, and we are committed to working with members and the Government to quickly address any issues the new system presents.

Climate change is an ongoing area of focus, and the LGA is working with councils and the Government as part of the solution.

The LGA recently partnered with Green Adelaide and the Department for Environment and Water to provide central coordination for the Regional Climate Partnerships program.

This included appointing two new coordinators, who are working with these Regional Climate Partnerships to support the delivery of effective on-ground climate adaptation and mitigation actions.

The LGA has also developed a Climate Action Plan, which outlines what it is doing and will do to reduce own emissions, and provide leadership to the sector and community.

This Plan reinforces our commitment as an Association to real action and tangible solutions to address the impacts of climate change.

Reconciliation with our First Nations people is another area where councils are increasingly playing an important role, and the LGA is supporting these efforts through a new Local Government Reconciliation Industry Network Group.

A joint initiative with Reconciliation SA, this group is bringing together council leaders to build relationships and networks, and develop and support shared reconciliation initiatives.

Libraries funding is a crucial state/local government partnership, and the LGA has been working to negotiate a new agreement.

Over the past twelve months, we have seen time and time again how important libraries are, and how they are valued by our communities.

Discussions with the Government are ongoing, but we have made it clear that we will not be signing any agreement that reduces funding for councils and diminishes local library services.

Libraries are the cornerstone of our communities, and continue to grow and evolve to meet local expectations and needs.

Any reduction in funding would be shortsighted, and cost our communities more than it would save.

Waste and recycling are an ongoing challenge for councils, and the recent fire at Visy showed just how precarious our State's recycling system is.

In the hours after this fire, the LGA activated the Local Government Functional Support Group to work with State agencies and impacted councils.

By working together, we were able to ensure continuity of services for our communities and maintain public confidence in the recycling process.

However, it highlighted the need to increase our State's capacity for local processing and recycling, and for ongoing investment by all levels of government to support innovation in the waste sector.

As a sector we are taking greater control of the recycling process, and five metropolitan councils are working in partnerships to build two new Material Recovery Facilities, which should hopefully be operational later this year.

We are also advocating for more assistance from the State Government, through funding collected through the Solid Waste Levy and sitting in the Green Industry Fund.

There's more than \$100 million sitting in this fund, and this should be made available to support innovation in our sector, and help drive down waste and recycling costs for our ratepayers.

We've asked for this support through our Pre-State Budget Submission, which also includes requests for better funding partnerships in the areas of coastal protection, jetties, and stormwater management.

Another opportunity identified in this submission is a new state/local government public health and wellbeing partnership

The COVID-19 pandemic has highlighted the importance of our role as local public health authorities.

However, it also placed additional pressure on councils in the public health and wellbeing spheres.

A state/local government public health and wellbeing partnership would support better collaboration between councils and the State Government, and develop and support the capacity of councils to undertake their full range of public health and health promotion functions required under the Public Health Act.

We're expecting the State Budget will be handed down in June, and will continue to advocate for these funding priorities in the lead up until then.

Federally, our number one priority is the extension of supplementary road funding for South Australia.

Our State has 11% of the nation's local roads, and 7% of its population, but we only get 5.5% of local roads funding through Financial Assistance Grants.

Supplementary road funding addresses this inequity, but it will run out in June this year.

With the support of ALGA – as well as our member councils – we have been pushing for an extension to this funding program.

The Federal Budget will be handed down by the Treasurer next month, and I'm hopeful we will be able to share some positive news with all of you then.

Thank you for your ongoing support, for the LGA and for each other.

On our own, we can do great things for our communities, but working together, and with our partners in Government, we can do so much more.

We have a challenging year ahead of us, including the implementation of the local government reform program.

These are the biggest changes our sector has seen in more than twenty years, but the LGA is excited to work with you and your councils to deliver long lasting benefits for our communities.

Thank you.

5.2 Resolutions and Actions from Previous Meetings

Minutes of Previous Meeting

Meeting	Annual General Meeting	29 October 2021
ECM:	761396	

Recommendation

That the Annual General Meeting notes progress with resolutions resulting from the Ordinary General Meeting of 30 April 2021 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.


Recognising that there is an opportunity to improve practices, the LGA has recently updated its internal controls and processes to ensure that members are kept informed of how the items they have submitted are being progressed.

Following each General Meeting the LGA Secretariat will provide 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 will 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. In addition to any engagement with the submitting council administration in order to adequately progress the issue, the LGA will also write to this council to provide a progress update prior to each General Meeting until the matter is closed.


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

 = Completed/No further action required


Resolutions from the Annual General Meeting – 30 April 2021	Action Taken / Progress
<p>8.1 COVID-19 Response (Salisbury) (KR 732712)</p> <p>That the Ordinary General Meeting requests the LGA to seek direct local government input to any review that is undertaken into the State's response to the COVID-19 emergency with a view to playing a stronger partnership role in any future state-wide emergency.</p>	<p>A formal review of the State's COVID-19 emergency response has not yet been undertaken. The LGA continues its involvement in the response through the LGFSG as well as other support for services such as libraries and environmental health officers. When the opportunity to participate in a review emerges, the LGA will be seek that it be involved.</p>
<p>8.2 Damage to Infrastructure caused by Developers and Builders (Tea Tree Gully) (SPS & LB 732711)</p> <p>That the Ordinary General Meeting:</p> <p>a. calls on the Attorney General, Hon Vickie Chapman MP to work with the local government sector to investigate and implement an effective solution to the longstanding problem of councils and their ratepayers being left out of pocket when public infrastructure is damaged during private construction projects; and</p> <p>b. calls on the Local Government Association to seek to undertake further collaborative discussions with the various public utilities and/or their agents to improve the quality and timeliness of reinstatement works to any damaged local government infrastructure in the course of carrying out their works.</p>	<p>Correspondence regarding damage to infrastructure caused by developers and builders has been provided to the Minister for Planning and Local Government; the Minister has yet to provide a written response.</p> <p>The LGA Secretariat has written to the various public utilities to pursue discussions regarding the quality and timeliness of reinstatement works. Future updates will be provided to member councils as any meaningful progress is made.</p>

 = Completed/No further action required


<p>8.3 Electric Vehicles Fleet Incentives (Campbelltown) (KR 734284)</p> <p>That the Ordinary General Meeting:</p> <ol style="list-style-type: none"> 1. requests the LGA to lobby the Federal Government to remove the luxury vehicle tax on electric vehicles and to introduce incentives for local vehicle manufacturing to create local industries to change the Internal combustion fleet to an electric fleet based on renewable, locally produced power; and 2. That the Ordinary General Meeting requests the LGA to lobby the State Government to assist councils convert to an electric vehicle fleet by providing incentives. 	<p>The LGA made a submission to the Federal Government's Future Fuels Discussion Paper which recommended the luxury car tax be removed and the importance of incentives for electric vehicles.</p> <p>The LGA made a submission to the State Government's proposed road user charge consultation and this proposal has now been reconsidered.</p> <p>The LGA is working with the State Government to support its 'Fleet Pledge Program' to encourage fleet purchase.</p>
<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"> 1. calls for the State Government to undertake a comprehensive review of statutory rate rebates and exemptions; 2. 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 issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide; and 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>Both GAROC and SAROC have included advocacy seeking a review of mandatory statutory rebates and discounts in their 2021-22 Annual Business Plans.</p> <p>GAROC has allocated \$35,000 in its 2021-22 budget to support the development of an issues paper and economic analysis report that investigates the financial and economic impact of mandatory rate rebates and recommends appropriate legislative changes that promote a more equitable approach for all ratepayers.</p> <p>The LGA has commenced preparation of the issues paper to inform consultation with member councils, which will be undertaken in 2021 prior to commissioning a report from an economic advisory consultant.</p>

 = Completed/No further action required

Resolutions from the Annual General Meeting – 31 October 2019	Action Taken / Progress
<p>8.4 Fairer Allocation of Open Space Funding (Campbelltown) (SS 688279)</p> <p>that the Annual General Meeting requests the LGA advocate to the Minister for Planning requesting that the Minister, in conjunction with local government, undertake a review of the Planning and Development Fund to investigate a financial model that is more equitable and appropriate for councils that are experiencing higher volumes of infill development, including multi storey development especially in relation to the subdivision of land under 20 allotments.</p>	<p>Following the Annual General Meeting in 2019 the LGA wrote to the Minister for Planning requesting that the Minister, in conjunction with local government, undertake a review of the Planning and Development Fund to investigate a financial model that is more equitable and appropriate for councils that are experiencing higher volumes of infill development, including multi storey development.</p> <p>Open space plays a key role in people’s physical and mental health and wellbeing by providing settings for participation in recreation, physical activity, social gatherings and relaxing. The quality, quantity and distribution of open space has implications on sporting, natural environment, social infrastructure and economic considerations, including through tourism and events.</p> <p>A research project is currently being developed, which will shortly be considered by GAROC to investigate alternative models to enable the LGA to provide evidence to the Minister to support the LGA’s position.</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>Negotiation with the State Government is ongoing.</p> <p>The LGA Secretariat formed an LGA Jetties Steering Group comprising senior representatives of a range of councils, as well as LGA Mutual Liability Scheme, chaired by the LGA President. It has met several times, and participated in a workshop with the Department of Infrastructure and Transport (DIT) and met with (then) Minister Knoll in September 2019 and April 2020. During October 2019, DIT ran a series of workshops with local government which were attended by council and LGA staff, and elected members in preparation for its jetties strategic plan.</p>

 = Completed/No further action required

	<p>The LGA Jetties Steering Group has:</p> <ol style="list-style-type: none"> 1. developed Guiding Principles on the management of jetties in South Australia; 2. developed Terms of Reference for the Steering Group to guide its activities into the future; 3. had these documents endorsed by the LGA Board in December 2019; 4. provided the endorsed Guiding Principles to the State Government stressing the need to continue to negotiate with local government on this issue; 5. provided input on the draft <i>SA Jetties Strategic Plan</i>; and 6. pursued this issue with Minister Wingard MP. <p>This issue is included in the LGA's Advocacy Plan.</p>
--	---

 = Completed/No further action required

Resolutions from the Ordinary General Meeting – 13 April 2018	Action Taken / Progress
<p>8.5 Local Heritage Listing Policy and Procedure (Adelaide) (SS 659576)</p> <p>That the Ordinary General Meeting requests that the LGA calls upon and works with all South Australian councils to develop a consistent policy and procedure to identify and protect their historic building stock dating from the 19th and 20th century, to achieve more consistent local heritage and comprehensive historic character protection across all council areas in the State, in order to better meet community expectations.</p>	<p>The Planning and Design Code was implemented across South Australia in March 2019 and includes overlays and policies relating to local heritage.</p> <p>The GAROC Committee has written to the State Planning Commission outlining the concerns councils have identified with the policy contained in the Planning and Design Code.</p> <p>To support GAROCs concerns, GAROC has written to all GAROC member councils seeking case studies that will identify where policies within the Code are having adverse consequences for local heritage items. This information will be used to inform further submissions to the Minister for Planning and State Planning Commission on further improvements to the Code.</p>
Resolutions from the Annual General Meeting -- 16 November 2017	Action Taken / Progress
<p>8.1 Community Land Management Plans (Charles Sturt) (KR 655308)</p> <p>That the Annual General Meeting requests the LGA to undertake a comprehensive review of their Community Land – Classification and Management Plans Guidelines to ensure that these guidelines take into consideration the decision handed down by Justice Malcolm Blue in the Supreme Court.</p>	<p>The LGA has been working with Local Government Risk Services on two projects to respond to the Coast Park decision: a revised Public Consultation Policy - Model Policy document and revised Community Land Management Plan (CLMP) guidelines. The draft consultation policy is currently being consulted upon.</p>

6.1 LGA Annual Report 2020-2021

LGA Business

From:	Lea Bacon, Acting Executive Director Public Affairs	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	29 October 2021
ECM:	766691	

Recommendation

That the Annual General Meeting receives and adopts the Local Government Association of South Australia's Annual Report for the year 2020-2021.

Discussion

The LGA's 2020-2021 Annual Report, including abridged financial statements, was approved by the LGA Board of Directors on 23 September 2021 and is presented to the Annual General Meeting for adoption by member councils.

The Annual Report is provided via a link to the [LGA website](#) and a printed copy will be available for each member council at the meeting.

Note that the consolidated audited financial statements of the LGA and controlled entities for the year ending 30 June 2021 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 2020/2021

LGA Updates

From:	Andrew Wroniak, 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	29 October 2021
ECM:	766381	Attachment: 765830

Recommendation

That the Annual General Meeting receives and adopts the LGA of SA and controlled entities Financial Statements for the year 2020/21.

Discussion

The LGA Group operations were favourable to budget in the 2020/21 financial year. The LGA Group continues to maintain a strong asset base with both short- and long term investments. Local Government House is fully tenanted, and the LGA continues to meet its 10-year long-term financial plan forecasts.

The LGA Group ended 2020/21 with a net surplus of \$1.405 million which includes a gain from the revaluation of LG House. In addition to the net surplus, a further \$1.5 million was returned to Councils as a special distribution from the Workers Compensation Scheme.

The attached consolidated financial statements for 2020/21 include the financial results for the following entities:

- LGA Parent Entity Operations - Operations and Project activity - \$494,703 surplus before the gain from the revaluation of LG House
- LGA Procurement - \$93,875 surplus
- LGASA Mutual - \$8,628 deficit
- LGA Workers Compensation Scheme - \$183,767 deficit after risk incentive payments and before special distributions to members
- LGA Mutual Liability Scheme - \$585,263 deficit after risk incentive payments to members

Transactions between individual entities are eliminated in the consolidated accounts.

LGA Parent Entity Operations and Projects - \$494,703 surplus

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

The LGA Parent Entity Operations recorded an operating surplus of \$130,235.

The surplus is a positive financial result for the year following the challenges of COVID-19 that impacted training and event revenue streams, the costs associated with the new sector reform legislation and the completion of the LGA's ground floor fit out.

There has been significant saving in depreciation and impairment costs from 2020 to 2021 as the 2020 figures included the impairment of the previous fit out cost of \$496,249. The LGA relocated to its offices to the ground floor of LG House in November 2020, reducing its office space by 43%, allowing it to be leased commercially, providing positive returns.

LGA Parent - Project Activity

The surplus in project activity is due to the timing in the accounting treatment of revenue from the Council Ready project and the capitalization of grant-funded assets purchased for the Functional Support Group business unit, which actively works with councils to respond to emergencies such as bushfires and COVID-19 restrictions.

LGA Parent Overall

The net surplus of \$2.107 million is due to the operating result explained above and the gain in the revaluation of the commercially leased floors at LG House of \$1.629 million, which is a non-cash adjustment.

LGA Procurement - \$93,875 surplus

LGA Procurement is reporting a surplus of \$93,875 with revenue of \$1.243 million and expenses of \$1.149 million. 2020/21 was a challenging year, with COVID-19 impacting several LGA Procurement activities. Despite this, rebate revenue, the largest income area for LGA Procurement, remained steady, with cost savings being the most significant contributor to the year-end surplus.

Over \$120 million of purchases were made through LGA Procurement's managed contracts and consultancy services, saving councils approximately \$19 million.

LGASA Mutual - \$8,628 deficit

LGASA Mutual is the governing entity of the two Schemes with an operating expenditure budget of \$677,500 in 2020/21.

Overall, LGASA Mutual is reporting an operating deficit of \$8,628 in 2020/21 compared with a surplus of \$267,532 in 2019/20.

LGASA Mutual had a closing cash balance of \$325,728 on 30 June 2021 compared with \$353,532 at 30 June 2020.

LGA Workers Compensation Scheme – deficit \$183,769 (before special distributions)

The operating result for the LGAWCS in 2020/21 was a deficit of \$183,769 after the payment of \$856,301 from the risk incentive grant program and before the special distribution to members.

In conjunction with the Scheme's actuary, the Board determines the target range of accumulated services for the LGAWCS that it should hold. As funds were higher than the target range, LGAWCS provided a special distribution of \$1.5 million to members during the year.

At the end of the year, the LGAWCS held accumulated surplus of \$18.229 million.

LGA Mutual Liability Scheme - deficit \$585,263 (before special distributions)

The operating result for the LGAMLS in 2020/21 was a deficit of \$585,263 after the payment of \$575,402 from the risk incentive grant program.

At the end of the year, the LGAMLS held accumulated surplus of \$17.341 million.

Conclusion

The Financial Statements for 2020/21 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 2021

Local Government Association of South Australia

Contents

For the Year Ended 30 June 2021

	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 2021

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 2021 and the auditor's report thereon.

Board members

The names of the Directors currently in office are:

Mayor Gillian Aldridge
Mayor Claire Boan (appointed 29 October 2020)
Mayor Angela Evans (appointed 29 October 2020)
Mayor Peter Matthey
Mayor Clare McLaughlin
Mayor David O'Loughlin
Mayor Keith Parkes
Mayor Sam Telfer
Mayor Erin Thompson (appointed 29 October 2020)
Mayor Erika Vickery

The following were Directors in Office until 29 October 2020:

Mayor Kevin Knight
Mayor Karen Redman
Mayor Jan-Claire Wisdom

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.

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

Local Government Association of South Australia

Board Members' Report

30 June 2021

Principal activities

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 overall surplus for the Group for the financial year before special distributions and other items was \$1,405,081 (2020FY deficit: \$1,671,262). After the special distributions to scheme members and a gain from the revaluation of the investment in Local Government House the total comprehensive surplus was \$525,312 (2020FY: \$2,284,653). The results for each of the entities before inter-entity eliminations are as follows:

LGA

The LGA is reporting an operating surplus of the \$494,703 in the 2021FY (2020FY deficit: \$1,057,187). This comprises of an operating surplus from ordinary operations of \$130,235 and a surplus in project activity of \$364,468. After the gain on investment property of \$1,629,233 and net loss on disposal of assets of \$17,067 the Net Surplus is \$2,106,859.

In the 2020FY the deficit of \$1,057,187 comprised of a deficit of \$465,305 from ordinary operations and a deficit of \$591,882 in project activity. The ordinary operations deficit was due to an impairment loss on disposal of office furniture relating to the fitout of the LGA's office premises. The LGA initially recognised the office furniture in 2017-18 when it was acquired free-of-charge. The LGA relocated to its office premises on the ground floor of Local Government House on 9 November 2020.

LGASA Mutual

In the 2021FY, LGASA Mutual is reporting an operating deficit of \$8,627 compared with a \$267,333 surplus in the 2020FY.

LGAMLS

The operating deficit for the 2021FY amounted to \$585,263 (2020FY deficit: \$15,541) inclusive of payments to the risk incentive program of \$575,402 (2020FY: \$377,646) and before special distribution to members of \$Nil (2020FY: \$1,000,000). The net deficit for the year after special distribution to members was \$585,263 (2020FY: deficit of \$1,015,541).

LGAWCS

The operating deficit for the 2021FY amounted to \$183,768 (2020FY: deficit of \$834,278) inclusive of payments to the risk incentive program of \$856,301 (2020FY: \$769,578) and before the special distribution to members of \$1,500,000 (2020FY: \$1,500,000). The net deficit for the year was \$1,683,768 (2020FY: deficit of \$2,334,278).

LGA Procurement

The operating surplus for the 2021FY was \$93,875 compared to a deficit of \$49,583 in 2020FY.

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.

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.

Local Government Association of South Australia

Board Members' Report

30 June 2021

Impact of COVID19

COVID19 has not had a material financial impact on The Group nor a significant impact on its operations.

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 Angela Evans



Acting Chief Executive Officer:.....
Dr Andrew Johnson

Dated this27..... day ofSeptember..... 2021

Local Government Association of South Australia

Statement of Surplus/(Deficit) and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	Consolidated		Parent	
		2021	2020	2021	2020
Revenue and income from continuing operations		\$	\$	\$	\$
Member contributions	7	33,627,722	32,144,655	-	-
Grant revenue		3,664,043	3,884,317	4,066,048	4,278,317
Subscriptions		2,370,421	2,337,692	2,370,421	2,337,692
Other revenue	7	5,555,417	6,114,839	5,529,469	5,767,362
Finance income		1,266,978	2,104,023	681,049	771,733
Total revenue from continuing operations		46,484,581	46,585,526	12,646,987	13,155,104
Expenses					
Employee benefits expense		(7,144,024)	(7,103,687)	(5,906,142)	(5,727,078)
Risk management, levies and other scheme expenses		(12,641,626)	(12,184,193)	-	-
Depreciation and amortisation		(728,403)	(816,373)	(707,991)	(796,334)
Grant expenditure	8	(583,360)	(1,501,042)	(583,360)	(1,541,042)
Impairment loss on office furniture		-	(496,249)	-	(496,249)
Net claims expense	9	(10,152,662)	(10,261,260)	-	-
Catastrophe insurance expense		(8,480,127)	(8,164,094)	-	-
Other expenses from ordinary activities		(5,804,139)	(6,353,242)	(4,318,670)	(4,916,080)
Finance expenses		(1,157,315)	(1,376,648)	(636,121)	(735,508)
Total Expenses		(46,691,656)	(48,256,788)	(12,152,284)	(14,212,291)
Operating Surplus / (Deficit)		(207,075)	(1,671,262)	494,703	(1,057,187)
Net gain/(loss) on sale of assets		(17,067)	-	(17,067)	-
Gain revaluation of investment property		1,629,223	-	1,629,223	-
NET SURPLUS/(DEFICIT)		1,405,081	(1,671,262)	2,106,859	(1,057,187)
Other Comprehensive Income					
Special distribution to members		(1,500,000)	(2,500,000)	-	-
Revaluation of operating land and buildings		620,231	1,886,609	620,231	1,886,609
Total comprehensive surplus/(deficit) for the year		525,312	(2,284,653)	2,727,090	829,422

The accompanying notes form part of these financial statements.

Local Government Association of South Australia

Statement of Financial Position

As at 30 June 2021

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10	44,494,919	31,763,986	7,060,981	4,672,645
Trade and other receivables	11	16,824,187	17,250,927	3,851,043	3,541,508
Financial assets	12	23,924,270	28,326,120	-	-
Prepayments		420,179	250,128	415,179	249,243
Reinsurance and other recoveries receivables	13	4,138,510	3,810,677	-	-
TOTAL CURRENT ASSETS		89,802,065	81,401,838	11,327,203	8,463,396
NON-CURRENT ASSETS					
Trade and other receivables	11	15,412,329	17,689,347	15,412,329	17,689,347
Financial assets	12	2	9,083,367	2	2
Property, plant and equipment	14	13,356,425	22,902,126	13,272,891	22,798,181
Investment properties	15	13,539,545	-	13,539,545	-
Intangible assets	16	777,642	918,119	777,642	918,119
Reinsurance and other recoveries receivables	13	12,489,334	14,203,997	-	-
TOTAL NON-CURRENT ASSETS		55,575,277	64,796,956	43,002,409	41,405,649
TOTAL ASSETS		145,377,342	146,198,794	54,329,612	49,869,045
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	17	11,179,900	7,503,115	9,832,150	6,036,807
Borrowings	19	2,277,018	2,200,989	2,277,018	2,200,989
Employee benefits	18	902,239	822,587	689,282	621,290
Unearned member contributions	20	10,324,828	11,031,298	-	-
Outstanding claims liability	21	13,340,144	13,115,316	-	-
TOTAL CURRENT LIABILITIES		38,024,129	34,673,305	12,798,450	8,859,086
NON-CURRENT LIABILITIES					
Borrowings	19	15,412,329	17,689,347	15,412,329	17,689,347
Catastrophe margin		85,000	85,000	-	-
Employee benefits	18	201,136	129,551	183,777	112,646
Outstanding Claims Liability	21	26,914,618	29,406,773	-	-
TOTAL NON-CURRENT LIABILITIES		42,613,083	47,310,671	15,596,106	17,801,993
TOTAL LIABILITIES		80,637,212	81,983,976	28,394,556	26,661,079
NET ASSETS		64,740,130	64,214,818	25,935,056	23,207,966
EQUITY					
Reserves	22	22,699,833	20,604,250	20,321,054	16,793,767
Retained earnings		42,040,297	43,610,568	5,614,002	6,414,199
TOTAL EQUITY		64,740,130	64,214,818	25,935,056	23,207,966

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 2021

2020 Consolidated

	Consolidated					Total Equity \$
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	
	\$	\$	\$	\$	\$	
Balance at 1 July 2019	52,877,267	7,743,304	6,075,709	2,657,707	16,476,720	69,353,987
Change in accounting policy to reflect the retrospective adjustments - adoption of AASB 15	(2,854,516)	-	-	-	-	(2,854,516)
Balance at 1 July 2019 restated	50,022,751	7,743,304	6,075,709	2,657,707	16,476,720	66,499,471
Surplus/deficit for the year from ordinary activities	(1,671,262)	-	-	-	-	(1,671,262)
Special distribution to members	(2,500,000)	-	-	-	-	(2,500,000)
Revaluation of operating land and buildings increment (decrement)	-	1,886,609	-	-	1,886,609	1,886,609
Total comprehensive surplus / (deficit) for the year	(4,171,262)	1,886,609	-	-	1,886,609	(2,284,653)
Transfer (to)/ from reserves	(1,088,145)	-	1,088,145	-	1,088,145	-
Transfer (to)/ from retained earnings	(1,152,776)	-	-	1,152,776	1,152,776	-
Balance at 30 June 2020	43,610,568	9,629,913	7,163,854	3,810,483	20,604,250	64,214,818

2021 Consolidated

	Consolidated					Total Equity \$
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	
	\$	\$	\$	\$	\$	
Balance at 1 July 2020	43,610,568	9,629,913	7,163,854	3,810,483	20,604,250	64,214,818
Net Surplus/(IDeficit)	1,405,081	-	-	-	-	1,405,081
Special Distribution to members	(1,500,000)	-	-	-	-	(1,500,000)
Revaluation increment (decrement)	-	620,231	-	-	620,231	620,231
Total comprehensive surplus/(deficit) for the year	(94,919)	620,231	-	-	620,231	525,312
Transfer (to)/ from reserves	(2,907,055)	-	2,907,055	-	2,907,055	-
Transfer (to)/ from retained earnings	1,431,703	-	-	(1,431,703)	(1,431,703)	-
Balance at 30 June 2021	42,040,297	10,250,144	10,070,909	2,378,780	22,699,833	64,740,130

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 2021

2020 Parent

	Parent					Total Equity
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	
	\$	\$	\$	\$	\$	
Balance at 1 July 2019	11,414,047	7,743,304	6,075,709	-	13,819,013	25,233,060
Change in accounting policy to reflect the retrospective adjustments - adoption of AASB 15	(2,854,516)	-	-	-	-	(2,854,516)
Balance at 1 July 2019 restated	8,559,531	7,743,304	6,075,709	-	13,819,013	22,378,544
Net Surplus/(Deficit)	(1,057,187)	-	-	-	-	(1,057,187)
Revaluation increment (decrement)	-	1,886,609	-	-	1,886,609	1,886,609
Comprehensive surplus / (deficit) from ordinary activities	(1,057,187)	1,886,609	-	-	1,886,609	829,422
Transfer (to)/ from reserves	(1,088,145)	-	1,088,145	-	1,088,145	-
Balance at 30 June 2020	6,414,199	9,629,913	7,163,854	-	16,793,767	23,207,966

2021 Parent

	Parent					Total Equity
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	
	\$	\$	\$	\$	\$	
Balance at 1 July 2020	6,414,199	9,629,913	7,163,854	-	16,793,767	23,207,966
Total profit / (loss) for the year	2,106,859	-	-	-	-	2,106,859
Revaluation increment (decrement)	-	620,231	-	-	620,231	620,231
Comprehensive surplus/(deficit) from ordinary activities	2,106,859	620,231	-	-	620,231	2,727,090
Transfer (to)/ from reserves	(2,907,056)	-	2,907,056	-	2,907,056	-
Balance at 30 June 2021	5,614,002	10,250,144	10,070,910	-	20,321,054	25,935,056

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 2021

	Note	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers/members (inclusive of GST)		49,500,677	43,699,861	10,875,322	11,964,428
Receipts from grants		8,701,405	8,850,420	9,103,410	9,244,420
Interest received		1,266,978	2,104,023	681,049	771,733
Payments to suppliers and employees (inclusive of GST)		(38,366,822)	(39,109,535)	(10,936,136)	(12,101,006)
Claims paid		(12,500,017)	(7,007,562)	-	-
Borrowing costs		(1,157,315)	(1,376,648)	(636,121)	(735,508)
Distribution back to members		(1,500,000)	(2,500,000)	-	-
Grant payments	1.b	(2,148,816)	(4,416,304)	(2,148,816)	(4,456,304)
Net cash provided by/(used in) operating activities	10	3,796,090	244,255	6,938,708	4,687,763
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		(2,349,383)	(803,478)	(2,349,383)	(720,082)
Cash realised from term deposits		13,485,215	-	-	-
Purchase of investments		-	(3,709,929)	-	-
Net cash provided by/(used in) investing activities		11,135,832	(4,513,407)	(2,349,383)	(720,082)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		(2,200,989)	(2,127,498)	(2,200,989)	(2,127,498)
Net cash provided by/(used in) financing activities		(2,200,989)	(2,127,498)	(2,200,989)	(2,127,498)
Net increase/(decrease) in cash and cash equivalents held		12,730,933	(6,396,650)	2,388,336	1,840,183
Cash and cash equivalents at beginning of year		31,763,986	38,160,636	4,672,645	2,832,462
Cash and cash equivalents at end of financial year	10	44,494,919	31,763,986	7,060,981	4,672,645

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 2021

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 2021 \$	Secretariat 2020 \$	Project 2021 \$	Project 2020 \$	Total 2021 \$	Total 2020 \$
Revenue from continuing operations						
Subscriptions	2,370,421	2,337,692	-	-	2,370,421	2,337,692
Grant revenue	55,961	20,247	4,010,087	4,258,070	4,066,048	4,278,317
Other revenue	5,474,969	5,753,059	54,500	14,303	5,529,469	5,767,362
Finance income	678,402	742,817	2,647	28,916	681,049	771,733
Total revenue from continuing operations	8,579,753	8,853,815	4,067,234	4,301,289	12,646,987	13,155,104
Expenses						
Employee benefits - operating	(4,375,229)	(4,347,118)	(1,530,913)	(1,379,960)	(5,906,142)	(5,727,078)
Grant expenditure	-	-	(583,360)	(1,541,042)	(583,360)	(1,541,042)
Depreciation	(679,038)	(767,381)	(28,953)	(28,953)	(707,991)	(796,334)
Other expenses	(2,760,158)	(2,974,618)	(1,558,512)	(1,941,462)	(4,318,670)	(4,916,080)
Impairment loss on office furniture	-	(496,249)	-	-	-	(496,249)
Finance expenses	(635,093)	(733,754)	(1,028)	(1,754)	(636,121)	(735,508)
Total Expenses before sale/impairment of assets	(8,449,518)	(9,319,120)	(3,702,766)	(4,893,171)	(12,152,284)	(14,212,291)
Operating Surplus / Deficit	130,235	(465,305)	364,468	(591,882)	494,703	(1,057,187)

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

	2021	2020
	\$	\$
Community wastewater management scheme	1,074,828	2,613,981
Regional youth traineeship programme	-	36,707
LG research and development scheme	488,360	1,489,320
Local Govt Youth Led COVID19 Recovery	445,681	-
Other grants	139,947	316,296
	2,148,816	4,456,304

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2021 or 30 June 2020.

