NOTICE

of

ORDINARY COUNCIL MEETING

Pursuant to the provisions of Section 84(1) of the Local Government Act 1999

TO BE HELD IN

COUNCIL CHAMBERS
PLAYFORD CIVIC CENTRE
10 PLAYFORD BOULEVARD, ELIZABETH

ON

TUESDAY, 25 OCTOBER 2022 AT 7:00PM

THIS MEETING WILL ALSO BE VIEWABLE AT
https://www.youtube.com/user/CityOfPlayford

SAM GREEN
CHIEF EXECUTIVE OFFICER
Issue Date: Thursday, 20 October 2022

MEMBERSHIP

MAYOR GLENN DOCHERTY – PRINCIPAL MEMBER

Cr Akram Arifi	Cr Marilyn Baker	Cr Stephen Coppins
Cr Andrew Craig	Cr Veronica Gossink	Cr Shirley Halls
Cr David Kerrison	Cr Clint Marsh	Cr Misty Norris
Cr Jane Onuzans	Cr Peter Rentoulis	Cr Dennis Ryan
Cr Gay Smallwood-Smith	Cr Katrina Stroet	Cr Cathy-Jo Tame

City of Playford
Ordinary Council Meeting

AGENDA
TUESDAY, 25 OCTOBER 2022 AT 7:00PM

ACKNOWLEDGEMENT OF COUNTRY

We would like to acknowledge that this land we meet on today is the traditional land of the Kaurna people, and that we respect their spiritual relationship with their country. The City of Playford would also like to pay respects to Elders past, present and emerging.

1 ATTENDANCE RECORD

1.1 Present

1.2 Apologies

1.3 Not Present

2 CONFIRMATION OF MINUTES

RECOMMENDATION

The Minutes of the Ordinary Council Meeting held 27 September 2022 be confirmed as a true and accurate record of proceedings.

3 DECLARATIONS OF INTEREST

4 MAYOR'S REPORT

5 REPORTS OF REPRESENTATIVES OF COUNCIL ON OTHER ORGANISATIONS

6 REPORTS BY COUNCILLORS

7 REPORTS OF REPRESENTATIVES (CONFERENCES & TRAINING PROGRAMS)

8 QUESTIONS WITHOUT NOTICE

9 QUESTIONS ON NOTICE

Cr Peter Rentoulis

History

At the Ordinary Council meeting held on 27 September 2022, the following questions were asked by Cr Rentoulis.

Questions

1. What is Council's policy in relation to coming out to catch 'wild or feral cats' using catchers/traps on Council land?
2. Please respond specifically with reference to the cats that congregate on council land behind the shopping centre at Angle Vale just off Strangways Road.

Answers

Trapping of feral cats on council land is not a service provided by Council's Regulatory Services team. Some of the risks Council faces are:

- Securing the trap to ensure they are not damaged, lost or stolen
- Monitoring of the trap to ensure the council meets its requirement under the *Dog and Cat Management Act 1995 (section 64 (2))* where the cat needs to be transported to the Animal Welfare League (AWL) within 12 hours of trapping
- The risk posted to domestic animals and wildlife being caught in the trap
- The risk to public safety

It should be noted the team do, in some cases, offer assistance with trapping on private property where the trap can be monitored by the resident. Where the issue is on council land we provide education around feeding/caring for feral cats to try to reduce the nuisance.

Council understand that the RSPCA has been involved in trapping an injured cat behind the shopping centre at Angle Vale just off Strangways Road around 19 August 2022.

On 30 August 2022, staff spoke with a resident at this location who raised concerns about feral cats. Staff spoke of the risks Council has about trapping in a public area. During the conversation, staff were advised that a business in the area has been feeding the feral cats. An inspector has spoken with the business involved to discuss the issues and advised them to stop feeding the cats. Should the nuisance continue, the resident has been advised to contact AWL to arrange for a cat trap. Since these conversations occurred, it is Council's understanding that there have been no further complaints.

The AWL is currently at capacity with cats. Council is continuing to work with the AWL to ensure availability, however we are limited on the numbers that can be taken in. Due to capacity issues and limits in numbers, this has changed the way Council are dealing with cat nuisance. The Regulatory Services team are taking an education approach, speaking with residents, and encouraging them not to feed the cats to attempt to resolve the issue.

Council is of the view that we need to wait for the Dog and Cat Management Board to determine an appropriate state-wide approach to this issue.

Cr Peter Rentoulis

History

At the Ordinary Council meeting held on 27 September 2022, the following question was asked by Cr Rentoulis.

Question

Given that the Department of Transport (DIT) has been slow to act in implementing more effective driver modification and safety measures at the intersection of King and Penfield Road at Virginia, why has council not already installed rumble strips on both the northern and southern side of King Road just before the intersection with Penfield Road? Is this not a solution that council can implement that does not require any approval from DIT?

Answer

Penfield Road is an arterial road that is under the care and control of the State Government through the Department of Infrastructure and Transport (DIT). King Road is a local road that is under the care and control of Council.

Where an arterial road intersects with a local road, the intersection is under the care and control of DIT, with any changes to the intersection (including the approach) requiring their approval.

Council administration contacted DIT to seek clarification on future planned works and received the following response.

"DIT has reviewed the intersection in 2018, and the pavement bars (rumble strips) were changed to yellow Raised Retroreflective Pavement Markers (RRPMs) to widen the available lane widths for King Road approaches as well as better highlighting the intersection at night and upgraded signs added on the King Road approaches. From 2017 to 2021 inclusive, there have been eight casualty crashes recorded, but no casualty crashes in 2021 or 2022. At this stage there are no further planned changes, DIT will continue to monitor crash trend following modifications."

Council has no plans to propose any modifications to the intersection with DIT continuing to monitor the area following the implementation of improved of safety measures.

Cr Peter Rentoulis

History

At the Ordinary Council meeting held on 27 September 2022, the following question was asked by Cr Rentoulis.

Question

Where does Strangways Road and Elder Court at Angle Vale sit on Council's list of footpaths in terms of its missing links program?

Answer

As part of the missing links program, Council's administration is currently working through the list of 'missing' footpaths within the City of Playford that were identified from Customer Requests for Service (CRS) or Council's Walking and Cycling Strategy.

The footpath on Strangways Road and Elder Court is currently in its 'scoping and feasibility' phase, which considers the constructability, existing infrastructure present and relevant community consultation or notification. If determined feasible, works will be scheduled to be completed as part of the Annual Business Plan for 2024-2025 subject to available funding allocation.

Cr Akram Arifi

History

At the Ordinary Council meeting on Tuesday 27 September 2022, Cr Arifi asked the following question.

Question

Can Council staff provide an update on repair works at St Leonards Reserve playground in Elizabeth Downs, can staff advocate for these works to be prioritised?

Answer

Unfortunately, both St Leonards and Cowley Street Reserves were subject to arson attacks some time ago. Council has been working diligently to prioritise the replacement of the damaged equipment at both sites. Council staff have followed our procurement and insurance claim procedures to address both sites including obtaining and evaluating quotes from the open market with the preferred contractors quote submitted to our insurance provider for approval.

We can now confirm the insurance claim has been approved and a contract with A-Space has been executed. A-Space has confirmed that the manufacture of the play equipment will commence immediately and will be ready for delivery late December. Installation is expected to occur mid-January following the Christmas break.

10 PETITIONS

Nil

11 DEPUTATION / REPRESENTATIONS

11.1 Severe Public Safety Breaches by City of Playford - Mr Justin Rocca

12 MOTIONS WITHOUT NOTICE

13 MOTIONS ON NOTICE

Nil

14 COMMITTEE REPORTS

Chief Executive Officer Review Committee

Nil

Corporate Governance Committee

Matters which cannot be delegated to a Committee or Staff

14.1 Adoption of 2021/22 Financial Statements (Attachments) 9

14.2 External Assessment of the Corporate Governance Committee (Attachment).....101

Matters for Information

14.3 2021-22 Corporate Governance Committee Annual Report (Attachment) ...162

Policy Review Committee

Nil

Strategy and Services Committee

Matters which cannot be delegated to a Committee or Staff

14.4 City of Playford Annual Report 2021/22 (Attachment).....175

15 STAFF REPORTS

Matters which cannot be delegated to a Committee or Staff

15.1 Budget Update Report (Attachment).....345

15.2 First Budget Review 2022/23 (Attachment) 353

15.3 2022 LGA Annual General Meeting - Playford Position Paper (Attachments).....365

16 INFORMAL DISCUSSION

Nil

17 CONFIDENTIAL MATTERS

Nil

18 CLOSURE

COMMITTEE REPORTS

CORPORATE GOVERNANCE COMMITTEE

Matters which cannot be delegated to a Committee or Staff

14.1 ADOPTION OF 2021/22 FINANCIAL STATEMENTS

Responsible Executive Manager : Dale Welsh

Report Author : Trisca Price

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments :

1⇩. Financial Statements 2021/22
2⇩. Audit Completion Report 2021/22
3⇩. Management Representation Letter
4⇩. Report on Financial Results 2021/22
5⇩. Management Fraud Questionnaire

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

a. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

b. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

PURPOSE

To present the 2021/22 Financial Statements for Council endorsement in accordance with the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011*.

STAFF RECOMMENDATION

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

1. Council notes that the Corporate Governance Committee has reviewed the 2021/22 Financial Statements for the year ended 30 June 2022, including asking questions of the External Auditor and management, and is satisfied with the process to ensure that they present fairly the state of affairs of the Council.
2. Council notes that Mr Andrew Tickle of BDO provided an Audit Clearance letter on 16 September 2022, stating the intention to issue an unmodified audit opinion.
3. Council receives and adopts the Financial Statements for the year ended 30 June 2022.
4. Council authorises the Mayor and CEO to sign the Financial Statements for the year ended 30 June 2022.

COMMITTEE RECOMMENDATION

1. Council notes that the Corporate Governance Committee has reviewed the 2021/22 Financial Statements for the year ended 30 June 2022, including asking questions of the External Auditor and management, and is satisfied with the process to ensure that they present fairly the state of affairs of the Council.

2. Council notes that Mr Andrew Tickle of BDO provided an Audit Clearance letter on 16 September 2022, stating the intention to issue an unmodified audit opinion.

3. Council receives and adopts the Financial Statements for the year ended 30 June 2022.

4. Council authorises the Mayor and CEO to sign the Financial Statements for the year ended 30 June 2022.

EXECUTIVE SUMMARY

The 2021/22 Financial Statements present Council's financial performance during the year and the overall financial position at 30 June 2022.

The 2021/22 Financial Statements have been prepared in accordance with Australian Accounting Standards, the *Local Government Act 1999* and *the Local Government (Financial Management) Regulations* as prescribed by the LGA's model financial statements.

The 2021/22 Financial Statements have been reviewed by Council's External Auditor and an unmodified audit opinion for both the Financial Statements and the Internal Controls has been issued.

1. BACKGROUND

Preparation, audit and adoption of annual financial statements ensures compliance with the following legislative requirements:

- Section 127(1) of the *Local Government Act 1999* requires councils to prepare annual financial statements and notes in accordance with standards prescribed by the regulations.
- Section 127(3) of the *Local Government Act 1999* requires the annual financial statements to be reviewed by Council's External Auditor.
- Section 126(4)(a) of the *Local Government Act 1999* requires a Council's Audit Committee to review the annual financial statements to ensure they present fairly the state of affairs of the Council.
- Section 10 *of* the *Local Government (Financial Management) Regulations 2011* requires Council to consider a report comparing the Financial Result against the Original Budget adopted by Council.
- Section 140 of the *Local Government Act 1999* requires Council to review the performance of its investments at least on an annual basis.

Adoption of the 2021/22 Financial Statements completes the financial and budgeting processes for the 2021/22 financial year.

2. RELEVANCE TO STRATEGIC PLAN

The 2021/22 Financial Statements provide transparent financial reporting to demonstrate to our Community that money is being used wisely and that Council is delivering on its Finance Strategy of long term financial sustainability.

3. PUBLIC CONSULTATION

Council is not required to consult the Community regarding the 2021/22 Financial Statements.

Copies of the 2021/22 Financial Statements will be made available at Customer Service Centres and on Council's website. A full copy of the 2021/22 Financial Statements will also be included in the Council's Annual Report for 2021/22.

4. DISCUSSION

4.1 2021/22 Financial Statements

The 2021/22 Financial Statements are provided in Attachment 1.

Council's Financial Statements have been prepared in accordance with Australian Accounting Standards, *Local Government (Financial Management) Regulations 2011* and within the format of the Model Financial Statements.

Council recorded an operating surplus of $15.6 million as a result of prepayment of 72% of the 2022/23 allocation federal assistance grants, higher than budgeted developer contributions, higher fee and charge revenue associated with continued strength in the housing market, an improvement in Council's share of joint ventures, delayed operating costs associated with new capital and lower interest costs due to record low interest rates.

Council's performance against key financial indicators for the year ended 30 June 2022 demonstrates sound financial performance, asset sustainability and responsible debt management. Performance against both the prescribed financial indicators, as disclosed in the 2021/22 Financial Statements, and two additional Council approved financial indicators is provided in the table below.

Three of five ratios are within the target range. The Cash flow from Operations ratio exceeds the target range due to additional developer contributions received in 2021/22 and lower operating costs associated with capital project delays. The Asset Renewal Funding Ratio is lower than the target range also as a result of capital project delays. These capital projects will continue to be delivered in 2022/23 financial year.

Financial Indicator	Explanation	2021/22 Actual	2021/22 Revised Budget	2021/22 Target	Comments
Operating Surplus Ratio	Gives an indication of Councils ability to service its operations from expected income, while maintaining long term financial sustainability.	12.5% 9.4% When adjusted for prepayment of FAGS.	3.0%	0%-10%	Adjusted ratio within target range
Cash Flow from Operations Ratio	Measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	212.2% 160.1% When adjusted for Prepayment of FAGS.	145.2%	Between 90% and 110%	Above target range consistent with favourable operating surplus
Asset Renewal Funding Ratio	Shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	70%	113.4%	Between 90% and 110%	Below target range consistent with delayed projects

Net Financial Liabilities Ratio	Shows the extent to which Council is managing its debt.	102% 114% When adjusted for Prepayment of FAGS.	132.1%	50%-160%	Within target range
Interest Expense Cover Ratio	This ratio shows how much discretionary income is used to pay interest on borrowings	4.5%	5.7%	3%-10%	Within target range

In accordance with section 10 of the *Local Government (Financial Management) Regulations 2011*, a detailed comparison of the 2021/22 financial result to the original budget is provided in Attachment 4.

In accordance with Section 140 of the *Local Government Act 1999* a review of annual investment performance has also been undertaken. Consistent with the Treasury Management Policy, Council uses the maximum cash available on hand to offset Council's borrowings. This cash management approach reduces interest expenditure but also reduces interest income earned as deposits are kept to a minimum. With the current low interest rate environment this remains the most effective method of reducing interest costs for Council. As a result, interest earned during 2021/22 was only $1,910 based on the range of interest rates detailed in the table below.

Investment Performance from 1/7/2021 to 30/6/2022			
	Highest Interest Rate	**Lowest Interest Rate**	**Ave Interest Rate %**
LGFA 24 hour account	1.05%	0.3%	0.38%
Commonwealth Bank Operating Account	0.75%	0%	0.08%

4.2 External Audit

The 2021/22 Financial Statements have been audited by Council's External Auditor, BDO.

BDO's Annual Completion Report to the Corporate Governance Committee is provided at Attachment 2. The purpose of the Annual Completion Report is to communicate significant matters arising from the audit to the Corporate Governance Committee.

BDO raised no audit findings in the Annual Completion Report. BDO expect to issue an unmodified audit report and have provided the proposed audit report at Appendix 1 of the Annual Completion Report

In forming their final opinion BDO will rely on the following management representations:

- Fraud Questionnaire - As part of the internal controls audit in March 2022 BDO provided the prior year's completed Fraud Questionnaire requesting advice of any changes. Emails confirming prior year responses are provided in Attachment 5. Administration continued to provide verbal update regarding these matters until the completion of the year end audit.
- Management Representation Letter – This letter will be provided to BDO prior to the final Audit Opinion being issued. It provides assurances around the financial report, the books, records and documentation, related parties, litigation/claims and compliance with laws and regulations. The draft management representation letter is provided in Attachment 3.