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 2021

2. Summary of Significant Accounting Policies

2.a. Basis of preparation - continued

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 2024 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:

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Summary of Significant Accounting Policies

2.d. Financial instruments - continued

- those to be measured subsequently at fair value (either through Other Comprehensive Income (OCI) or through the statement of surplus/(deficit)),
- 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 permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Summary of Significant Accounting Policies

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 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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Summary of Significant Accounting Policies

2.i. Unexpired Risk Liability - continued

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.

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 dated 27 July 2021, by Cumpston Sarjeant Pty Ltd. This review was based on initial claims data to 31 March 2021 and claims data to 30 June 2021 and included in their report dated 27 July 2021.

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Summary of Significant Accounting Policies

2.1. 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.

2.n. 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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Summary of Significant Accounting Policies

2.o. 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.

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.p. 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.q. 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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

2. Summary of Significant Accounting Policies

2.q. Revenue - continued

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.

In the 2020FY, AASB 15 Revenue from Contracts with customers was applied using the modified retrospective approach, whereby comparative figures were not adjusted. This approach has resulted in an adjustment to opening retained earnings of \$2,854,516 in the 2020FY.

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.

Key Actuarial Assumptions

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

3. Critical Accounting Estimates and Judgments

	LGAMLS		LGAWCS	
	2021	2020	2021	2020
Case estimate development	(25.00)%	(25.00)%	-	-
Wage inflation	3.00%	2.60%	3.00%	2.60%
Superimposed inflation	2.00%	2.00%	2.00%	2.00%
Discount rate	0.10%	0.50%	0.10%	0.25%

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 completed in July 2021, 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% (2020 -25.0%) for all accident years.

Wage inflation

The independent actuary assumed wage inflation, per annum, based on recent inflation levels in South Australia as follows

	2021	2020
LGAMLS	3.00%	2.60%
LGAWCS	3.00%	2.60%

Claim administration expense

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

3. Critical Accounting Estimates and Judgments

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

The independent actuary assumed future superimposed inflation, the rate at which claims increase in excess of wage inflation, per annum as follows

	2021	2020
LGAMLS	2.00%	2.00%
LGAWCS	2.00%	2.00%

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.

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 of 0.10% per annum (2020 0.50%) for LGAMLS and 0.10% per annum (2020 0.25%) for LGAWCS based on current medium-term bond yields.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

3. Critical Accounting Estimates and Judgments

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.

(i) LGAMLS

Variable	Profit/(loss)		Total Accumulated Funds	
	Movement in variable	Movement by applying variable gross of reinsurance	Net of reinsurance	Total Accumulated Funds
Wage inflation	3%	1,449,000	42,000	(41,000)
	(3%)	(1,254,000)	(40,000)	40,000
Superimposed inflation	3%	1,464,000	42,000	(42,000)
	(3%)	(1,265,000)	(40,000)	40,000
Discount rate	3%	(1,442,000)	(9,000)	9,000
	(3%)	1,787,000	11,000	(11,000)
Case - estimate development	5%	259,000	2,000	(1,000)
	(5%)	(245,000)	(2,000)	2,000

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

3. Critical Accounting Estimates and Judgments

(ii) LGAWCS

Variable	Profit/(loss)		Total Accumulated Funds	
	Movement in variable	Gross of reinsurance	Net of reinsurance	Total Accumulated Funds
Wage inflation	3%	465,000	-	465,000
	(3%)	(367,000)	-	(367,000)
Superimposed inflation	3%	470,000	-	470,000
	(3%)	(370,000)	-	(370,000)
Discount rate	3%	(1,175,000)	-	-1,175,000
	(3%)	1,427,000	-	1,427,000

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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

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 with an expiry in 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.

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

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

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 2021 this amounted to \$19.76 million (2020: \$22.07 million).

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	
	2021	2020	2021	2020
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	44,494,918	31,763,986	7,060,979	4,672,645
Trade and other receivables	32,236,516	34,940,274	19,263,372	21,230,855
Term deposits	23,924,272	37,409,487	-	-
Total financial assets	100,655,706	104,113,747	26,324,351	25,903,500
Financial liabilities				
Trade and other payables	11,108,381	7,462,806	9,760,632	5,996,498
Borrowings	17,689,347	19,890,336	17,689,347	19,890,336
Total financial liabilities	28,797,728	27,353,142	27,449,979	25,886,834

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 2021 (2020: nil).

Liquidity risk

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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

5. Financial Risk Management

Liquidity risk

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	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities								
Trade and other payables	(10,516,656)	(7,503,115)	-	-	-	-	(10,516,656)	(7,503,115)
Borrowings	(2,277,018)	(2,200,989)	(9,922,273)	(9,590,969)	(5,490,056)	(8,098,378)	(17,689,347)	(19,890,336)
Total financial liabilities	(12,793,674)	(9,704,104)	(9,922,273)	(9,590,969)	(5,490,056)	(8,098,378)	(28,206,003)	(27,393,451)

Parent	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities								
Trade and other payables	(7,593,686)	(4,408,895)	-	-	-	-	(7,593,686)	(4,408,895)
Borrowings	(2,277,018)	(2,200,989)	(9,922,273)	(9,590,969)	(5,490,056)	(8,098,378)	(17,689,347)	(19,890,336)
Total financial liabilities	(9,870,704)	(6,609,884)	(9,922,273)	(9,590,969)	(5,490,056)	(8,098,378)	(25,283,033)	(24,299,231)

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.

Interest rate risk

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

5. Financial Risk Management

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	2021		2020	
	+-%	--%	+1.00%	-1.00%
	\$	\$	\$	\$
Cash and cash equivalents	317,640	(317,640)	267,666	(267,666)
Short term deposits	239,271	(239,271)	374,095	(374,095)

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.

Consolidated	Level 2	Level 3
30 June 2021	\$	\$
Financial Assets	23,924,272	-
Land and freehold buildings	-	10,860,495
Investment property	-	13,539,545

Consolidated	Level 2	Level 3
30 June 2020	\$	\$
Financial assets	37,409,487	-
Land and freehold buildings	-	21,650,000

Parent	Level 2	Level 3
30 June 2021	\$	\$
Financial assets	2	-
Land and freehold buildings	-	10,860,495
Investment property	-	13,539,545

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

6. Fair value hierarchy

Parent	Level 2	Level 3
30 June 2020	\$	\$
Unlisted Shares	2	-
Land and freehold buildings	-	21,650,000

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.

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 2021 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 2021

7. Revenue

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Member contributions				
- Gross earned contributions	52,078,167	49,025,521	-	-
- Rebate to members	(18,450,445)	(16,880,866)	-	-
Total member contributions	33,627,722	32,144,655	-	-
Other revenue				
- Administrative charges	1,113,543	1,080,150	2,240,155	2,206,561
- Other revenue	2,067,445	2,578,061	1,644,784	1,984,054
- Rent	771,199	867,592	1,095,635	1,018,349
- Outgoings	429,434	675,373	503,642	558,398
- Member Service Rebates	1,173,796	1,213,663	45,253	-
Total other revenue	5,555,417	6,414,839	5,529,469	5,767,362

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, 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.

Rental income

Property income from the rental of space in Local Government House is recognised over time in line with the lease.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

7. Revenue

Finance income

Interest is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Investment income is taken into account on an accrual basis and includes any changes in the net market value of investments during the financial year.

8. Grant expenditure

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

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Community Wastewater Management Scheme	-	15,015	-	15,015
Regional Youth Traineeship Program	-	36,707	-	36,707
LG Research and Development Scheme	488,360	1,449,320	488,360	1,489,320
Other grants	95,000	-	95,000	-
	583,360	1,501,042	583,360	1,541,042

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

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	2021		
	Current year	Prior years	Net
	\$	\$	\$
Claims expense			
Claims and related expenses - undiscounted	14,672,050	(4,861,353)	9,810,697
Claims and related expenses - discounted	(38,122)	494,697	456,575
Claims and related expenses - net	14,633,928	(4,366,656)	10,267,272
Reinsurance and other recoveries revenue			
Reinsurance and other recoveries revenue - undiscounted	(2,667,605)	3,049,967	382,362
Reinsurance and other recoveries revenue - discounted	(19,841)	(477,131)	(496,972)
Reinsurance and other recoveries - net	(2,687,446)	2,572,836	(114,610)
Claims incurred net of recoveries	11,946,482	(1,793,820)	10,152,662
Consolidated	2020		
	Current year	Prior years	Net
	\$	\$	\$
Claims expense			
Claims and related expenses - undiscounted	16,511,418	308,370	16,819,788
Claims and related expenses - discounted	(147,721)	652,065	504,344
Claims and related expenses - net	16,363,697	960,435	17,324,132
Reinsurance and other recoveries revenue			
Reinsurance and other recoveries revenue - undiscounted	(4,333,079)	(2,499,408)	(6,832,487)
Reinsurance and other recoveries revenue - discounted	94,418	(324,803)	(230,385)
Reinsurance and other recoveries - net	(4,238,661)	(2,824,211)	(7,062,872)
Claims incurred net of recoveries	12,125,036	(1,863,776)	10,261,260

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

9. Net claims expense

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	2021	2020
Wage inflation rate	3.00 %	2.60 %
Superimposed inflation	2.00 %	2.00 %
Discount rate	0.10 %	0.50 %

10. Cash and Cash Equivalents

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Cash at bank and in hand	11,852,935	6,253,455	7,060,981	4,672,645
Short Term Deposits	32,641,984	25,510,531	-	-
	44,494,919	31,763,986	7,060,981	4,672,645

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.

Restricted cash

The cash and cash equivalents disclosed in the statement of cash flows include \$10,070,909 (2020: \$7,163,854) which are held for project activities.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

Reconciliation of result for the year to cashflows from operating activities

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
	1,405,081	(1,671,262)	2,106,859	(1,057,187)
Cash flows excluded from profit attributable to operating activities				
adjustments for:				
- depreciation	728,403	1,312,622	707,991	1,292,583
- net gain on disposal of property, plant and equipment	17,067	-	17,067	-
- fair value movement in investments / assets (net)	-	(10,752)	-	-
- net (gain)/loss on disposal of investments	(1,629,222)	-	(1,629,222)	-
- special distributions to members	(1,500,000)	(2,500,000)	-	-
Changes in assets and liabilities:				
- (increase)/decrease in trade and other receivables	4,090,587	(1,484,495)	1,967,482	2,990,434
- (increase)/decrease in prepayments	(170,051)	(191,589)	(165,936)	(205,800)
- increase/(decrease) in trade and other payables	3,676,785	1,348,232	3,795,344	1,624,463
- increase/(decrease) in outstanding claims and unearned contributions	(2,973,797)	3,350,145	-	-
- increase/(decrease) in employee benefits	151,237	91,354	139,123	43,270
Cashflows from operations	3,796,090	244,255	6,938,708	4,687,763

11. Trade and other receivables

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
CURRENT				
Trade receivables	1,298,236	1,277,526	329,437	464,471
Accrued Income	1,706,000	1,468,162	1,244,588	876,048
State Local Govt Infra Partnership Receivable	2,277,018	2,200,989	2,277,018	2,200,989
Member contribution receivable	11,542,933	12,304,250	-	-
	16,824,187	17,250,927	3,851,043	3,541,508

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
NON-CURRENT				
State Local Govt Infra Partnership Receivable	15,412,329	17,689,347	15,412,329	17,689,347
	15,412,329	17,689,347	15,412,329	17,689,347

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

11. Trade and other receivables

Trade and other receivables

Trade receivables are amounts due from members for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, then they are recognised at fair value.

The Group holds the trade receivables with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest method.

All outstanding receivables are paid within the Group's normal trading terms.

Accrued income

Accrued income includes revenue earned for services undertaken but have not been invoiced. Accrued income also includes grants and contribution revenue not invoiced but is due to be paid to the Group in accordance with a pre-existing agreement or government legislation.

Impairment

The Group applies a simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and all days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2021 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group expected net loss is nil (2020: nil).

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

12. Financial Assets

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
CURRENT				
Term deposits	23,924,270	28,326,120	-	-
	23,924,270	28,326,120	-	-

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
NON-CURRENT				
Shares in controlled entities (at amortised cost)	2	2	2	2
Term deposits	-	9,083,365	-	-
	2	9,083,367	2	2

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).

13. Reinsurance and other recoveries receivables

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
CURRENT				
Reinsurance recoveries on paid claims	300,355	523,018	-	-
Reinsurance recoveries receivable	3,830,988	3,396,774	-	-
Discount to present value	31,501	(82,589)	-	-
Reinsurer default provision	(24,334)	(26,526)	-	-
	4,138,510	3,810,677	-	-

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
NON CURRENT				
Reinsurance recoveries on paid claims	12,466,013	14,574,429	-	-
Discount to present value	102,503	(280,379)	-	-
Reinsurer default provision	(79,182)	(90,053)	-	-
	12,489,334	14,203,997	-	-

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

13. Reinsurance and other recoveries receivables

Assets arising from reinsurance contracts were estimated for each accident year, from the payments to date and estimated outstanding claims history at 30 June 2021, 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 \$103,516 (2020 \$116,579) calculated at a rate of 0.63% (2020 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 2021						
Opening net carrying amount	21,650,000	937,382	118,074	39,809	52,917	22,798,182
Transfer to investment property	(11,910,322)	-	-	-	-	(11,910,322)
Additions	-	2,048,584	100,104	70,569	199,405	2,418,662
Transfers/Disposals	-	(18,431)	(15,000)	-	(52,916)	(86,347)
Depreciation expense	(297,992)	(204,765)	(25,352)	(39,406)	-	(567,515)
Revaluation	1,418,759	(798,528)	-	-	-	620,231
Closing net carrying amount	10,860,445	1,964,242	177,826	70,972	199,406	13,272,891

	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
Parent	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020						
Opening net carrying amount	20,205,890	1,729,703	137,270	-	329,328	22,402,191
Additions	-	-	-	68,762	533,671	602,433
Transfers	-	-	-	-	(810,082)	(810,082)
Depreciation expense	(442,500)	(296,072)	(19,196)	(28,953)	-	(786,721)
Revaluation	1,886,610	(496,249)	-	-	-	1,390,361
Closing net carrying amount	21,650,000	937,382	118,074	39,809	52,917	22,798,182

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

14. Property, plant and equipment

Consolidated	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
	\$	\$	\$	\$	\$	\$-
Year ended 30 June 2021						
Opening net carrying amount	21,650,000	1,009,336	164,099	10,931	67,760	22,902,126
Transfer to investment property	(11,910,322)	-	-	-	-	(11,910,322)
Additions	-	2,048,584	100,104	70,569	199,405	2,418,662
Transfers/Disposals	-	(18,431)	(15,000)	-	(52,916)	(86,347)
Depreciation expense	(297,992)	(207,939)	(42,588)	(39,406)	-	(587,925)
Revaluation	1,418,759	(798,528)	-	-	-	620,231
Closing net carrying amount	10,860,445	2,033,022	206,615	42,094	214,249	13,356,425

Consolidated	Freehold land & buildings	Furniture, Fixtures and Fittings	Motor Vehicles	Right of Use Vehicles	Other works in progress	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020						
Opening net carrying amount	20,205,890	1,738,836	168,725	-	329,328	22,442,779
Additions	-	71,773	25,837	39,884	548,514	686,008
Transfers	-	-	-	-	(810,082)	(810,082)
Depreciation expense	(442,500)	(304,844)	(30,463)	(28,953)	-	(806,760)
Revaluation/(Impairment)	1,886,610	(496,429)	-	-	-	1,390,181
Closing net carrying amount	21,650,000	1,009,336	164,099	10,931	67,760	22,902,126

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.

On 1 July 2020, the LGA identified that the value of Furniture Fixtures and Fittings included items that had been included in the Freehold Land and Building valuation as at 30 June 2020. The Furniture Fixtures and Fittings value was impaired by \$798,528 and reduced the Revaluation Reserve.

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

14. Property, plant and equipment

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.

15. Investment Properties

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Opening Balance	-	-	-	-
Additions or/(transfers) from operating property	11,910,322	-	11,910,322	-
Gain / (loss) on revaluation of investment property	1,629,223	-	1,629,223	-
Balance at end of year	13,539,545	-	13,539,545	-

(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)

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

15. Investment Properties

(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, management update their assessment of fair value, taking into account an external independent valuation. A full scope valuation occurs every three years and with the LGA adopting a 'desktop' review method in years 2 and 3. Financial year 2021 represents the first year of the cycle. The independent valuation was conducted by Knight Frank in August 2021 for the 30 June 2021.

'Desktop' valuation processes adjust and flex full valuations with reference to building price indices, inflation, interest rates and other factors which may impact market values. 'Full scope' valuation processes incorporate all of the above plus site inspections.

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.

16. Intangible Assets

Parent	Computer software	Total
	\$	\$
Year ended 30 June 2021		
Balance at the beginning of the year	918,119	918,119
Amortisation	(140,477)	(140,477)
Closing value at 30 June 2021	777,642	777,642
Year ended 30 June 2020		
Balance at the beginning of the year	-	-
Additions	927,732	927,732
Amortisation	(9,613)	(9,613)
Closing value at 30 June 2020	918,119	918,119

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

16. Intangible Assets

16. Intangible Assets continued

	Computer software	Total
Consolidated	\$	\$
Year ended 30 June 2021		
	918,119	918,119
Amortisation	(140,477)	(140,477)
Closing value at 30 June 2021	777,642	777,642

	Computer software	Total
Consolidated	\$	\$
Year ended 30 June 2020		
Balance at the beginning of the year	-	-
Additions	927,732	927,732
Amortisation	(9,613)	(9,613)
Closing value	918,119	918,119

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 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 2021

17. Trade and other payables

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
CURRENT				
Trade payables	-	31,826	-	31,826
GST payable	1,041,612	1,214,334	-	-
Motor vehicles lease liability	71,518	40,309	71,518	40,309
Accrued expenses and other payables	2,473,084	1,805,486	2,166,946	1,555,777
Revenue and grants received in advance	7,593,686	4,411,160	7,593,686	4,408,895
	11,179,900	7,503,115	9,832,150	6,036,807

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	
	2021	2020	2021	2020
	\$	\$	\$	\$
CURRENT				
Long service leave	421,483	359,181	298,724	262,596
Annual leave	480,756	463,406	390,558	358,694
	902,239	822,587	689,282	621,290

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
NON-CURRENT				
Long service leave	201,136	129,551	183,777	112,646
	201,136	129,551	183,777	112,646

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.

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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

18. Employee benefits

next 12 months for the Group \$429,067 (2020: \$370,515) and the parent, LGA \$325,651 (2020: \$274,950).

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	
	2021	2020	2021	2020
	\$	\$	\$	\$
CURRENT				
Other loans	2,277,018	2,200,989	2,277,018	2,200,989
	2,277,018	2,200,989	2,277,018	2,200,989
NON-CURRENT				
Other loans	15,412,329	17,689,347	15,412,329	17,689,347
	15,412,329	17,689,347	15,412,329	17,689,347

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 \$10,324,828 (2020: \$11,031,298) for contributions billed in advance has been recognised. These amounts offset equivalent amounts in contributions owing.

21. Outstanding Claims Liability

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Central Estimate	36,252,350	38,766,471	-	-
Discount to present value	(102,384)	(558,957)	-	-
	36,149,966	38,207,514	-	-
	36,149,966	38,207,514	-	-
Risk margin	4,104,796	4,314,575	-	-

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

21. Outstanding Claims Liability

	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
Gross outstanding claims liability	40,254,762	42,522,089	-	-
Gross claims incurred	40,254,762	42,522,089	-	-
Current	13,340,144	13,115,316	-	-
Non-Current	26,914,618	29,406,773	-	-
	40,254,762	42,522,089	-	-

Outstanding claims

A provision of \$40,254,762 (2020: \$42,522,089) 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

	2021	2020
	\$	\$
LGAMLS	25.00 %	25.00 %
LGAWCS	20.00 %	20.00 %

Reconciliation of movement in discounted outstanding claims liability

	Gross		Recoveries		Net	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Balance at 1 July	42,522,089	40,164,695	(18,055,729)	(14,231,495)	24,466,357	25,933,200
Current year claims incurred	14,633,929	15,467,393	(2,687,446)	(3,301,302)	11,946,483	12,166,091
Previous years claims incurred	(4,366,658)	719,377	2,572,836	(2,824,210)	(1,793,822)	(2,104,833)
Incurred claims in income statement	10,267,271	16,186,770	(114,610)	(6,125,512)	10,152,661	10,061,258
All claims paid during the year	(12,534,595)	(13,829,376)	1,501,439	2,342,333	(11,033,156)	(11,487,043)
	40,254,765	42,522,089	(16,668,900)	(18,014,674)	23,585,862	24,507,415

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 \$4,749,000 (2020: \$4,896,000) with an additional component of present value of expected future cash flows in relation to risk margin, net of reinsurance, to be \$30,000 (2020: \$31,000).

In performing this test a risk margin of 25% (2020 25%) was used to secure a 75% (2020 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.

LGAWCS

The liability adequacy test identified the central estimate of the present value of future cash flows for future claims to be \$12,872,000 (2020: \$12,186,000) with an additional component of present value of expected future cash flows in relation to risk margin to be \$2,145,000 (2020: \$2,031,000).

In performing this test a risk margin of 20% was used to secure a 75% (2020 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 2021 (30 June 2020:None).

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

25. Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2021	Percentage Owned (%)* 2020
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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

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:

	2021	2020
	\$	\$
Short-term employee benefits	891,293	851,403
Long-term benefits	129,460	21,407
Post-employment benefits	278,801	99,888
	<u>1,299,554</u>	<u>972,698</u>

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

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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2021

27. Related Parties

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				
2021	(19,890,336)	(17,689,257)	(627,637)	(37,430)
2020	(22,017,835)	(19,890,336)	(725,958)	(47,106)
Loans to related parties				
2021	65,075,521	59,864,983	770,544	241,843
2020	67,603,949	65,075,521	1,341,144	401,123

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 2021 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 Angela Evans



Acting Chief Executive Officer.....
Dr Andrew Johnson

Dated this27..... day ofSeptember.....2021



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 2021 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and relevant South Australian Legislation.

What we have audited

The Parent and Group financial report comprises:

- the Parent and Consolidated statement of financial position as at 30 June 2021
- 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 Parent and Consolidated 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.

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 2021, 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.

PricewaterhouseCoopers, ABN 52 780 433 757
 Level 11, 70 Franklin Street, ADELAIDE SA 5000, GPO Box 418, ADELAIDE SA 5001
 T: +61 8 8218 7000, F: +61 8 8218 7999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Independent auditor's report to the members of Local Government Association of South Australia (continued)

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 inconstant 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 Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and relevant South Australian Legislation, and for such internal control as the Members of the Board determines 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 Parent Company and 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 Members of the Board either intend to liquidate the Parent Company or 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

M. T. Lojszczyk
Partner

Adelaide
27 September 2021

6.3 Annual Reports for the LGA Committees

LGA Updates

From:	Lea Bacon, Acting Executive Director Public Affairs		
Strategy:	4 - Achieve		
Outcome:	4.1 We lead by example in the governance and operations of the LGA		
Meeting:	Annual General Meeting	29 October 2021	
ECM:	766694	Attachments: 762637, 764090, 763600, 766704	

Recommendation

That the Annual General Meeting notes the Annual Reports for the year 2020-2021 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) **Audit and Risk Committee**

Discussion

Two Regional Organisations of Councils are established under Clause 19 of the LGA Constitution, being SAROC and GAROC. The role of SAROC and GAROC is regional advocacy, policy initiation and review, leadership, engagement and capacity building in the regions. Under their Terms of Reference SAROC and GAROC are required to adopt a four-year Strategic Plan, Annual Business Plan and Budget, and prepare an Annual Report each year outlining the activities undertaken in the previous financial year.

The 2020-2021 Annual Reports of SAROC and GAROC were received by the LGA Board of Directors at their meeting in September 2021 and are provided as an attachment to this report for noting by LGA member councils.

The Chairs of GAROC and SAROC will present their Annual Reports during the Annual General Meeting.

The LGA Board of Directors has an Audit and Risk Committee and a CEO Advisory Group in accordance with the requirements of the LGA Constitution. A summary report on the activities of each of these committees in 2020/21 is attached to this report.

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.



2020-21 GAROC Annual Report

June 2021



Table of contents

From the Chair	3
1. Introduction	4
2. Delivering GAROC's 2020-21 Annual Business Plan	5
3. Items of Business referred to the LGA Board of Directors or General Meeting	9
4. Details of meetings	11

From the Chair

I am delighted to present the *2020-21 GAROC Annual Report*.

During the past year, elections to the GAROC committee were held at the conclusion of the first two-year term. I would like to thank all members, both current and former for their dedication on the committee and to local government in South Australia. GAROC is fortunate to have its former Chair, Mayor Karen Redman, as a continuing member and I would like to acknowledge her leadership in GAROC's first term.

As a strong, united voice for metropolitan councils, GAROC has focused on issues of strategic importance that are common across the metropolitan region. Our efforts have covered a broad range of issues including support for small businesses, addressing climate change, and effective coastal management.

Economic Development is a key priority for GAROC, and we have been focused on supporting metropolitan councils to play their important role in stimulating the economic and social recovery of their communities in COVID-19 recovery. I am proud of the work we have done together to support the local government sector be 'shovel ready' to respond to the infrastructure stimulus investment received from the State and Federal Government.

The announcement of the SA Productivity Commission's inquiry into South Australia's Regulatory Framework was a win for GAROC and progresses our previous advocacy for the reinstatement of the State/Local Government Red Tape Taskforce.

GAROC also finalised a proposal for a pilot of the small venue liquor licence beyond Adelaide's central business district for a period of 24 months within the councils that are part of the Eastern Regional Alliance (ERA). The Attorney-General has agreed that an extension to "small bars" will be considered by the Liquor and Gambling Commissioner as part of a forthcoming review.

The former Chair of the State Planning Commission, Michael Lennon, was a guest speaker at two GAROC meetings this year, in addition to workshops with metropolitan councils. These were robust, yet respectful discussions that provided a forum for GAROC members to advocate for a Planning and Design Code that reflects leading practice, facilitates better design outcomes and supports local decision making.

Together we significantly influenced and welcomed the State Government's decision to transition most existing contributory items into the revised Code as representative buildings. GAROC will continue its endeavours to improve our planning system, with a focus on heritage, urban greening and design.

We will continue to progress many of these issues in the coming year and build on our work together with metropolitan councils to advance economic vitality and social wellbeing in our communities.



A stylized, handwritten signature in black ink, appearing to read 'D O'Loughlin'.

Mayor David O'Loughlin Chair

GAROC committee

1. Introduction

The Greater Adelaide Regional Organisation of Councils (GAROC) is a committee of the Local Government Association of South Australia (LGA).

The GAROC Committee supports the LGA to 'advocate, assist, and advance' the interests of local government by:

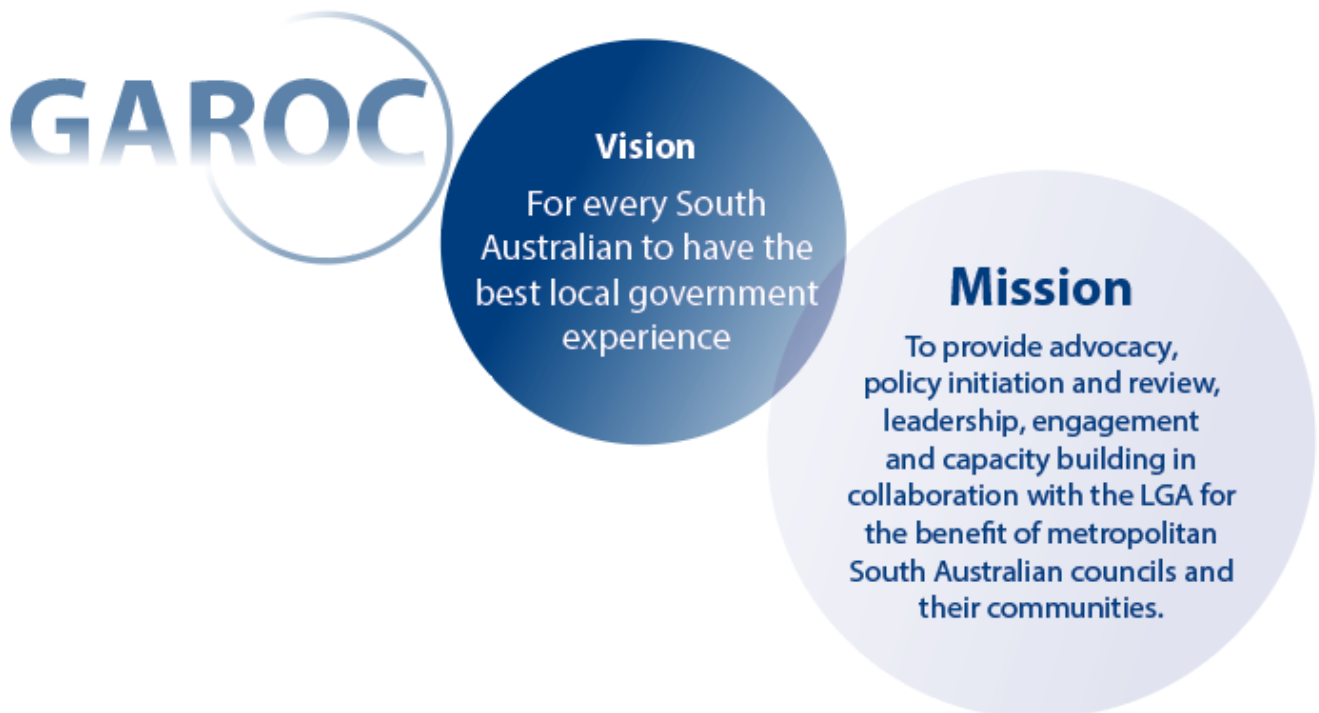
1. Supporting
2. in policy development and implementation.

Clause 9.10.3 of the GAROC Terms of Reference requires that:

'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.'*

This Annual Report provides a summary of GAROC's activities from 1 July 2020 to 30 June 2021.




2. Delivering GAROC's 2020-21 Annual Business Plan

Theme 1: Economic Development

Objective: Enable advocacy and partnership opportunities that recognise the specific needs and opportunities in metropolitan Adelaide and assist councils to contribute to creating conditions for productivity that supports sustainable job growth and pathways to employment.

Objective: Support member councils to play their important role in stimulating the economic and social recovery of their communities in post COVID-19 recovery.

2020-21 activities

- GAROC completed its COVID-19 Webinar Series and produced a Discussion Paper including up-to-date information about the economic consequences of the COVID-19 pandemic, an account of policies and initiatives implemented by the three spheres of government, and commitments made for future GAROC and metropolitan council actions, designed to bolster economic development and recovery.
- 
- Established a Metropolitan Economic Development Community of Practice, to provide a forum to discuss issues of shared importance to metropolitan councils, explore opportunities to facilitate economic development, and explore options for resource sharing across metropolitan councils. This network is supporting the LGA's development of a principles-based framework that can be used to inform the economic development strategies and policies of metropolitan councils.
 - Advocated for the reinstatement of the State/Local Government Red Tape Taskforce and sought opportunities for all levels of government to work proactively to simplify decision making, planning and administration policies and practices. Through the Metropolitan Economic Development Community of Practice, GAROC supported metropolitan councils to inform the LGA's submission to the SA Productivity Commission (SAPC) Inquiry South Australia's regulatory framework to identify and resolve opportunities to streamline red tape.
 - Provided an allocation of \$50,000 to support an extension of the LGA's Shovel Ready program. This included the development of a centrally coordinated grant information and funding assistance program. There was broad coverage of councils using the web portal and over 150 contacts through the Shovel Ready hotline service. Five metropolitan councils participated in the Shovel Ready Connect project review program.
 - Responding to a request from the Eastern Region Alliance (ERA), GAROC consulted with member councils and developed a proposal to pilot the expansion of the Small Venue Liquor Licence in the ERA area. The Attorney-General has confirmed that the proposal will be considered by the Liquor and Gambling Commissioner as part of an upcoming review that will be conducted in relation to the scope of the Small Venue Liquor Licence.

Theme 2: Design, Planning and Placemaking

Objective: Advocate to the State Government and Parliament to ensure that South Australia's planning system reflects leading practice, facilitates better design outcomes and supports local decision making.

Objective: Provide assistance and resources to metropolitan councils that support their important role as local place makers and custodians of public spaces.

2020-21 activities

- Held several discussions with the State Planning Commission to convey member feedback on various aspect of the new planning system.
- Successfully advocated for the transition of the vast majority of existing contributory items into the revised Code as representative buildings and GAROC was a leading voice for stronger policy to ensure their adequate protection.
- Initiated a forum in February 2021 with metropolitan councils and members of the State Planning Commission to discuss the sector's feedback on the revised Planning and Design Code.
- The GAROC Chair, Mayor David O'Loughlin and LGA Planning Reform Partner, Stephen Smith, attended the Minister Liaison Group meetings during the year where a range of issues were discussed including business readiness for the revised Planning and Design Code.
- 50 Mayors and CEOs from across the State attended a briefing session organised by the LGA and GAROC to enable councils to hear from the State Planning Commission Planning and Land Use Services. A range of issues were discussed including amended content in the Code, Business Readiness and the Code Amendment Process.
- Advocated that the State Government conduct a review of the existing "Significant and Regulated" tree laws, with the aim of achieving the goals outlined in the 30 Year Plan for Greater Adelaide.
- Raised concerns with the State Government's proposal for a tree-offset scheme and sought further engagement with local government on the design of the scheme.



Theme 3: Environmental Reform

Objective: Support LGA advocacy to State and Federal Government and assists member councils to ensure that all levels of government undertake mitigation and adaptation actions that reduce climate risks and build community resilience.

Objective: Support councils to improve waste and recycling practices and deliver viable and innovative waste services that meet the needs of the community and grow the Circular Economy and advocate for State and Federal Government legislation, policies, funding and programs that will enable and support these outcomes.

2020-21 activities

- GAROC contributed \$10,000 towards the implementation of the Central Coordination for the Regional Climate Partnerships. This supported the LGA to enter into a grant agreement with Green Adelaide and the Department for Environment, in which the LGA hosts the coordination function of the Regional Climate Partnerships across both metropolitan and regional state government regions. Two regional coordinators are working together to strengthen the capacity of the Regional Climate Partnerships and the state/local government Adaptation Practitioners Network to deliver effective on-ground climate adaptation and mitigation actions.
- GAROC contributed \$20,000 to the activities and resourcing of the SA Coastal Council Alliance (SACCA).
- GAROC provided in-principal support, including a budget contribution of \$50,000, to a proposal to partner with a supermarket chain to support community uptake of food waste recycling. The supermarket chain has commenced its own limited trial of compostable produce bags and the LGA has coordinated with metropolitan councils and investigated the most efficient and effective method of undertaking the required procurement and delivering the project in 2021-22.
- GAROC provided feedback on the draft LGA Climate Commitment Action Plan, which was subsequently adopted by the LGA Board of Directors in March 2021.
- GAROC Chair Mayor David O'Loughlin represented local government at stakeholder workshops held by the Department of Environment and Water on the development of the State's Landscape Strategy.



Theme 4: Reform and Innovation

Objective: Assist councils to enhance local government through innovations in benchmarking, systems thinking, data management and engagement processes.

2020-21 activities

- The Performance Measurement and Reporting Framework continued to be a key priority for GAROC, which encouraged the LGA to work with the government to develop a public facing website, as well as an internal system via the LGA (not publicly available) that would allow participating councils to compare their costs and performance against comparable councils, to help drive continuous improvement.
- GAROC continued to provide policy support and direction to inform the LGA's Local Government Asset Management Integration Program, which is developing:
 - a sector-wide asset management and financial planning Maturity Assessment Report; and
 - a range of guidance documents and templates for councils in strategic planning, asset management and long-term financial planning.
- GAROC considered feedback from member councils and provided input into the draft LGA Strategic Plan 2021-2025 that was subsequently adopted by the LGA Board of Directors.



Items of Business referred to the LGA Board of Directors or an LGA General Meeting

LGA 2020 Annual General Meeting

At its meeting on 7 September 2020, GAROC considered proposed items of business on the following issues for the LGA Annual General Meeting on 29 October 2020.

Proposed items of business recommended by GAROC and subsequently 'Carried' at the AGM.

- Native Vegetation Act and Policy SEB Guidelines (Playford)
- Aluminum Composite Panel Cladding (Salisbury)
- Regulation 119 of the Planning, Development and Infrastructure (General) Regulations 2017 (Salisbury)

Proposed items of business recommended by GAROC and subsequently 'Lost' at the AGM.

- Collaborative development of a trial local government sector framework and approach fostering greater cross council collaboration and co-funding of shared social and other facilities and infrastructure (Adelaide)

Proposed items of business referred by GAROC to the LGA Board of Directors for consideration and action.

- Local Government Data Breach Notification Procedures (Marion)
- LGA Annual Report – Inclusion of Nominations (Marion)

Proposed items of business progressed by GAROC without referral to the AGM.

- Advocating for JPs insurance cover (Marion)
- Trees (Mitcham)

LGA 2021 Ordinary General Meeting

At its meeting on 15 March 2021, GAROC considered proposed items of business on the following issues for the LGA Ordinary General Meeting on 30 April 2021.

Proposed items of business recommended by GAROC and subsequently 'Carried' at the AGM.

- Seeking a comprehensive State Government review of mandatory statutory rebates and exemptions from payment of local government rates (Adelaide)
- COVID-19 Response (Salisbury)
- Damage to Infrastructure caused by Developers and Builders (Tea Tree Gully)
- Electric Vehicles Fleet Incentives (Campbelltown)

Proposed items of business not recommended by GAROC.

- Australia Day Date Change (Mitcham)
- Deceased pets on DIT roads (Salisbury)

While GAROC did not recommend the proposed item of business from the City of Mitcham regarding 'Australia Day Date Change', the committee did:

- note that the LGA's policy position acknowledges and recognises Aboriginal and Torres Strait Islander people as the First Peoples of Australia and respects their culture and practices;
- acknowledge that 26 January is a date that, for many, is a reminder of the hurt, trauma and dispossession of First Nations people from this country;
- encourage the LGA and councils to continue engaging with Reconciliation SA and the Australia Day Council through the joint Local Government Reconciliation Industry Network Group (LG RING) initiative on ways to be inclusive and respectful on 26 January; and
- request that the LGA holds a Local Government Reconciliation Industry Network Group forum to develop recommended actions for the LGA and member councils related to Australia Day, local government's role in holding citizenship ceremonies and local events, and how to start a conversation in local communities about Australia Day and the Uluru Statement from the Heart. This LG RING forum was held by the LGA in June 2021 and was well attended by metropolitan and regional councils.

4. Details of meetings

During 2020-21, GAROC meeting were held on the following dates:

• 6 July 2020	• 8 February 2021
• 7 September 2020	• 15 March 2021
• 29 October 2020 (special)*	• 3 May 2021
• 2 November 2020	•

*The GAROC special meeting on 29 October 2020 meeting was held immediately at the conclusion of the LGA Annual General Meeting. Commencing a new term of membership, the GAROC committee appointed its chairperson and confirmed the election of three member as GAROC representatives on the LGA Board of Directors.

Attendance

GAROC Committee member attendance at meetings (not including workshops) during the year was:

Member	Number of meeting eligible to attend	Number of meetings attended
Mayor David O'Loughlin	7	7
Mayor Gillian Aldridge	7	6
Mayor Claire Boan	7	5
Mayor Angela Evans	7	5
Mayor Dr Heather Holmes-Ross	5	4
Mayor Karen Redman	7	6
Mayor Erin Thompson	5	4
Lord Mayor Sandy Verschoor	7	5
Mayor Jan-Claire Wisdom	7	4
Cr Christel Mex	2	2
Mayor Kevin Knight	2	1

Guest Speakers

6 July 2020	<ul style="list-style-type: none"> • Chair of State Planning Commission, Michael Lennon • CEO Australia Day Council, Jan Chorley
2 November 2020	<ul style="list-style-type: none"> • Chair of State Planning Commission, Michael Lennon
3 May 2021	<ul style="list-style-type: none"> • Dr Damian Madigan, Co-housing for Aging Well Project • SA Coastal Councils Alliance Chair, Mayor Keith Parkes and Executive Officer Adam Gray

5. Communications and member engagement

GAROC's 'Communications Plan 2020-23' recognises that effective ongoing engagement and communication with member councils and stakeholders is essential to GAROC its business.

The Plan identifies the following communication goals:

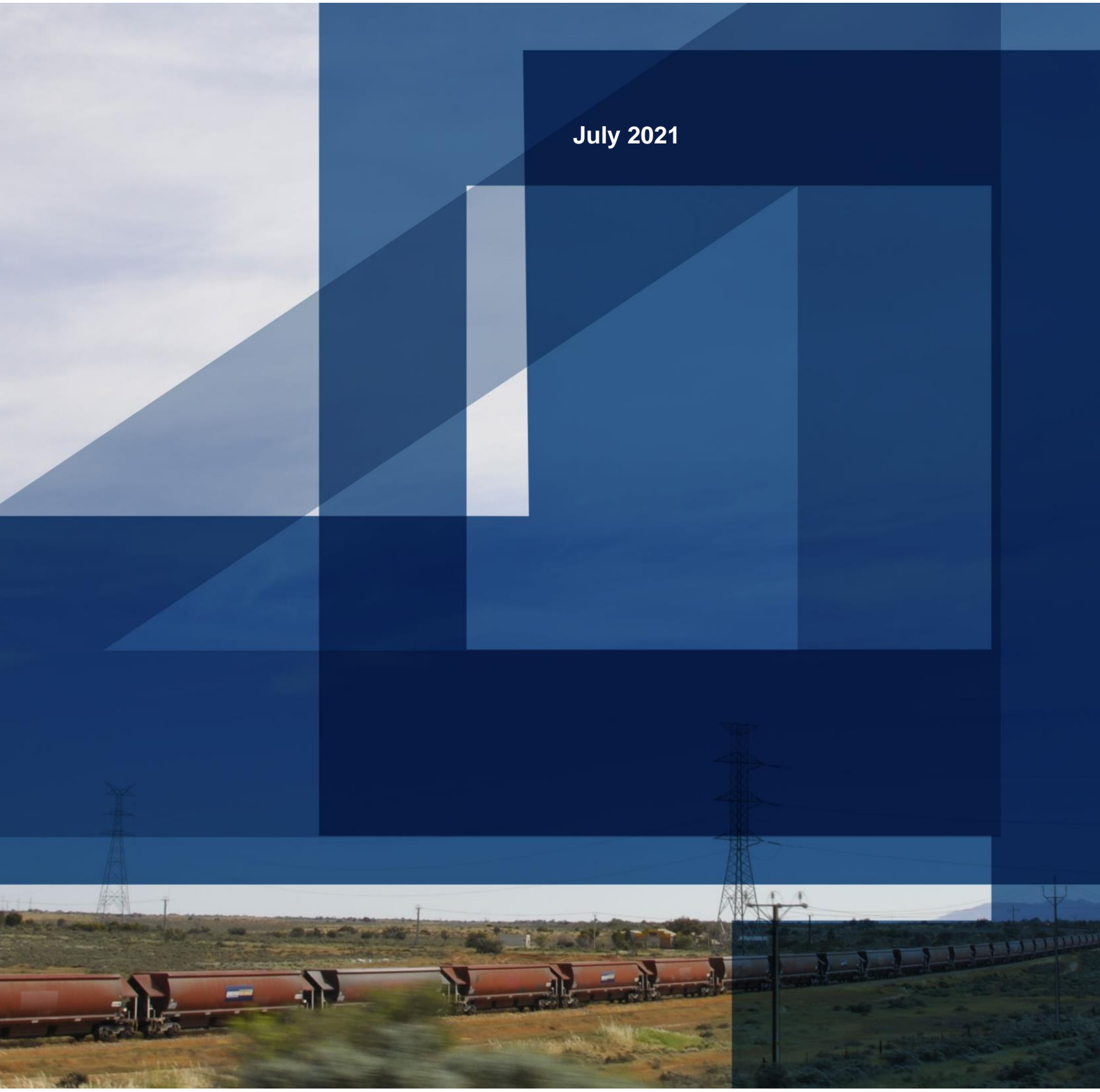
Keep members informed	Strengthen relationships	Increase awareness	Build an identity
Proactively deliver clear, accessible, timely, relevant and targeted information in ways that best meet the interests and needs of member councils.	Strengthen relationships within our members and with stakeholders through communications activities, to increase confidence and foster trust.	Increase member and stakeholder awareness and understanding of GAROC's role, activities, projects and decision-making processes.	Build a positive reputation that reflects the GAROC Guiding Principles.

This Annual Report has identified the workshops and forums, networking events, and stakeholder meetings that GAROC has undertaken in line with its Communications Plan. Those activities were shared on the LGA's established social media channels to build awareness of the actions and outcomes.

Additionally, in 2021, GAROC introduced a regular e-news/email communication from the GAROC Chair to update metropolitan mayors and councillors on meeting outcomes, projects and opportunities for councils to participate in GAROC activities.

2020-21 SAROC Annual Report

July 2021





From the Chair	3
1. Introduction.....	4
2. Delivering SAROC's 2020-21 Annual Business Plan	5
3. Items of Business Referred to the LGA Board of Directors or an LGA General Meeting	9
4. Details of meetings	10
5. Communications and member engagement	11

From the Chair

I am honoured to present the *2020-21 SAROC Annual Report*.

In 2020-21, elections to the SAROC committee were held at the conclusion of a two-year term. I would like to thank all members, both current and former, for their dedication on the committee and to local government in South Australia.

In the past year, SAROC has focused on genuine engagement and collaboration with regional councils, Regional LGAs and their executive officers, and other important stakeholder groups such as Regional Development Australia (RDA) committees and the South Australian Coastal Councils Alliance.

Together we have a strong, united voice for regional councils and represent their shared interests for the benefit of regional South Australia.

During 2020-21, SAROC prioritised advocacy and partnership opportunities that recognise the specific needs of our regions to drive economic development, improve the regional health workforce and support community wellbeing.

I am proud of our work in waste management that is supporting South Australia to transition to a more circular economy. Led by the Legatus Group, SAROC commissioned and received significant research papers that will inform future directions on waste management infrastructure in the regions. The SA Regional Waste Pathways Forum, held in the Barossa, brought members together with industry experts to consider innovations and opportunities the circular economy presents for regional South Australia.

SAROC's Regional Development Forum 'Attracting Workers to SA's Regions' provided the opportunity to drive cross-collaboration, innovation and build the evidence base for future LGA and SAROC advocacy.

At the forum, the Minister for Primary Industries and Regional Development David Basham MP confirmed that the SAROC Chair would represent local government on the Regional Development Strategy Steering Committee. This is a clear demonstration of the confidence the State Government has in our sector as a genuine and trusted partner in government.

In the year ahead, SAROC will continue to progress these issues and build on our work together to advance vibrant regional communities in South Australia.



Mayor Erika Vickery OAM Chair
SAROC committee

1. Introduction

The South Australian Regional Organisation of Councils (SAROC) is a committee of the Local Government Association of South Australia (LGA).

The SAROC committee supports the LGA to 'advocate, assist, and advance' the interests of local government by:

1. Supporting the activities of the LGA at a regional level.
2. Promoting communication between members, and between members and the LGA.
3. Advocating in respect of matters which affect the SAROC Regional Group.
4. Encouraging engagement of members within the SAROC Regional Group with SAROC and the LGA.
5. Participating in policy development and implementation.

Clause 9.10.3 of the SAROC Terms of Reference requires that:

'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.'

This Annual Report provides a summary of SAROC's activities from 1 July 2020 to 30 June 2021.



2. Delivering SAROC's 2020-21 Annual Business Plan

Theme 1: Economic Development

Objective: Enable advocacy and partnership opportunities that recognise the specific needs of the regions and support councils to drive sustainable economic development.

2020-21 activities

Delivered the SAROC

- SAROC supported an extension of the LGA's Shovel Ready program to provide a stimulus grant funding and project delivery assistance program for regional councils. This included the development of a grant information program, with a central point of contact for regional councils on grant funding opportunities and a case management service with participating government agencies. The Shovel Ready Connect program reviewed 28 projects from fifteen councils (10 regional) with an estimated total value of \$135 million.
- SAROC hosted a Regional Development Forum, 'Attracting Workers to SA's Regions', April 2021, bringing together a broad range of stakeholders to drive cross-collaboration, innovation and build the evidence base for future LGA and SAROC advocacy.
- SAROC developed a Discussion Paper providing significant analysis of the issues and opportunities for how the local government sector can best facilitate workforce attraction in regional South Australia.
- The SAROC Chair is representing local government on the Regional Development Strategy Steering Committee, established to ensure regular and high-level engagement between regional representatives and Government as the State Government's Regional Development Strategy is implemented.

Theme 2: Community Development

Objective: Support strong, vibrant and cohesive regional communities through advocacy and partnerships that unlock local government's potential to deliver quality community services and meaningful outcomes in public health and wellbeing.

2020-21 activities

- SAROC informed an LGA submission to the SA Rural Health Workforce Strategy, which identifies a specific strategy to collaborate with local government to address the unique challenges facing rural communities, recognising that the social and economic wellbeing of their community is paramount to councils in their role as public health authorities.
- SAROC hosted a discussion with Mr Kim Hosking, CEO of Country SA Primary Health Network, Mayor Dean Johnson from District Council of Kimba and Dr Hendrika Myers, Chair of the Rural Health Workforce Strategy Steering Committee to discuss issues and implementation of the SA Rural Health Workforce Strategy.
- SAROC discussions informed local government sector support via the Australian Local Government Association (ALGA) for an application from the Australian College of Rural and Remote Medicine (ACRRM) and the Royal Australian College of General Practitioners (RACGP) to the Medical Board of Australia (MBA) for recognition of Rural Generalist Medicine as a specialist field within General Practice.
- To assist councils and regional LGAs to build capacity and best practice in their review of regional public health plans SAROC held a Public Health and Community Wellbeing Webinar that:
 - Supported regional capacity and understanding of regional public health planning and provided an opportunity for regional councils to share learnings, achievements, and explore themes for future initiatives regarding regional public health planning;
 - promoted the LGA's Guide to Regional Public Health Planning and other resources available to assist in regional public health planning;
 - explored a case study from the District Council of Orroroo Carrieton's Despite the Dust Community Muster initiative (recent winner of the Minister for Health and Wellbeing Excellence in Public Health Award);
 - showcased Wellbeing SA and the work they are doing to support councils and their communities; and
 - outlined the two regional trials of the Community Wellbeing Alliance undertaken by the Southern and Hills LGA and the Murraylands and Riverland LGA.

Theme 3: Natural and Built Environment

Objective: Influence, inform and advocate for the State Government to address policy and legislative barriers that hinder councils from undertaking their roles in maintaining and enhancing the natural and built environment in regional South Australia.

2020-21 activities

- SAROC liaised with the Minister for Environment and Water to progress advocacy for the State Government to progress its statewide Little Corella strategy that includes financial assistance to local governments for the development of integrated local management plans and the implementation of medium and long-term management options at a local scale.
- SAROC endorsed a research report identifying a range of research topics which would contribute to management of Little Corellas and subsequently developed a 'Little Corellas habitat interventions' program for councils to seek support funding to undertake further research. Roxby Downs Council and The Rural City of Murray Bridge were successful in applications to this program.
- SAROC provided a further financial contribution of \$20,000 to support the activities and resourcing of the SA Coastal Council Alliance (SACCA). The LGA and SACCA subsequently made submissions to the Environment Resources and Development Committee's Inquiry into the Coast Protection Board and Legislation and presented to the committee in June 2021.
- SAROC commissioned and received a Report on Waste Management Infrastructure for South Australian Regional Local Government (Legatus Group) and the Regional SA Waste and Resource Recovery Background Report' (Legatus Group/Rawtec).
- In May 2021, SAROC held its SA Regional Waste Pathways Forum in partnership with the Legatus Group and Green Industries SA. Participants considered the future direction of regional waste, recycling and resource recovery, heard from experts about innovations and opportunities the circular economy presents for regional South Australia, and participated in strategic discussions and networking opportunities.
- The SAROC Chair wrote to Chairman of the Premier's Climate Change Council Martin Haese advising him of the support SAROC has for the Climate Change Sector Agreements and the value that the central coordination role provides.
- SAROC provided feedback on the LGA's draft Climate Commitment Action Plan, including that the LGA recognise the need to establish a baseline of emissions from its operations to assist with determining an achievable emissions reduction target.

Theme 4: Financial Sustainability and Governance

Objective: Advocate to maximise contributions and investment from other tiers of government to contribute toward local government financial sustainability, and to assist councils to identify opportunities to support and strengthen governance arrangements.