4.3 Adoption of Statements

The draft management representation letter provided at Attachment 3 will be signed by the Chief Executive Officer and the General Manager Strategy and Corporate and issued to the Audit Partner of BDO, Mr Andrew Tickle.

Following endorsement by Council the final signed copy, including the Audit Opinion, will be included in the 2021/22 Annual Report.

5. OPTIONS

RECOMMENDATION

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

1. Council notes that the Corporate Governance Committee has reviewed the 2021/22 Financial Statements for the year ended 30 June 2022, including asking questions of the External Auditor and management, and is satisfied with the process to ensure that they present fairly the state of affairs of the Council.
2. Council notes that Mr Andrew Tickle of BDO provided an Audit Clearance letter on 16 September 2022, stating the intention to issue an unmodified audit opinion.
3. Council receives and adopts the Financial Statements for the year ended 30 June 2022.
4. Council authorises the Mayor and CEO to sign the Financial Statements for the year ended 30 June 2022.

Option 2

Council does not adopt the 2021/22 Financial Statements and seeks further information.

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

Adoption of the 2021/22 Financial Statements ensures transparent financial information is presented to our community and that legislative provisions are met.

Risk Appetite

Regulatory Compliance

Council has a zero tolerance for non-compliance with applicable legislation including but not limited to: Local Government Act (LGA) 1999; Independent Commissioner Against Corruption (ICAC) Act 2012; Work Health & Safety (WHS) Act 2012; Environment Protection Act (EPA) 1993; Development Act 1993; Equal Employment Opportunity legislation; and Public Consultation legislation.

This decision will ensure compliance will all relevant legislation

6.1.2 Financial Implications

There are no financial or resource implications arising from the adoption of the 2021/22 Financial Statements.

6.2 Option 2 Analysis

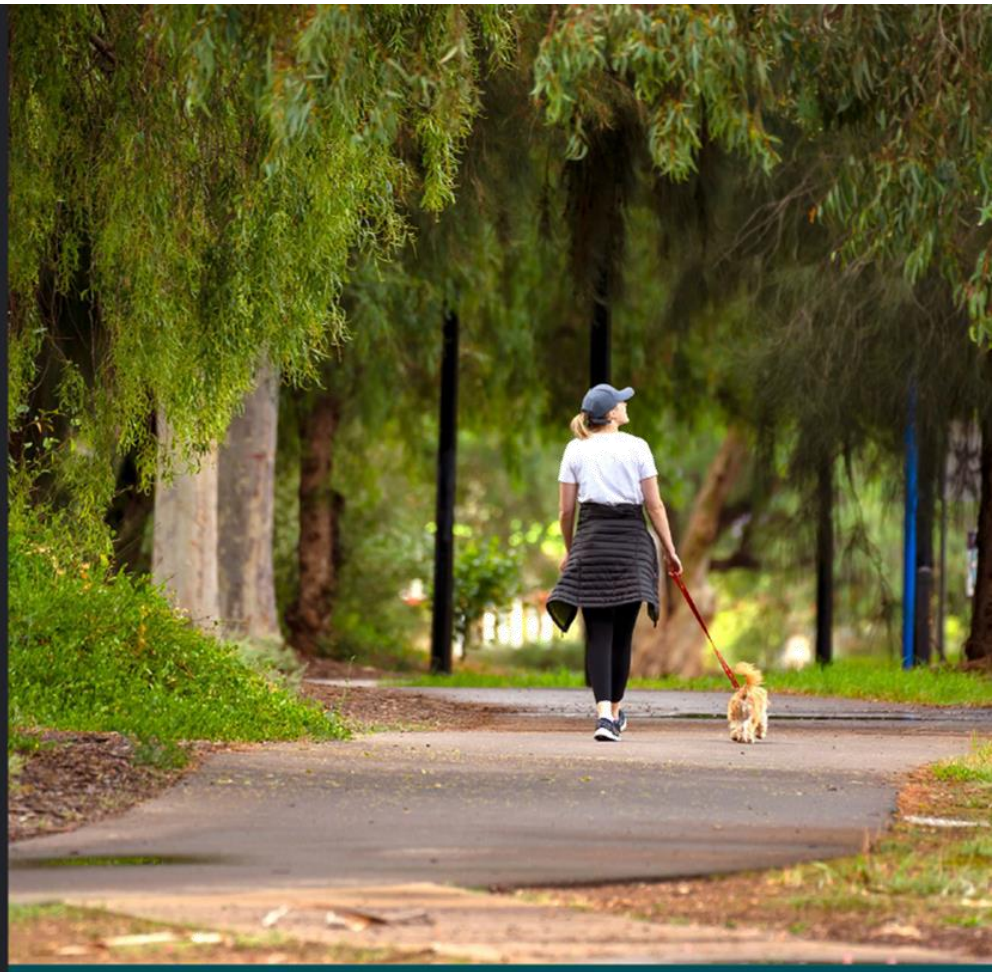
6.2.1 Analysis & Implications of Option 2

Any changes made by Council will be referred to the Corporate Governance Committee for consideration. These changes will also be required to be reviewed by Council's External Auditor to ensure they are still satisfied in providing an audit certificate to Council. The effect of this may result in Council missing its statutory deadline in relation to the 2021/22 Financial Statements with the potential to be reported to the Minister.

6.2.2 Financial Implications

There may be short term resource implications arising from any amendments to the 2021/22 Financial Statements.

CITY OF Playford



City of Playford

General Purpose Financial Statements

For the year ended 30 June 2022

City of Playford

General Purpose Financial Statements

for the year ended 30 June 2022

Contents Page

Council Certificate 3

Principal Financial Statements

Statement of Comprehensive Income 4
Statement of Financial Position 5
Statement of Changes in Equity 6
Statement of Cash Flows 7

Notes to and forming part of the Financial Statements 8

Independent Auditor's Report – Financial Statements 45

Independent Auditor's Report – Internal Controls 46

Certificates of Audit Independence

Council Certificate of Audit Independence 47
Audit Certificate of Audit Independence 48

City of Playford

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Financial Statements

We have been authorised by the Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and Australian Accounting Standards,
- the financial statements present a true and fair view of the Council's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year,
- internal controls implemented by the Council provide a reasonable assurance that the Council's financial records are complete, accurate and reliable and were effective throughout the financial year,
- the financial statements accurately reflect the Council's accounting and other records.

Sam Green
Chief Executive Officer

25 October 2022

Glenn Docherty
Mayor

25 October 2022

City of Playford

Statement of Comprehensive Income

for the year ended 30 June 2022

	Notes	2022 $ '000	2021 $ '000
Income			
Rates	2a	86,346	83,635
Statutory Charges	2b	2,852	2,565
User Charges	2c	3,929	3,205
Grants, Subsidies and Contributions	2g	29,150	23,912
Investment Income	2d	10	9
Reimbursements	2e	905	871
Other income	2f	205	1,050
Net Gain - Equity Accounted Council Businesses	19(a)i	842	641
Total Income		124,239	115,888
Expenses			
Employee costs	3a	41,719	41,218
Materials, Contracts and Other Expenses	3b	37,507	37,452
Depreciation, Amortisation and Impairment	3c	25,537	21,495
Finance Costs	3d	3,847	4,253
Net loss - Equity Accounted Council Businesses	19(a)i	77	88
Total Expenses		108,687	104,506
Operating Surplus / (Deficit)		15,552	11,382
Physical Resources Received Free of Charge	2h	48,511	16,812
Asset Disposal & Fair Value Adjustments	4	(4,769)	(1,736)
Amounts Received Specifically for New or Upgraded Assets	2g	2,516	1,380
Net Surplus / (Deficit)		61,810	27,838
Other Comprehensive Income			
Amounts which will not be reclassified subsequently to operating result			
Changes in Revaluation Surplus - I,PP&E	9a	215,794	11,773
Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	9a	(689)	–
Other Equity Adjustments - Equity Accounted Council Businesses	19(a)i	29	29
Total Amounts which will not be reclassified subsequently to operating result		215,134	11,802
Total Other Comprehensive Income		215,134	11,802
Total Comprehensive Income		276,944	39,640

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

City of Playford

Statement of Financial Position

as at 30 June 2022

	Notes	2022 $ '000	2021 $ '000
ASSETS			
Current assets			
Cash & Cash Equivalent Assets	5a	1,818	122
Trade & Other Receivables	5b	6,403	6,209
Other Financial Assets	5c	23	19
Inventories	5d	192	146
Other Current Assets	5e	757	558
Non-Current Assets Held for Sale	20	5,156	6,472
Total current assets		14,349	13,526
Non-current assets			
Financial Assets	6a	273	295
Equity Accounted Investments in Council Businesses	6b	10,759	9,965
Other Non-Current Assets	6c	12,726	10,681
Infrastructure, Property, Plant & Equipment	7a(i)	1,527,134	1,271,126
Total non-current assets		1,550,892	1,292,067
TOTAL ASSETS		1,565,241	1,305,593
LIABILITIES			
Current Liabilities			
Trade & Other Payables	8a	20,575	19,223
Borrowings	8b	6,314	6,565
Provisions	8c	6,429	6,036
Total Current Liabilities		33,318	31,824
Non-Current Liabilities			
Borrowings	8b	100,269	119,052
Provisions	8c	1,269	1,292
Total Non-Current Liabilities		101,538	120,344
TOTAL LIABILITIES		134,856	152,168
Net Assets		1,430,385	1,153,425
EQUITY			
Accumulated surplus		415,270	496,160
Asset revaluation reserves	9a	1,001,855	645,797
Other reserves	9b	13,260	11,468
Total Council Equity		1,430,385	1,153,425
Total Equity		1,430,385	1,153,425

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

City of Playford

Statement of Changes in Equity

for the year ended 30 June 2022

$ '000	Notes	Accumulated surplus	Asset revaluation reserve	Other reserves	Total equity
2022					
Balance at the end of previous reporting period		496,160	645,797	11,468	1,153,425
Adjustments (Correction of Prior Period Errors)		16	–	–	16
Net Surplus / (Deficit) for Year		61,810	–	–	61,810
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	215,794	–	215,794
IPP&E Impairment (Expense) / Recoupments Offset to ARR	7a	–	(689)	–	(689)
Transfer to Accumulated Surplus on Sale of I,PP&E	9a	(67,458)	67,458	–	–
Other Equity Adjustments - Equity Accounted Council Businesses	19(a)i	29	–	–	29
Other comprehensive income		(67,429)	282,563	–	215,134
Total comprehensive income		(5,619)	282,563	–	276,944
Transfers between Reserves		(75,287)	73,495	1,792	–
Balance at the end of period		415,270	1,001,855	13,260	1,430,385
2021					
Balance at the end of previous reporting period		470,924	634,024	8,837	1,113,785
Net Surplus / (Deficit) for Year		27,838	–	–	27,838
Other Comprehensive Income					
- Gain (Loss) on Revaluation of I,PP&E	7a	–	11,773	–	11,773
Other Equity Adjustments - Equity Accounted Council Businesses	19(a)i	29	–	–	29
Other comprehensive income		29	11,773	–	11,802
Total comprehensive income		27,867	11,773	–	39,640
Transfers between Reserves		(2,631)	–	2,631	–
Balance at the end of period		496,160	645,797	11,468	1,153,425

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

City of Playford

Statement of Cash Flows

for the year ended 30 June 2022

	Notes	2022 $ '000	2021 $ '000
Cash flows from operating activities			
Receipts			
Rates Receipts		86,551	84,580
Statutory Charges		2,852	2,565
User Charges		4,242	3,412
Grants, Subsidies and Contributions		29,228	24,019
Investment Receipts		10	9
Reimbursements		980	944
Other Receipts		6,464	13,513
Payments			
Payments to Employees		(41,885)	(41,373)
Payments for Materials, Contracts & Other Expenses		(42,989)	(44,750)
Finance Payments		(3,847)	(4,253)
Net cash provided by (or used in) Operating Activities	11b	41,606	38,666
Cash flows from investing activities			
Receipts			
Amounts Received Specifically for New/Upgraded Assets		2,516	1,380
Sale of Replaced Assets		1,361	1,455
Sale of Surplus Assets		4,334	4,030
Repayments of Loans by Community Groups		18	23
Payments			
Expenditure on Renewal/Replacement of Assets		(15,110)	(21,089)
Expenditure on New/Upgraded Assets		(13,839)	(13,901)
Net cash provided (or used in) investing activities		(20,720)	(28,102)
Cash flows from financing activities			
Receipts			
Proceeds from Loans		138,615	66,529
Payments			
Repayments of Loans		(157,671)	(78,701)
Repayment of Finance Lease Liabilities		(134)	(154)
Net Cash provided by (or used in) Financing Activities		(19,190)	(12,326)
Net Increase (Decrease) in Cash Held		1,696	(1,762)
plus: Cash & Cash Equivalents at beginning of period		122	1,884
Cash and cash equivalents held at end of period	11a	1,818	122

Additional Information:

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Contents of the Notes accompanying the General Purpose Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	9
2	Income	15
3	Expenses	17
4	Asset Disposal & Fair Value Adjustments	19
5	Current Assets	19
6	Non-Current Assets	20
7	Infrastructure, Property, Plant & Equipment & Investment Property	21
8	Liabilities	24
9	Reserves	25
10	Assets Subject to Restrictions	25
11	Reconciliation to Statement of Cash Flows	26
12(a)	Functions	27
12(b)	Components of Functions	28
13	Financial Instruments	30
14	Capital Expenditure and Investment Property Commitments	34
15	Financial Indicators	35
16	Uniform Presentation of Finances	36
17	Leases	37
18	Superannuation	39
19	Interests in Other Entities	40
20	Non-Current Assets Held for Sale & Discontinued Operations	41
21	Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet	42
22	Events after the Balance Sheet Date	42
23	Related Party Transactions	43
	Additional Council disclosures (unaudited)	
24	Council information and contact details	44

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

(1) Basis of Preparation

1.1 Compliance with Australian Accounting Standards

This general purpose financial report has been prepared on a going concern basis using the historical cost convention in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

1.2 Historical Cost Convention

Except as stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates and requires management to exercise its judgement in applying Council's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of these Notes.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars ($'000).

(2) The Local Government Reporting Entity

City of Playford is incorporated under the South Australian *Local Government Act 1999* and has its principal place of business at 12 Bishopstone Road, Davoren Park. These consolidated financial statements include the Council's direct operations and all entities through which Council controls resources to carry on its functions. In the process of reporting on the Council as a single unit, all transactions and balances between activity areas and controlled entities have been eliminated.

Other entities in which Council has an interest but does not control are reported in Note 19.

(3) Income Recognition

The Council recognises revenue under *AASB 1058 Income of Not-for-Profit Entities* (AASB 1058) or *AASB 15 Revenue from Contracts with Customers* (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Council expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the council to acquire or construct a recognisable non-financial asset that is to be controlled by the council. In this case, the council recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

In recent years the payment of untied grants (financial assistance grants / local roads / supplementary grants) has varied from the annual allocation as shown in the table below:

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

	Cash Payment Received $ '000	Annual Allocation $ '000	Difference $ '000
2019/20	$11,367	$11,211	$156
2020/21	$11,396	$11,332	$64
2021/22	$16.583	$12,371	$4,212

Because these grants are untied, the Australian Accounting Standards require that payments be recognised upon receipt. Accordingly, the operating results of these periods have been distorted compared to those that would have been reported had the grants been paid in the year to which they were allocated.

The Operating Surplus Ratio disclosed in Note 15 has also been calculated after adjusting for the distortions resulting from the differences between the actual grants received and the grants entitlements allocated.

(4) Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at Council's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition, except for trade receivables from a contract with a customer, which are measured at the transaction price. A detailed statement of the accounting policies applied to financial instruments forms part of Note 13.

(5) Inventories

Inventories held in respect of stores have been valued by using the weighted average cost on a continual basis, after adjustment for loss of service potential. Inventories held in respect of business undertakings have been valued at the lower of cost and net realisable value.

5.1 Other Real Estate Held for Resale

Properties not acquired for development, but which Council has decided to sell as surplus to requirements, are recognised at the carrying value at the time of that decision.

Properties, auctioned for non-payment of rates in accordance with the Local Government Act but which failed to meet the reserve set by Council and are available for sale by private treaty, are recorded at the lower of the unpaid rates and charges at the time of auction or the reserve set by Council. Holding costs in relation to these properties are recognised as an expense when incurred.

5.2 Non-current assets or disposal groups classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(6) Infrastructure, Property, Plant & Equipment

6.1 Initial Recognition

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use". Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. The cost of non-current assets constructed by the Council includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

6.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

Examples of capitalisation thresholds applied during the year are include in Note 7. No capitalisation threshold is applied to the acquisition of land or interests in land.

6.3 Subsequent Recognition

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. Significant uncertainties exist in the estimation of fair value of a number of asset classes including land, buildings and associated structures and infrastructure. Further detail of these uncertainties, and of existing valuations, methods and valuers are provided at Note 7.

6.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of Council, best reflects the consumption of the service potential embodied in those assets.

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

Major depreciation periods for each class of asset are listed in Note 7. Depreciation periods for infrastructure assets have been estimated based on the best information available to Council, but records covering the entire life cycle of these assets are not available, and care should be used in interpreting financial information based on these estimates.

6.5 Impairment

Assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if Council were deprived thereof, are not subject to impairment testing.

Other assets that are subject to depreciation are reviewed 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 (which is the higher of the present value of future cash inflows or value in use).

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

6.6 Borrowing Costs

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets, are disclosed in Note 3.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

(7) Payables

7.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7.2 Payments Received in Advance & Deposits

Amounts other than grants received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(8) Borrowings

Borrowings are recorded initially at fair value, being the cost of the borrowings, net of transaction costs. The measurement basis subsequent to initial recognition is at amortised cost. Interest is accrued over the period to which it relates, and is recorded as part of "Payables".

(9) Employee Benefits

9.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

Weighted avg. discount rate 4.03% (2021, 3.03%)
Weighted avg. settlement period 1.86 years (2021, 1.94 years)

No accrual is made for sick leave as Council experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. Council does not make payment for untaken sick leave.

9.2 Superannuation

The Council makes employer superannuation contributions in respect of its employees to the nominated fund selected by employees under the "Choice of Fund" legislation.

No changes in accounting policy have occurred during either the current or previous reporting periods. Details of the accounting policies applied and Council's involvement with the schemes are reported in Note 18.

(10) Leases

The Council assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

10.1 Council as a lessee

The Council recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-Use-Assets

The Council recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred to restore the

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building, plant, equipment and other	2 to 5 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies above - 6.5 Impairment.

ii) Lease Liabilities

At the commencement date of the lease, the Council recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Council uses its incremental borrowing rate or the interest rate implicit in the lease.

iii) Short-term leases and leases of low-value assets

The Council applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(11) Equity Accounted Council Businesses

Council participates in cooperative arrangements with other Councils for the provision of certain services and facilities.

Council's equity in the Northern Adelaide Waste Management Authority (NAWMA) and Gawler River Floodplain Management Authority (GRFMA) are accounted for in accordance with AASB 128 and set out in detail in Note 19.

(12) GST Implications

In accordance with UIG Abstract 1031 "*Accounting for the Goods & Services Tax*"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

(13) New accounting standards and UIG interpretations

The Council applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021. New standards and amendments relevant to the Council are listed below. The Council has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 16 Covid-19 Related Rent Concessions

In 2020, the AASB issued AASB 2020-4, Amendments to AASs - Covid-19-Related Rent Concessions. The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, in 2021 the AASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. This amendment had no impact on the financial statements.

Standards issued by the AASB not yet effective

The AASB has issued Australian Accounting Standards and Interpretations which are not effective at 30 June 2022, these standards have not been adopted by Council and will be included in the financial statements on their effective date. Where the standard is expected to have a significant impact for Council then further information has been provided in this note.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1. Summary of Significant Accounting Policies (continued)

The following list identifies all the new and amended Australian Accounting Standards, and Interpretation, that were issued but not yet effective at the time of compiling these illustrative statements that could be applicable to Councils.

Effective for NFP annual reporting periods beginning on or after 1 January 2022

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments

Effective for NFP annual reporting periods beginning on or after 1 January 2023

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current and associated standards (amended by AASB 2020-6)
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Polcies and Definition of Acccounting Estimates (amended by AASB 2021-6)

Effective for NFP annual reporting periods beginning on or after 1 January 2025

- AASB 2014-10 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture (amended by AASB 2015-10, AASB 2017-5 and AASB 2021-7))

(14) COVID-19 Pandemic

The COVID-19 pandemic has impacted the 2020/21 and 2021/22 financial statements, which may impact on the comparability of some line items and amounts reported in these financial statements and/or the notes.

The financial impacts are a direct result of either Council's response to the pandemic or due to the mandatory shut downs as directed by the Australian Government and the advice from the Australian Government Department of Health and SA Health.

Examples include;

- Reduced revenue from civic events and venue hire
- Business support in the form of temporary suspension of;
    - Fines
    - Penalties
    - Interest
    - Rent (including sportsfields)
    - Licence fees
    - Debt recovery actions
- Additional costs for:
    - Cleaning
    - Health and safety initiatives
    - Hibernation costs for Council venues

(15) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(16) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income

	2022 $ '000	2021 $ '000
(a) Rates		
General Rates		
General Rates	89,922	88,333
Less: Mandatory Rebates	(4,296)	(5,031)
Less: Discretionary Rebates, Remissions & Write Offs	(1,050)	(1,326)
Total General Rates	84,576	81,976
Other Rates (Including Service Charges)		
Regional Landscape Levy (Formerly Natural Resource Management Levy)	1,151	1,118
Total Other Rates (Including Service Charges)	1,151	1,118
Other Charges		
Penalties for Late Payment	343	273
Legal & Other Costs Recovered	276	268
Total Other Charges	619	541
Total Rates	86,346	83,635
(b) Statutory Charges		
Development Act Fees	1,336	1,181
Animal Registration Fees & Fines	712	678
Parking Fines / Expiation Fees	407	409
Environmental Control Fines	111	47
Other Licences, Fees & Fines	286	250
Total Statutory Charges	2,852	2,565
(c) User Charges		
Commercial Activity Revenue	200	146
Hall & Equipment Hire	2,412	1,782
Sundry	160	121
Commercial Activity - Food Cooperative	269	249
Commercial Activity - Water	368	434
Home and Aged Care	432	382
Immunisation	49	53
Library	39	38
Total User Charges	3,929	3,205

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

	2022 $ '000	2021 $ '000
(d) Investment Income		
Interest on Investments		
- Local Government Finance Authority	2	–
- Loans to Community Groups	8	9
Total Investment Income	10	9
(e) Reimbursements		
Other	905	871
Total Reimbursements	905	871
(f) Other income		
Insurance & Other Recoupments - Infrastructure, IPP&E	46	111
Sundry	159	939
Total Other income	205	1,050
(g) Grants, Subsidies, Contributions		
Amounts Received Specifically for New or Upgraded Assets	2,516	1,380
Total Amounts Received Specifically for New or Upgraded Assets	2,516	1,380
Other Grants, Subsidies and Contributions	18,934	17,908
Individually Significant Item - Additional Grants Commission Payment (refer below)	10,216	6,004
Total Other Grants, Subsidies and Contributions	29,150	23,912
Total Grants, Subsidies, Contributions	31,666	25,292
The functions/activities to which these grants relate are shown in Note 12.		
(i) Sources of grants		
Commonwealth Government	7,536	7,572
State Government	20,307	13,830
Other	3,823	3,890
Total	31,666	25,292
(ii) Individually Significant Items		
Grant Commission (FAG) Grant Recognised as Income	10,216	6,004

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 2. Income (continued)

	2022 $ '000	2021 $ '000
(h) Physical Resources Received Free of Charge		
Infrastructure	48,280	16,535
Plant & Equipment	231	277
Total Physical Resources Received Free of Charge	48,511	16,812

Note 3. Expenses

	2022 $ '000	2021 $ '000
(a) Employee costs		
Salaries and Wages	34,497	34,421
Employee Leave Expense	2,115	1,880
Superannuation	3,482	3,456
Workers' Compensation Insurance	1,488	1,441
Other Employee Related Costs	1,249	1,264
Less: Capitalised and Distributed Costs	(1,112)	(1,244)
Total Operating Employee Costs	41,719	41,218
Total Number of Employees (full time equivalent at end of reporting period)	400	409
(b) Materials, Contracts and Other Expenses		
(i) Prescribed Expenses		
Auditor's Remuneration		
- Auditing the Financial Reports	32	28
Bad and Doubtful Debts	3	(2)
Elected Members' Expenses	440	437
Lease Expense - Low Value Assets / Short Term Leases	20	20
Subtotal - Prescribed Expenses	495	483

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 3. Expenses (continued)

	2022 $ '000	2021 $ '000
(ii) Other Materials, Contracts and Expenses		
Advertising	214	172
Contractors	10,694	10,858
Contributions	439	1,058
Energy	2,720	2,674
Insurance Premiums	1,083	1,002
Legal Expenses	559	350
Levies - Other	224	268
Levies Paid to Government - Regional Landscape Levy	1,151	1,118
Maintenance	3,001	2,950
Parts, Accessories & Consumables	3,055	3,027
Professional Services	1,161	1,823
Recruitment	84	107
Sundry	1,222	758
Waste Collection	10,218	9,743
Water	1,187	1,061
Subtotal - Other Material, Contracts & Expenses	37,012	36,969
Total Materials, Contracts and Other Expenses	37,507	37,452

(c) Depreciation, Amortisation and Impairment

Buildings & Other Structures	3,163	2,829
Infrastructure	19,987	16,228
Right-of-use Assets	134	152
Plant & Equipment	2,253	2,286
Total Depreciation, Amortisation and Impairment	25,537	21,495

(d) Finance Costs

Interest on Loans	3,652	4,092
Interest on Leases	5	5
Bank Charges	239	247
Less: Capitalised and Distributed costs	(49)	(91)
Total Finance Costs	3,847	4,253

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 4. Asset Disposal & Fair Value Adjustments

	2022 $ '000	2021 $ '000
Infrastructure, Property, Plant & Equipment		
(i) Assets Renewed or Directly Replaced		
Proceeds from Disposal	1,361	1,455
Less: Carrying Amount of Assets Sold	(6,130)	(6,269)
Gain (Loss) on Disposal	(4,769)	(4,814)
(ii) Assets Surplus to Requirements		
Proceeds from Disposal	4,334	4,030
Less: Carrying Amount of Assets Sold	(4,334)	(952)
Gain (Loss) on Disposal	–	3,078
Net Gain (Loss) on Disposal or Revaluation of Assets	(4,769)	(1,736)

Note 5. Current Assets

	2022 $ '000	2021 $ '000
(a) Cash & Cash Equivalent Assets		
Cash on Hand at Bank	1,818	122
Total Cash & Cash Equivalent Assets	1,818	122
(b) Trade & Other Receivables		
Rates - General & Other	3,395	3,611
Council Rates Postponement Scheme	15	4
Accrued Revenues	1,466	69
Debtors - General	1,145	1,795
GST Recoupment	196	562
Sundry	141	128
Debtors - Other	53	43
Subtotal	6,411	6,212
Less: Loss Allowance	(8)	(3)
Total Trade & Other Receivables	6,403	6,209
(c) Other Financial Assets		
Loans to Community Organisations	23	19
Total Other Financial Assets	23	19

Amounts included in other financial assets that are not expected to be received within 12 months of reporting date are disclosed in Note 13.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 5. Current Assets (continued)

	2022 $ '000	2021 $ '000
(d) Inventories		
Stores & Materials	192	146
Total Inventories	192	146
(e) Other Current Assets		
Prepayments	757	558
Total Other Current Assets	757	558

Note 6. Non-Current Assets

	2022 $ '000	2021 $ '000
(a) Financial Assets		
Receivables		
Loans to Community Organisations	273	295
Total Financial Assets	273	295

	Notes	2022 $ '000	2021 $ '000
(b) Equity Accounted Investments in Council Businesses			
NAWMA	19	4,080	3,117
GRFMA		6,679	6,848
Total Equity Accounted Investments in Council Businesses		10,759	9,965
(c) Other Non-Current Assets			
Other			
Capital Works-in-Progress		12,726	10,681
Total Other Non-Current Assets		12,726	10,681

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

(a(i)) Infrastructure, Property, Plant & Equipment

		as at 30/06/21				Asset movements during the reporting period									as at 30/06/22			
	Fair Value Level	At Fair Value $ '000	At Cost $ '000	Accumulated Depreciation $ '000	Carrying amount $ '000	Asset Additions New / Upgrade $ '000	Asset Additions Renewals $ '000	WDV of Asset Disposals $ '000	Depreciation Expense (Note 3c) $ '000	Impairment Loss (recognised in Equity) (Note 9) $ '000	Adjustments & Transfers $ '000	Tfrs from/(to) "Held for Sale" category $ '000	Revaluation Decrements to Equity (ARR) (Note 9) $ '000	Revaluation Increments to Equity (ARR) (Note 9) $ '000	At Fair Value $ '000	At Cost $ '000	Accumulated Depreciation $ '000	Carrying amount $ '000
Land	2	451,478	–	–	451,478	1,952	–	–	–	–	3,333	(2,593)	–	52,043	506,213	–	–	506,213
Buildings & Other Structures	3	164,626	–	(37,833)	126,793	455	3,577	(1,958)	(3,163)	–	(1,689)	–	(46,404)	–	119,565	–	(41,954)	77,611
Infrastructure	3	963,285	–	(284,589)	678,696	58,095	5,570	(2,929)	(19,987)	(689)	(2,227)	–	–	210,155	1,352,492	–	(425,808)	926,684
Right-of-Use Assets		–	728	(470)	258	157	–	–	(134)	–	–	–	–	–	–	886	(605)	281
Plant & Equipment		–	27,659	(13,758)	13,901	555	5,215	(1,243)	(2,253)	–	170	–	–	–	–	27,051	(10,706)	16,345
Total Infrastructure, Property, Plant & Equipment		1,579,389	28,387	(336,650)	1,271,126	61,214	14,362	(6,130)	(25,537)	(689)	(413)	(2,593)	(46,404)	262,198	1,978,270	27,937	(479,073)	1,527,134
Comparatives		1,535,501	28,383	(319,190)	1,244,694	26,775	22,645	(7,221)	(19,209)	–	–	(6,045)	–	11,773	1,579,389	28,387	(336,650)	1,271,126

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

(b) Valuation of Infrastructure, Property, Plant & Equipment & Investment Property

Fair Value Measurement
Council measures certain assets and liabilities at fair value where required by Australian Accounting Standards. AASB 13 Fair Value Measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Council re-assesses level categorisation and determines whether transfers have occurred between levels in the hierarchy, based on the level of inputs that is significant to the fair value measurement as a whole for the asset class.

Refer to Note 7a for the disclosure of the Fair Value Levels of Infrastructure, Property, Plant and Equipment Assets.

Valuation Techniques

Council undertakes a formal valuation of land, buildings and infrastructure assets at least every five years. The valuations are performed by independent experts engaged by Council with inhouse desktop valuation undertaken all other years.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Council considers information from a variety of sources including:

- current prices in an active market for properties of a different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- income projections based on a property's estimated net market income
- depreciated replacement cost, being the cost to construct the asset at current prices less the depreciation that would have accumulated since original construction.

Highest and best use
All of Council's non financial assets are considered as being utilised for their highest and best use.

Highest and best use - For land which Council has an unfettered right to sell, the "highest and best use" recognises the possibility of the demolition or substantial modification of some or all of the existing buildings and structures affixed to the land. Much of the land under Council's care and control is Crown land or has been declared as community land under the provisions of the Local Government Act 1999. Other types of restrictions also exist.

For land subject to these restrictions, the highest and best use is taken to be the "highest and best use" available to Council, with a rebuttable presumption that the current use is the "highest and best use". The reason for the current use of a large proportion of Council's assets being other than the "highest and best use" relates to Council's principal role as the provider of services to the community, rather than the use of those assets for the generation of revenue.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

For buildings and other structures on and in the land, including infrastructure, "highest and best use" is determined in accordance with the land on and in which they are situated.