- SAROC continued to facilitate discussions on opportunities for mapping local road priorities at a cross regional level, with input from the regional LGAs and the State Government. There is broad stakeholder support for the concept and scope of the project, with recognised benefits including harmonisation of individual regional transport plans, and centralised information and database with streamlined reporting. SAROC will pursue this opportunity in 2021-22.

3. Items of Business Referred to the LGA Board of Directors or an LGA General Meeting

LGA 2020 Annual General Meeting

At its meeting on 17 September 2020, SAROC considered proposed items of business on the following issues for the LGA Annual General Meeting on 29 October 2020.

Proposed items of business recommended by SAROC and subsequently 'Carried' at the AGM.

- Attendance at Meetings by Electronic Means (Victor Harbor)
- Solid Waste Levy (Berri Barmera)
- Recycling Services and better support for regional communities in the disposal and management of recycling (Wattle Range)

Proposed items of business not recommended by SAROC for consideration at the AGM.

- International campaign to abolish nuclear weapons (Mount Barker)

Proposed items of business progressed by SAROC without referral to the AGM.

- Local Commercial Fishery Industry remains an Owner Operator Fishery where the fishing licence holder and the quota holder are the same person (Wattle Range)

LGA 2021 Ordinary General Meeting

No proposed items of business were received for the LGA Ordinary General Meeting on 30 April 2021.

Other items of business

Cat management (Legatus)

At its meeting on 17 September 2020, SAROC considered an item of business referred from the Legatus Group requesting that:

‘the Local Government Association of South Australia through the South Australian Regional Organisation of Councils to highlight to the State Minister for Environment and the Dog and Cat Management Board the need for review of cat management laws’.

SAROC agreed to support and inform future LGA advocacy activities regarding the forthcoming legislated review of the Dog and Cat Management Act 1995 and agreed to include ‘Cat Management’ in the 2021-22 SAROC Annual Business Plan.

4. Details of meetings

During 2020-21, SAROC meeting were held on the following dates:

- 22 July 2020
- 17 September 2020
- 29 October 2020 (special)*
- 3 December 2020
- 18 February 2021
- 18 March 2021
- 20 May 2021

*The SAROC special meeting on 29 October 2020 meeting was held immediately at the conclusion of the LGA Annual General Meeting. Commencing a new term of membership, the SAROC committee appointed its chairperson and confirmed the election of three member as SAROC representatives on the LGA Board of Directors.

Attendance

SAROC Committee member attendance at meetings (not including workshops) during the year was:

Member	Number of meeting eligible to attend	Number of meetings attended
Mayor Erika Vickery OAM	7	7
Mayor Dave Burgess	7	6
Mayor Peter Hunt	7	7
Mayor Moira Jenkins	7	7
Mayor Peter Matthey OAM	7	7
Mayor Clare McLaughlin	7	5
Mayor Bill O'Brien	7	6
Mayor Keith Parkes	7	7
Mayor Richard Sage	7	6
Mayor Sam Telfer	7	7
Mayor Travis Barber	5	3
Mayor Brett Benbow	5	4
Mayor Dean Johnson	2	1
Mayor Leon Stephens	2	2

Guest Speakers

22 July 2020

- Chair of State Planning Commission, Michael Lennon

18 February 2021

- Medical Services in Regional Areas Panel Discussion with Mr Kim Hosking, CEO of the Country SA PHN, Mr Dean Johnson, Mayor District Council of Kimba and Dr Hendrika Meyers, Chairperson, Rural Health Workforce Strategy Committee

20 May 2021

- SA Coastal Councils Alliance Chair, Mayor Keith Parkes and Executive Officer Adam Gray

5. Communications and member engagement

SAROC's 'Communications Plan 2020-23' recognises that effective ongoing engagement and communication with member councils and stakeholders is essential to SAROC its business.

The Plan identifies the following communication goals:

- Keep members informed - Proactively deliver clear, accessible, timely, relevant and targeted information in ways that best meet the interests and needs of member councils.
- Strengthen relationships - Strengthen relationships within our members and with stakeholders through communications activities, to increase confidence and foster trust.
- Increase awareness – Increase member and stakeholder awareness and understanding of SAROC's role, activities, projects and decision-making processes.
- Build an identity – Build a positive reputation that reflects the SAROC Guiding Principles.

This Annual Report has identified the workshops and forums, networking events, and stakeholder meetings that SAROC has undertaken in line with its Communications Plan. Those activities were shared on the LGA's established social media channels to build awareness of the actions and outcomes.

In 2020-21, SAROC introduced a standing item on its agenda for each of the Regional LGAs to provide a short summary of to inform the Committee recent projects and issues.

SAROC also introduced a regular e-news/email communication from the SAROC Chair to update regional mayors and councillors on meeting outcomes, projects and opportunities for councils to participate in SAROC activities.



2020-2021 CEO Advisory Group

Annual Report

August 2021





Table of contents

From the Chair	3
Introduction	3
Members of the CEO Advisory Group	4
Former Members	4
Current Members	4
CEO Advisory Group 2020-2021 activities	4
Local Government Reform	4
Performance Measurement and Reporting Framework	5
COVID-19	5
LGR&DS Annual Business Plan	5
LGA Strategic Plan 2021-2025	5
Shovel Ready	5
Submitting items of business for LGA General Meetings	6
Details of meetings	6



From the Chair

It is an honour to have been appointed as the Chair of the LGA CEO Advisory Group for the 2020-2022 term. I would like to thank all past and present members of the Group for their contributions, which have assisted the LGA Board of Directors with the design and delivery of LGA services, programs and activities.

The CEO Advisory Group has considered a range of matters over the past 12 months, and we are confident as a Group that we are adding value to LGA decision making by sharing our knowledge and experience and providing clear advice on the matters referred to us.

It is the goal of the Group to provide a practical and administration perspective on issues impacting our sector, with the lens of both metro and regional councils. The 2020-2021 year provided new challenges for councils and communities, and assisting the LGA to respond to these challenges through the delivery of services and support to member councils has been a focus of the CEO Advisory Group. The key themes of our work have been COVID-19 response and recovery, local government reform and LGA member engagement.

I am pleased to present this 2020-2021 CEO Advisory Group Annual Report to the LGA Board of Directors.

Paul Sutton

Chair

Introduction

The CEO Advisory Group is a committee of the LGA established under its Constitution.

As outlined in the Terms of Reference, the CEO Advisory Group will provide advice to the LGA Board on the design and delivery of policy and services to its members and will consider:

- the value and validity of services offered by the LGA to members;
- proposals for the further development of existing or new services by the LGA; and
- the effectiveness of operational policies adopted by the LGA in connection with member services.

Clause 7.8 of the Terms of Reference determines that:

The CEO Advisory group will provide a written report to the Board of Directors after each CEO Advisory Group meeting providing an update on any matters being considered by the group.

The CEO Advisory Group will provide an annual report to the Board of Directors by September each year summarising:

- a) the discharge of the CEO Advisory Group's responsibilities and function under these Terms of Reference;*
- b) the activities of the CEO Advisory Group during the previous financial year;*
- c) the issues referred to the Board of Directors during the previous financial year and whether or not each issue was resolved or addressed; and*
- d) issues being considered by the CEO Advisory Group which have not been reported to the Board of Directors and the intended actions in respect of those matters.*

The inaugural CEO Advisory Group term concluded at the 2020 LGA AGM, and following a call for nominations in late 2020, the new CEO Advisory Group was appointed.

Members of the CEO Advisory Group

Former Members

- Andrew Aitken, Adelaide Hills Council (November 2018 – November 2020)
- Glenn Rappensberg, Alexandrina Council (November 2018 – November 2020)
- Adrian Skull, City of Marion (Chair, November 2018 – November 2020)
- Mark Withers, City of Port Adelaide Enfield (November 2018 – November 2020)

Current Members

- Ben Gower, Wattle Range Council (November 2020 – present)
- David Stevenson, Regional Council of Goyder (November 2018 – present)
- Deb Larwood, District Council of Kimba (November 2018 – present)
- John Moyle, City of Tea Tree Gully (November 2020 – present)
- Mario Barone, City of Norwood Payneham & St Peters (November 2019 – present)
- Michael Sedgman, Rural City of Murray Bridge (November 2018 – present)

- Paul Sutton, City of Charles Sturt (Chair, November 2020 - present)

Mark Goldstone, former CEO of the City of Adelaide was also appointed as a member of the Group in November 2020. However, Mark resigned in his position at council resulting a casual vacancy on the Group.

CEO Advisory Group 2020-2021 activities

Local Government Reform

At each meeting throughout the 2020-2021 financial year, the CEO Advisory Group was provided with a report on the status of the Local Government Reform negotiations and asked to give feedback on key elements of the reform proposals from an administration perspective.

In July 2020, the Group held a Local Government Reform briefing and workshop and the resulting feedback helped shape the LGA's advocacy, especially regarding the practical aspects of behaviour management and provisions relating to the Remunerational Tribunal setting of CEO salaries.

In August 2020, the Group discussed the progression of the Local Government Review Bill and provided feedback on potential core principals of the rates oversight system.

At the November 2020 meeting, the Group discussed the reform implementation timeline and highlighted the priorities and risks. The Group also provided feedback on reasonable costs relating to ESCOSA's rate oversight process.

An important aspect of the local government reforms is the Behaviour Management Framework and the Behaviour Standards Panel. In May 2021, the Group considered a summary of council feedback and advised the Board on various matters under negotiation with the State Government.

In March 2021, the Group also provided advice on the training needs for councils for the reform implementation. The Group also advised on the preferred funding models for the substantial training required. This valuable feedback was used to scope the LG Equip program, which will support councils throughout all stages of reform implementation.

Performance Measurement and Reporting Framework

The Group provided advice throughout the 2020-21 financial year about the potential benefits and challenges of a sector-wide Performance Measurement and Reporting system and website. While 'benchmarking' has been supported in principle, the key points discussed where the challenges of producing comparable data and avoiding additional costs and resources with extensive additional reporting. This feedback has been incorporated within the LGA's submissions and negotiations with the State Government on the Councils in Focus information framework.

COVID-19

In August 2020, the Group discussed COVID-19 current and emerging issues and the role of the LGFSG in assisting councils. These discussions provided different perspectives on effective communication methods between the LGFSG and councils and the preparedness of councils for managing future restrictions.

LGR&DS Annual Business Plan

The CEO Advisory Group provided feedback on the business plan and the proposed strategic priorities of the Scheme. During discussions, the Group highlighted the importance of having a strategic approach to the allocation of funding to ensure that resources are available to progress priority sector-wide initiatives.

LGA Strategic Plan 2021-2025

In November 2020, the Group discussed the LGA's draft 2021-2025 Strategic Plan and provided useful feedback on the direction of the LGA. The Group supported the priorities outlined in the draft Plan, but emphasised the importance of having a clearly defined scope to avoid mission creep and resources being spread too thin.

Shovel Ready

In March 2021, the Group provided feedback on the LGA's Shovel Ready program and noted the benefits of having a centralised point of contact about grant opportunities for councils. The Group discussed some potential risks in terms of the grant funding and delivery of projects in a challenging market, and encouraged the LGA to continue providing targeted support and advocacy for councils through the extension of the Shovel Ready program.

Submitting items of business for LGA General Meetings

The Group provided feedback on the current processes for councils submitting items of business for LGA General Meetings. The Group supported the LGA's current guidelines and provided advice about improving communications with councils and inviting the submitting councils to present to SAROC, GAROC or the Board when their proposed items are being considered.

Other matters discussed by the Group during the 2020 -2021 financial year include:

- LGA Procurement
- Office of the Valuer-General's Revaluation Initiative
- HR Advisory Service
- LGFSG funding

Details of meetings

During the 2020-21 financial year, a total of 4 regular meetings were held on the following dates:

- 6 August 2020
- 5 November 2020
- 11 March 2021
- 6 May 2021

The Group also held a joint workshop with the LGA Board of Directors on 22 April 2021.

The Secretariat sought out of session advice from the CEO Advisory Group on matters relevant to the Group's Terms of Reference from time to time throughout the year.

CEO Advisory Group member attendance at regular meetings during the year:



Member	Number of meetings eligible to attend	Number of meetings attended
Andrew Aitken	2	2
Deb Larwood	4	4
Glenn Rappensberg	2	2
Michael Sedgman	4	3
Adrian Skull	2	1
David Stevenson	4	4
Mario Barone	4	4
Mark Withers	2	2
Ben Gower	2	2
John Moyle	2	2
Paul Sutton	2	2



2020-2021 LGA Audit and Risk Committee Annual Report

September 2021

Introduction

Each year the Audit and Risk Committee provides a report to the LGA Board of Directors summarising its activities during the previous year. The Committee's annual report is a requirement of the Committee's Terms of Reference.

The LGA Audit and Risk Committee has discharged its responsibilities and functions under the Terms of Reference.

This report highlights the key topics of focus in the 2020/21 financial year and summarises focus areas for the next 12 months.

It is intended to provide information to the Board about risk and internal controls to assist the Board in discharging its governance responsibilities.

Communication

Two-way communication between the Board and the Audit and Risk Committee is vital in ensuring the Committee provides value to the Board and that the advice being provided is relevant to the LGA.

The Board Member Representative attending the Committee remains essential in maintaining this communication. The Committee thanks Mayor Telfer and Mayor Parkes for their contribution to the meetings and also wishes to record its thanks to Mayor Redman, who completed her term in October 2020.

In January this year, I attended an LGA Board meeting to meet the new board members and outline the role and scope of the Committee. At that meeting the Board confirmed that it would like me to attend 2 meetings per year (January and September).

Following each meeting, I prepare a cover report to the minutes which are tabled at each LGA Board meeting. This summary outlines the topics the Committee believes are most relevant to the Board.

Summary of areas of focus during the year

2020/21 was the first year of the LGA's three-year internal audit program. The program was developed to provide consistency in audit methods and ensure the audits addressed the priority controls and risk areas of the LGA.

In addition to the structured audit program, some special reviews also occurred, including an audit of the Community Wastewater Management Scheme and the Special Local Roads Grant program.

The Committee received regular updates from LGASA Mutual, which forms a large part of the LGA's overall business.

The Committee also continued to monitor the actions from the LGA's risk management plans, the resolution of past audit findings and reviewed policies.

Internal Audit Program 2020/21

In 2020 KPMG was appointed to carry out the LGA's three-year internal audit program. The audits conducted in 2020/21 included reviewing the LGA's statutory obligations and an analysis of the LGA's investment portfolio.

The Committee also received regular updates from previous reviews, namely the Work, Health and Safety (WHS) audit and the LGA Information Technology (IT) Internal Vulnerability Assessment. Resolving the findings are critical to the LGA's business, business continuity and governance. The Secretariat advised that it had resolved all high-risk WHS and IT-related issues. Further work is planned for the next financial year, which will continue to be closely monitored by the Committee.

Community Wastewater Management Scheme Review

The LGA's Community Wastewater Management Scheme (CWMS) was audited by BDO advisory services and the State Government Auditor General's Department in 2020/21. The findings from the Auditor General's Department are expected to be released in 2021/22.

The resolution of the action items will be monitored next financial year, with regular updates being provided to both this Committee and the LGA Board.

LGASA Mutual

During the year, the Audit and Risk Committee has gained a greater understanding of the operations and governance of LGASA Mutual.

The Committee received reports on the LGASA Mutual's risks, strategic plans, and updates on its assurance program. The Committee will continue to monitor the progress of the changes to the LGASA Mutual's "One System" which will be a significant project for the organisation.

Risk management

The Committee has overseen a significant improvement in the LGA's risk management over the past few years. Risk treatment plans and the LGA's risk framework is referenced regularly in the Secretariat's reports and business cases. The Committee regularly refers to the LGA Board's agreed level of Risk Appetite as it considers risk issues associated with activities.

During the year, the Secretariat engaged in risk workshops with staff and management to identify priorities, review controls, and develop mitigation strategies for key risks. Areas of focus for the Committee during the year were:

- LGASA Mutual
- Information and Communication Technology
- Emergency Management

External Audit

The Committee monitored the work undertaken by the Secretariat to address three findings raised by PWC during its external audit in 2019/20. The Secretariat advises it has sufficiently addressed the findings. The PWC will verify the work as part of its end of financial year audit.

Policy and Framework Review

The Committee provided feedback on several LGA's policies. Some of the policies were new although we are now at a stage where most were updates to existing policies. The policies included:

- Procurement Policy
- Purchase Cards Policy
- Financial Delegations Policy and Register
- Board and Committee Induction Policy
- Treasury Management Policy
- Hospitality, Travel & Accommodation Policy
- Unsolicited Proposals Policy
- Petty Cash Policy
- Gifts & Benefits Policy
- Risk Management Policy and Framework
- Code of Conduct
- Asset Accounting Policy
- Asset Management Policy
- Asset Disposal Policy
- Budget Framework Policy
- Records Management Policy *
- Debt Recovery and Write Off Policy *
- Development Fund Policy (LGASA Mutual) *
- Fraud, Corruption, Misconduct and Maladministration Control Policy
- Schemes Management Fee *
- Internal Controls Policy

* a new Policy (first time reviewed by the Committee)

Two frameworks were also reviewed; a new Project Management Framework and the LGA's existing Risk Management Framework which is reviewed every year.

Details of meetings

During the 2020/21 financial year a total of eight (8) Committee meetings were held on the following dates:

- 8 July 2020 (*special*)
- 12 August 2020
- 7 September 2020
- 7 December 2020
- 10 February 2021
- 20 April 2021 (*special*)
- 27 April 2021
- 2 June 2021

There were some notable changes to the Committee's membership in 2020/21 with the LGA Board's representative and two independent members leaving during the year. The Committee would like to take this opportunity to thank the representatives and members for their contribution to the Committee. Audit and Risk Committee member attendance at meetings during the year was:

Member	Number of meetings eligible to attend	Number of meetings attended
Ms Rosina Hislop (Independent Chair / Member until April 2021)	7	7
Mayor Karen Redman (LGA Board Member Rep until October 2020)	3	2
Ms Yvonne Sneddon (Independent Member until February 2021)	5	5
Ms Patricia Christie (Independent Member / Chair)	8	8
Mr David Powell (Independent Member from April 2021)	3	3
Ms Lisa Bishop (Independent Member from May 2021)	1	1
Mayor Sam Telfer (LGA Board Member Rep from February 2021)	4	2
Major Keith Parkes (LGA Board Member Proxy)	3	3

Future work program

Focus of the Committee during 2021/22 will include:

- Oversight of the implementation of changes to the WHS “One System” program being managed by LGASA Mutual.
- Monitoring the second year of the LGA’s internal audit program.
- Oversight of the assurance program for the LGASA Mutual business.
- Overseeing the LGA’s risk management, including resolution of action plans, identification of risks in business units and continuous improvement to the LGA’s risk culture.
- Continuing to review and provide feedback on the work being undertaken by the Secretariat to address external and internal audit findings, internal control gaps and improvements to processes.
- Reviewing and providing feedback on the Annual Business Plan and Budget.
- Reviewing and providing feedback on policies.
- Progressing any items referred to the Committee by the LGA Board of Directors.

Patricia Christie

Chair, LGA Audit and Risk Committee

6.4 LGASA Mutual Annual Report 2020-2021

LGA Business

From:	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	29 October 2021
ECM:	766382	

Recommendation

That the Annual General Meeting receives and notes the LGASA Mutual Annual Report for the year 2020-2021.

Discussion

Ms Dascia Bennett, Independent Member of LGASA Mutual Pty Ltd will present the annual report on the activities of LGASA Mutual, incorporating the LGA Mutual Liability Scheme and Workers Compensation Scheme.

[LGASA Mutual Pty Ltd's 2020-2021 Annual Report](#) (including the Schemes abridged financial statements) will be distributed to members prior to the meeting, and printed copies will be available at the meeting.

6.5 LGA Procurement Annual Report 2020-2021

LGA Business

From:	Andrew Haste, Chief Executive Officer - LGA Procurement	
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	29 October 2021
ECM:	767145	

Recommendation

That the Annual General Meeting receives and notes the LGA Procurement Annual Report for the year 2020-2021.

Discussion

Mayor David O'Loughlin, Chair of LGA Procurement will present his annual Chair's report on the activities of LGA Procurement.

LGA Procurement's 2020-2021 Annual Report is provided [via a link to the LGA Procurement website](#).

Financial and Resource Implications

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

6.6 Local Government Research and Development Scheme

LGA Business

From:	Mathilde Thorsen, Projects and Grants Coordinator	
Strategy:	2 - Assist	
Outcome:	2.4 We leverage grant funding for the benefit of councils, and their communities	
Meeting:	Annual General Meeting	29 October 2021
ECM:	767144	Attachment: 766351

Recommendation

That the Annual General Meeting notes the report.

Discussion

Pursuant to the MOU¹ 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 to the LGA Annual General Meeting. A copy of this report is then provided to the Treasurer.

The attached 2020-21 Annual Report for the Local Government Research and Development Scheme was endorsed by the LGA Board of Directors on 23 September 2021 and includes:

- An overview of the Scheme, its operations and outcomes in 2020-21;
- 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 2021-22
- An overview of the Schemes priorities for 2021-22.

Financial and Resource Implications

All current projects have been anticipated in the Local Government Research and Development Scheme work program, and resources are available to progress these projects.

¹ The MOU was last updated in February 2020 and is available through the LGA website <https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/about-the-lg-research-and-development-scheme>

Local Government Research & Development Scheme

Annual Report 2020-21

**Adopted by the LGA Board of
Directors on 23 September 2021**



Background	3
Overview of Scheme Activities	4
Budget overview	5
New projects approved in 2020-21	6
Ongoing Allocations	6
Regional Capacity Building.....	6
SAROC and GAROC activities	7
Local Government Awareness Campaign	7
Scheme Administration.....	8
Priorities for 2021-22	8
Appendix 1 - Financial allocations for year ending 30 June 2021 & budget for 2021-22.....	9
Appendix 2 - Approved Projects 2020-21 (18 projects).....	10
Appendix 3 - Completed Projects 2020- 21 (20 projects).....	11
Appendix 4 - Spotlight projects 2020-21.....	14
Appendix 5 - Current Projects as of 30 June 2021 (29 projects).....	17
Appendix 6 - Proposed Projects 2021-22.....	21

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 2020-21 and how the LGA is meeting its responsibilities under the MOU. The appendices contain:

1. Financial allocations for year ending 30 June 2021, and budget for 2021-22
2. Approved projects² for 2020-21
3. Completed projects during 2020-21
4. Spotlight projects 2020-21
5. Current projects as of 30 June 2021
6. Proposed projects for 2021-22.

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 Advisory Committee meetings were conducted in 2020-21 (August, December, and April). As of 30 June 2021, membership of the Advisory Committee comprised:

- Mayor Erika Vickery, Chair, Naracoorte Lucindale Council (LGA Board)
- Mayor Claire Boan, City of Port Adelaide Enfield (LGA Board)
- Mayor Erin Thompson, City of Onkaparinga (LGA Board)
- Anne Champness, Tatiara District Council (Country/Regional CEO)
- Henry Inat, Town of Gawler (Metropolitan CEO)

¹ The MOU was last updated in February 2020 and is available through LGA website, <https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/about-the-lg-research-and-development-scheme>

² Approved projects contains all projects approved for funding during 2020-21.

- Alex Hart, Manager Office of Local Government (Minister nominee)
- Professor Chris Leishman, University of South Australia (South Australian Universities)
- Abbie Spencer, ASU (Local Government Trade Unions)
- Matt Pinnegar (LGA CEO)

During the 2020-21, Mayor Kevin Knight from the City of Tea Tree Gully, and Tony Siviour, CEO of Renmark Paringa Council, concluded their terms on the Committee, and are thanked for their service.

Overview of Scheme Activities

In 2020-21, the Scheme allocated over \$1.9 million of funding for projects of strategic benefit to local government via two competitive grant rounds, regional capacity building allocations provided to regional LGAs and GAROC, allocations to SAROC and GAROC³, 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 scheme⁴ and on the priorities identified in the 2020-21 Annual Business Plan for the Scheme. The 2020-21 Annual Business Plan was approved by the LGA Board of Directors in February 2020⁵, with an additional amendment to include "projects that supports local government in responding to COVID-19" added to the plan in May 2020.

The priorities include:

1. Local Government Reform
2. Financial sustainability and cost pressures
3. Infrastructure Partnerships
4. Increasing community awareness and participation
5. Supporting community wellbeing, resilience, preparedness, and responses to climate risks
6. Projects that support Local government in responding to COVID-19.

As detailed in Appendix 2, 18 projects were approved in 2020-21, with a total of \$1,113,159 funding allocated through two grant rounds.

There were 20 project completions in 2020-21. Further details regarding these completions are available in Appendix 3 with an overview of project highlights available in Appendix 4.

The Scheme also successfully implemented a range of grant management improvements in 2020-21 including:

- The development of the [Local Government Research and Development Scheme Program Logic](#)
- The development of a dedicated Communications Plan for the Scheme

³ The Greater Adelaide Region of Councils (GAROC) and South Australian Region of Councils (SAROC) are committees of the LGA Board that provide regional advocacy, policy initiation and review, leadership, engagement and capacity building in the regions.

⁴ <https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/about-the-lg-research-and-development-scheme>

⁵ LGA Board of Directors, 5 February 2020, Agenda Item 7.4, https://www.lga.sa.gov.au/__data/assets/pdf_file/0032/468527/LGA-Board-of-Directors-Meeting-Public-Agenda-and-Papers-5-February-2019-V1.pdf

- Enhancement to the LGA’s online research library
- The continued development and review of the guidelines, application, and project reporting templates

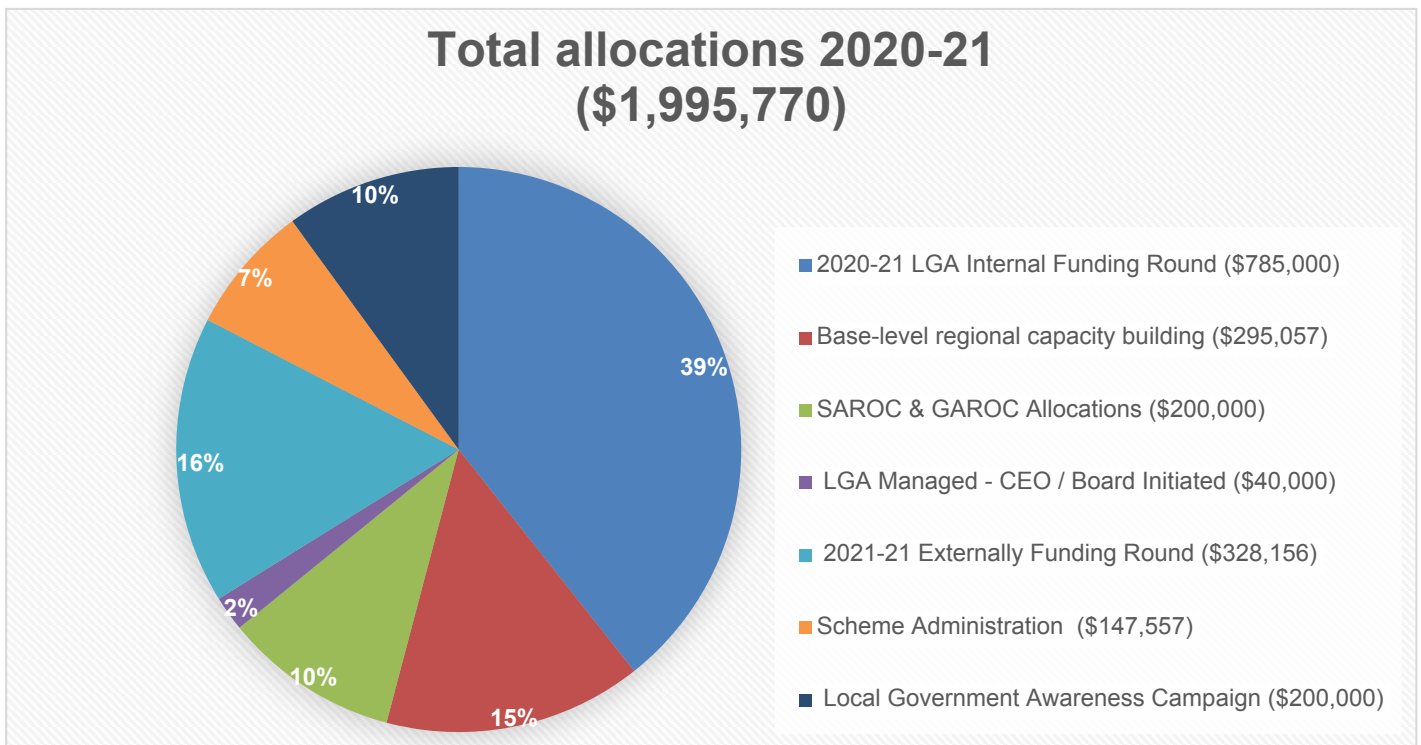
Budget overview

The financial report in Appendix 1 outlines the financial position of the Scheme as at 30 June 2021. The report also includes the budget for 2021-22 financial year, which was approved by the LGA Board in May 2021.