AASB 13 - Fair Value Measurement

The requirements of AASB 13 Fair Value Measurement have been applied to all valuations undertaken since 1 July 2013 as shown by the valuation dates by individual asset classes below.

Capitalisation Thresholds

Capitalisation thresholds used by Council for a representative range of assets are shown below. No capitalisation threshold is applied to the acquisition of land or interests in land.

	$
Office Furniture & Equipment	2,000
Plant & Equipment	2,000
Buildings and Other Structures	5,000
Infrastructure - Stormwater	5,000
Infrastructure - Streetscape	5,000
Infrastructure – Parks & Reserves	5,000

Estimated Useful Lives

Useful lives are estimated for each individual asset. In estimating useful lives, regard is had to technical and commercial obsolescence, as well as legal and other limitations on continued use. The range of useful lives for a representative range of assets is shown below:

Building & Other Structures	10 to 100 years
Infrastructure - Stormwater	10 to 120 years
Infrastructure - Streetscape	10 to 100 years
Infrastructure – Parks & Reserves	10 to 100 years
Plant and Equipment	2 to 15 years
Office Furniture & Equipment	2 to 15 years
Right-of-Use Assets	2 to 5 years
Land	infinite
Infrastructure - Formation	infinite

Land & Land Improvements

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valution are recorded at cost.
- Valuer: Liquid Pacific

Buildings & Other Structures

- Basis of valuation: Fair Value / Market Value / Written down current replacement cost
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valution are recorded at cost.
- Valuer: Liquid Pacific

Infrastructure

Streetscape

- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valution are recorded at cost.
- Valuer: Liquid Pacific

Stormwater

- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valution are recorded at cost.
- Valuer: Liquid Pacific

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City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 7. Infrastructure, Property, Plant & Equipment & Investment Property (continued)

Parks and Reserves
- Basis of valuation: Written down current replacement cost
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valution are recorded at cost.
- Valuer: Liquid Pacific

Structures, Bridges, Car Parks
- Basis of valuation: Market Value / Written down current replacement cost
- Date of valuation: 01 July 2021. All acquisitions made after the respective date of valution are recorded at cost.
- Valuer: Liquid Pacific

Plant & Equipment
- Basis of valuation: Cost
- Date of valuation: not revalued carried at cost less accumulated depreciation

Furniture & Fittings
- Basis of valuation: Cost
- Date of valuation: not revalued carried at cost less accumulated depreciation

Note 8. Liabilities

	2022 Current $ '000	2022 Non Current $ '000	2021 Current $ '000	2021 Non Current $ '000
(a) Trade and Other Payables				
Goods & Services	8,015	–	9,113	–
Payments Received in Advance	9,224	–	7,634	–
Accrued Expenses - Other	763	–	931	–
Other	2,573	–	1,545	–
Total Trade and Other Payables	20,575	–	19,223	–

	Notes	2022 Current $ '000	2022 Non Current $ '000	2021 Current $ '000	2021 Non Current $ '000
(b) Borrowings					
Loans	13	6,174	100,126	6,451	118,905
Lease Liabilities	17b	140	143	114	147
Total Borrowings		6,314	100,269	6,565	119,052
(c) Provisions					
Employee Benefits (Annual Leave)		2,965	–	2,914	–
Employee Benefits (Long Service Leave)		3,464	1,269	3,122	1,292
Total Provisions		6,429	1,269	6,036	1,292

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 9. Reserves

	as at 30/06/21 Opening Balance $ '000	Increments (Decrements) $ '000	Transfers $ '000	Impairments $ '000	as at 30/06/22 Closing Balance $ '000
(a) Asset Revaluation Reserve					
Land	351,412	52,043	12,737	–	416,192
Buildings & Other Structures	45,886	(46,404)	67,719	–	67,201
Infrastructure	245,826	210,155	60,885	(689)	516,177
Plant & Equipment	388	–	(388)	–	–
JV's / Associates - Other Comprehensive Income	2,285	–	–	–	2,285
Total Asset Revaluation Reserve	645,797	215,794	140,953	(689)	1,001,855
Comparatives	634,024	11,773	–	–	645,797

	as at 30/06/21 Opening Balance $ '000	Tfrs to Reserve $ '000	Tfrs from Reserve $ '000	Other Movements $ '000	as at 30/06/22 Closing Balance $ '000
(b) Other Reserves					
Developer Contributions	10,129	3,476	(2,346)	–	11,259
Other Reserves	37	–	–	–	37
Supplementary Local Roads	1,302	662	–	–	1,964
Total Other Reserves	11,468	4,138	(2,346)	–	13,260
Comparatives	8,837	3,721	(1,090)	–	11,468

Purposes of Reserves

Asset Revaluation Reserve
The asset revaluation reserve is used to record increments and decrements arising from changes in fair value of non current assets (less any subsequent impairment losses, where applicable).

Developer Contributions
Where developers elect to make a cash contribution to Council in lieu of installing a physical asset, the cash must be paid to Council at the time of processing the planning application. Council sets these funds aside in the Developer Contribution Reserve for construction of the assets after development is completed.

Supplementary Local Roads
The Supplementary Local Road Funding program is an additional allocation of road funding provided by Federal Government. Any unspent funds from the financial year are set aside in the Reserve for construction of future local roads.

Note 10. Assets Subject to Restrictions

The nature of some of the City of Playford's assets are restricted, wholly or partially, by legislation or other externally imposed requirements. The assets are required to be utilised for the purposes for which control was transferred to Council, or for which the revenues were originally obtained.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 11. Reconciliation to Statement of Cash Flows

	Notes	2022 $ '000	2021 $ '000
(a) Reconciliation of Cash			
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:			
Total Cash & Cash Equivalents Assets	5	1,818	122
Balances per Statement of Cash Flows		1,818	122
(b) Reconciliation of Change in Net Assets to Cash from Operating Activities			
Net Surplus/(Deficit)		61,810	27,838
Non-Cash Items in Income Statements			
Depreciation, Amortisation & Impairment	3c	25,552	21,495
Equity Movements in Equity Accounted Investments (Increase)/Decrease	19(a)i	(765)	(553)
Non-Cash Asset Acquisitions		(48,511)	(16,812)
Grants for capital acquisitions treated as Investing Activity	2g	(2,516)	(1,380)
Net (Gain) Loss on Disposals	4	4,769	1,736
		40,339	32,324
Add (Less): Changes in Net Current Assets			
Net (Increase)/Decrease in Receivables	5b	(199)	3,126
Change in Allowances for Under-Recovery of Receivables	5b	(5)	2
Net (Increase)/Decrease in Inventories	5d	(46)	11
Net (Increase)/Decrease in Other Assets	5c,5e	(205)	(181)
Net Increase/(Decrease) in Trade & Other Payables	8a	1,352	3,046
Net Increase/(Decrease) in Other Provisions	8c	370	338
Net Cash provided by (or used in) operations		41,606	38,666
(c) Non-Cash Financing and Investing Activities			
Acquisition of assets by means of:			
Physical Resources Received Free of Charge	2h	48,511	16,812
Total Non-Cash Financing and Investing Activities		48,511	16,812
(d) Financing Arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdrafts		1,500	1,500
Corporate Credit Cards		250	250
LGFA Cash Advance Debenture Facility		51,895	34,291

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(a). Functions

	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 12(b).									
	INCOME		EXPENSES		OPERATING SURPLUS (DEFICIT)		GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)	
	2022 $ '000	2021 $ '000	2022 $ '000	2021 $ '000	2022 $ '000	2021 $ '000	2022 $ '000	2021 $ '000	2022 $ '000	2021 $ '000
Functions/Activities										
Community Facilities, Programs and Events	5,633	5,350	17,356	17,021	(11,723)	(11,671)	3,240	3,413	67,290	111,286
City Maintenance	3,804	4,096	62,516	58,004	(58,712)	(53,908)	19	–	1,468,478	1,161,545
Waste and Recycling	937	1,116	17,272	17,144	(16,335)	(16,028)	–	–	4,080	3,117
Local Business Support	338	266	1,004	845	(666)	(579)	–	–	273	295
Public Health, Regulatory and Environment	4,398	4,374	10,539	11,221	(6,141)	(6,847)	918	973	–	–
Administration and Other Activities	109,129	100,686	–	271	109,129	100,415	24,973	19,526	25,120	29,350
Total Functions/Activities	124,239	115,888	108,687	104,506	15,552	11,382	29,150	23,912	1,565,241	1,305,593

Revenues and expenses exclude net gain (loss) on disposal or revaluation of assets, amounts received specifically for new or upgraded assets and physical resources received free of charge.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(b). Components of Functions

The activities relating to Council functions are as follows:

Community Facilities, Programs and Events

Club and Sporting Governance
We support over 80 sporting clubs with facilities for training and competition, including regional sites such as the Playford Tennis Centre, Aquadome, Playford Bowling Club and Elizabeth Oval. We work with clubs and associations to support effective administration, operations and compliance to optimise utilisation of facilities for the community's benefit.

Community Development and Health Initiatives
Community development supports knowledge and skills development for individuals and families. Services are delivered at several sites including the Playford Wellbeing Hub, the Healthy Food Co, Marni Waiendi and the Elizabeth Rise Community Centre.

These initiatives support the community in various ways, such as promotion of health and wellbeing practices, providing volunteer opportunities, advocacy and provision of a range of social and educational activities.

Community Inclusion
Council provides education, information and support to assist older and vulnerable people to remain independent and connected within the community. Inclusion programs are run at sites including the Grenville Hub and Playford Wellbeing Hub, as well as outreach programs in One Tree Hill and Virginia. We also support people living with a disability through the NDIS, which is supported by Council's Disability Access and Inclusion Plan.

Community Venues
We have a range of venues the community can access for events and experiences. The Shedley Theatre is the northern suburbs' premier theatre venue, hosting a calendar of high-profile, professional artists, as well as supporting local amateur groups and school events.
The Uley Road and Spruance Halls provide high quality space for the community to utilise. The Northern Sound System (NSS) is the state's leading youth music facility, engaging young people through music and creative industries. An extensive range of programs build the capacity of young people, while also offering a live music venue, rehearsal spaces and recording studio.

Customer Contact
Our Customer Contact Team provides prompt, helpful and accurate information and transactional services to our community.

Event Management
Council delivers a range of community and civic events across the city and, where appropriate, looks to partner to extend the range of events on offer. These events celebrate the community and promote a sense of connection.

Library
Library Services provide access to information, technology and educational programs, cultural engagement, local history, social interaction, entertainment and leisure for our community. Branches at the Civic Centre and Stretton Centre are supported by the Mobile and Home Library Services.

Volunteer Development
Volunteers extend and enhance the services and programs delivered by Council through sharing their time, energy and skills to benefit the community. Volunteers receive many opportunities to develop new skills and knowledge, connect with others and enjoy a sense of accomplishment.

City Maintenance

Parks and Reserves
We maintain over 100 parks and reserves to provide welcoming outdoor spaces for residents and visitors to enjoy.

Rapid Response
Providing a rapid response team to attend to urgent situations helps reduce risk to our community. The primary objective is to make the situation safe, with additional work then referred to other Council services.

Rural Streetscapes
Regular road maintenance is undertaken in our rural areas, with a programmed and proactive approach based on risk. This service enables a safe and connected community for our rural residents.

Sportsfield Maintenance

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 12(b). Components of Functions (continued)

The maintenance of Council's many sports fields is important to ensure our community can actively engage and participate in a range of sporting activities on offer across our city.

Stormwater Network
The stormwater network provides for the collection and transportation of stormwater throughout the city. Maintenance of the network reduces the risk of flooding and associated property damage. It also improves the water quality to wetlands and protects against water damage to road infrastructure.

Tree Services
Our tree service team ensures that all trees within the council area are well maintained, which contributes to the look and feel of the city, as well as positively impacting on the health and wellbeing of Playford residents and visitors.

Urban Streetscapes
This service provides safe pedestrian access, a safe and orderly urban road network, and improved appearance of street frontages, contributing to overall city presentation.

Graffiti Operations
The graffiti team provides a quick and timely response to the removal of graffiti from Council assets, leading to a clean and attractive city with a reduction in overall visible graffiti.

Waste and Recycling
Kerbside Waste
The kerbside waste management service includes household waste, recycling, green organics and hard waste. Diversion rates away from landfill, through recycling, reduction in contamination rates, and uptake of the green organics service are a focus of this service.

Illegal Dumping
This service manages the collection and disposal of illegally dumped rubbish throughout the city as well as penalises illegal dumping offences.

Local Business Support
Business Support and Industry Development
This service fosters business growth and supports and facilitates the creation of local jobs. Our modern co-working facility at the Stretton Centre provides cost effective office space and one-to-one business support. Support is also provided at an industry level through specific projects, advocacy and connection, as well as through the Virginia Horticulture Centre.

Public Health, Regulatory and Environment
Environmental Health
This service covers the assessment, improvement and compliance to public health, food safety and wastewater standards.

Environmental Sustainability
In collaboration with our community, we enhance our local environment with resident engagement initiatives such as plant distribution programs, projects to improve our urban and rural biodiversity and targeted biodiversity management on rural roadsides.

Immunisation
Our immunisation service seeks to minimise the incidence of vaccine-preventable diseases and covers early childhood immunisation, secondary school programs, the New Arrival Refugee Immunisation (NARI) program and public and business programs.

Regulatory Services
Key regulatory requirements are maintained to minimise the risk to public safety: animal management, parking compliance, fire prevention, litter prevention, by-laws and Local Government Act compliance. Coupled with education initiatives, these all contribute to a safer and better quality of life for our community.

Development Services
This service facilitates safe and desired city development by coordinating and managing growth, assessing development applications, providing advice, ensuring development is constructed to Council standards and is compliant with relevant regulations.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 12(b). Components of Functions (continued)

Administration and Other Activities
Items under this function include General Purpose grants, non-program related grants and Rates revenue. These items are not directly attributed to a service and other minor activities.

Note 13. Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost; interest is recognised when earned.

Terms & Conditions:
Deposits at call have a returning interest rate between 0.08% to 0.38% (2021: 0% to 0.35%).

Carrying Amount:
Approximates fair value due to the short term to maturity.

Receivables - Rates & Associated Charges

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:
Secured over the subject land, arrears attract interest of 2% (2021: 2%). Each month thereafter a further interest penalty of 0.42% (2021: 0.43%) is added. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

Receivables - Fees & Other Charges

Accounting Policy:
Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

Terms & Conditions:
Unsecured, and do not bear interest. Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.

Carrying Amount:
Approximates fair value (after deduction of any allowance).

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Liabilities - Creditors and Accruals

Accounting Policy:
Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.

Terms & Conditions:
Liabilities are normally settled on 30 day terms.

Carrying Amount:
Approximates fair value.

Liabilities - Interest Bearing Borrowings

Accounting Policy:
Initially recognised at fair value and subsequently at amortised cost using the effective interest rate.

Terms & Conditions:
Secured over future revenues, borrowings are repayable (at maturity or Annual Principal & Interest); interest is charged at fixed or variable rates between 1.8% and 5.4% (2021: 1.30% and 6.60%).

Carrying Amount:
Approximates fair value.

Liabilities - Leases

Accounting Policy:
At the commencement date, a lessee shall measure the right-of-use asset at cost and the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

	Notes	Due < 1 year $ '000	Due > 1 year & ≤ 5 years $ '000	Due > 5 years $ '000	Total Contractual Cash Flows $ '000	Carrying Values $ '000
Financial Assets and Liabilities						
2022						
Financial Assets						
Cash & Cash Equivalents	5a	1,818	–	–	1,818	1,818
Receivables	5b	6,411	24	14	6,449	6,403
Other Financial Assets	5c,6a	23	105	167	295	273
Total Financial Assets		8,252	129	181	8,562	8,494
Financial Liabilities						
Payables	8a	13,394	8,937	12,420	34,751	11,173
Current Borrowings	8b	6,174	–	–	6,174	6,174
Non-Current Borrowings	8b	–	48,358	51,768	100,126	100,126
Leases	17b	140	143	–	283	283
Total Financial Liabilities		19,708	57,438	64,188	141,334	117,756
2021						
Financial Assets						
Cash & Cash Equivalents	5a	122	–	–	122	122
Receivables	5b	6,217	27	19	6,263	6,209
Other Financial Assets	5c,6a	19	100	196	315	315
Total Financial Assets		6,358	127	215	6,700	6,646
Financial Liabilities						
Payables	8a	13,585	7,762	8,970	30,317	11,630
Current Borrowings	8b	6,451	–	–	6,451	6,451
Non-Current Borrowings	8b	–	52,168	66,737	118,905	118,905
Leases	17b	114	147	–	261	261
Total Financial Liabilities		20,150	60,077	75,707	155,934	137,247

The following interest rates were applicable to Council's Borrowings at balance date:

	2022		2021	
	Weighted Avg Interest Rate $ '000	Carrying Value $ '000	Weighted Avg Interest Rate $ '000	Carrying Value $ '000
Overdraft	7.93%	–	7.18%	–
Other Variable Rates	2.36%	21,801	1.91%	57,405
Fixed Interest Rates	3.61%	84,782	3.92%	68,212
		106,583		125,617

Net Fair Value
All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Council.

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City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any impairment. All Council investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Exposure is concentrated within the Council's boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of Council's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Council will encounter difficulty in meeting its financial liability obligations. Council consider borrowings as an organisational response to the need for funds for capital projects or cashflow, without specifically borrowing for a particular project. The term of any borrowings, whether fixed interest or floating interest rate borrowings are sought with a range of maturity dates including access to bank overdraft and standby borrowing facilities to ensure a base level of liquidity is available at all times. This is in accordance with Council's Treasury Policy.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Council has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Expected Credit Losses (ECL)

Council uses an allowance matrix to measure expected credit losses for receivables from individual customers, which comprise a large number of small balances. As rates and annual charges are secured over subject land no allowance for such receivables is made. The following table provides information about Council's ECLs from receivables (excluding secured rates and charges, GST and other amounts held in trust). Impairment analysis is performed each reporting date. ECLS are based on credit history adjusted for forward looking estimates and economic conditions.

	ECL Rate	Gross carrying amount $ '000	Expected Loss $ '000
2022			
Current (not past due)	0.1%	469	–
Past due 1-30 Days	0.3%	67	–
Past due 31-60 Days	0.6%	44	–
Past due 61-90 Days	0.8%	180	1
Past due 91 Days +	4.4%	140	7
		900	8
2021			
Current (not past due)	0.5%	387	1
Past due 1-30 Days	0.5%	130	1
Past due 31-60 Days	0.6%	82	–
Past due 61-90 Days	0.8%	14	–
Past due 91 Days +	0.9%	68	1
		681	3

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 13. Financial Instruments (continued)

Set out below is the movement in the allowance for expected credit losses:

	2022 $ '000	2021 $ '000
As at 1 July	3	5
Provisions	7	(1)
Write off	(2)	(1)
As at 30 June	8	3

Note 14. Capital Expenditure and Investment Property Commitments

	2022 $ '000	2021 $ '000
Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Land	73	44
Buildings	1,109	236
Infrastructure	15,810	7,360
Plant & Equipment	1,440	1,492
	18,432	9,132
These expenditures are payable:		
Not later than one year	18,432	9,132
	18,432	9,132

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 15. Financial Indicators

$ '000	Amounts 2022	Indicator 2022	Indicators 2021	Indicators 2020

These Financial Indicators have been calculated in accordance with Information paper 9 - Local Government Financial Indicators prepared as part of the LGA Financial Sustainability Program for the Local Government Association of South Australia.

Adjustments to Ratios

In recent years the Federal Government has made advance payments prior to 30th June from future year allocations of financial assistance grants. These Adjusted Ratios correct for the resulting distortion in key ratios for each year and provide a more accurate basis for comparison.

1. Operating Surplus Ratio				
Operating Surplus	**15,552**	**12.5%**	9.8%	4.5%
Total Operating Income	**124,239**			
This ratio expresses the operating surplus as a percentage of total operating revenue.				
Adjusted Operating Surplus Ratio				
Operating Surplus	**11,340**	**9.4%**	10.3%	4.9%
Total Operating Income	**120,027**			
2. Net Financial Liabilities Ratio				
Net Financial Liabilities	**126,339**	**102%**	126%	140%
Total Operating Income	**124,239**			
Net Financial Liabilities are defined as total liabilities less financial assets (excluding equity accounted investments in Council businesses). These are expressed as a percentage of total operating revenue.				
Adjusted Net Financial Liabilities Ratio				
Net Financial Liabilities	**136,555**	**114%**	130%	146%
Total Operating Income	**120,027**			
3. Asset Renewal Funding Ratio				
Asset Renewals	**13,749**	**70%**	108%	78%
Infrastructure & Asset Management Plan required expenditure	**19,605**			
Asset renewals expenditure is defined as capital expenditure on the renewal and replacement of existing assets relative to the optimal level planned, and excludes new capital expenditure on the acquisition of additional assets.				

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 16. Uniform Presentation of Finances

	2022 $ '000	2021 $ '000
The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.		
All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.		
The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.		
Income	124,239	115,888
less Expenses	(108,687)	(104,506)
Operating Surplus / (Deficit)	15,552	11,382
Net Outlays on Existing Assets		
Capital Expenditure on Renewal and Replacement of Existing Assets	(15,110)	(21,089)
add back Depreciation, Amortisation and Impairment	25,537	21,495
add back Proceeds from Sale of Replaced Assets	1,361	1,455
	11,788	1,861
Net Outlays on New and Upgraded Assets		
Capital Expenditure on New and Upgraded Assets (including Investment Property & Real Estate Developments)	(13,839)	(13,901)
add back Amounts Received Specifically for New and Upgraded Assets	2,516	1,380
add back Proceeds from Sale of Surplus Assets (including investment property, real estate developments & non-current assets held for resale)	4,334	4,030
	(6,989)	(8,491)
Net Lending / (Borrowing) for Financial Year	20,351	4,752

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 17. Leases

(i) Council as a lessee

Terms and conditions of leases

Building
Community building leases include Elizabeth Rise Community Centre.
The rent is increased by market rent review or CPI annually.

Plant and Equipment
Includes photocopiers and vehicles leasing. The leases are fixed repayments.

Set out below are the carrying amounts of right-of-use assets recognised within Infrastructure, Property, Plant and Equipment and the movements during the period:

(a) Right of use assets

	Building $ '000	Plant and Equitment $ '000	Total $ '000
2022			
Opening balance	100	158	258
Additions to right-of-use assets	–	157	157
Depreciation charge	(20)	(114)	(134)
Balance at 30 June	80	201	281
2021			
Opening balance	35	181	216
Additions to right-of-use assets	100	94	194
Depreciation charge	(35)	(117)	(152)
Balance at 30 June	100	158	258

(b) Lease liabilities

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2022 $ '000	2021 $ '000
Balance at 1 July	261	221
Additions	157	194
Accretion of interest	5	5
Payments	(140)	(159)
Balance at 30 June	283	261
Classified as:		
Current	140	114
Non Current	143	147

continued on next page ...

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 17. Leases (continued)

	2022 $ '000	2021 $ '000

The maturity analysis of lease liabilities is included in Note 13.

The following are the amounts recognised in the Statement of Comprehensive Income:

Depreciation expense of Right-of-Use Assets	132	152
Interest expense on lease liabilities	5	5
Total amount recognised in profit or loss	137	157

(ii) Council as a lessor

Council owns various buildings, plant and other facilities that are available for hire or lease (on a non-cancellable basis wherever practicable). Rentals received from such leases are disclosed in user charges (hall and equipment hire) in Note 2.

	2022 $ '000	2021 $ '000
Future minimum rentals receivable under non-cancellable operating leases as at 30 June, are as follows:		
Not later than one year	1,056	781
Later than one year and not later than 5 years	1,845	1,728
Later than 5 years	809	897
	3,710	3,406

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 18. Superannuation

Contribution to Superannuation Scheme
The Council makes employer superannuation contributions in respect of its employees to HostPlus Super (formerly Statewide Super Superannuation Scheme). There are two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members
Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with superannuation guarantee legislation 10% (9.50% in 2020/21). No further liability accrues to the Council as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members
Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. Council makes employer contributions to Salarylink as determined by the Fund's Trustee based on advice from the appointed Actuary. The rate is currently 6.3% (6.3% in 2020/21) of "superannuation" salary.

In addition, Council makes a separate contribution of 3% (3% 2020/21) of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.34(a), Council does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 20 June 2022. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to Council's contribution rates at some future time.

Contributions to Other Superannuation Schemes
Council also makes contributions to other superannuation schemes selected by employees under the "choice of fund" legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the net assets of the scheme, and no further liability attaches to the Council.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 19. Interests in Other Entities

All joint ventures and associates are required to prepare Annual Financial Statements that comply with the SA Local Government Model Financial Statements.

	Council's Share of Net Income		Council's Share of Net Assets	
	2022 $ '000	2021 $ '000	2022 $ '000	2021 $ '000
Council's Share of Net Income				
Joint Ventures	765	553	10,759	9,965
Total Council's Share of Net Income	765	553	10,759	9,965

((a)i) Joint Ventures, Associates and Joint Operations

(a) Carrying Amounts

	Principal Activity	2022 $ '000	2021 $ '000
Northern Adelaide Waste Management (NAWMA)	Waste Management	4,080	3,117
Gawler River Flood Management Authority (GRFMA)	Floodplain Management	6,679	6,848
Total Carrying Amounts - Joint Ventures & Associates		10,759	9,965

Northern Adelaide Waste Management (NAWMA)

The Northern Adelaide Waste Management Authority (NAWMA) manages recycling, waste collection and waste disposal for the City of Playford, City of Salisbury and Town of Gawler. Contributions are made towards waste collection, disposal and kerbside recycling and administration.

The City of Playford has a 36.50% equity interest in NAWMA for the year ended 30 June 2022 (2021: 35.36%). NAWMA has loan borrowings of $10.55 million as at 30 June 2022. The City of Playfords share of borrowings is $3.85 million.

Gawler River Flood Management Authority (GRFMA)

The Gawler River Floodplain Management Authority (GRFMA) was established in August 2002 to construct, operate and maintain flood mitigation infrastructure in the Gawler River area. Contributions are made to the administrative expenses of the Authority.

The City of Playford has a 30.90% equity interest in GRFMA as at 30 June 2022 (2021: 31.31%).

(b) Relevant Interests

	Interest in Operating Result		Ownership Share of Equity		Proportion of Voting Power	
	2022	2021	2022	2021	2022	2021
Northern Adelaide Waste Management (NAWMA)	36.5%	35.4%	36.5%	35.4%	33.3%	33.3%
Gawler River Flood Management Authority (GRFMA)	30.9%	31.3%	30.9%	31.3%	17.0%	17.0%

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City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 19. Interests in Other Entities (continued)

(c) Movement in Investment in Joint Venture or Associate

	Northern Adelaide Waste Management (NAWMA)		Gawler River Flood Management Authority (GRFMA)	
	2022 $ '000	2021 $ '000	2022 $ '000	2021 $ '000
Opening Balance	3,117	2,367	6,848	7,016
Share in Operating Result	842	641	(77)	(88)
Adjustments to Equity	121	109	(92)	(80)
Council's Equity Share in the Joint Venture or Associate	4,080	3,117	6,679	6,848

(d) Share of Joint Operations Expenditure Commitments

Expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

	2022 $ '000	2021 $ '000
Not later than one year	6,239	5,944
Later that one year and not later than 5 years	6,947	12,569
	13,186	18,513

Note 20. Non-Current Assets Held for Sale & Discontinued Operations

	2022 $ '000	2021 $ '000
Carrying Amounts of Assets and Liabilities		
Assets		
Asset Held for Sale	5,156	6,472
Total Assets	5,156	6,472
Net Assets	5,156	6,472

These assets were previously classified as part of Land in Note 7a.

Prior to transferring to non-current assets held for sale, the land was revalued to reflect its fair value.

City of Playford

Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 21. Contingencies & Assets/Liabilities Not Recognised in the Balance Sheet

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but knowledge is considered relevant to the users of the financial report in making and evaluating decisions about the allocation of scarce resources.

1. Land under roads

Council is of the opinion that it is not possible to attribute a value sufficiently reliably for these assets to qualify for recognition, and accordingly land under roads has not been recognised in the reports. Land acquired for road purposes during the year is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

At reporting date, Council controlled 937 km of road reserves of average width 15 metres.

2. Potential insurance losses

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to deductable "insurance excesses", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

3. Bank guarantees

Council may guarantee certain loans and other banking facilities advanced to community organisations and sporting bodies. As at 30 June 2022 the amount guaranteed was $nil (2021: $nil).

Council holds guarantee for certain procurement contracts. As at 30 June 2022 the amount held in guarantees was $1.3M (2021: $0.8M).

4. Legal expenses

Council is the planning consent authority for its area under the Development Act 1993 (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal. It is normal practice that parties bear their own legal costs. At the date of these reports, Council had notice of nil appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

5. Indenture

As part of the indenture entered into in July 1998 by the South Australian Housing Trust (SAHT) and Council, the SAHT have maintained a trust account. These monies are to be used to assist in refurbishment of the areas in which SAHT houses are concentrated. The current balance of this account is $1.44 million (2021: $1.44 million).

At the time of expenditure Council assumes ownership of the asset.

Note 22. Events after the Balance Sheet Date

Events that occur after the reporting date of 30 June 2022, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Council is unaware of any material or significant "non adjusting events" that should be disclosed

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 23. Related Party Transactions

Key Management Personnel

Transactions with Key Management Personnel

The Key Management Personnel of the Council include the Mayor, Councillors, CEO and certain prescribed officers under section 112 of the Local Government Act 1999. In all, 44 persons were paid the following total compensation.

	2022 $ '000	2021 $ '000
The compensation paid to Key Management Personnel comprises:		
Short-Term Employee Benefits	4,605	4,573
Termination Benefits	61	19
Councillor Allowances	431	430
Total	5,097	5,022

Amounts paid as direct reimbursement of expenses incurred on behalf of Council have not been included above.

Receipts from Key Management Personnel comprise:

Other than amounts paid as ratepayers or residents (e.g. rates, swimming pool entry fees, etc.), Council received the following amounts in total:

Planning and Building Application Fees	1	1
Total	1	1

Three close family members of key management personnel are employed by Council in accordance with the terms of the Award, and as recorded in the public Register of Salaries maintained in accordance with section 105 of the Local Government Act 1999.

Key management personnel or close family members (including related parties) lodged a total of five planning and building applications during the year. These people took no part in the assessment or approval process for these applications.

City of Playford

Notes to and forming part of the Financial Statements

for the year ended 30 June 2022

Note 24. Council information and contact details

Principal place of business:
10 Playford Boulevard
Elizabeth SA 5112

Contact details

Mailing Address:
12 Bishopstone Road
Davoren Park SA 5113

Opening hours:
9am-5pm
Monday to Friday

Telephone: 08 8256 0333
Facsimile: 08 8256 0578

Internet: www.playford.sa.gov.au
Email: playford@playford.sa.gov.au

Officers

Chief Executive Officer
Sam Green

AUDITORS
BDO
Level 7, 420 King William Street
Adelaide SA 5000
AUSTRALIA
Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

Elected members

Mayor
Glenn Docherty

Councillor
Cr Agapios (Peter) Rentoulis
Cr Akram Arifi
Cr Andrew Craig
Cr Cathy-Jo Tame
Cr Clint Marsh
Cr David Kerrison
Cr Dennis Ryan
Cr Esperanza (Jane) Onuzans
Cr Gay Smallwood-Smith
Cr Katrina Stroet
Cr Marilyn Baker
Cr Misty Norris
Cr Shirley Halls
Cr Stephen Coppins
Cr Veronica Gossink

Other information

ABN: 99 397 793 662

City of Playford

General Purpose Financial Statements
for the year ended 30 June 2022

Independent Auditor's Report - Financial Statements

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City of Playford

General Purpose Financial Statements
for the year ended 30 June 2022

Independent Auditor's Report - Internal Controls

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City of Playford

General Purpose Financial Statements

for the year ended 30 June 2022

Certification of Auditor Independence

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of City of Playford for the year ended 30 June 2022, the Council's Auditor, BDO has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.