Table 1 provides a summary of the Scheme’s allocations for 2020-21. The total expenditure for 2020-21 was \$1.996 million. 39% of funding was allocated to nine LGA managed projects through the internal funding round. 17% was allocated to nine externally led projects through the external funding round and 15% of the funding was distributed to regional LGAs and GAROC through the regional capacity building allocations.

The closing unallocated reserve balance at 30 June 2021 was \$756,735, \$200,348 higher than the previous forecast of \$556,388.

Table 1 - LGR&DS allocations in 2020-21



New projects approved in 2020-21

19 projects⁶ were approved for 2020-21 with a total of \$1,113,156 in funding allocated, as detailed in Appendix 2. A total of 29⁷ applications were assessed by the Scheme's Advisory Committee against the principles and purposes of the Scheme and the Scheme's Annual Business Plan, and recommendations were forwarded to the LGA Board of Directors for approval.

The projects included a wide range of topics such as:

- Local government reform implementation
- Strategic and financial statement and template update
- Responses to the COVID-19 health emergency
- Preparation for the 2022 council elections
- Population strategy for regional SA
- Incorporation of climate risks in asset management
- Grant management
- Food waste recycling and resilient food systems
- Planning and design code implementation
- Public lighting support
- Review of the Special Local Roads Program

Ongoing Allocations

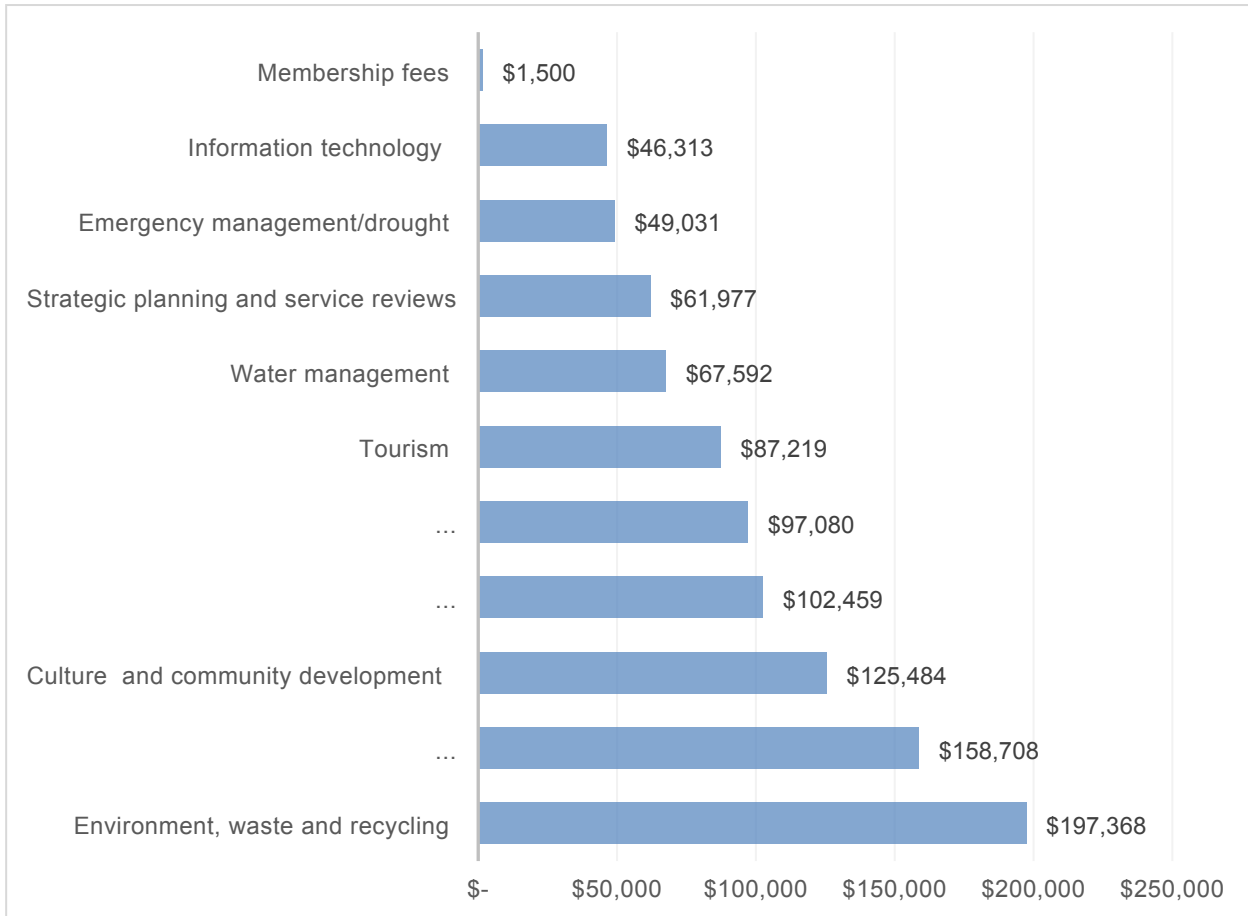
In 2020-21 ongoing allocations accounted for 44% of Scheme expenditure. All ongoing allocations must address the principles and purposes of the Scheme, and outcomes are reported at least annually to the LGA Board.

Regional Capacity Building

In 2020-21, Regional LGAs and GAROC spent a total of \$994,731 on a range of regional capacity building projects, activities, and initiatives. The high level of expenditure is associated with the significant effort that Regional LGAs placed on reducing their carryovers from previous years. Table 2 demonstrates that the regional LGAs spent a significant amount of funding on environment, waste and recycling (\$197,368), infrastructure, roads and transport (\$158,708) and culture and community development (\$125,884). The annual reports including the project outcomes have been published through the [LGA Research Library](#), as well as by the Regional LGAs themselves.

⁷ 2020-21 Applications - 9 internal and 19 external applications.

Table 2 – Regional Capacity Building Expenditure 2020-21



SAROC and GAROC activities

The 2020-21 funding allocations for SAROC and GAROC was distributed through the priorities identified in the

- [GAROC Annual Business Plan 2020-21](#); and
- [SAROC Annual Business Plan 2020-21](#).

GAROC and SAROC’s annual reports are included elsewhere in the LGA AGM agenda.

Local Government Awareness Campaign

The delivery of an ongoing awareness campaign to build community understanding of and participation in local government is funded by the Scheme. The 2020-21 Local Government Awareness Campaign comprised a combination of research, member engagement, media coverage, marketing promotions and advertising through radio, print, social and digital media.

From August 2020 to January 2021, a COVID-recovery campaign ran concurrently with and as part of the “part of your everyday” awareness campaign. This campaign featured council mayors and CEOs explaining how they were supporting their communities throughout the pandemic, as well as key South Australian leaders talking about the valuable role councils were playing supporting recovery.

Scheme Administration

These funds are used by the LGA for the administration of the Scheme, including to cover the salary costs of the Scheme's Executive Officer and costs associated with the Smarty Grants grant administration system.

Priorities for 2021-22

The LGA-led projects commenced implementation on 1 July 2021, and the externally led projects are due to commence 1 November 2021.

The LGA Board of Directors has approved Scheme funding for 3 LGA-led projects and 3 externally led projects for 2020-21. The reasons for the limited number of projects being funded in 2021-22 is that there has been a reduction in the Scheme's revenue for 2021-22 from the LGFA (Local Government Finance Authority) due to market conditions and a reduction in the TER rate.

The funded projects are provided in Appendix 6.

Over the next twelve months, the Scheme will continue to improve its grant management processes by reviewing its policy framework. The updated policy framework will comprise:

- LGR&DS Advisory Committee Terms of Reference
- LGR&DS Eligibility Policy and Procedure
- LGR&DS Delivery Policy and Procedure
- LGR&DS Finance Policy and Procedure

This policy framework will provide guidance regarding the management of the Scheme and ensure the Scheme is being governed by a contemporary suite of grant management policies and practices. The Scheme's administrative processes, agreements, contracts, application processes, and evaluation forms will be reviewed to ensure that they are consistent with the updated policy framework.

Appendix 1 - Financial allocations for year ending 30 June 2021 & budget for 2021-22

Local Government Association of SA Local Government Research and Development Scheme

Allocations Report for Full Year - 30 June 2021

	2021/22 Budget	2020/21		2019/20	
		Actual Full Year	Revised Budget Full Year	Actual Full Year	Budget Full Year
		\$	\$	\$	\$
Income					
LGFA TER Project funding	1,377,500	1,563,417	2,012,100	2,221,910	1,980,000
R&D Funds Returned - LGA internal	-	164,115	-	186,396	-
R&D Funds Returned - External	-	32,563	-	10,526	-
Total Income	1,377,500	1,760,094	2,012,100	2,847,934	2,355,000
Project allocations					
Administration Fees	146,260	147,557	142,000	122,801	138,720
LG Equip (Reform)	390,000	-	-	809,097	750,000
LGA Managed - SAROC & GAROC	200,000	200,000	200,000	200,000	200,000
LGA Managed - Base-level regional capacity building	299,486	295,057	295,061	288,548	290,700
LGA Managed - Secretariat / Internal Projects	200,000	785,000	905,183	795,000	847,148
LGA Managed - CEO / Board Initiated	40,000	40,000	40,000	365,000	40,000
LGA Managed - Awareness Campaign	200,000	200,000	200,000	232,000	232,000
Externally Managed Projects	133,333	328,156	603,455	391,676	431,432
Total allocations LG R&D SCHEME	1,609,079	1,995,770	2,385,698	3,204,121	2,930,000
Net Surplus/(Deficit) LG R&D SCHEME	(231,579)	(235,676)	(373,598)	(356,187)	(575,000)
Statement of R&D Reserves					
Opening Reserve Balance	556,388	992,412	992,412	1,348,598	1,348,598
Plus Inflows	1,377,500	1,760,094	2,012,100	2,847,934	2,355,000
Less Outflows	(1,609,079)	(1,995,770)	(2,385,698)	(3,204,121)	(2,930,000)
Closing Reserve Balance	324,809	756,736	618,814	992,412	773,598

Appendix 2 - Approved Projects 2020-21

Please note that information regarding all projects funded by the Local Government Research and Development Scheme is available through the [LGA Research Library](#)⁸

ID	Project Title	Organisation	Funds Granted	Start Date
2020.02	Support Councils in the implementation of the PDI Act and Planning and Design Code	Local Government Association	\$100,000	01/07/2020
2020.03	Mapping the elements of council Enterprise Bargaining Agreements	Local Government Association	\$50,000	01/07/2020
2020.05	Local Government Reform Implementation	Local Government Association	\$250,000	01/07/2020
2020.06	Model Financial Statements Annual Updates (2021 and 2022)	Local Government Association	\$30,000	01/07/2020
2020.07	Strategic Management Plan Templates (implementation of Productivity Commission recommendations)	Local Government Association	\$150,000	01/07/2020
2020.08	Food Waste Recycling Initiative "Food for the Earth"	Local Government Association	\$50,000	01/07/2020
2020.10	'Improving educational content in preparation for 2022 Elections'	Local Government Association	\$90,000	03/08/2020
2020.11	Special Local Roads Program - Governance Review	Local Government Association	\$35,000	01/07/2020
2020.14	Public Lighting Support for SA Councils	Local Government Association	\$30,000	01/07/2020
2020.54	Local government: Enabling resilient food systems in South Australia	The City of Holdfast Bay	\$40,000	01/10/2020
2020.57	RPSA Voters Roll Practice Manual - 2022 Elections	Revenue Professionals SA	\$5,000	02/11/2020
2020.58	Strategies to increase turnout at council elections	Electoral Commission SA	\$32,870	01/10/2020
2020.59	Modelling business clusters' readiness and resilience in managing & responding to COVID- 19	The University of Adelaide	\$30,000	01/10/2020
2020.61	Resilient South Pilot – Incorporating Climate Risk into Asset Management	City of Marion	\$99,000	01/11/2020
2020.62	External and internal challenges facing regional population growth strategies: learning from the	Flinders University	\$35,089	01/02/2021
2020.65	Script development for Training Course re	Legatus Group	\$16,000	02/11/2020
2020.66	Environmental Health Officers' response to COVID-19: A public health workforce needs assessment to	Flinders University	\$38,200	01/10/2020
2020.67	Best Practice Guide for Grants Management for Local Government in South Australia	City of Holdfast Bay	\$32,000	02/11/2020

⁸ <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.)

Appendix 3 - Completed Projects 2020- 21

ID	Project Title	Organisation Name	Project highlights	Funds Granted	Start Date	Completion Date
2020.30	Local Government Response to COVID-19 (resources, support and guidance for councils)	Local Government Association of SA	This project provided resources to councils to assist with the numerous aspects of the Covid-19 public health emergency that have involved or impacted local government.	\$225,000	02/04/2020	31/03/2021
2020.11	Special Local Roads Program - Governance Review	Local Government Association of SA	This project has reviewed the Special Local Roads Program. The outcomes of this project will ensure the establishment of contemporary and best practice arrangements to ensure the SLRP is robust, fair, transparent and meeting its objectives.	\$35,000	01/07/2020	18/01/2021
2019.66	Benchmarking User Experience in Public Library Services	CERM PI (UNiSA)	This project has helped councils better understand the service delivery of their library services and the important role they play in their local communities through: <ul style="list-style-type: none"> -the measuring and reporting on the broad-based demographic data of library users; - providing a detailed understanding of customer's perceptions of service quality and their overall satisfaction with library service; and - identifying the social and wellbeing benefits customers experience when attending libraries. 	\$36,251	01/10/2019	1/07/2020
2019.59	Our Inspiring Local Communities	Australia Day Council of South Australia	This project produced a video series showcasing the stories of several Australia Day Citizen of the Year recipients and how these inspiring individuals support and serve their Councils.	\$30,000	01/10/2019	31/11/2020
2019.56	Financial sustainability and economic development strategies for regional airports	University of Adelaide	This project used the Kingscote airport as a case study to develop an economic development masterplan to assist regional councils in the development of financially sustainable airports.	\$30,000	01/10/2019	11/03/2021
2019.54	Sustainability and Expansion of the Connected Cities Sensor Network	City of Prospect	Connected Cities is a SA metropolitan wide area low powered sensor network. It has been developed by five councils and the University of Adelaide, with funding from the Commonwealth Smart Cities and Suburbs Program. The sensor network spans across eastern, western and northern Adelaide covering at least 35 per cent of the metropolitan area.	\$30,000	18/10/2019	4/06/2021
2019.05	Delegations Review	Local Government Association of SA	This project developed the LGA Delegations Framework which consists of 248 pages of delegable powers and functions under 67 legislative instruments, detailed instructions for use, 10 core templates including template instruments of delegation and	\$100,000	01/07/2019	18/09/2020

ID	Project Title	Organisation Name	Project highlights	Funds Granted	Start Date	Completion Date
			reports to council, 3 online training videos, and numerous guidance papers and resources.			
2019.03	Costs of providing recycling services	Local Government Association of SA	This project produced an economic modelling tool and a economic analysis report which demonstrated the benefit to kerbside recycling and the inclusion of wine bottles in container deposit schemes.	\$70,000	01/07/2019	1/07/2019
2019.02	Development of Disability Inclusion Community of Practice (and support development of DIAPs)	Local Government Association of SA	Through relationship building, a strengths-based coaching approach and using a strong Community of Practice platform, this project has been highly successful in supporting councils to develop meaningful, achievable, realistic Disability Access and Inclusion Plans.	\$100,000	01/07/2019	31/01/2021
2019.01	Supporting Local Government to implement the Planning, Development and Infrastructure Act 2016	Local Government Association of SA	During the past five years the LGA has provided advocacy on the Planning Reforms being implemented by the State Government. These reforms have included the Planning Development and Infrastructure Act, an on line planning lodgement and assessment platform and a state wide planning and design code replacing individual development plans.	\$100,000	01/07/2019	26/02/2021
2018.69	Digital spotlight on recycling and waste reduction	East Waste	East Waste worked with the LGA to leverage the Spotlight feature of the My Local Services App with the aim of delivering key educational messages on waste avoidance, disposal and recycling. The app allows education to be delivered at a time that recycling and waste disposal behaviour is taking place.	\$35,000	13/09/2018	23/06/2021
2018.64	Resilient Hills & Coasts Community Energy Program	Southern & Hills LGA	The project produced research and a suite of tools that are expected to significantly lower barriers to entry for any Council or community seeking to develop a community energy project, particularly in the form of a Community Energy Foundation.	\$45,000	13/09/2018	19/08/2020
2018.59	Guide for Leasing or Licencing Sports and Community Facilities	City of Onkaparinga	This project has led to the development of a guide for local government which can also be used by the community when striking an occupancy agreement. The guide will provide local government officers with guidance on best practice for managing occupancy agreements.	\$25,000	13/09/2018	20/07/2020
2017.14	e-Learning development	Local Government Association of SA	The initial project supported the employment of a contractor to develop an on-line educational tool for the LGA 'Introduction to Local Government'. The remainder funds have been utilised to: - develop and implement Elected Member Mandatory Training on-line modules (2018-2019) - support the strategic review of the Education & Training systems and software to deliver improved on-line learning (2019-2020)	\$30,000	18/05/2017	1/12/2020

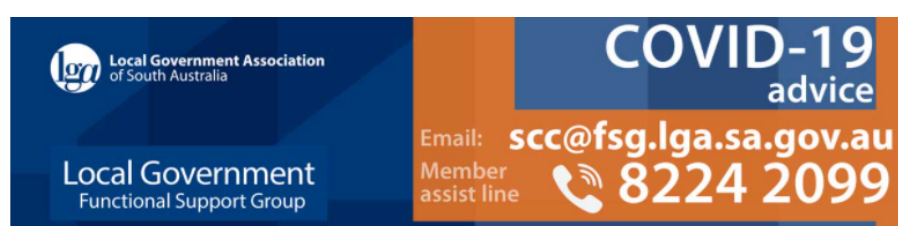
ID	Project Title	Organisation Name	Project highlights	Funds Granted	Start Date	Completion Date
2017.13	LG Workforce Alignment	Local Government Association of SA	This project sought greater alignment in human resources (HR) and industrial relations (IR) across the local government sector. It has not been possible to achieve this outcome of this as the original application underestimated the complexity of the and the work involved. However, the project has delivered a number of outcomes for the LG sector including: - Forums with council CEOs and HR/IR practitioners - Consolidation of labour cost information from across the sector as part of the LGA's response to the Productivity Commission Inquiry into Local Government Costs and Efficiencies.	\$75,000	18/05/2017	3/03/2021
02	Coastal Adaptation Decision Pathways Guidance	Local Government Association of SA	Update of the 2012 LGA Coastal Adaptation Guidelines. The guidelines aim to provide support to South Australians councils in assessing and quantifying the likely impacts to coastal councils from coastal inundation and erosion as a result of climate change. The guidelines explore key areas for councils including legal liability, financial impacts, planning and asset management.	\$30,000	18/05/2017	6/01/2021
2016.53	Removal of organic chemicals from water by aquifer filtration in managed aquifer recharge schemes	Flinders University	The primary achievement of this project was to identify the emerging contaminants in managed aquifer recharge and how to remove these. The outcome of this project has led to multiple research articles and the results are being shared through the local government MAR User Group.	\$25,000	29/09/2016	30/06/2021
2016.04	Supporting Local Government Reform	Local Government Association of SA	This project combined several sub-projects aimed at improving local government governance, accountability, transparency, capacity, and performance. The LGA represented a range of inter-related Parliamentary proposals on these issues. The work of this project is being continued through the <u>2021.02 – LG Equip</u> project.	\$160,000	19/05/2016	23/06/2021
2015.38	Implications of capital investment for licensed council water retailers	City of Marion	The project has produced guidelines and a cost recovery template. The report and cost recovery template can support councils in demonstrating that their treated stormwater cost complies with the National Water Initiative pricing principles and that they comply with their retail licence.	\$20,000.00	17/09/2015	36/03/2021
2014.17	Local Excellence Expert Panel Research	Local Government Association of SA	Successful outcomes originating from this project includes: - The establishment of the South Australian Regional Organisation of Councils - A range of Financial Sustainability and Accountability projects	\$200,000.00	20/03/2014	11/05/2021

Appendix 4 - Spotlight projects 2020-21

Please note that further information regarding any of these projects is available through the [LGA Research Library](#)⁹

2020.30 – Local Government Response to COVID-10 (resources, supports and guidance for councils)

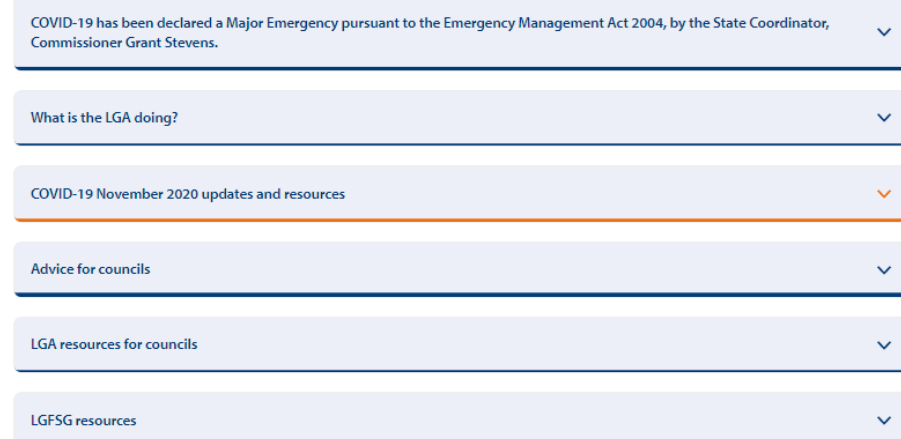
Funding recipient: LGA **Funds granted:** \$225,000 **Final report received:** 2 June 2021



Through this project, the LGA has been able to provide significant support to South Australia's 68 councils in navigating the COVID-19 pandemic.

The support has included legal advice, templates, guidelines, training and forums in areas such as public health, compliance, planning, governance, commercial leases and licences, economic development, and workforce planning.

The project has also assisted councils to participate in South Australia's economic recovery



by supporting the LGA's Shovel Ready program.

The full overview over savings and quantitative benefits of this project will be available in the LGA 2021 value proposition. However, data analytics shows that the LGA's COVID-19 portal was very useful to councils as it was accessed 15,540 times by 8,004 individual users between February 2020 and May 2021. This equates to approximately 73% of the total local government workforce in SA accessing the portal in this period.

The cost for the development of the resources were \$190,000. On the basis that each of the 68 councils would have had to individually pay for these resources, the total saving available to the sector is equal to \$12,920,000.

⁹ <https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/research-library> Please use the project number to search for the project

2019.56 - Economic development strategies for regional airports

Funding recipient: University of Adelaide **Funds Granted:** \$30,000 **Final report received:** 12 March 2021



The aim of this project was to assist regional councils in improving the long-term financial sustainability of their regional airports.

The project used the Kingscote Airport in Kangaroo Island as a case study and identified the steps needed to develop a regional airport master plan.

SA regional airport owners will be able to utilise the Airport Economic Masterplan which is available through the LGA research library to develop their own plans to improve the financial sustainability of their airports. The Airport Masterplan is available through the LGA Research Library.

2019.02 – Development of Disability Inclusion Community of Practice and support development of DIAPs

Funding recipient: LGA **Funds Granted:** \$100,000 **Final report received:** 23 June 2021



Through this project, the LGA has been successful in creating a community of practice around disability inclusion, and provided practical support to councils, enabling them to develop meaningful, achievable, and realistic Disability Access and Inclusion Plans.

During the project, the LGA successfully advocated for a change in the *2018 Disability Inclusion Act* regulations so that councils were no longer required to publish their full DAIP in the Gazette. The cost-saving for the sector is estimated at between \$850,000 – \$1,000,000.

This project has benefited local government by supporting an increased focus and awareness of issues on disability inclusion in the sector.

This project has led to the development of the Inaugural Local Government Disability Inclusion Advisory Group. The group is comprised of people with lived experience of disability who will provide councils with best-practice access and inclusion advice on a range of council priorities.

2018.69 – Digital spotlight on recycling and waste reduction

Funding recipient: East Waste Funds **Granted:** \$35,000 **Final report received:** 23 June 2021



Through this project East Waste worked with the LGA to leverage the Spotlight feature of the My Local Services App with the aim of delivering key educational messages on waste avoidance, disposal and recycling. The app allows education to be delivered at a time that recycling and waste disposal behaviour is taking place.

The project has also involved improving the viewer interface, functions and useability of the app which currently have 16,380 downloads. There is potential for the app to be developed further and delivered for the use of SA councils.

2018.59 Guide for Licencing Sports and Community Facilities

Funding recipient: City of Onkaparinga **Funds granted:** \$25,000 **Final report received:** 30 July 2021



Through this project the Local Government Recreation Forum and the City of Onkaparinga have developed a guide for licencing sport of community facilities.

The guide has been developed through extensive consultation with councils, community members and other key stakeholders. The aim of the is to support councils, staff, councillors and community organisations to better understand lease or licence agreements.