Sam Green
Chief Executive Officer

Mark Labaz
Presiding Member, Corporate Governance Committee

Date: 04 October 2022

City of Playford

General Purpose Financial Statements
for the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of City of Playford for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations* 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Andrew Tickle
BDO

Date: 04 October 2022



CITY OF PLAYFORD

Annual completion report

YEAR ENDED 30 JUNE 2022

IDEAS | PEOPLE | TRUST

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CONTENTS

Executive Summary 4
Areas of audit focus 5
Internal control 8
Other reporting requirements 10
Appendix 1 Proposed audit report 11
Appendix 2 Auditor independence declaration 13
Appendix 3 New developments 14
Appendix 4 ESG and your business 16



Dear Corporate Governance Committee

We are pleased to present this report to the Corporate Governance Committee of City of Playford in relation to the 30 June 2022 annual audit.

As at the date of this report, we have substantially completed our audit and subject to the satisfactory resolution of the matters outlined in the Executive Summary, we expect to issue an unmodified audit report.

We have set out in this document the significant matters arising from our audit. This summary covers those matters we believe to be material in the context of our work.

We look forward to the Corporate Governance Committee meeting on 4 October 2022 where we will have the opportunity to discuss this report.

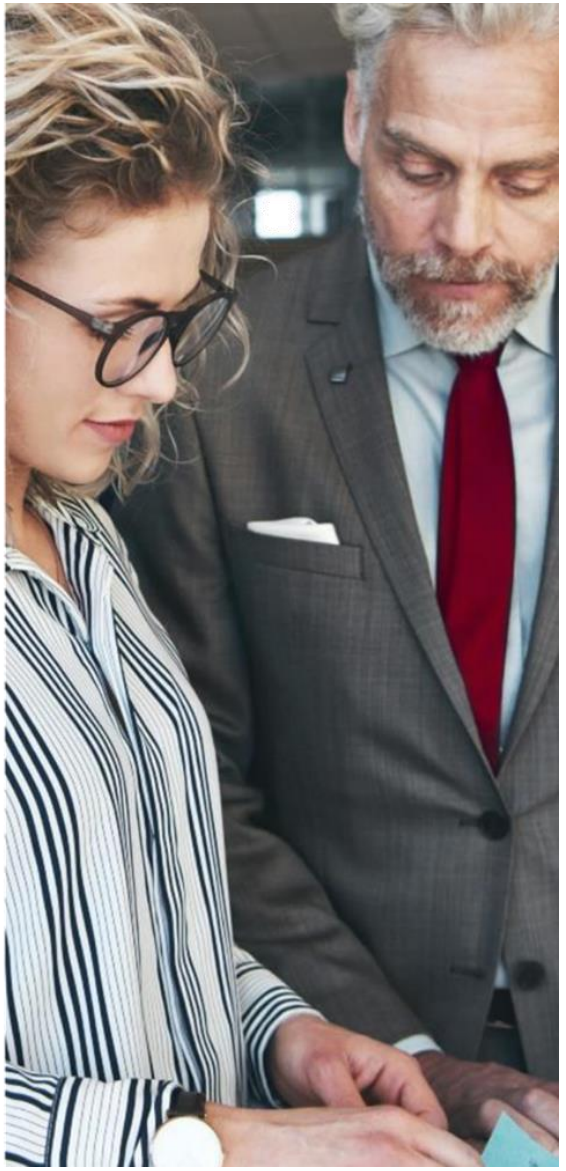
Should you require clarification on any matter in this report before this date, please do not hesitate to contact me on +61 8 7324 6082

We would like to take this opportunity to extend our appreciation to management for their assistance and cooperation throughout the course of our audit.

Yours faithfully

Andrew Tickle
Engagement Partner

Adelaide, 16 September 2022





EXECUTIVE SUMMARY

PURPOSE

The purpose of this report is to communicate significant matters arising from our audit to the Corporate Governance Committee. This report has been discussed with management.

SCOPE

Our audit was conducted in accordance with Australian Auditing Standards and the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* for the year ended 30 June 2022.

STATUS OF THE AUDIT

Our audit of the financial report is substantially complete. We expect to issue an unmodified audit report, subject to satisfactory completion of the following:

- Review of events subsequent to 30 June 2022 to date of signing the audit report
- Receipt of written management representations on various matters
- Receipt of formally adopted financial statements and agreement of these to drafts previously provided

A draft of the proposed audit report is included at Appendix 1.

SUMMARY OF MISSTATEMENTS

We have not identified any misstatements during our audit.

AREAS OF AUDIT FOCUS

In performing our audit, we have identified those matters that, in the auditor's judgement, were of the most significance in the audit of the financial report. Our audit procedures also focused on areas that were considered to represent significant risks of material misstatement. These areas of focus are outlined below:

- Revaluation, depreciation, useful lives and residual values of infrastructure assets
- Accounting treatment of capital work in progress (WIP)
- Accounting treatment for grant funding
- Management override of controls
- Land classified as 'held for sale'

Refer to the relevant section for details on the significant risk areas and other areas focused on during the audit.



AREAS OF AUDIT FOCUS

We identified the risk areas as part of our risk assessment procedures undertaken during the planning phase and continued to be alert for risks during the course of the audit. Our audit procedures focused on areas that were considered to represent risks of material misstatement.

We set out the areas that were considered significant risks of material misstatement along with an outline of the work performed and a summary of findings.

REVALUATION OF INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
Description	**Audit work performed**	**Summary of findings**
Council's infrastructure, property, plant and equipment is carried at valuation. There is a risk that these balances are misstated as a result of the inappropriate application of valuation methodologies or the use of incorrect underlying assumptions.	We evaluated the competence, capability and objectivity of the independent valuers, obtained an understanding of their work and evaluated appropriateness of conclusions reached.	We noted that the revaluation resulted in the following increments / (decrements): • Land $42,489,225 • Buildings $(46,326,936) • Infrastructure $215,832,670 There were no other findings noted during our testing.

ACCOUNTING TREATMENT OF CAPITAL WORK IN PROGRESS (WIP)		
Description	**Audit work performed**	**Summary of findings**
There is a risk that the accounting treatment of items captured within Capital WIP may not be in accordance with Australian Accounting Standards.	We obtained the Capital WIP schedule and reviewed in detail a sample of projects outstanding at the end of the year to ensure they are likely to generate assets. We also reviewed a sample of assets transferred out of Capital WIP to check that the categorisation and value allocated to the relevant fixed asset class was appropriate.	No issues were noted in relation to the accounting treatment of capital work in progress.



AREAS OF AUDIT FOCUS *CONTINUED*

MANAGEMENT OVERRIDE OF INTERNAL CONTROLS		
Description	**Audit work performed**	**Summary of findings**
Australian Auditing Standards require that we presume there is a risk that management has the ability to manipulate accounting records and override control that otherwise appear to be operating effectively.	We reviewed key internal controls at the Council to mitigate the risk of management override. We tested the appropriateness of journal entries and other adjustments made in the preparation of the financial report. We also reviewed accounting estimates for bias, and evaluated the business rationale (or lack of) of any significant transactions that are outside of the normal course of business or that otherwise appeared to be unusual.	The was no evidence of misstatement due to management override of controls noted.

ACCOUNTING TREATMENT OF GRANT FUNDING		
Description	**Audit work performed**	**Summary of findings**
There is a risk of error in the calculation of grant income recognised and deferred at the end of the year by reference to grant agreements and Australian Accounting Standards.	We obtained the schedule of grant income recognised and deferred at year end. We selected a sample of grants and obtain the agreements to test that funding had been recognised in accordance with *AASB 15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities*.	No issues were noted in relation to the accounting treatment of grant funding.



AREAS OF AUDIT FOCUS *CONTINUED*

LAND CLASSIFIED AS 'HELD FOR SALE'		
Description	**Audit work performed**	**Summary of findings**
AASB 5 Non-current Assets Held for Sale and Discontinued Operations requires non-current assets that are classified as held for sale at the lower of its carrying amount and fair value less costs to sell. In 2022, the Council reclassified a number of land assets as 'held for sale'.	We obtained a copy of the current contract of sale to determine whether the land was held at the lower of its carrying amount and fair value less costs to sell.	We did not note any issues in relation to the accounting treatment of the land classified as 'held for sale'.



INTERNAL CONTROL

CURRENT YEAR

In accordance with ASA 265 *Communicating Deficiencies in Internal Control to Those Charged with Governance and Management*, we are required to communicate in writing, significant deficiencies in internal control identified during our audit to those charged with governance on a timely basis.

The standard defines a deficiency in internal control as:

1. A control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial report on a timely basis; or
2. A control necessary to prevent, or detect and correct, misstatements in the financial report on a timely basis is missing.

Significant deficiency in internal control means a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgement, is of sufficient importance to merit the attention of the Corporate Governance Committee.

Our audit procedures did not identify any significant deficiencies that in our professional judgment are of sufficient importance to merit the attention of the Corporate Governance Committee.

FOLLOW UP ON PRIOR PERIOD FINDINGS

We have detailed below the current status of matters relating to internal control that have been raised in prior communications and are not referred to in the current period findings.

	Description of matter	Date previously communicated	Current status	Management comments
1	We noted that there were a number of infrastructure assets that were showing a useful life in the asset register that were higher than the policy range.	2021 Audit Completion Report	We can confirm that the policy was updated in 2022 after a review of useful lives was completed and the asset register was updated as part of the valuation process.	Management confirm this was undertaken during the revaluation process and all useful lives are now within Council policy ranges.



INTERNAL CONTROL *RISK ASSESSMENT*

We have completed the testing of internal controls for the purpose of providing an audit opinion on Council's internal controls. This work focuses on controls exercised by the Council in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities are sufficient to provide reasonable assurance that the financial transactions of the Council have been conducted properly and in accordance with law.

Our assessment of internal controls is based on the criteria in the Better Practice Model - Financial Internal Control for South Australian Councils as issued by the Local Government Association of South Australia.

The Better Practice Model emphasises a risk based approach to internal financial controls. It states that a Council should design and implement internal financial controls activities and monitoring systems that prioritise extreme and high financial risk as identified by the Council's risk tolerance framework.

We have been advised by the management that no risk assessment was performed for this financial year. Instead, self-assessment was performed over all 'core controls' that are suggested per Better Practice Model.

For the purpose of our internal control audit opinion, we have performed our own risk assessment to identify the key financial risks facing the Council, determine the inherent risk level and evaluate core controls activities to address this risk. Based on this work, we have not noted any material exceptions that would lead to a qualification to the audit report on internal controls.

Below is a table that shows the results of the work completed on internal controls in 2022:

RISK CATEGORY	Controls tested	Effective	Ineffective
Strategic Financial Planning	9	9	-
Assets	22	22	-
Liabilities	8	8	-
Revenue	18	18	-
Expenses	32	32	-
External Services	3	3	-
Financial Governance	-	-	-
Total	**92**	**92**	**-**

Based on the work completed, we have not noted any reportable points or material exceptions that would lead to a qualification to the audit report on internal controls.



OTHER REPORTING REQUIREMENTS

INDEPENDENCE AND ETHICS

In conducting our audit, we are required to comply with the independence requirements of the *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* and Part 4A of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

We have obtained independence declarations from all staff engaged in the audit.

We also have policies and procedures in place to identify any threats to our independence, and to appropriately deal with and if relevant mitigate those risks.

We have not become aware of any issue that would cause any member of the engagement team, BDO or any BDO network firm to contravene any ethical requirement or any regulatory requirement that applies to the audit engagement.

BDO has not provided any other services during the audit to City of Playford.

The *Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011* requires the lead auditor to make a declaration to the directors regarding independence. We are in a position to make this declaration, a draft of which has been included at Appendix 2.

NON-COMPLIANCE WITH LAWS AND REGULATIONS

We have made enquiries in relation to any non-compliance with laws and regulations during the course of our audit. We have not identified any instances of non-compliance with laws and regulations as a result of our enquiries.

We have not identified any reportable matters during the course of our audit.

FRAUD

We have obtained understanding of the nature of fraud detected by management during the year and the circumstances in which they occurred. We have evaluated the possible effect on the financial report and its implications on other aspects of our audit including our risk assessment and have concluded that the financial statements are not materially misstated in relation to this matter, and that it has not caused us to revise our overall risk assessment.

It should be noted that our audit is not designed to detect fraud however should instances of fraud come to our attention we will report them to you.

We have not identified any instances of fraud during the course of our audit.



APPENDIX 1 PROPOSED AUDIT REPORT

INDEPENDENT AUDITOR'S REPORT
TO THE PRINCIPAL MEMBER OF CITY OF PLAYFORD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of City of Playford (the Council), which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the certification of the financial statements.

In our opinion the accompanying financial report presents fairly, in all material respects, the Council's financial position as at 30 June 2022, and its financial performance and its cash flows for the year ended in accordance with Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We are independent of the Council in accordance with the Local Government Act 1999 and the ethical requirements of the Accounting Professional and 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.

We confirm that the independence declaration required by the *Local Government Act 1999*, which has been given to the Council, would be in the same terms if given to the Council as at the time of this auditor's report.

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

Information Other than the Financial Report and Auditor's Report Thereon

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the annual reports of Northern Adelaide Waste Management Authority and Gawler River Floodplain Management Authority for the year ended 30 June 2022.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report of the City of Playford, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



APPENDIX 1 PROPOSED AUDIT REPORT *CONTINUED*

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Council's Responsibility for the Financial Report

The Council's officers are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as the Council's officers determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Council's officers are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council's officers either intend to liquidate the Council or to cease operations, or has 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: http://www.auasb.gov.au/auditors_files/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit (SA) Pty Ltd

Andrew Tickle
Director

Adelaide, XX Month 20XX



APPENDIX 2 AUDITOR INDEPENDENCE DECLARATION

CERTIFICATION OF AUDITOR INDEPENDENCE

I confirm that, for the audit of the financial statements of the City of Playford for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code), Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

Andrew Tickle
Director

BDO Audit (SA) Pty Ltd

Adelaide, 16 September 2022



APPENDIX 3 NEW DEVELOPMENTS

We wish to bring to your attention some upcoming changes in financial reporting which may cause significant changes to your future reported financial position and performance.

AASB 2020-1 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

Effective for annual reporting periods beginning on or after 1 January 2023, there are four main changes to the classification requirements within AASB 101 *Presentation of financial statements*:

- The requirement for an 'unconditional' right has been deleted from paragraph 69(d) because covenants in banking agreements would rarely result in unconditional rights.
- The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
- Classification is based on the right to defer settlement, and not intention (paragraph 73), and
- If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity under IAS 32.

As these amendments only apply for the first time to the 30 June 2024 balance sheet (and 30 June 2023 comparative balance sheet), companies are not yet able to make an assessment of the impacts regarding the right to defer settlement, compliance with bank covenants, and intention to settle.

AASB 2021-2 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS - DISCLOSURE OF ACCOUNTING POLICIES, AND DEFINITION OF ACCOUNTING ESTIMATES

Applicable to annual reporting periods commencing on or after 1 January 2023, this amending standard defines an 'accounting estimate' as monetary amounts in the financial statements that are subject to estimation uncertainty. This captures, for example, expected credit losses for receivables, or the fair value of an item recognised in the financial statements at fair value.

Accounting estimates are developed using measurement techniques including estimation techniques (such as used to determine expected credit losses or value in use) and valuation techniques (such as the income approach to determine fair value), and inputs. This amending standard clarifies that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input.

It further clarifies that only material accounting policy information must be disclosed in the financial statements. This is the case when it relates to material transactions, other events or conditions, and:

- The entity has changed its accounting policy during the period
- There are one or more accounting policy options in Accounting Standards
- The accounting policy was developed applying the hierarchy in AASB 108
- Significant judgement was required in applying the accounting policy
- The accounting is complex.



APPENDIX 3 NEW DEVELOPMENTS *CONTINUED*

REVISED AUDITING STANDARD - ASA 315, IDENTIFYING AND ASSESSING THE RISKS OF MATERIAL MISSTATEMENT

Australian Auditing Standard 315 *identifying and Assessing the Risks of Material Misstatement (Revised)* (ASA 315) is effective for financial reporting periods beginning on or after December 15, 2021. It requires a more granular process of identification risks of material misstatement (RMM) in an entity, with a separate assessment of inherent risk and control risk for assertion level RMMs, to drive a more efficient and risk-responsive audit.

HOW HAS IT CHANGED?

- Requirement to perform a separate assessment of inherent risk and control risk for risks of material misstatement (RMMs) identified at the assertion level
- Spectrum of inherent risk, based on the likelihood and magnitude of an RMM
- Use of inherent risk factors (complexity, subjectivity, change, uncertainty or susceptibility to misstatement due to management bias or fraud) to drive risk identification.
- Identification of 'risks arising from the use of IT' based on integrity of information in the information system; risks arising from ineffective design or non-application of controls
- Understanding controls over processes that support the effective operation of the IT environment

HOW CAN YOU ASSIST US TO TRANSITION TO THIS REVISED STANDARD?

1. Document your policies and procedures surrounding business processes, from initiation and processing, through to recording and reporting, of transactions, account balances and disclosures
2. Review your procedures in advance so we can have robust discussions about where the risk areas arise and the controls you have in place.
3. Familiarise yourself with your IT environment and how your IT systems are being used to help us identify risks arising from use of IT.



APPENDIX 4 ESG AND YOUR BUSINESS

WHAT IS ESG?

ESG is the acronym for Environmental, Social and Governance. It is a holistic concept about an organisation's ability to create and sustain long-term value in a rapidly changing world, and managing the risks and opportunities associated with these changes.

ESG metrics are not part of mandatory financial reporting required by Australian Accounting Standards or International Financial Reporting Standards, but organisations across the world are increasingly making disclosures in their annual report or in a standalone sustainability report.

ESG is used as a framework to assess how an organisation manages risks and opportunities that changing market and non-market conditions create. ESG also puts a heavy emphasis on risk management, because monitoring and mitigating risks across all three dimensions is an important priority for any company that is serious about ESG. The three categories of ESG factors are as follow:-

- **Environmental** factors address an organisation's environmental impact and environmental stewardship. It is focused on improving the environmental performance of an organisation.
- **Social** factors refers to how an organisation manages relationships with, and creates value for, stakeholders. The social dimension is focused on an organisation's impact on its employees, customers and the community.
- **Governance** factors refers to an organisation's leadership and management philosophy, practices, policies, internal controls, and shareholder rights. The governance dimension is focused on an organisation's leadership and structure.

WHY IS ESG IMPORTANT FOR YOUR BUSINESS?

Investors across the globe are increasingly demanding organisations to outline their ESG framework and approach in order to assess the organisation's long-term sustainability. ESG has a potential significant impact on the following fundamental business issues relevant to the long-term success of the organisation:

- **Corporate reputation** - ESG can enhance a company's license to operate making it easier to accomplish business objectives and respond to crisis scenarios with key stakeholder groups.
- **Risk reduction** - ESG can assist with the identification of immediate and long-term risks depending on the industry and business model.
- **Opportunity management** - Shifting market and non-market conditions can expose unmet needs for new products and/or services, potential customer bases, and potential strategic relationships for addressing ESG issues.
- **Culture & intrinsic value** - ESG maturity is an indicator of a company's commitment to building a high performing, purpose-driven workforce and inclusive culture.

A robust ESG strategy can help attract the right talent and investors. To achieve a shift in sustainability we need to stop viewing ESG as a 'nice to have', it should be part of business strategy and risk management which can have a direct and positive impact on financial performance.

If you would like to speak with us about implementing an ESG framework in your organisation or providing assurance on your framework, please contact your audit engagement partner initially.

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We have prepared this report solely for the use of City of Playford. As you know, this report forms part of a continuing dialogue between the company and us and, therefore, it is not intended to include every matter, whether large or small, that has come to our attention. For this reason we believe that it would be inappropriate for this report to be made available to third parties and, if such a third party were to obtain a copy of this report without prior consent, we would not accept any responsibility for any reliance they may place on it.

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Mr Andrew Tickle

BDO Audit Pty Ltd

Level 7, BDO Centre

420 King William Street

ADELAIDE SA 5000

25th October 2022

Dear Mr Tickle

AUDIT FOR YEAR ENDED 30 JUNE 2022 OF THE CITY OF PLAYFORD

This representation letter is provided in connection with your audit of the financial report of the City of Playford for the year ended 30 June 2022, for the purpose of expressing an opinion as to whether the financial report presents fairly in accordance with the Australian Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purposes of appropriately informing ourselves:

Financial report

1. We have fulfilled our responsibilities, as set out in your engagement letter dated 25 March 2022, for the preparation for the financial report in accordance with Australian Accounting Standards, the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. In particular, that the financial report presents fairly in accordance therewith.
2. We have established and maintained adequate internal controls to facilitate the preparation of a reliable financial report and adequate records have been maintained. Any and all deficiencies in internal control of which we are aware have been communicated to you.
3. We confirm that the selection and application of accounting policies remains appropriate, and that there have been no changes to the accounting policies applied in the previous annual financial statements or the methods used in applying them.
4. We have no plans or intentions that may materially affect the carrying values, or classification, of assets and liabilities.
5. The entity has satisfactory title to all assets, and there are no liens or encumbrances on such assets that have not been disclosed, nor has any asset been pledged as collateral.

6. All significant judgments related to accounting estimates have taken into account all relevant information of which management is aware and the selection or application of the methods, assumptions and data used by management in making the accounting estimates are consistent and appropriate.
7. The assumptions used in determining accounting estimates and related disclosures appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity.
8. Disclosures related to accounting estimates, including disclosures describing estimation uncertainty, are complete and reasonable within the context of the applicable financial reporting framework.
9. The appropriate specialised skills or expertise has been applied in making the accounting estimates as applicable.
10. We acknowledge that valuations of Infrastructure, Property, Plant & Equipment have been appropriately undertaken so as to ensure that the carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting period. Individual classes of Infrastructure, Property, Plant & Equipment are assigned to the appropriate level in the *AASB 13* fair value hierarchy.

Books, records and documentation

11. We have provided you with:
    - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
    - All minutes of meetings held by the Board of Directors, Committees and shareholders since the end of the previous reporting period have been given to you for your inspection;
    - Additional information that you have requested from us for the purpose of the audit;
    - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
12. All transactions have been recorded in the accounting records and are reflected in the financial report.

Uncorrected misstatements

13. No uncorrected misstatements have been bought to our attention.

Related parties

14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions.
15. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with Australian Accounting Standards in the financial report.

Fraud

16. We acknowledge our responsibility for the design, implementation and maintenance of accounting and internal control systems that are designed to prevent and detect fraud.
17. We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

18. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
    - Management;
    - Employees who have significant roles in internal control; or
    - Others where fraud could have a material impact on the financial report.
19. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.

Litigation and claims

20. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered in the financial report; and accounted for and disclosed in accordance with Australian Accounting Standards.

Compliance with laws and regulations

21. We have disclosed to you all known actual or possible non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
22. There have been no instances of non-compliance of laws and regulations involving management or employees who have a significant role in internal control.

    There have been no communications from regulatory agencies concerning non-compliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial report.

Subsequent events

23. All events occurring subsequent to the date of the financial report and for which adjustment or disclosure are required, including but not limited to accounting estimates have been adjusted or disclosed.

Other information

24. We have informed you of all the documents that we expect to issue which may comprise other information accompanying the financial report.
25. The financial report and any other information obtained by you prior to the date of the auditor's report are consistent with one another, and the other information does not contain any material misstatements.
26. The final version of the other information will be provided to you when available, and prior to issuance to allow you to complete your procedures over this other information.

Electronic presentation of Financial Report

27. We are responsible for the electronic presentation of the financial report.
28. We will ensure that the electronic version of the audited financial report and the auditor's report on the web site will be identical to the final signed hard copy version.
29. We will clearly differentiate between audited and unaudited information in the construction of the entity's web site as we understand the risk of potential misrepresentation.

30. We have assessed the controls over the security and integrity of data on the web site and that adequate procedures are in place to ensure the integrity of the information published.
31. We will not present the auditor's report on the full financial statements with extracts only of the full financial statements.

Yours faithfully

Sam Green

Chief Executive Officer

Dale Welsh

General Manager, Strategy & Corporate

Attachment 4

City of Playford
Statement of Comprehensive Income
For the year ended 30 June 2022

2020/21 Actual $000's		2021/22 Original Budget $000's	2021/22 Actual $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
	INCOME					
83,635	Rates	86,175	86,346	171	0%	
2,565	Statutory Charges	2,115	2,852	737	35%	Higher application volumes and Section 7 searches
3,205	User Charges	5,818	3,929	(1,889)	(32%)	Original Budget included revenue from internal water sales. Internal transactions are not recognised in the Financial Statements ($1.7M), lower water recovery due to wetter summer.
9	Investment Income	13	10	(3)	(23%)	Lower interest rates on deposits
871	Reimbursements	741	905	164	22%	Higher Utilities reimbursements
1,050	Other Income	184	205	21	11%	Higher LGFA distribution (Bonus)
23,912	Grants, Subsidies and Contributions	19,056	29,150	10,094	53%	FAGs Prepaid 75% 2022/23 allocation
641	Net Gain - Equity Accounted Council Businesses	33	842	809	2452%	Council's share of the NAWMA.
115,888	**TOTAL INCOME**	114,135	124,239	10,104		
	EXPENSES					
41,218	Employee costs	42,995	41,719	1,276	3%	Reduced costs due to vacant and delays in filling positions
37,452	Materials, Contracts & Other Expenses	39,668	37,507	2,161	5%	Reduced contractors and reduced water due to wetter summer period.
4,253	Finance costs	5,042	3,847	1,195	24%	Delay in capital projects and lower interest rates on loans
21,495	Depreciation, Amortisation and Impairment	21,924	25,537	(3,613)	(16%)	Additional depreciation from revaluation of assets
88	Net Loss - Equity Accounted Council Businesses	102	77	25	25%	Council's share of the GRFMA.
104,506	**TOTAL EXPENSES**	109,731	108,687	1,044		
11,382	**Operating Surplus / (Deficit)**	**4,404**	**15,552**	**11,148**		
(1,736)	Asset Disposal & Fair Value Adjustments	7,200	(4,769)	(11,969)	(166%)	The budget is an estimate only based on the best available information at the time
1,380	Amounts Received Specifically for New or Upgraded Assets	12,557	2,516	(10,041)	(80%)	Grants to be carried forward for capital projects not completed in 21/22
16,812	Physical Resources Received Free of Charge	11,857	48,511	36,654	309%	Actual value of assets received is dependant on the progress of developments, this has been greater than anticipated due to the current activities in the housing market.
27,838	**NET SURPLUS / (DEFICIT)**	**36,018**	**61,810**	**14,644**		
	Other Comprehensive Income					
11,773	Changes in Revaluation Surplus - I,PP&E	8,522	215,794	207,272	2432%	The external asset revaluation was carried out during the year and the result was higher than anticipated with revaluation on infrastructure significant.
-	Other Equity Adjustments - Equity Accounted Council Businesses	-	29	29	100%	Share of other comprehensive income for GRFMA and NAWMA was not budgeted for
-	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	(689)	(689)	100%	Asset failure resulting in impairment
11,773	**Total Other Comprehensive Income**	8,522	215,134	206,612		
39,611	**TOTAL COMPREHENSIVE INCOME**	**44,540**	**276,944**	**221,256**		

Attachment 4

City of Playford
Year End Balance Sheet
For the year ended 30 June 2022

2020/21 Actual $000's		2021/22 Original Budget $000's	2021/22 Actual $000's	Variance Inc/(Dec) $000's	Variance Inc/(Dec) %	Explanation of variance where considered material
	CURRENT ASSETS					
122	Cash & Cash Equivalents	1,500	1,818	318	21%	Additional funds held in trust
6,209	Trade & Other Receivables	7,043	6,403	(640)	(9%)	
146	Inventories	182	192	10	5%	
19	Other Financial Assets	-	23	23	100%	The budget is an estimate only based on the best available information at the time
558	Other current assets	-	757	757	100%	The budget is an estimate only based on the best available information at the time
6,472	Non-current assets classified as Held for Sale	-	5,156	5,156	100%	Actual amount related to land sales delayed and disposal of assets due in 2022/23
13,526	TOTAL CURRENT ASSETS	8,725	14,349	5,624		
	NON-CURRENT ASSETS					
295	Financial Assets	337	273	(64)	(19%)	Repayments received for loan outstanding
9,965	Equity Accounted Investments in Council Businesses	8,739	10,759	2,020	23%	Councils share of NAWMA and GRFMA
1,271,126	Infrastructure, Property, Plant & Equipment	1,352,059	1,527,134	175,075	13%	External Revaluation
10,681	Other Non-Current Assets	13,263	12,726	(537)	(4%)	
1,292,067	TOTAL NON-CURRENT ASSETS	1,374,398	1,550,892	176,494		
1,305,593	**TOTAL ASSETS**	1,383,123	1,565,241	182,118		
	CURRENT LIABILITIES					
19,223	Trade & Other Payables	18,043	20,575	2,532	14%	The budget is an estimate only based on the best available information at the time
6,565	Borrowings	6,865	6,314	(551)	(8%)	Borrowings lower than budget due to Financial Assistance Grants paid in advance as well as delays in capital spend
6,036	Provisions	5,900	6,429	529	9%	
31,824	TOTAL CURRENT LIABILITIES	30,808	33,318	2,510		
	NON-CURRENT LIABILITIES					
119,052	Long Term Borrowings	157,659	100,269	(57,390)	(36%)	Borrowings lower than budget due to Financial Assistance Grants paid in advance as well as delays in capital spend
1,292	Long Term Provisions	1,195	1,269	74	6%	
120,344	TOTAL NON-CURRENT LIABILITIES	158,854	101,538	(57,316)		
152,168	**TOTAL LIABILITIES**	189,662	134,856	(54,806)		
1,153,425	**NET ASSETS**	**1,193,461**	**1,430,385**	**236,924**		
	EQUITY					
496,160	Accumulated Surplus	530,619	415,270	(115,349)	(22%)	
645,797	Asset Revaluation Reserves	654,952	1,001,855	346,903	53%	External Revaluation
11,468	Other Reserves	7,890	13,260	5,370	68%	Higher developer contributions than budgeted as well as delayed capital spending for reserves funded projects.
1,153,425	**TOTAL EQUITY**	**1,193,461**	**1,430,385**	**236,924**		

Attachment 4

City of Playford
Statement of Changes in Equity
For the year ended 30 June 2022

2020/21 Actual $000's		2021/22 Original Budget $000's	2021/22 Actual $000's	Variance Inc/(Dec) $000's	Variance Inc/ (Dec) %	Explanation of variance where considered material
	ACCUMULATED SURPLUS					
470,924	Balance at end of previous reporting period	493,164	496,160	2,996	1%	
27,838	Net Surplus / (Deficit) for Year	36,018	61,810	25,792	72%	See Statement of Comprehensive Income
-	Adjustments (Correction of Prior Period Errors)	-	16	16	0%	
29	Other Equity Adjustments - Equity Accounted Council Businesses	-	29	29	0%	Do not budget for this line
-	Transfers from Other Reserves	1,437	(140,953)	(142,390)	(9909%)	Transfer of revaluation reserve to accumulated surplus on disposal,non budgeted
(2,631)	Transfers to Other Reserves	-	(1,792)	(1,792)	0%	Higher than anticipated developer contributions receivec
496,160	**Balance at end of reporting period**	**530,619**	**415,270**	**(115,349)**		
	ASSET REVALUATION RESERVE					
634,024	Balance at end of previous reporting period	646,431	645,797	(634)	(0%)	
-	Other Comprehensive Income	-	-	-	0%	
11,773	Gain(Loss) on revaluation of infrastructure, property, plant & equipment	8,521	215,794	207,273	2432%	
-	Impairment (expense) / recoupments offset to asset revaluation reserve	-	(689)	(689)	0%	
-	Transfers to accumulated surplus	-	140,953	140,953	0%	Transfer of revaluation reserve to accumulated surplus on disposal,non budgeted
645,797	**Balance at end of reporting period**	**654,952**	**1,001,855**	**346,903**		
	OTHER RESERVES					
8,837	Balance at end of previous reporting period	9,327	11,468	2,141	23%	
-	Transfers to accumulated surplus	(1,437)	-	1,437	(100%)	
2,631	Transfers from accumulated surplus	-	1,792	1,792	0%	
11,468	**Balance at end of reporting period**	**7,890**	**13,260**	**5,370**		
1,153,425	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**1,193,461**	**1,430,385**	**236,924**		
496,160	Accumulated Surplus	530,619	415,270	415,270	78%	
657,265	Reserves	662,842	1,015,115	1,015,115	153%	
1,153,425	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**1,193,461**	**1,430,385**	**1,430,385**		