Appendix 5 - Current Projects as of 30 June 2021

ID	Project Title	Brief Project Description	Organisation	Funds Granted	Start Date	Completion date	% Completed (as per last report)
2021.04	Review of the Regional Capacity Building Program	Independent Review of the Regional Capacity Building Allocations.	Local Government Association of SA	\$20,000	09/04/2021	29/10/2021	n/a
2020.67	Best Practice Guide for Grants Management for Local Government in South Australia	The LG SA Grants Network seeks to work more strategically for the benefit of local government and their communities to develop a Best Practice Guide for Grants Management for Local Government in SA.	City of Holdfast Bay	\$32,000	02/11/2020	29/04/2022	10
2020.66	Environmental Health Officers' response to COVID-19: A public health workforce needs assessment to ensure sustainability and future preparedness	This project will build a framework by clustering the businesses for policy makers (more specifically local government) to provide a better understanding of the required initiatives/programs depending on businesses' specific circumstances, including the readiness for face the crisis before the pandemic and the ability and agility to change, innovate and adapt to the new economic and social conditions.	Flinders University	\$38,200	01/10/2020	31/12/2021	30
2020.65	Script development for Training Course re Community Wastewater Management Schemes	To develop the script required for the production and hosting of an on-line training course which is specifically designed for South Australian Council owned and operated Community Wastewater Management Schemes (CWMS).	Legatus (Central Region LGA)	\$16,000	02/11/2020	17/12/2021	50
2020.62	External and internal challenges facing regional population growth strategies: learning from the case of the Limestone Coast	This project will investigate the perceptions and experiences of regional decision-makers and key stakeholders in the Limestone Coast region. The project will complement the strategy developed through the recent prospectus of priorities while identifying more generalisable lessons for non-metropolitan regions.	Flinders University	\$35,089	01/02/2021	30/11/2021	60
2020.61	Resilient South Pilot – Incorporating Climate Risk into Asset Management	This Resilient South project (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.	City of Marion	\$99,000	01/11/2020	30/04/2024	5

2020.59	Modelling business clusters' readiness and resilience in managing and responding to Covid-19	This project will build a framework by clustering the businesses for policy makers to provide a better understanding of the required initiatives/programs depending on businesses' specific circumstances, including the readiness for face the crisis before the pandemic and the ability and agility to change, innovate and adapt to the new economic and social conditions.	University of Adelaide	\$35,000	1/10/2020	02/08/2021 (Completed)	100
2020.58	Strategies to increase turnout at council elections using evidence from randomised field trials	This project aims to identify communication strategies that will cause turnout to increase at council elections. Electoral Commission SA (ECSA) will undertake controlled trials at four council supplementary elections testing the efficacy of different voter mobilisation messages and different methods of transmitting those messages to electors.	Electoral Commission SA	\$32,870	01/10/2020	30/11/2021	50
2020.57	RPSA Voters Roll Practice Manual - 2022 Elections	Revenue Professionals SA is seeking to update, simplify and restructure the Voters Roll Practice Manual in readiness for the 2022 Council elections. This Practice Manual is available to all member Councils throughout South Australia.	Revenue Professionals SA	\$5,000	02/11/2020	30/10/2021	30
2020.54	Local government: Enabling resilient food systems in South Australia	The project will engage local governments, communities and stakeholders to build the resilience of local food systems in the face of climate change risks.	The City of Holdfast Bay	\$40,000	01/10/2020	30/06/2022	30
2020.14	Public Lighting Support for SA Councils	This project will enable the LGA to provide member councils with expert advice and guidance on public lighting and support the transition to LED lighting and a new regulatory framework.	Local Government Association of SA	\$30,000	01/07/2020	2/08/2021	100
2020.10	Improving educational content in preparation for 2022 Elections	Elected Members in preparation for the next cycle of Council elections including: 1) Supporting responsible staff in managing council elections 2) building candidate awareness of the expectations of the leadership role 3) building ownership of the role, responsibilities and leadership effectiveness of Elected Members	Local Government Association of SA	\$90,000	03/08/2020	30/06/2022	15
2020.08	Food Waste Recycling Initiative "Food for the Earth"	The project seeks to combine Woolworths trial of compostable barrier bags in supermarkets with LGASA/metropolitan councils providing free kitchen caddies in supermarkets. The parties would also partner to deliver a communications campaign to educate customers to recycle food waste.	Local Government Association of SA	\$50,000	01/07/2020	30/03/2022	20
2020.07	Strategic Management Plan Templates	The project will include the development of a set of model Long Term Financial Plan, Annual Business Plan and Annual Report templates.	Local Government Association of SA	\$150,000	01/07/2020	31/12/2021	15

2020.06	Model Financial Statements Annual Updates (2021 and 2022)	Update of model Financial Statements with the assistance of an external contractor and the SALGFMG to ensure continued compliance.	Local Government Association of SA (LGASA)	\$30,000	01/07/2020	31/08/2022	50
2020.02	Support Councils in the implementation of the PDI Act and Planning and Design Code	Support for councils with the implementation of the Planning and Design Code including training for Accredited Professionals, and training and information session for elected members ongoing review of delegations, advice on legislative matters and ongoing advocacy to support amendments to the legislation and Code.	Local Government Association of SA	\$100,000	01/07/2020	30/09/2021	95
2019.78	Environment Health Officer Emergency Management Support Resources	This project will produce emergency management resources for the EHOs. The skills of EHOs are essential to ensure the safety and wellbeing of the public before, during and after a disaster event.	Environmental Health Australia	\$10,000.	01/08/2019	29/10/2021	25
2019.68	Community Wellbeing Indicators for South Australian Local Government	To develop a cost-effective, practical tool for small to medium-sized, and regional, Councils to monitor community wellbeing.	Southern & Hills LGA	\$50,000	01/11/2019	31/10/2021	80
2019.65	DPTI ePlanning integration	To develop technical specification for a data interchange between councils systems and the DPTI ePlanning portal.	Local Government Information Technology South Australia Inc	\$48,000	02/09/2019	14/01/2022	50
2019.64	Regional youth volunteering trial	This project has been identified by a 2018 Yorke and Mid North regional leadership program and through linkages the Legatus Group have been making with Volunteering SA/NT, SAFECOM, Dept Human Services, Commissioner for Children and Young People and local service and community groups.	Legatus (Central Region LGA)	\$10,000	23/09/2019	31/08/2021	30
2019.51	Funding the Future – A New Approach for Coastal Management in SA	The establishment of a South Australian Coastal Councils Alliance with the aim to: 1) Identify the structure of the alliance, purpose, role and responsibility, composition, membership and format used to formalise the alliance 2) Analysis of the current situation across the state 3) Determine priority actions	Limestone Coast Local Government Association	\$35,000	01/01/2020	9/08/2021	90
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 of SA	\$100,000	19/09/2019	31/12/2021	20

2019.06	Local Heritage Listing Policy and Procedures	To develop consistent policy and procedures to identify and protect their historic building stock dating from the 19th and 20th century, to achieve more consistent local heritage and comprehensive character protection across all council areas in the State, to better meet community expectations.	Local Government Association of SA	\$35,000	02/09/2019	30/06/2022	0
2018.09	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	\$15,000	17/05/2018	31/12/2021	50
2018.01	Updated Procurement Resources	To assist councils to modernise their procurement practices, to provide better value for money and to reduce risk.	Local Government Association of SA	\$40,000	17/05/2018	15/12/2021	50
2017.60	Community Wellbeing Alliance -two regional trials	To enhance the health and wellbeing of regional communities, through the recruitment of Community Wellbeing Officers, working in co-operation with regional councils.	Local Government Association of SA	\$150,000	28/09/2017	27/08/2021	70
2016.42	Valuing Social Outcomes	To conduct international research on defining, ascribing value to, & articulating social outcomes to inform development of a toolkit to support evidence-based decision making & statements of social return regarding the community initiatives of SA councils.	Local Government Professionals Australia, SA Community Managers Network	\$50,000	29/09/2016	30/09/2021	75
2016.53	Removal of organic chemicals from water by aquifer filtration in managed aquifer recharge schemes	To determine the ability of aquifer substrates to remove selected chemicals of concern from stormwater injectant, contributing to the management of risk prior to reuse.	Flinders University	\$25,000	29/09/2016	Complete	90
2015.52	GST Review of Local Government Fees and Charges	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.	SA Local Government Financial Management Group Inc	\$50,000	17/09/2015	14/01/2022	50

Appendix 6 - Proposed Projects 2021-22

The following LGA managed projects were approved by the LGA Board on 21 May 2021.

ID	Project Title	Comment	Funds Granted	Start Date	Completion date
2021.01	Supporting councils in the implementation of the Planning and Design Code and PDI Act	The Scheme has invested in multiple projects over recent years, which has allowed the LGA to actively engage South Australian councils in positively shaping the planning reform agenda and providing practical support to councils in its implementation. These projects have led to better planning outcomes for councils and their communities, and saved councils significant legal costs through the provision of consistent, de-risked model resources and guidelines.	\$50,000	01/07/2021	30/06/2022
2021.02	Local Government Reform (LG Equip)	<p>This project builds upon major work underway to support councils with the implementation of local government reforms. It also responds to the SA Productivity Commission Inquiry into local government efficiency, and projects underway around strategic planning and asset management.</p> <p>The project was considered by the LGA Board of Directors at a special meeting on 26 March 2021, when the Board approved the use of the Schemes funding for the resource development components of this project. This application provided the detail around project outcomes, methodology and deliverables to support this Board decision.</p>	\$390,000	01/07/2021	31/12/2021
2021.03	Council Elections- Phase One	<p>This is the first phase of the 2022 Council Elections project seeking funding for 2021/22. Funding for the second phase will be sought in 2022/23. The primary purpose of this project is to ensure that councils are provided with the support and resources they need to prepare for the 2022 council elections. The scope of this project includes updating governance documents relating to the election, website enhancements, community engagement, candidate information sessions and development and delivery of marketing collateral.</p> <p>This project also includes community engagement with underrepresented groups, seeking to grow awareness of the opportunity to nominate and support nominees with this process.</p>	\$150,000	01/07/2021	31/12/2022
Total approved by the LGA Board of Directors			\$590,000		

The following competitive grant round projects were approved by the LGA Board on 23 September 2021 .

ID	Project Title	Comment	Funds granted	Start Date	Completion date
2021.70	Local Government Cyber Security Toolkit	The Project engages CyberCX to facilitate development of a Local Government Cyber Security Framework to encourage a consistent approach to implementing and maintaining sound security risk management practices. The proposed Cyber Security Framework can be applied across all councils and is a critical step in strengthening the sector's maturity in this area.	\$99,000	01/11/2021	30/04/2022
2021.50	Local Government Authorised Persons Professional Framework Review	This project seeks to review and update the Local Government Authorised Persons Framework. This framework is of importance to the Local Government Sector to the sector, as it provides information to support the development of the more than 1,000 authorised officers across the state. The original framework was funded by the Scheme in 2005-06 and this project proposes a timely review given legislative change over this time, and changes afoot due to the implementation of Local Government Reforms.	\$20,000	01/11/2021	30/06/2022
2021.66	Asset Management Plan Summary	The Asset Management Plan Summary template is aimed to compliment and align to (by summarising) the content of the 'Infrastructure and Asset Management Plan' required under the Local Government Act 1999..	\$7,000	01/11/2021	24/12/2021
		Total approved by the LGA Board of Directors	\$126,000		

6.7 LGA Advocacy Update

LGA Business

From:	Lea Bacon, Acting Executive Director Public Affairs	
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	29 October 2021
ECM:	766541	Attachments: 713038, 766688

Recommendation

That the Annual General Meeting notes the report.

Discussion

This report provides an update on some of the key activities being undertaken by the LGA to advocate on behalf of our members and strengthen the local government sector.

LGA Advocacy Plan 2019-2023

The LGA Advocacy Plan 2019-2023 outlines the agenda the LGA is pursuing on behalf of member councils.

The Advocacy Plan sits alongside the LGA's Strategic Plan, Annual Business Plans and Policy Manual as an important part of the LGA's Strategic Management Framework. It also reflects the objectives and actions being progressed through the SAROC and GAROC Strategic Plans and Annual Business Plans. The Advocacy Plan guides decision making about the prioritisation of resources, assists in identifying partnership opportunities with key stakeholders and enhances our accountability to our members.

The Plan's four-year horizon recognises that effective, evidence-based advocacy can take time. Advocacy activities need to be carefully timed around key events such as State and Federal Government budgets and election cycles.

While the LGA uses best endeavours to forecast the key issues that will need to be addressed over the coming years, there will always be new issues for local government that emerge during the life of this plan that require an advocacy response from the LGA.

The Advocacy Plan is monitored quarterly and updated annually to allow for reprioritisation of the LGA's work plan as new issues emerge, issues evolve, or as member priorities change.

2021-22 revisions and priorities

In setting the first Plan, it was noted that the LGA Secretariat would undertake an annual review following the adoption of the Annual Business Plans of the LGA, SAROC and GAROC to ensure that new and emerging issues are captured and to reflect changes in member priorities.

At its meeting on 29 July 2021, the LGA Board of Directors endorsed the attached revised Plan, which has been updated to reflect the status of the local government and planning reforms, as well as newly released state government strategies and action plans relating to circular economy and food waste, regional development, climate change and electric vehicles.

Similarly, revisions have been made to include advocacy identified in recent items of business carried by members are LGA General Meetings and the recently adopted SAROC and GAROC 2021-22 Annual Business Plans.

This annual review has also been informed by the outcomes of the annual member survey and responses to questions about LGA priorities and member satisfaction. The most important issues identified in the 2020 LGA members survey were:

- Local government reform
- Cost shifting/rate capping
- Climate change/environment
- Waste management/recycling
- Infrastructure funding, management and grants

The Advocacy Plan has also been updated to reflect the advocacy actions outlined in the LGA Climate Commitment Action Plan 2021-2023, adopted by the LGA in recognition its important role to advocate for urgent and sustained action to reduce emissions and adapt to the impacts of climate change. This will occur through direct advocacy to governments, partnerships, representation on influential decision-making bodies, and by raising awareness of the role and value of councils in managing climate risks.

The revised Advocacy Plan recognises that the forthcoming federal and state elections will present opportunities to influence commitments that support local government priorities and communities at a local level. In 2021-22 the LGA will develop and deliver comprehensive strategies for these election campaigns in partnership with member councils, stakeholder group and other influential partners.

Advocacy actions and outcomes (May to September 2021)

Federal Budget 2021-22 – advocacy outcomes (May 2021)¹

- Member councils provided testimonials and supported advocacy to secure an extension of South Australia’s Supplementary Local Road Funding for a further two years at \$20 million per annum in the 2021-22 State Budget.
- Advocacy by the LGA and the Australian Local Government Association led to a further \$1 billion expansion of the Local Roads and Community Infrastructure Program in the 2021-22 Federal Budget. This program is anticipated to provide South Australian councils with a further \$75 million in coming years to invest in strategic infrastructure projects that create jobs and support economic recovery.

South Australian 2021-22 State Budget – advocacy outcomes (June 2021)²

- A key advocacy priority for 2020-21 was maintaining State Government funding for South Australian libraries. Through our “library dollars make sense” campaign, achieved a commitment from the Premier to maintain State Government funding for libraries at \$20.7 million per annum.

¹ [Full LGA analysis of 2021-22 Federal Budget | LGA South Australia](#)

² [LGA analysis of State Budget 2021-22 | LGA South Australia](#)

- The State Budget also included a \$5.5 million expansion of the Greener Neighbourhoods program, which is a great outcome that aligns with the LGA's advocacy on increasing urban tree canopy cover.

Submissions

Making written submissions provides a key opportunity for the LGA to influence policy, funding and legislative arrangements being considered by State and Federal government and their agencies.

Over the past 6 months, the LGA has listened to and represented member interests through submissions on topics such as the South Australian Arts and Cultural Tourism Strategy, State Government's Draft Water Security Statement, Road User Charge for Zero and Low Emission Vehicles, South Australia's Road Safety Strategy to 2031, and the Local Design Review Code Amendment.

Submissions have also been made to the South Australian Productivity Commission on the Development Referrals Review and the Inquiry into reform of South Australia's Regulatory Framework, to the Natural Resources Committee's Inquiry into the Native Vegetation Act 1991 (SA) and to the House of Representatives Standing Committee on Tax and Revenue's Inquiry into housing affordability and supply in Australia.

Further to providing submissions, the LGA has presented to the Parliament of South Australia's Statutory Authorities Review Committee's Inquiry into the Stormwater Management Authority, the Environment, Resources and Development Committee's Inquiry into the Coast Protection Board and Legislation, and to the Select Committee on Certain Matters relating to the Operations of the Office of the Valuer-General.

The LGA Secretariat has also provided advice to support advocacy undertaken by the Australian Local Government Association (ALGA) to the Federal Government, particularly on responding to representation on National Cabinet, waste, road safety and COVID-19 response issues.

LGA submissions are available at www.lga.sa.gov.au/submissions

Policy Manual revision

The LGA's Policy Manual is available online at [LGA Policy Manual | LGA South Australia](#).

The Policy Manual is a compendium of policy positions that have been endorsed by member councils through LGA General Meetings and is used to inform the LGA's submissions, media responses and engagement with stakeholders.

The LGA Secretariat has commenced a comprehensive review of the Policy Manual, which will be prepared for adoption by member councils at the 2022 LGA Ordinary General Meeting. As the opportunity for significant revisions has been identified, consultation will occur with member councils on policy statements regarding 'Economic Development' and 'Environment and Natural Resources', including Climate Change.

Partnerships

The LGA works collaboratively with the State Government and sits on several State Government committees and working groups.

The LGA continues to partner in the delivery of the following programs:

Disability Access and Inclusion - distributing federal funding to councils through the NDIS Information Linkages and Capacity Building Program (ILC) and establishing a Local Government Disability Inclusion Advisory Group made up of people with disability who will provide the sector with best practice access and inclusion advice based on their lived experience and in this way help councils better support their communities.

Heavy Vehicles Partnership Program – the LGA’s Heavy Vehicle Access Liaison Officer continues to work with the State Government and the National Heavy Vehicle Regulator to support councils and deliver proactive approaches to heavy vehicle access matters.

Regional climate partnerships – continuing our partnership with Green Adelaide and the Department of Environment and Water to provide central coordination for the Regional Climate Partnerships program, which establishes a network of cross-sectoral groups working to strengthen the climate resilience of their communities.

Local Government Reconciliation Industry Network Group (LG RING) – established a joint initiative between Reconciliation SA and the LGA in recognition of the critical role that councils play in building and enhancing respectful relationships and understanding between First Nations peoples and the broader South Australian community.

Volunteering Strategy for South Australia – the LGA is an active partner along with the State Government, Volunteering SA/NT and Business SA. This partner-driven strategy provides an opportunity for all sectors to focus on a coordinated approach to address the diverse and ongoing needs of the volunteer sector.

The LGA has also commenced discussions to renew its service agreement with Green Industries SA (GISA) and its agreement with the EPA that guides how they work with councils and the LGA.

Media Summary

A summary of LGA’s media activities between April 2021 and September 2021 is attached for members’ information.

Key issues the LGA has commented on publicly include library funding, urban tree canopy cover, jetties funding, recycling, diversity within council chambers, and stormwater funding.

Financial and Resource Implications

Developing the evidence base and third-party support needed to successfully pursue legislative, policy or funding changes requires a significant investment of time and resources in data collection and analysis, policy research, consultation with members, stakeholder engagement, policy development and positioning through an advocacy strategy.

The LGA Advocacy Plan allows the LGA to be more strategic by defining the parameters of the LGA’s advocacy activities and ensuring that adequate resources are available to give important issues the time and attention required to achieve the outcomes desired by members. The Plan provides a useful guide to the Board of Directors, SAROC and GAROC when assessing the importance and urgency of any new issues raised.

There are many policy issues that the LGA is working on that are not included within this update or the Advocacy Plan. These may be issues where the LGA is providing support to members through training, forums, guideline material, model policies, advice or information exchange. These services fall under the LGA’s ‘Assist’ objectives, as reflected in the LGA’s Strategic Plan and Annual Business Plan.



LGA Advocacy Plan 2019 – 2023

Endorsed September 2019

Revised July 2021

The object of the LGA is to achieve public value through the promotion and advancement of the interests of local government by advocating to achieve greater influence for local government in matters affecting councils and communities.

The LGA is at the forefront of strategic policy development and reform in the local government sector. We seek to achieve influence for local government in matters affecting South Australian councils and their local communities. We do this by listening to and representing our 68 member councils and building positive relationships with people and organisations with an interest in or influence over matters of importance to local government.

There is significant value in the leadership and advocacy driven by the LGA in partnership with our member councils. The 2019-20 LGA Value of Membership Report identified that the value delivered by the LGA exceeds \$189 million, and, on average, this represents more than \$3.46 million to each council. Recent significant advocacy outcomes the LGA and our member councils have achieved include securing sensible, evidence-based local government reform within the *Statutes Amendment (Local Government Review) Act 2021* and state and federal stimulus funding for local government to support economic and community recovery from the COVID-19 pandemic.

At the national level, working with the Australian Local Government Association, we have secured the Commonwealth Government's commitment to extend South Australia's supplementary local roads funding to 2023, and a \$1 billion extension to the Local Roads and Community Infrastructure Fund in 2021-22.

Speaking with one voice through the LGA gives the local government sector and SA councils a 'seat at the table' with decision makers. This means that our communities can enjoy the benefits of governments working in partnership towards common objectives.

Councils that are adequately resourced and supported by an enabling and contemporary state legislative framework are a strong partner in government and can make a great contribution to the economic and social progress of South Australia.

LGA Strategic Plan 2021-25

The LGA Strategic Plan 2021-25 identifies Advocacy as a key strategy and outlines the following outcomes that activities in this Advocacy Plan seek to deliver:

1. We are close to our members, seek their feedback and represent them with evidence-based advocacy on issues that matter.
2. Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities.
3. Communities understand and value the services provided by local government and are encouraged to participate in council processes.

2019 – 2023 Advocacy Plan

The purpose of the LGA Advocacy Plan 2019-2023 is to define and prioritise the LGA's advocacy agenda to increase certainty and transparency for members about the outcomes the Association is pursuing on their behalf, and to ensure that sufficient resources are available to progress and monitor these important issues. The plan will help the LGA to deliver a focussed and effective advocacy agenda over the next four years.

The Advocacy Plan is intended to sit alongside the LGA's Strategic Plan, Annual Business Plans and Policy Manual as an important part of the LGA's Strategic Management Framework. It will guide decision making about the prioritisation of resources, assist in identifying partnership opportunities with key stakeholders and enhance our accountability to our members.

This Advocacy Plan is not a complete list of everything the LGA is doing on behalf of its members. The LGA provides a range of additional services that 'Assist' and 'Advance' councils, such as education and training, commercial services, guidelines and model documents, governance advice and research and development.

The Plan's four-year horizon recognises that effective, evidence-based advocacy can take time and the need for advocacy activities to be carefully timed around key events such as State and Federal Government budgets and election cycles.

While the LGA always uses best endeavours to forecast the key issues that will need to be addressed over the coming years, there will always be new issues for local government that emerge during the life of this plan that require an advocacy response from the LGA. The Advocacy Plan will be monitored quarterly and updated annually to allow for reprioritisation of the LGA's work plan as new issues emerge, issues evolve, or as member priorities change.

The issues and actions on the 2019-23 Advocacy Plan have been updated to reflect the current context of the local government, planning and waste reforms, as well as new advocacy to support the impacts of the Covid-19 pandemic on the sector and member councils' actions to support economic and community recovery.

2021-22 advocacy priorities and actions

The issues and actions set out in this Plan have been informed by our members through annual surveys, general meetings, the LGA Board of Directors, and the SAROC and GAROC committees. They also reflect legislative and policy reforms being undertaken by the State and Federal Government that are relevant to the role of councils and impact on local communities.

Local government has a broad range of roles and responsibilities, and the diversity of the sector's interests is reflected in the LGA's Advocacy Plan. Typically, the LGA will prioritise issues that have an immediate direct impact on local government such as changes to the responsibilities, funding, and compliance obligations of councils.

During 2021-22, the LGA will dedicate most of its advocacy focus and resources towards the following priority issues.

- State Government funding and resources to support the LGA and member councils to implement local government reform.

- design and implementation of comprehensive federal and state election strategies. The 2022 South Australian state election will be held on 19 March 2022 and the next Australian federal election will occur in 2021-22.
- delivering the advocacy identified in the LGA Climate Commitment Action Plan 2021-23 to drive urgent and sustained action to reduce emissions and adapt to the impacts of climate change.
- a stronger role for councils and communities as planning reforms are implemented.
- seeking state and federal funding, policy and legislation that supports economic and community recovery from the Covid-19 pandemic.
- securing the future funding of South Australian libraries.
- responding to waste and recycling issues including maximising the value that can be returned to communities from the escalating State Government funds collected through the Solid Waste Levy.
- supporting advocacy via the Australian Local Government Association (ALGA) to increase federal Financial Assistance Grants and secure long-term certainty of supplementary road funding for South Australia.
- specific advocacy for metropolitan councils (GAROC) and regional councils (SAROC) as identified in their Annual Business Plans are also reflected as priorities on this plan.

2019 – 2023 advocacy issues

Theme: Local Government Sector

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

Objective: Advocate for sensible local government reform and build the respect of federal and state government in all transactions between the spheres of government.

Issue	Position	Outcome sought	Key actions	Lead body
Local Government Reform – implementation	<p>The LGA has worked with member councils and the Parliament of South Australia to arrive at sensible and effective reforms that will drive downward pressure on council rates, improve the financial sustainability of councils, and deliver lasting benefits to South Australian communities.</p> <p>Implementation of the reforms contained in the Statutes Amendment (Local Government Review) Act 2021 will be most effective if they are driven by the local government sector through the LGA.</p> <p>The LGA has already allocated additional internal resources to help progress this work, but without additional funding support there is a risk that the reform implementation will fall short of the expectations of councils or their communities.</p>	<p>The LGA has allocated an additional \$250,000 to support the reform implementation project and seeks a matching contribution from the State Government to increase the LGA's capacity to deliver the benefits of a high-performing local government sector.</p> <p>LGA advocacy is also aimed at ensuring the commencement of each element of the legislative scheme occurs once councils have had time to update policies, procedures, IT systems, forms and processes and for council members and staff to complete training on the new arrangements.</p>	<p>Pursue opportunities to request an increase in State Government funding and resources to successfully implement meaningful local government reform.</p> <p>Continue to consult extensively with member councils as the LGA commences work on an implementation plan of the 150 outcomes required to support councils to implement the proposed changes.</p> <p>Liaise with relevant ministers and members of parliament to inform discussions and build support for required Ministerial approval.</p> <p>The details of the new legislative scheme will be contained in regulations, Ministerial proclamations, State-wide</p>	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
			<p>Charters and a number of other statutory instruments. The LGA is engaging closely with the State Government on the development of these instruments, to ensure outcomes remain cost-effective and consistent with the principles and recommendations of the LGA Board and member councils.</p>	
<p>State- Local Government Relations Agreement</p>	<p>Coordination across all governments in planning, funding and delivering facilities and services can maximise the value of investments by governments. This can be best facilitated through formal structures such as the State-Local Government Relations Agreement and the Premier's State- Local Government Forum.</p> <p>A more cooperative, strategic approach to providing and using public infrastructure will reduce duplication, lower asset operating costs and create a strong foundation for the attraction of businesses and skilled labour needed for economic growth.</p>	<p>To enable local government to deliver on its potential as a partner to advance South Australia, the LGA is asking the State Government to support a State-Local Government Relations Agreement to provide a foundation for more productive state-local partnerships.</p>	<p>Continue to outline the benefits of a formal partnership in correspondence with the Premier and senior Government Ministers.</p> <p>Proactively identify and pursue opportunities to work collaboratively with the State Government, through its departments and agencies.</p> <p>Develop proposals and seek to enter into agreements for grants and programs that deliver interdependent value for the state government, councils and their communities.</p>	<p>LGA Board</p>

Theme: Financial Sustainability

Local government acknowledges its statutory obligation to be sustainable and that this can only be achieved through attainment and maintenance of financial sustainability.

Objective: Maximise contributions, investment and the appropriate policy settings from other spheres of government to contribute toward local government financial sustainability.

Issue	Position	Outcome sought	Key actions	Lead body
Federal funding to local government – FAGs	The financial sustainability of councils and their ability to provide essential services and infrastructure in their communities is impacted by the relative decline in core federal funding in the form of Financial Assistance Grants (FAGs).	Restore the quantum of Financial Assistance Grants to at least 1 per cent of Commonwealth taxation revenue	<p>Support ALGA in developing a Federal Election advocacy campaign and promote the use of the campaign in SA.</p> <p>Build third party support from individuals and organisations that would benefit from increased local investment.</p> <p>Use member communications to encourage councils to acknowledge the financial contribution of the Federal Government toward local projects.</p> <p>Explore opportunities to identify projects and services being delivered by councils that support the priorities and objectives of the Federal Government.</p>	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
<p>Review of statutory fees, charges and mandatory rebates.</p>	<p>In most cases, the fees and charges that are set by State Government regulations for the provision of services do not cover the cost of providing the service. For example, planning fees only cover between 20-30% of the cost of providing assessment services, with the other 70-80% subsidised by all ratepayers. Setting user fees and charges too low puts pressure on council rates and requires public funds to be used inequitably for private benefits.</p> <p>Where a State Government role or function is to be undertaken by Local Government on the State's behalf (mandated or by agreement) then those roles and functions must come with an appropriate level of funding and/or fees structures which actually recover the cost of service arrangements.</p> <p>Mandatory rebates place inequitable burden on all other ratepayers. Legislative changes are required to ensure that rates are charged equitably across all properties that have capacity to pay their fair share.</p>	<p>Commitment and action from the State Government to</p> <ul style="list-style-type: none"> adopt a policy that allows statutory fees and charges to be increased to achieve reasonable recovery of costs. undertake a review of mandatory statutory rebates and exemptions from payment of local government rates. <p>Relevant legislation be amended to remove or recompense councils for state-government mandated discounts on rates for: Community housing / Electricity providers / Religious services / Public cemeteries / Educational purposes.</p>	<p>Continue to outline the need for the State Government to conduct a comprehensive review of local government fees and charges to establish modern price setting principles which promote efficiency, flexibility and fairness in service delivery.</p> <p>Work with interested councils to undertake analysis and prepare an issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide; and engage an appropriate economic advisory consultant to prepare a report for government advocating for changes to statutory rate rebates and exemptions in SA.</p> <p>Continue to advocate for legislative changes that would see renewable energy generators paying a fair share of rates to reduce the financial burden on the wider community.</p>	<p>LGA Board GAROC SAROC</p>

Theme: Infrastructure and Assets

The LGA and our member councils recognise that with appropriate funding and partnership opportunities local government can be part of the solution in addressing the infrastructure challenges South Australia faces in ensuring liveable, vibrant and prosperous communities.

Objective: Enable advocacy and partnership opportunities that supports local government to fulfil its responsibilities in a range of public infrastructure and facilities that support families and businesses, create and support economic opportunity and build community inclusion and safety.

Issue	Position	Outcome sought	Key actions	Lead body
Federal funding of South Australia's local road network	<p>South Australia has 11% of the nation's local roads and 7% of the population but receives only 5.5% of the Identified Local Roads component of Commonwealth Financial Assistance Grants (FAGs).</p> <p>Since 2003, successive Federal Governments have allocated supplementary road funding to South Australia as a temporary fix to an unfair funding formula. SA councils need confidence and certainty that this funding is secure over the long term.</p>	Permanent reinstatement of South Australia's supplementary local roads funding – beyond 2021.	<p>Develop an options appraisal and issues paper to support future advocacy.</p> <p>Develop and implement an advocacy campaign at the federal level and leverage ALGA support where required.</p> <p>Support councils to undertake advocacy activities locally.</p> <p>Coordinate a delegation of members to Canberra to engage with representatives and decision makers.</p>	LGA Board
State funding of regional roads – road safety	<p>Local government recognises the importance of State Government investment in the strategic road network for economic and social prosperity.</p> <p>Local government acknowledges its obligation for the maintenance, renewal and safety of local road networks. Councils shall continue to fulfil this obligation recognising the significant obligation of federal/state governments in</p>	Increased State Government funds for the maintenance and upgrade of safe and high-quality regional roads, in line with their pre-election commitment to establish a dedicated Regional Roads and Infrastructure Fund.	<p>Incorporate this issue within the LGA's State Budget Submissions</p> <p>Coordinate advocacy with other peak body associations.</p> <p>Develop and implement actions from the LGASA Guide to Local Government Road Safety Actions and Strategies.</p>	SAROC

Issue	Position	Outcome sought	Key actions	Lead body
	<p>providing financial assistance to the sector in discharging these duties.</p>		<p>Support engagement with member councils and liaise with state and federal government agencies to inform their respective Road Safety Strategies and Action Plans.</p>	
<p>Heavy Vehicle National Law – reform implementation</p>	<p>The National Transport Commission (NTC) has undertaken a review of the Heavy Vehicle National Law and its supporting regulations. This may have various implications for councils in their role as local road managers.</p> <p>In May 2021, infrastructure and transport ministers approved a two-year HVNL Safety and Productivity Program to implement reform outcomes from the HVNL review.</p>	<p>Ensure that the new Heavy Vehicle National Law appropriately considers and reflects the role of local government and implications for councils.</p>	<p>Continue to engage with member councils to ensure that LGA advocacy is evidence based and reflects operational considerations.</p> <p>Undertake advocacy on relevant elements of the reform implementation.</p>	<p>LGA Board</p>
<p>Electric Vehicles Fleet Incentives</p>	<p>Local government recognises that electric vehicles provide for potential zero emission transport and reduce negative impacts such as toxic emissions, engine noise and greenhouse gas emissions.</p> <p>Councils, because of their roles and responsibilities as road authorities, infrastructure providers, fleet managers and representatives of their local communities, can support and encourage the use of electric vehicles through their planning, policies, investment and procurement activities.</p>	<p>Federal Government to remove the luxury vehicle tax on electric vehicles and to introduce incentives for local vehicle manufacturing to create local industries to change the Internal combustion fleet to an electric fleet based on renewable, locally produced power.</p> <p>State Government to assist councils convert to an electric vehicle fleet by providing incentives.</p>	<p>Pursue opportunities at the federal and state government level to develop a trial of a subsidy scheme and/or incentives in South Australia, for cars, light commercial vehicles, trucks and buses fueled by alternative energy sources including electric, hybrid and hydrogen vehicles.</p>	<p>LGA Board</p>

Issue	Position	Outcome sought	Key actions	Lead body
Jetties – State Government funding and maintenance agreements	Local government is seeking to speak with one voice as new lease and funding agreements for jetties are negotiated with the State Government.	Ensure that future lease or other agreements with local government collectively safeguard the future of jetties in South Australia without creating a financial burden on ratepayers, especially in rural and regional areas.	<p>Establish an LGA steering committee of member councils to inform and guide future advocacy.</p> <p>Develop an Issues Paper to clearly articulate the issues, gaps and options for future funding and lease or other arrangements.</p> <p>Seek to meet with and inform stakeholders as appropriate.</p>	LGA Board
Mobile Phone Blackspot – state and federal funding	Regional communities continue to experience poor telecommunications coverage across South Australia. Access to reliable mobile phone and internet connectivity are extremely important to individuals and communities in terms of every-day liveability and emergency services, and also for business operability, viability and sustainability.	Improved telecommunications coverage in regional and remote South Australia.	<p>Identify and map priority blackspot areas in South Australia</p> <p>Identify funding opportunities for councils' submissions.</p> <p>Incorporate funding requests in State and Federal Budget submissions.</p>	SAROC

Issue	Position	Outcome sought	Key actions	Lead body
Stormwater management–state funding allocations	Although stormwater management is the shared responsibility of state and local governments, responsibility often falls to councils. Local government is limited in its ability to fund stormwater infrastructure or to make decisions that have cross boundary implications.	Improved governance, legislation and funding arrangements to support council responsibilities for infrastructure provision. Work with state government to ensure an integrated approach to planning and for adequate funding of stormwater management and flood mitigation.	Develop issues and discussion paper to inform a review of Stormwater Management Practices in South Australia. Include requests for additional stormwater funding in State Budget submissions.	LGA Board
Council managed 'borrow pits'	South Australian legislation gives councils the power to enter and occupy land in connection with an activity and sets out broad requirements of management and rehabilitation when dealing with rubble raising and borrow pits. New requirements in the Mining Act and relevant regulations may have implications for councils in the classification of their borrow pits as mines and the requirement to have a Mine manager appointed.	Appropriate State legislation and guidelines are in place to support council borrow pit activities, with management activities appropriate to the level of associated risk.	Engage with member councils to build an evidence based to support advocacy to the State Government for appropriate consideration of council borrow pit activities within the Mining Act and relevant regulations.	SAROC

Issue	Position	Outcome sought	Key actions	Lead body
<p>Damage to infrastructure caused by developers and builders</p>	<p>Damage to public infrastructure as a result of private construction projects has been a long-standing issue within local government as a result of both the financial cost to councils where they are required to repair the damaged infrastructure and also address the public risk.</p> <p>Councils do not have the power to order the owners of electricity, public lighting or gas infrastructure to undertake appropriate reinstatement following maintenance or repair work.</p>	<p>Public infrastructure is reinstated to a high standard following works by developers and utilities so as not to leave councils burdened with additional works.</p>	<p>Write to the Minister for Local Government requesting that the state government works with the local government sector to investigate and implement an effective solution to the long-standing problem of councils and their ratepayers being left out of pocket when public infrastructure is damaged during private construction projects</p> <p>LGA to undertake further collaborative discussions with the various public utilities and/or their agents to improve the quality and timeliness of reinstatement works to any damaged local government infrastructure in the course of carrying out their works.</p>	<p>LGA Board</p>

Theme: Economic Development

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

Objective: Influence federal and state government activities in identifying and implementing programs that promote local aims and produce positive local outcomes.

Issue	Position	Outcome sought	Key actions	Lead body
Supporting economic development	Local government seeks state and federal funding, policy and legislation that supports economic and social recovery from the COVID-19 pandemic.	<p>Reinstatement of the State/Local Government Red Tape Taskforce to ensure government continues to support local business as they recover from the impact of COVID-19.</p> <p>Collaborate with the State Government to advocate and leverage Commonwealth Government strategies that increase capacity for manufacturing within Australia – for example, strengthening local remanufacturing to support an Australian Circular Economy, and incentives for electric vehicle manufacturing and existing fleet upgrades.</p>	<p>Continue to pursue opportunities for advocacy arising from the Federal and state government response to the COVID-19 pandemic.</p> <p>Engage with councils to identify opportunities and share ideas about how to cut red tape costs for business and use this information to make submissions to the SA Productivity Commission's review of the South Australian Regulatory Framework.</p> <p>Work with relevant State Government departments to establish and promote a clear pathway for councils to identify and progress opportunities for investment attraction in local manufacturing.</p>	<p>LGA</p> <p>GAROC</p>

Issue	Position	Outcome sought	Key actions	Lead body
			Commission research to inform advocacy to State and Commonwealth Government on the funding programs, incentives and policy settings that are needed to stimulate local manufacturing in metropolitan Adelaide.	
Supporting regional economies	<p>Local government acknowledges the significant role that regional economies play in the economic stability of South Australia. In recognition of the specific needs of the regions, the LGA and councils seek to work with Federal and State Government, Regional Development Australia Boards and key regional stakeholders to support regional economies, particularly as communities seek to recover from the COVID-19 pandemic.</p> <p>The centralisation of the public service to Adelaide may directly contribute to loss of jobs and residents living and working in regional South Australia - a disconnect that is reflected in centralised policy and decision making. The more the public service is centralised into Adelaide, the more policy decisions are formed through a 'city' lens and the more connection with regional communities is lost.</p>	State and Federal government funding, initiatives and legislation that assists with the growth and development of regional South Australia, including commitments towards assisting regional councils and communities to respond and recover from the Covid19 public health emergency and the decentralisation of South Australia's population.	Key opportunities for advocacy will include assisting regional councils and communities to respond and recover from the Covid-19 public health emergency, implementation of South Australia's Regional Development Strategy, increased funding and appropriate locations for mobile phone towers to address blackspots, changes to mobile food van licencing, and responding to increased instances of drought and bushfire conditions.	LGA Board SAROC

Theme: Community Assets and Services

Local government acknowledges that protecting the health and wellbeing of its communities is a shared responsibility of all tiers of government and recognises the significant contributions that councils make in this area.

Objective: State and Federal Governments recognise and respond to the opportunities to work with councils to improve the quality of life of South Australians by better shaping neighbourhood development, improving infrastructure and access to public services.

Issue	Position	Outcome sought	Key actions	Lead body
Libraries – state government funding	Libraries are a much loved community facility that provide a range of valued services to people of all ages. Public Library funding is the subject of a 10-year agreement between the State Government and the LGA, which is due to expire in 2021.	Renewal of the State/Local Government libraries funding agreement with no reduction in the level of State Government funding provided.	Design and implement a public awareness campaign to promote the value of libraries. Participate in negotiations with the State Government on behalf of the sector.	LGA Board
Aged Care Reforms – Commonwealth funding	Commonwealth age care reforms have created a high degree of uncertainty for councils and the communities they serve; however, there is a strong sense in our sector that there is an ongoing role for local government in supporting the needs of people as they get older.	Councils are sufficiently supported by the Commonwealth Government to provides a basic level of aged care services to support continued independence for people aged 65 and over living at home and delaying entry to more expensive residential care.	Seek opportunities to continue to advocate for going funding for those councils seeking to continue to provide services.	LGA Board
Lack of medical services in regional areas	The ongoing lack of medical services in regional areas means that councils are being relied upon to provide front-line medical services. This comes at a cost to ratepayers and can detract from councils' efforts to	Improved health services in regional and rural Australia – less reliance on local government intervention.	Continue to advocate to the Federal and State Governments for the provision of improved health services. Support for progression of a key action from the Rural	SAROC

Issue	Position	Outcome sought	Key actions	Lead body
	provide and maximise the benefits of community preventative health activities.		Medical Workforce Plan 2019-2024 by working with the Rural Support Service to investigate how to maximise the personal and family supports provided to rural doctors by assisting efforts in housing, transport costs and childcare, and support for partners and families, including social and community supports.	
Community Wellbeing Alliance	Local government acknowledges that protecting the health and wellbeing of its communities is a shared responsibility of all tiers of government and recognises the significant contributions that councils make in this area. Councils contribute to providing preventative and on-going health services, notwithstanding the significant responsibilities of federal and state government.	Demonstrate the potential outcomes of a statewide Community Wellbeing Alliance.	Implement and evaluate the two regional LGA trials that are currently underway. Use the outcomes of the pilot program evaluation to refine a proposal for a state-wide program.	LGA Board
Dog and Cat Management issues	In 2021-22, there will be a legislated review of the Dog and Cat Management Act 1995. Dog and cat management issues impact on councils across the State and have the potential to impact on council resourcing requirements.	That cat management laws be consistent across local government jurisdictions whilst recognising resource limitations and operational realities of regional councils in administering the Act.	Facilitate local government discussion relating to improved cat management laws to support greater consistency across local government jurisdictions in terms of administration of the Act and with a view towards legislative	LGA Board SAROC

Issue	Position	Outcome sought	Key actions	Lead body
	<p>Under current legislation, each council can determine the resources they put towards cat management and the by-laws they enact to support cat management operations. Councils make decisions based upon available resources, community expectations and competing funding priorities.</p>	<p>That State Government through the Dog and Cat Management Board leads legislative reform including community consultation on cat management issues including registration and containment.</p>	<p>reforms on registration and containment and the powers of council authorised officers.</p>	
<p>Family and Domestic Violence training, education and development</p>	<p>Family and domestic violence is a complex, serious and widespread problem in Australia, with individual and community impacts and social costs. However, it is also ultimately preventable.</p> <p>Councils play a role in creating safe public environments and can provide leadership across their communities in prevention of violence by promoting gender equity and equal and respectful relationships between men and women.</p>	<p>As large employers, councils can influence and change workplace cultures to promote gender equity and the safety of women.</p>	<p>Consult with member councils to determine what resources and programs currently exist to support employees and/or members of their communities impacted by Family and Domestic Violence and identify any further resources which should be developed.</p> <p>Liaise with the State and Federal Government to explore partnership opportunities to support the local government sector in providing consistent, best practice support and education to employees on matters relating to Family and Domestic Violence.</p>	<p>LGA Board</p>

Theme: Planning and Development

The LGA and our member councils recognise local government's role in future planning and development, and the importance of using planning processes to obtain enhanced planning and design outcomes for communities.

Objective: The State Government recognises the important role councils play and implements a fair, equitable and balanced planning system that facilitates high quality, sustainable and economically viable development.

Issue	Position	Outcome sought	Key actions	Lead body
Planning Reform and implementation of the PDI Act	<p>The LGA has consistently advocated for a planning system that is accessible, integrated, accountable and supports local participation and decision making. Quality design outcomes are a hallmark of a great planning system.</p> <p>Local government acknowledges the benefits of an improved planning system and shall continue to liaise with state government on implementation of the Planning, Development and Infrastructure Act 2016, through positive collaboration and mutual respect, and shall lobby against aspects of implementation in the Act that are not in the best interests of local communities.</p>	State Government recognition of the quality planning and design standards expected by local government and our residents that complement and preserve the fabric of local communities.	<p>Continue to host member forums and workshops that facilitate the exchange of information between councils and AGD and the State Planning Commission.</p> <p>Represent the views of local government on the Minister's Liaison Group.</p> <p>Provide regular briefings to key stakeholders and engage with industry groups to seek a range of perspectives.</p> <p>Make submissions on all key documents during the implementation of the new system.</p> <p>Make public statements that highlight the key issues of councils and communities.</p>	<p>LGA Board</p> <p>GAROC</p>

Issue	Position	Outcome sought	Key actions	Lead body
Heritage and Contributory Items	Local government recognises the benefits of protecting our heritage while emphasising that classification of 'heritage' and 'conservation' status should be made locally, on the basis of evidence. Local government will oppose the implementation of policies that lack a sufficiently robust evidence base.	Local government interests on local heritage issues are fully represented, including community participation in heritage listing process and more robust heritage management, in any forthcoming State Government reviews or strategies.	<p>Advocate for the State Planning Commission to prepare an amended to the Planning and Design Code to include Representative Buildings as an Overlay to enable them to be clearly identified in the Code.</p> <p>Facilitate ongoing engagement between metropolitan councils and the State Planning Commission to identify opportunities to strengthen the Planning and Design Code in relation to heritage and historic character protection.</p>	GAROC
Infill Development	Local government recognises the need to contain urban sprawl. However, the increased densities resulting from infill development have placed additional pressure on services and infrastructure. In particular, member councils have raised issues associated with traffic management, carparking, stormwater management, loss of trees, provision of open space, privacy, overshadowing and design quality in relation to infill development.	<p>South Australia's planning system reflects leading practice and that the Planning and Design Code and associated instruments deliver quality planning and design outcomes that improve the amenity, liveability and sustainability of communities.</p> <p>Councils to be engaged at the design stage of State Government infrastructure projects to ensure good urban</p>	<p>Engage with the State Government and State Planning Commission on the preparation of Design Standards for infrastructure in the public realm.</p> <p>Undertake forums and workshops with council staff on draft Design Standards to seek feedback.</p> <p>Provide submissions and influence outcomes through GAROC on draft Design</p>	GAROC

Issue	Position	Outcome sought	Key actions	Lead body
		<p>design and coordinated, holistic placemaking that supports better outcomes as infill development occurs.</p> <p>The State Planning Commission's review Open Space and the Planning and Development Fund determines financial models that are more equitable and appropriate for councils experiencing higher volumes of infill development.</p>	<p>Standards developed with input from councils.</p> <p>Engage with metropolitan councils and undertake research to develop an LGA policy position on the preferred financial model within the Planning and Development Fund.</p>	
Non-compliant Building Cladding	The Grenfell Tower fire (London, 2017) highlighted the risk to public health and safety from non-compliant aluminium cladding on buildings.	An appropriate response from all spheres of government that properly informs but does not alarm the community unnecessarily and protects the interests of local government by determining steps for any remedial work by building owners to address problems with their buildings.	Continue to liaise with the State Government to ensure that councils are informed of future developments and are kept up to date with reliable expert advice when available.	LGA Board

Theme: Environment and Natural Resources

The LGA and our member councils appreciate local government's role in protecting the environment, managing the risks of climate change, and the importance of managing waste.

Objective: Influence, inform and advocate for the State Government to address funding, policy and legislative barriers that hinder councils from undertaking their roles in maintaining and enhancing the natural and built environment in regional South Australia.

Issue	Position	Outcome sought	Key actions	Lead body
Climate Change – leadership, risk management and state of climate emergency	<p>The LGA Climate Commitment Action Plan 2021-23, recognises that responding to climate change is a shared responsibility across all levels of government and society.</p> <p>As the peak representative body for South Australia's councils, the LGA has an important role to advocate for urgent and sustained action to reduce emissions and adapt to the impacts of climate change. This will occur through direct advocacy to governments, partnerships, representation on influential decision-making bodies, and by raising awareness of the role and value of councils in managing climate risks.</p>	<p>State Government commitments that support councils, including:</p> <ul style="list-style-type: none"> • Implementation of their Climate Change Action Plan 2021 -25 • State-Local Government Climate Change Partnership Proposal • Renewal of the Regional Climate Partnerships – Sector Agreements • Greater funding for councils to reduce their community emissions profiles, for climate risk management, waste management, coastal management and stormwater management. • Better recognition of and response to climate change in the Planning and Design Code 	<p>Working with member councils and the Regional Climate Partnerships coordinators to clearly identify and communicate their success in delivering practical, proactive, and positive climate action.</p> <p>Consult with member councils to determine climate change risk and management priorities.</p> <p>Review and update the “Managing the Risks of Climate Change” statements in the LGA Policy Manual based on recent science, evidence and practice.</p> <p>Increase awareness of the role and value of councils in managing climate risks through the LGA's ongoing awareness campaigns and</p>	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
		<ul style="list-style-type: none"> Greater support for the Electric Vehicle Strategy. <p>Greater Commonwealth Government funding and action on climate change, including funded schemes and incentives to support the uptake of electric vehicles.</p> <p>–</p>	<p>stakeholder engagement actions.</p> <p>Advocate for greater support for councils to address climate change via the local government members on the Premier's Climate Change Council.</p> <p>Ensure all relevant LGA Advocacy submissions address climate change impact.</p> <p>Pursue opportunities to work collaboratively with government agencies and other organisations with aligned goals and values on projects, programs and campaigns that will assist local government action on climate change.</p> <p>Maintain a high level of engagement with and participation in the Adaptation Practitioners Network.</p> <p>Continue to develop and maintain a productive working relationship with the Department for Water and Environment and Green Adelaide to ensure that the</p>	

Issue	Position	Outcome sought	Key actions	Lead body
			LGA continues to host the central climate change coordinator roles that underpin the Regional Climate Partnerships and the state/local government Adaptation Practitioners Network.	
Waste & Recycling	<p>The LGA's Waste Action Plan identifies local, state and federal actions required to:</p> <ul style="list-style-type: none"> • stabilise the waste industry • ensure the ongoing commercial viability of recycling services; and <p>establish a circular economy as a means of achieving sustainability in waste management.</p>	<p>That the State Government commits:</p> <p>50% of the monies accumulated in the Green Industry Fund (collected from council contributions to the Solid Waste Levy) be committed back to local government for worthwhile waste, recycling and resource recovery endeavours that support the transition towards a more circular economy.</p> <p>a guaranteed minimum level of reinvestment of the Solid Waste Levy in the waste, recycling and resource recovery sector;</p> <p>to ongoing research and development in collaboration with local government and other stakeholders into alternative waste technologies and strategies such as organics</p>	<p>Continue to outline the impacts of the increased levy on councils and ratepayers, via the LGA public awareness campaign.</p> <p>Provide regular briefings to state and federal members of Parliament to build support for local government's position.</p> <p>Commission independent research into the waste, recycling and resource recovery industry in South Australia and the role of SA local government organisations (councils and council authorities).</p> <p>Seek opportunities to continue to advocate for the stated outcomes.</p> <p>Make public statements that highlight the key issues of councils and communities.</p>	LGA Board GAROC SAROC

Issue	Position	Outcome sought	Key actions	Lead body
		<p>composting for food waste; kerbside collection technologies/strategies to incentivise households to maximise recycling rates and minimise the amount of general waste going to landfill; and</p> <p>Green Industries SA to expand its Waste Education/Awareness campaign to provide clear messaging on recycling and organic waste strategies to help the South Australian community.</p> <p>Green Industries SA to work more closely with local government and businesses in the development of sustainable economy, including making a lot more funding available and substantially increases funding in the waste and resource recovery infrastructure program.</p>	<p>Develop a partnership proposal and negotiate with Green Industries SA on a renewed Service Level Agreement with the LGA.</p>	
<p>Wine Bottles – Container Deposit Scheme</p>	<p>Local government recognises its statutory obligation of managing municipal waste and its vital role in waste resource recovery.</p> <p>Councils continue to promote improved waste management practices in accordance with the waste hierarchy and work with</p>	<p>Determine if there is sufficient support across local government to request the State Government amend the Container Deposit Legislation (incorporated into the Environment Protection Act 1993) to include wine bottles,</p>	<p>Continue to be actively involved in the Container Deposit Scheme (CDS) review process, which is currently ongoing, including through membership of the EPA Stakeholder Reference Group for the review.</p>	<p>LGA Board</p>

Issue	Position	Outcome sought	Key actions	Lead body
	<p>residents and businesses to further limit the creation of waste.</p> <p>Currently wine bottles are not included in SA's Container Deposit Scheme. The LGA has worked with councils to review the benefits and risks of including wine bottles in Container Deposit Legislation to determine a strong advocacy position and commissioned a waste audit and economic analysis on recycling costs for councils.</p>	<p>and to achieve consistency with the treatment of other glass bottles in the waste stream, an increase in the recycling of bottles, and a reduction in the contamination of other recycled waste caused by broken glass.</p>		
<p>Overabundant Species – Little Corellas</p>	<p>Overabundant species, such as Little Corella populations across several council areas, are causing significant impact to councils that need to expend substantial resources being in deterring and managing a wide range of issues.</p>	<p>A State Government commitment to fund implementation of a statewide Little Corella strategy that includes financial assistance to local governments for the development of integrated local management plans and the implementation of medium- and long-term management options at a local-scale.</p>	<p>Advocate for and provide input to the SA Strategy for the Management of Little Corellas.</p>	<p>SAROC</p>
<p>Coastal Management</p>	<p>The task of protecting and maintaining South Australia's coastal assets is beyond the funding capacity of coastal councils.</p> <p>South Australia's coastline is enjoyed by the broader community, as well as visitors to the State, so funding the upkeep of our coastal areas must be a shared responsibility.</p>	<p>Equitable funding from Federal and State Government for coastal management works across South Australia.</p>	<p>Include coastal management issues in submissions to Government, including budget submissions.</p> <p>Support the work of the South Australian Coastal Councils Alliance in researching issues and funding models and advocating for change.</p>	<p>LGA Board SAROC GAROC</p>

Issue	Position	Outcome sought	Key actions	Lead body
National Water Policy	<p>Local government recognises its obligation to conserve water resources, protect water quality, provide water for the environment and effectively manage storm and flood water. Councils contribute to improving water management infrastructure and processes, notwithstanding the responsibilities of federal and state governments.</p> <p>A National Water Policy is required that seeks to address the major challenges Australia faces in ensuring sustainable water supply in the face of increased climate variability and rising demand for water. In response, the Australian Government provides national leadership in water reform.</p>	Federal Government provides national leadership in water reform and makes a commitment to a national water policy.	Facilitate local government discussion relating to water policy including advocating for a national water policy.	SAROC
Emergency management – Local Government Functional Support Group	Councils are playing an increasing role in emergency management planning and response but are not being adequately supported by the state government for these new responsibilities. Better coordination between state and local government is needed in preparing for, and also during emergency events to reduce the risk of loss of life and property damage.	A funding commitment to support the LGA's work with councils on disaster mitigation, and the ongoing operation of the Local Government Functional Support Group.	<p>Continue to raise issue with relevant minister and within LGA Budget Submissions. Research and explore opportunities for the funding needed to support local government to meet its emergency management responsibilities – for example from the Emergency Services Levy.</p> <p>Coordinate input to any review that is undertaken into the State's response to the COVID-19 emergency with a view to playing a stronger</p>	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
			partnership role in any future state-wide emergency.	

LGA Advocacy Initiatives

The LGA advocates for councils on a wide range of issues, and in the past six months this has included library funding, urban tree canopy cover, jetties funding, recycling, diversity within council chambers, and stormwater funding.

Press/online coverage

Below are links to online press articles the LGA has initiated or contributed to on behalf of the sector.

Advertiser/Messenger
https://www.adelaidenow.com.au/messenger/city/inquiry-to-address-gendercultural-bias-and-bad-behaviour-in-council/news-story/4de42c3a6200e25311427d54ee255537
https://www.adelaidenow.com.au/messenger/city/inquiry-to-address-gendercultural-bias-and-bad-behaviour-in-council/news-story/4de42c3a6200e25311427d54ee255537
https://www.adelaidenow.com.au/news/south-australia/crisis-talks-to-deal-with-mounting-pile-of-recyclable-waste-following-fire-at-visy-processing-plant/news-story/7d2745bce53d06cf5b4accaf5d8613c8
https://www.adelaidenow.com.au/news/south-australia/council-library-services-at-risk-if-funding-is-cut-in-state-budget-lga-warns/news-story/f530e17c8a59c6f21a697a43f11bce25
https://www.adelaidenow.com.au/news/south-australia/councils-unite-in-call-for-state-budget-jetties-10m-cash-injection-amid-200m-joy-baluch-bridge-upgrade/news-story/7551de088476ef27342881206cd161a0
https://www.adelaidenow.com.au/news/south-australia/satellite-images-reveal-adelaides-green-cover-from-199091-to-201819-use-our-interactive-map-to-see-how-green-your-suburb-is/news-story/45b94fd5cc237ad1702015b5ec665007
https://www.adelaidenow.com.au/news/south-australia/marion-council-takes-street-tree-management-to-a-new-level-with-adelaide-software-developer-forestree/news-story/7c6b35309793a90613736aa33230ff78
https://www.adelaidenow.com.au/news/south-australia/call-to-action-for-tree-law-change-to-support-adelaides-bid-to-become-a-national-park-city/news-story/3787eacb3f2cc5f16e15d9d127cb60f6
https://www.adelaidenow.com.au/news/south-australia/local-government-association-rejects-state-governments-fiveyear-funding-deal-for-libraries/news-story/1401ba991b915352cca9390e73ed089c
InDaily
https://indaily.com.au/news/2021/05/20/library-funding-fears-as-new-agreement-deadline-comes-due/

Radio/TV coverage

Since April 2021 LGA representatives have participated in 16 radio interviews.

The breakdown of these appearances is outlined below.

Media outlet	Number of appearances
ABC Regional Radio	4
ABC Radio Adelaide	5
5AA	3
5MU	1
5CC	1
Triple B FM	1
5CS	1

6.8 LGA Member Services Update

LGA Business

From:	Nathan Petrus, Executive Director Member Services	
Strategy:	2 - Assist	
Outcome:	2.2 Councils draw upon our resources, services and advice in order to save time and money, and reduce risk	
Meeting:	Annual General Meeting	29 October 2021
ECM:	766696	

Recommendation

That the Annual General Meeting notes the report.

Discussion

LGA Training

The LGA's Annual Report 2020-21 provides a summary of many of the Member Services team's activities during the year, covering:

- Local government reforms
- LGA Training and Events
- Governance support
- Community Wastewater Management Scheme funding
- Legal Connect partnership with Norman Waterhouse Lawyers
- Web Solutions

In addition to those items, the Member Services team also facilitates a Public Lighting Working Group, is developing a Human Resources service for councils and has worked to establish an innovative partnership between the LGA and LG Professionals SA.

Public lighting Working Group

The LGA, in consultation with SA Power Networks, Councils and DIT, reviewed the ongoing role and membership of the Public Lighting Working Group (PLWG) in late 2020 and has updated the Group's Terms of Reference to reflect the shift of the group to 'how the public lighting sector works together and shares information and data'.

Through a process of sector consultation, the PLWG established four priority areas for public lighting, which will be addressed through sub-committees. The priority areas are:

- Main road lighting
- Asset management planning next 5-10 years/ longer term and 'big picture' asset management
- Decorative lighting LED changeovers
- Smart lighting governance

The PLWG continues to meet quarterly and publishes regular updates on the LGA's website.

Human Resources services to councils

The LGA is developing a new Human Resources support service for councils, which will consist of the following elements.

- HR Library - subscribed service that contains a suite of HR policies, associated procedures and other templates (e.g., letters, etc) that are created and maintained by the LGA's legal partner, Norman Waterhouse
- HR Helpdesk - a subscribed service that will offer quick and easy HR advice and guidance on all HR related matters through a dedicated hotline and email address
- HR Consultancy Services - provides a range of HR support on a fee for service basis. This can include objectively investigating an employee grievance or providing advice and guidance in relation to an underperformance. This service is not under a subscription model and can be requested flexibly by councils as and when the need arises

The LGA has consulted with councils about the design of these services, to ensure that they meet the needs of councils and provide them with value for money. The LGA will launch the services later this year.

Partnership with LG Professionals SA

The LGA has worked closely with LG Professionals SA, to establish a new partnership between the organisations that is aimed at delivering coordinated and efficient training, events and networks activities for members.

The partnership was established in September 2021 and creates opportunities for both organisations to work together to deliver even greater benefits to the sector, while maintaining each organisation's strong brand and identity.

6.9 Local Government Financial Indicators 2021

LGA Updates

From:	Rebecca Muller, Senior Advisor	
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	29 October 2021
ECM:	766546	Attachment: 764803

Recommendation

That the Annual General Meeting notes the report.

Discussion

From 2006 to 2017, the LGA worked with South Australian councils and the state government on a comprehensive Financial Sustainability Program to implement the recommendations of the *2005 Independent Inquiry into Financial Sustainability of Local Government in South Australia*.

The attached *SA Local Government Sector Financial Indicators Report 2021* (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 2019-20 and demonstrates the ongoing improvement in both the financial performance and financial position of the sector as a whole.

In 2019-20:

- the sector's **operating surplus ratio was 1.4 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 \$33 million;
- the sector's **net financial liabilities ratio was 41 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 \$1 billion at 30 June 2020 is also very low when put in the context of infrastructure and other physical assets valued at \$26 billion; and
- there were substantial variations in the **asset renewal funding ratio** recorded by individual councils. While most councils are renewing and replacing their assets in either a satisfactory or optimal way, there are some councils that could improve on the capital spending needed to cost-effectively maintain 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 2021

August 2021

1. Introduction

In order 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 2019-20.

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 2019-20:-

- the sector's **operating surplus ratio was 1.4 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 \$33 million;
- the sector's **net financial liabilities ratio was 41 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 \$1 billion at 30 June 2020 is also very low when put in the context of infrastructure and other physical assets valued at \$26 billion. It is comparable to a family living in a \$500,000 house having a mortgage of only \$19,000 and no other debts; and
- there were substantial variations in the **asset renewal funding ratio** recorded by individual councils. While most councils are renewing and replacing their assets in either a satisfactory or optimal way, there are some councils that could improve on the capital spending needed to cost-effectively maintain 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 \$2.4 billion and maintain infrastructure and other physical assets worth \$26 billion.

Taxation revenue raised by councils (from general and other rates on property) was \$1,807 million in 2019-20. Together with other own-source funding (mainly user and statutory charges), approximately 84 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 less than 4 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 state government grants 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 Housing SA properties transferred to community housing providers, the solid waste levy (which increased by 10 per cent on 1 July 2019 and by a further 40 per cent on 1 January 2020), and a shortfall in the reimbursement of council costs incurred in collecting the State's Natural Resource Management (NRM) 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*¹.

This report delivers on one of the Inquiry's recommendations that the LGA reports to each Annual General Meeting on the latest values, history and comparisons of key financial sustainability indicators for the sector as a whole.

Reform of financial management practices within local government in South Australia is ongoing. Changes have included increased scrutiny by the community, an expectation to do more with less, accrual accounting, improved management of infrastructure and other assets, planned performance measurement and benchmarking, 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.

¹ <http://www.lga.sa.gov.au/fsp>

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

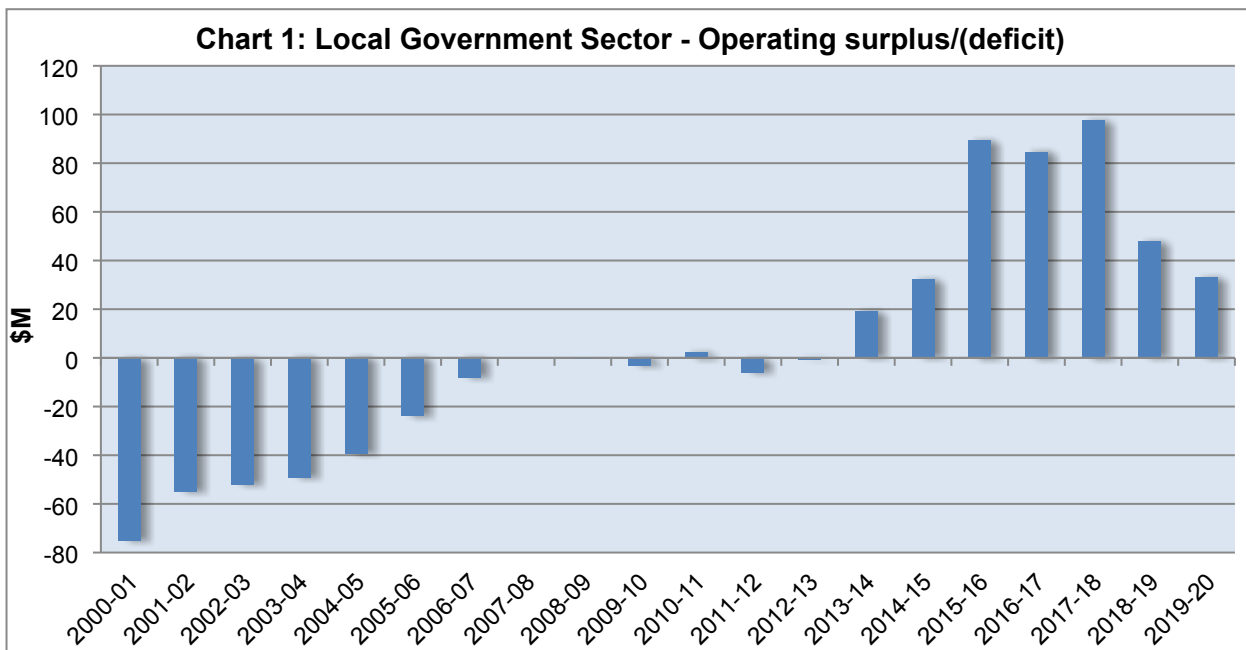
4. Measuring Financial Performance

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.

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 \$33 million reported in 2019-20.

A total of 41 councils recorded an operating surplus in 2019-20 compared with only 16 councils in 2000-01.

Chart 1 provides aggregate data from 2000-01 until 2019-20 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 since 2008-09.

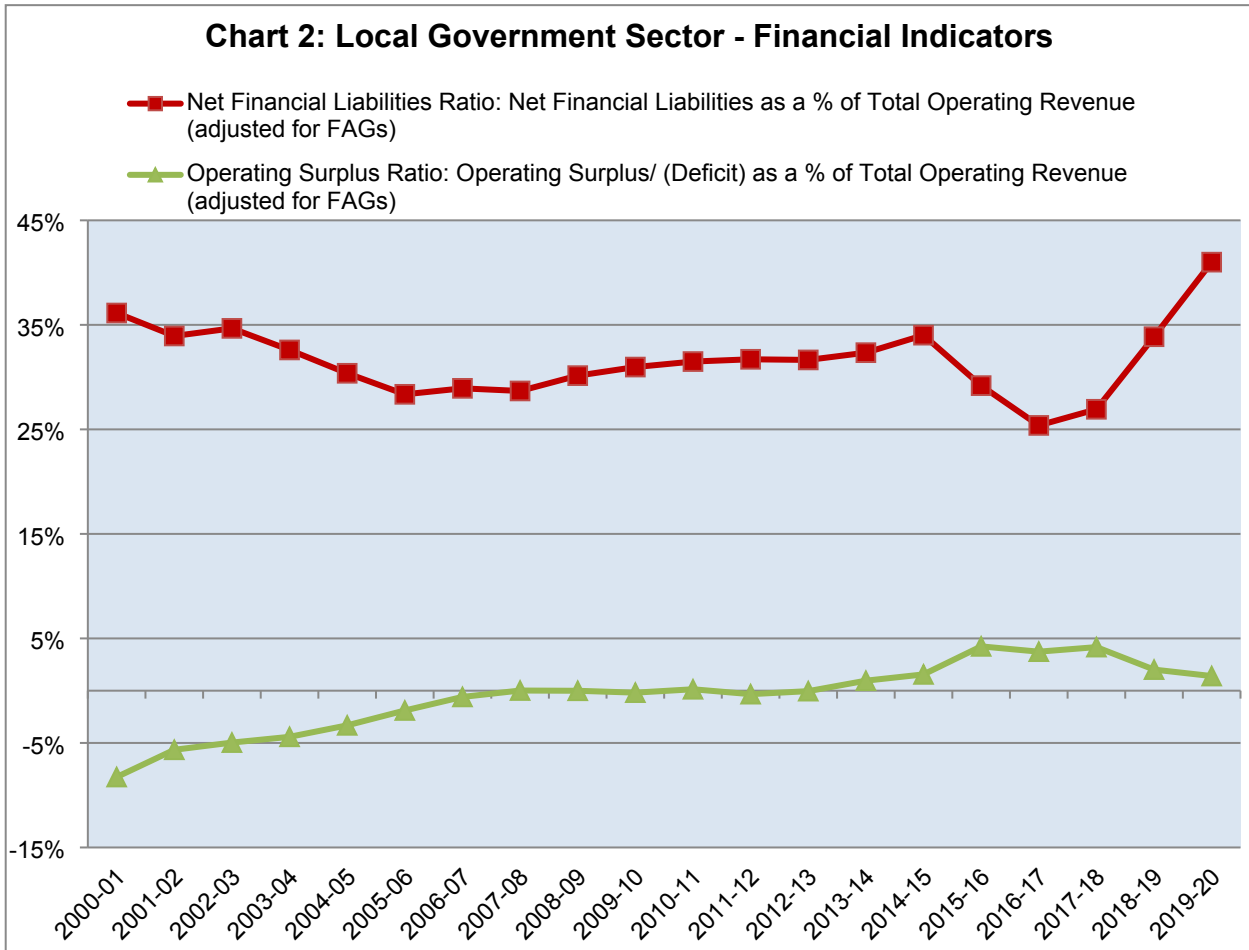


5. Financial Indicators

The following information provides an update on the latest values, history and comparisons of key financial indicators for the local government sector as a whole. The LGA appreciates the assistance of the SA Local Government Grants Commission in providing this data.

In 2006, local government in South Australia adopted two key indicators covering its financial performance (operating surplus ratio) and financial position (net financial liabilities ratio).

Chart 2 below provides aggregate data from 2000-01 until 2019-20 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 since 2008-09.



Indicator 1: Operating Surplus Ratio

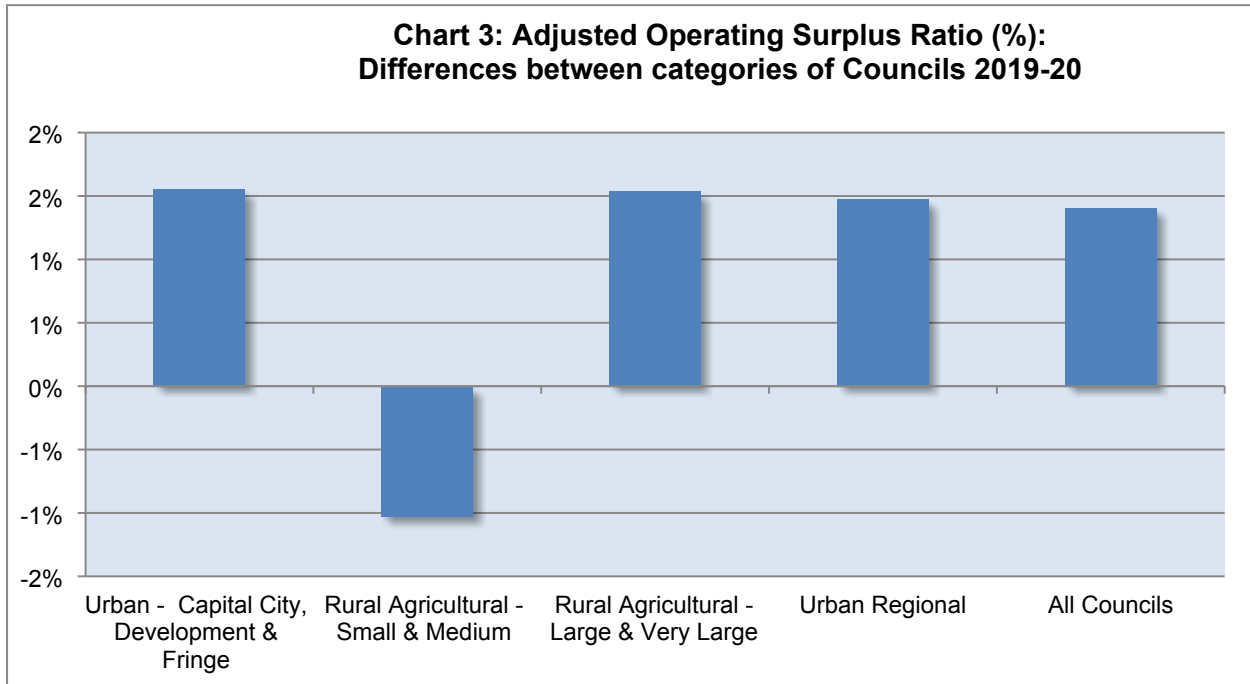
The operating surplus ratio is calculated as the percentage by which the annual operating surplus or deficit varies from total operating income.

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 2019-20 was 1.4 per cent. This result compares with an operating surplus ratio of negative 8.3 per cent in 2000-01 and represents a significant improvement in the financial sustainability of councils over an 19 year period.

The local government sector’s operating surplus ratio has consistently been within the target range since 2007-08.

Chart 3 below shows the differences in the operating surplus ratios between categories of councils recorded in 2019-20.



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.

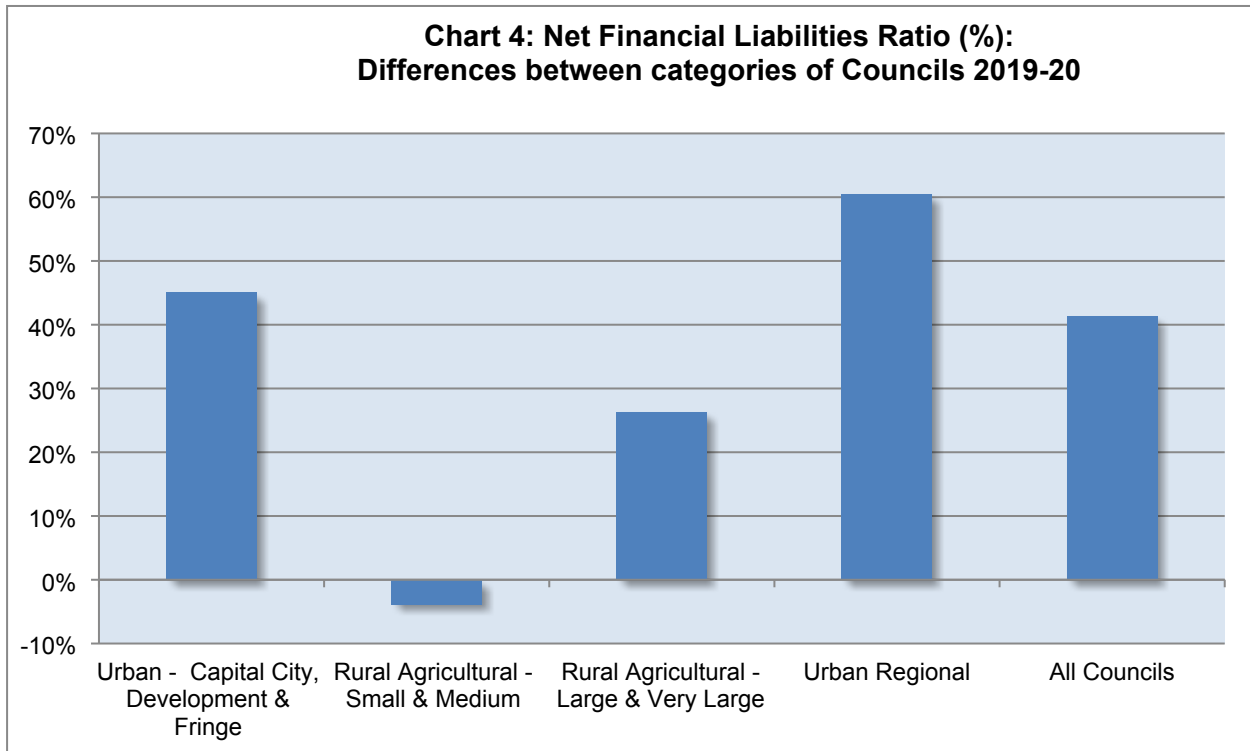
At 30 June 2020, the level of net financial liabilities was around \$1 billion. This is very low when put in the context of local government infrastructure and other physical assets valued at \$26 billion.

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 net financial liabilities ratio for the local government sector in 2019-20 was 41 per cent. The ratio has consistently landed between 25 to 45 percent (ie. around the middle of the suggested target range) over the last 19 years.

Chart 4 below shows the differences in the net financial liabilities ratios between categories of councils recorded in 2019-20. 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.

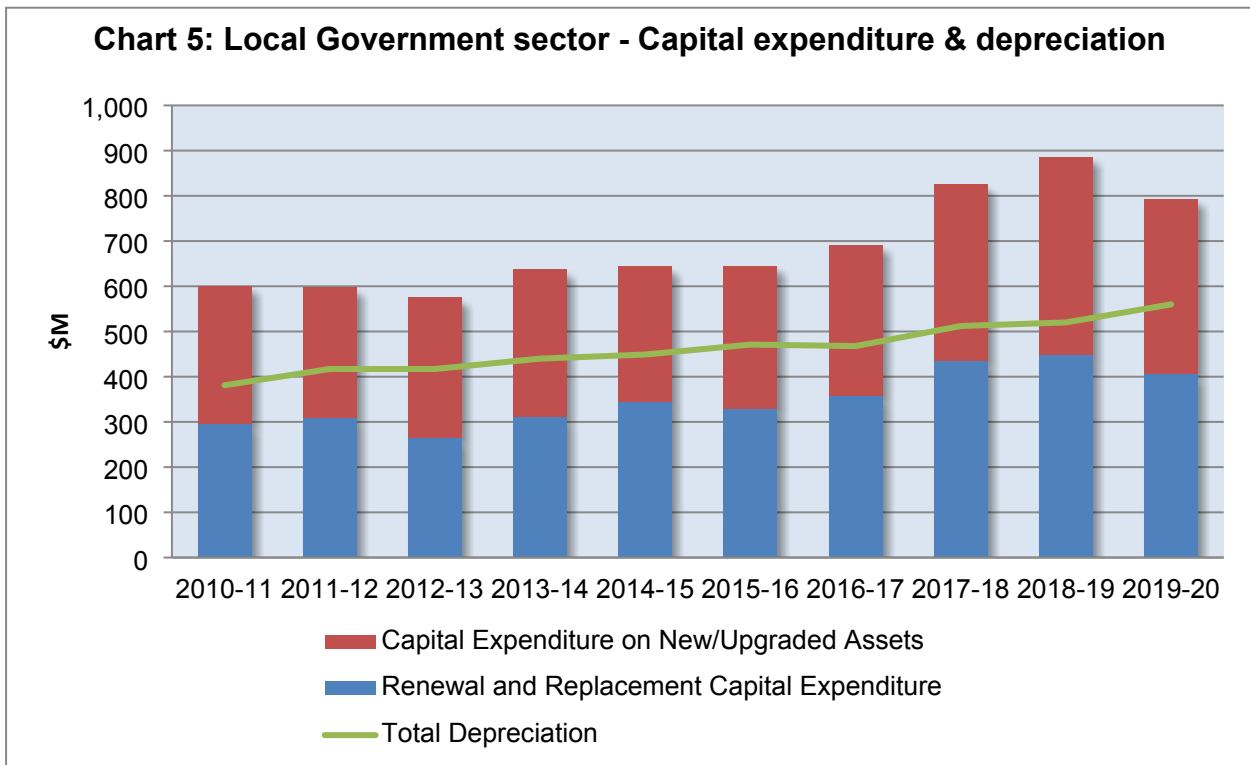
Of course, where a council is not achieving an underlying operating surplus, or trending towards doing so in the medium term, then generally any capital expenditure on upgrading or expanding infrastructure needs to be modest and targeted, because it normally will lead to additional maintenance and depreciation costs.

Capital Investment Expenditure

Overall, capital expenditure in 2019-20 was \$794 million. Covid-19 had an impact on capital expenditure, with some projects necessarily delayed due to lock-downs. Some councils also intentionally slowed or deferred decision-making on major projects to allow for the impacts of Covid-19 to be better understood.

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

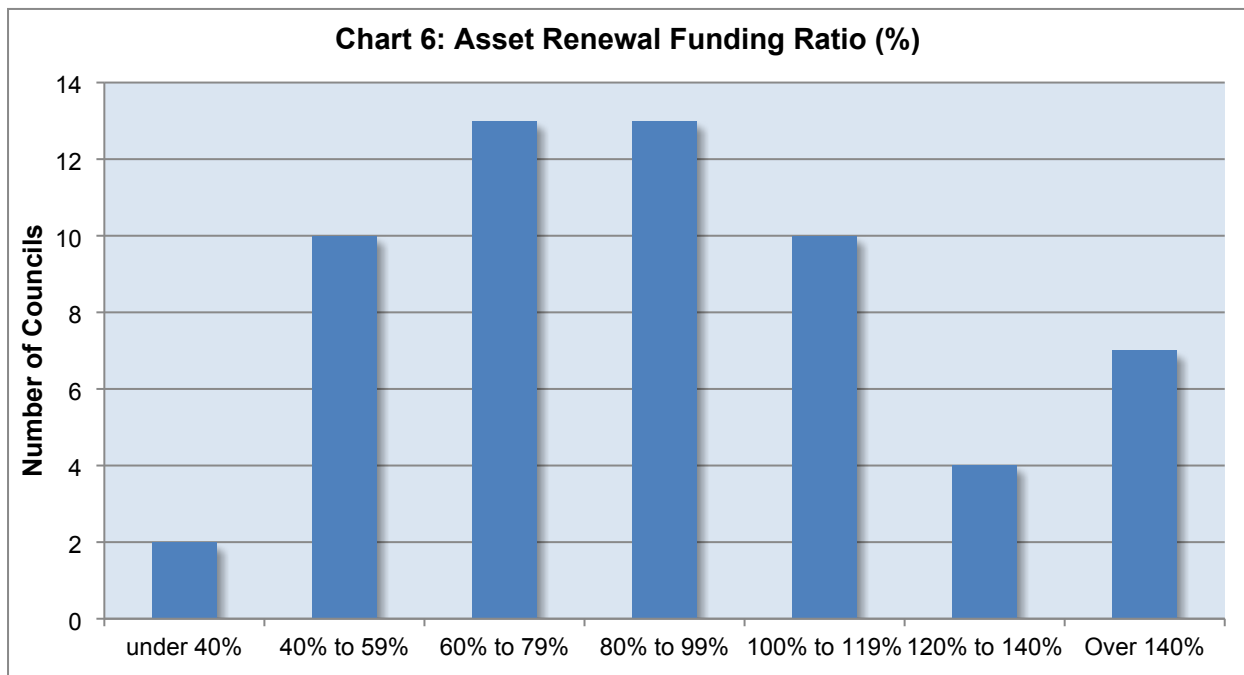
A third financial indicator adopted by the sector in recent years covers the asset management performance of councils. The asset renewal funding ratio represents the level of capital expenditure on renewal and replacement of assets relative to the level of such expenditure identified as warranted in 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).

Data on an asset management performance indicator is available for 59 councils in 2019-20.

Chart 6 below provides summary information for the asset renewal funding ratio in 2019-20. Of the 59 councils for which data on an asset sustainability ratio is available, 58 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 over the past 19 years in the financial performance and financial position of the sector as a whole.

However, it needs to be emphasised that the current financial condition of individual councils varies substantially.

In addition, in the absence at this stage of reliable data covering asset management performance in some, mainly rural, councils, it is not possible for those councils to quantify the extent of any annual shortfalls against the optimal level of capital expenditure on renewal and replacement of existing assets to provide desired and affordable service levels.

6.10 SAROC and GAROC Terms of Reference

LGA Business

From:	Lea Bacon, Acting Executive Director Public Affairs	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	29 October 2021
ECM:	767362	Attachments: 687694, 687690

Recommendation

That the Annual General Meeting ratifies the LGA SAROC Terms of Reference (effective 8 January 2020) and LGA GAROC Terms of Reference (effective 23 July 2020).

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 those documents will be presented to Members at a General Meeting for ratification annually.

The Terms of Reference are unchanged since last ratified by Members at the LGA Annual General Meeting in October 2020.

Members are asked to re-ratify the GAROC and SAROC Terms of Reference.

LGA SAROC Terms of Reference

Effective 8 January 2020

Local Government Association of South Australia

SAROC Terms of Reference

Adopted by the LGA Board on [insert date] and Members at the AGM held [insert date]

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 betters the financial outcomes projected in its budget.
- 5.1.3. The Board of Directors may from time to time refer matters to SAROC for consideration.
- 5.1.4. The Board of Directors will receive, consider and respond to any report and recommendations provided to the Board of Directors by SAROC.



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

5.2. SAROC

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

5.2.2. SAROC may, through the Chief Executive and at the LGA's 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

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 [insert date] and Members at the AGM held [insert date]

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