Attachment 4

City of Playford
Statement of Cash Flows
For the year ended 30 June 2022

2020/21 Actual $000's		2021/22 Original Budget $000's	2021/22 Actual $000's	Variance Inc/(Dec) $000's	Variance Inc/ (Dec) %	Explanation of variance where considered material
Inflows / (Outflows)		Inflows / (Outflows)	Inflows / (Outflows)	Inflows / (Outflows)		
	CASHFLOWS FROM OPERATING ACTIVITIES					
	Receipts					
84,580	Rates Receipts	86,155	86,551	396	0%	
2,565	Statutory Charges	2,109	2,852	743	35%	Higher application volumes and Section 7 searches
3,412	User Charges	5,782	4,242	(1,540)	(27%)	Original Budget included revenue from internal water sales. Internal transactions are not recognised in the Financial Statements ($1.7M), lower water recovery due to wetter summer
24,019	Grants, Subsidies and Contributions	18,792	29,228	10,436	56%	FAGs Prepaid 75% 2022/23 allocation
9	Investment Receipts	13	10	(3)	(23%)	Lower interest rates on deposits
944	Reimbursements	741	980	239	32%	Higher Utilities reimbursements
13,513	Other Receipts	442	6,464	6,022	1362%	Gross of GST not budgeted
-	**Payments**	-	-	-	0%	
(41,373)	Payments to Employees	(42,942)	(41,885)	1,057	(2%)	
(44,750)	Payments for Materials, Contracts & Other Expenses	(39,933)	(42,989)	(3,056)	8%	Gross of GST not budgeted offset by reduced water costs
(4,253)	Finance Payments	(5,042)	(3,847)	1,195	(24%)	Delay in capital projects and lower interest rates on loans
38,666	**NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**	**26,117**	**41,606**	**15,489**		
	CASH FLOWS FROM FINANCING ACTIVITIES					
	Receipts					
66,529	Proceeds from Borrowings	21,233	138,615	117,382	553%	Budget doesn't include cash management activities during the year
	Payments		-		0%	
(78,701)	Repayments of Borrowings	(6,789)	(157,671)	(150,882)	2222%	Budget doesn't include cash management activities during the year
(154)	Repayment of Finance Lease Liabilities	(98)	(134)	(36)	37%	Additional leases
(12,326)	**NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES**	**14,346**	**(19,190)**	**(33,536)**		
	CASH FLOWS FROM INVESTMENT ACTIVITIES					
	Receipts					
1,455	Sale of Replaced Assets	-	1,361	1,361	0%	The budget is an estimate only based on the best available information at the time
4,030	Sale of Surplus Assets	7,200	4,334	(2,866)	(40%)	Delayed settlement
1,380	Amounts Received Specifically for New/Upgraded Assets	12,557	2,516	(10,041)	(80%)	Grants to be carried forward for capital projects not completed in 21/22
23	Repayments of Loans by Community Groups	-	18	18	0%	Do not budget for this line
	Payments				0%	
(21,089)	Expenditure on Renewal/Replacement of Assets	(21,922)	(15,110)	6,812	(31%)	Delay in projects due to external factors
(13,901)	Expenditure on New/Upgraded Assets	(38,298)	(13,839)	24,459	(64%)	Delay in projects due to external factors
(28,102)	**NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES**	**(40,463)**	**(20,720)**	**19,743**		
(1,762)	**NET INCREASE (DECREASE) IN CASH HELD**	-	**1,696**	**1,696**	0%	
1,884	CASH AT BEGINNING OF REPORTING PERIOD	1,500	122	(1,378)	(92%)	
122	**CASH AT END OF REPORTING PERIOD**	**1,500**	**1,818**	**1,817**		

Attachment 4

City of Playford
Uniform Presentation of Finances
For the year ended 30 June 2022

2020/21 Actual $000's		2021/22 Original Budget $000's	2021/22 Actual $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
115,888	Operating income	114,134	124,239	10,105	9%	FAGs Prepaid 75% 2022/23 allocation
(104,506)	Less: Operating expenditure	(109,730)	(108,687)	1,043	(1%)	
11,382	**Operating Surplus / (Deficit)**	**4,404**	**15,552**	**11,148**		
	Net outlays on existing assets					
(21,089)	Capital expenditure on renewal and replacement of existing assets	(21,922)	(15,110)	6,812	(31%)	Delay in projects due to external factors
21,495	add back Depreciation, Amortisation and Impairment	21,924	25,537	3,613	16%	Additional depreciation from revaluation of assets
1,455	add back Proceeds from Sale of Replaced Assets	-	1,361	1,361	0%	
1,861	**Net Outlays on Existing Assets**	**2**	**11,788**	**11,786**		
	Net outlays on new and upgraded assets					
(13,901)	Capital expenditure on new and upgraded assets	(38,298)	(13,839)	24,459	(64%)	Delay in projects due to external factors
1,380	add back Amounts Received Specifically for New and Upgraded Assets	12,557	2,516	(10,041)	(80%)	Grants to be carried forward for capital projects not completed in 21/22
4,030	add back Proceeds from sale of surplus assets	7,200	4,334	(2,866)	(40%)	Delayed settlement
(8,491)	**Outlays on New and Upgraded Assets**	**(18,541)**	**(6,989)**	**11,552**		
4,752	**NET LENDING / (BORROWING) FOR FINANCIAL YEAR**	**(14,135)**	**20,351**	**34,486**		

Trisca Price

From: Trisca Price
Sent: Friday, 25 March 2022 9:57 AM
To: Dale Welsh
Subject: RE: Fraud Risk Questionnaires - Audit 2022

Thanks Dale

From: Dale Welsh <DMWelsh@playford.sa.gov.au>
Sent: Friday, 25 March 2022 9:55 AM
To: Trisca Price <TPrice@playford.sa.gov.au>; Susie Reichstein <SReichstein@playford.sa.gov.au>
Cc: David Gustafson <DGustafson@playford.sa.gov.au>; James Sibly <James.Sibly@bdo.com.au>
Subject: RE: Fraud Risk Questionnaires - Audit 2022

Hi Trisca

I have reviewed this document and don't believe any changes are required. I note Susie's comments which she has forwarded separately.

Regards
Dale

Dale Welsh
General Manager - Strategy & Corporate
City of Playford

P. (08) 8256 0105
E. DMWelsh@playford.sa.gov.au
12 Bishopstone Road, Davoren Park,SA 5113

www.playford.sa.gov.au

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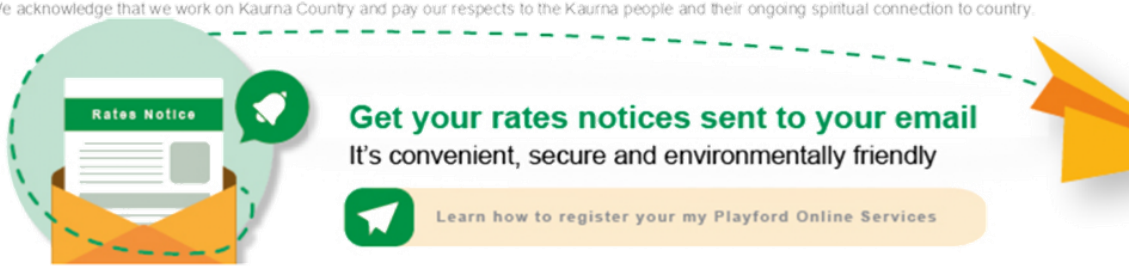

From: Trisca Price <TPrice@playford.sa.gov.au>
Sent: Monday, 21 March 2022 3:57 PM
To: Dale Welsh <DMWelsh@playford.sa.gov.au>; Susie Reichstein <SReichstein@playford.sa.gov.au>
Cc: David Gustafson <DGustafson@playford.sa.gov.au>; James Sibly <James.Sibly@bdo.com.au>
Subject: FW: Fraud Risk Questionnaires - Audit 2022

BDO are currently on site conducting the internal controls audit and have asked if the attached questionnaires are still relevant. Can you please provide a response.

Kind Regards
Trisca

Trisca Price
Manager - Finance
City of Playford

P. (08) 8256 0218
E. TPrice@playford.sa.gov.au
12 Bishopstone road, Davoren Park,SA 5113

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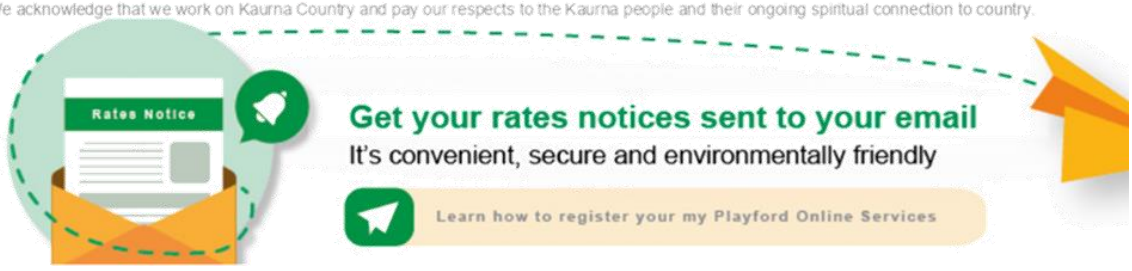

From: James Sibly <James.Sibly@bdo.com.au>
Sent: Monday, 21 March 2022 3:32 PM
To: Trisca Price <TPrice@playford.sa.gov.au>
Subject: Fraud Risk Questionnaires - Audit 2022

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Hi Trisca,

Are you able to please send the following questionnaires to Barry Porter and Susie Reichstein to see if the attached responses are still relevant for FY22?

Kind regards,

James

JAMES SIBLY
Senior Auditor
Audit
Direct: +61 8 7324 6081
James.Sibly@bdo.com.au

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BDO	
CLIENT NAME	City of Playford
DOCUMENT NAME	Fraud questionnaire - Management and others
PERIOD END	30 June 2021
DOCUMENT REF	2.00.05 Template version: 2019-09-30

Background

In conducting our audit, we are required to make enquiries of management regarding fraud. These enquiries form part of our risk assessment process and are critical in performing a risk based audit.

This questionnaire has been developed to assist in these discussions.

Questions

Please address the following questions:

Questions	Response
Questions to gain an understanding of historical frauds perpetrated and the commitment of management regarding fraud prevention, deterrence and detection.	
Do you have any knowledge of any fraud perpetrated, alleged or suspected that could result in a material misstatement of the entity's financial statements?	No
Do you have any knowledge of any other perpetrated, alleged or suspected fraud (regardless of value)?	No
Have you received any letters or communications from employees, former employees or others concerning allegations of fraud?	No
In the past, what kinds of frauds have been committed against the entity by employees or executives, including defalcations and employee thefts?	I am unaware of any frauds that have been committed at the City of Playford.
What is the process undertaken by management when such fraud is suspected or perpetrated?	All reports or complaints of suspected or alleged fraud, corruption and other criminal conduct, misconduct and maladministration will be dealt with in accordance with relevant legislation including but not limited to the Independent Commissioner Against Corruption Act 2012 and the Public Interest Disclosure Act 2018.

Questions	Response
Questions to gain an understanding of management's fraud risk assessment and responses to identified risks.	
What process do you as management undertake to assess the risk of fraud in the entity?	Risk assessment conducted as part of the process of reviewing The City of Playford's Fraud and Corruption Policy. Internal Audit program assesses risk in audit areas and external Audit conducted every year. Audit reports reviewed by Executive, Corporate Governance Committee and Council.
What is your understanding about the risks of fraud in the entity, including any specific fraud risks the entity has identified or any account balances or classes of transactions for which a risk of fraud may be more likely to exist, and why?	In my opinion the risk of significant fraud within the City of Playford is low. Council has in place policies, procedures and processes that are designed to mitigate the risk of fraud generally and also in regard to specific activities, balances and classes of transactions. Council has recently completed the review and update all of Council's policies and procedures, which incorporated a risk review and assessment.
What programs and controls have you, as management, established to mitigate specific fraud risks that have been identified, or that otherwise help to prevent, deter and detect fraud?	The City of Playford has implemented a variety of controls to prevent, deter and detect fraud including: • Controls around recruitment (eg mandatory police checks) • Strong foundation principles and corporate culture • Internal controls such as segregation of duties, budgeting, regular reporting and investigation of variances, internal audit etc • Establishment of an Integrated Risk Management Framework
Describe any general policies or procedures in place to discourage fraudulent activities and encourage whistle blowing (e.g. severe punishment of perpetrators, rewards for whistle blowing, guarantees to remain anonymous once reporting suspected fraud, training, etc.)	The City of Playford has a Worker Code of Conduct policy that sets expected standards for employee behaviour including acting with integrity and honesty. It also contains a requirement that employees report workplace behaviour that they suspect is a breach of the Code of Conduct, any other policy or procedure, or breaches of the law. The City of Playford also has a dedicated intranet page enabling employees (and external parties) to report issues by making public interest disclosure.
How do you as management monitor those programs or controls?	The Executive team are advised of any breaches of policies including breaches of the Worker Code of Conduct, or any breach of the law.
Has anyone asked you or others within the entity to withhold information from us, alter	No, not that I am aware of.

Questions	Response
documents, or make fictitious entries in the books?	
Are you aware of any inappropriate or unusual activity relating to the processing of journal entries and other adjustments?	No
Questions to gain an understanding about how communication around fraud risks is undertaken	
How do you, as management, communicate to employees your views on business practices and ethical behaviour?	All new employees have regular meetings with management as part of their probation. They also undertake a comprehensive corporate induction process. Management also have regular 1:1 and MOR meetings with staff. The CEO and Executive participate in monthly Q&A sessions open to all staff. Managers also send out Memos and updates to staff as required.
Have you reported to Those Charged with Governance regarding your processes for identifying and responding to the risks of fraud?	Yes. Council's Finance, Risk and Internal Audit teams and External Audit report regularly to the Corporate Governance Committee and Council.
How have Those Charged with Governance communicated their views on fraud risks to you?	Review and endorsement of the City of Playford's Integrated Risk Management Framework, policies and procedures and Internal Audit plan.

Name: Barry Porter

Title: General Manager - Strategy & Corporate

Date: 18/08/2021

Trisca Price

From: Trisca Price
Sent: Tuesday, 22 March 2022 10:23 AM
To: Susie Reichstein
Subject: RE: Fraud Risk Questionnaires - Audit 2022

Thanks Susie

From: Susie Reichstein <SReichstein@playford.sa.gov.au>
Sent: Tuesday, 22 March 2022 10:14 AM
To: Trisca Price <TPrice@playford.sa.gov.au>; Dale Welsh <DMWelsh@playford.sa.gov.au>
Cc: David Gustafson <DGustafson@playford.sa.gov.au>; James Sibly <James.Sibly@bdo.com.au>
Subject: RE: Fraud Risk Questionnaires - Audit 2022

Hi Trisca,

I have reviewed my comments and the only comment that I would change is on page 2 - : I am aware that earlier in the year, the Council's Risk Advisors worked with teams across the organisation including the Governance Team to complete an Operational Risk Register (including risks related to fraud) which was considered and subsequently adopted by the Executive Team.

I would amend this comment to read: In 2021, Council's Risk Advisors worked with teams across the organisation including the Governance Team to complete an Operational Risk Register (including risks related to fraud) which was considered and subsequently adopted by the Executive Team.

The rest of the comments remain current.

Kind regards

Susie

Susie Reichstein
Manager - Governance
City of Playford

P. (08) 8256 0310
E. SReichstein@playford.sa.gov.au
12 Bishopstone Road, Davoren Park,SA 5113

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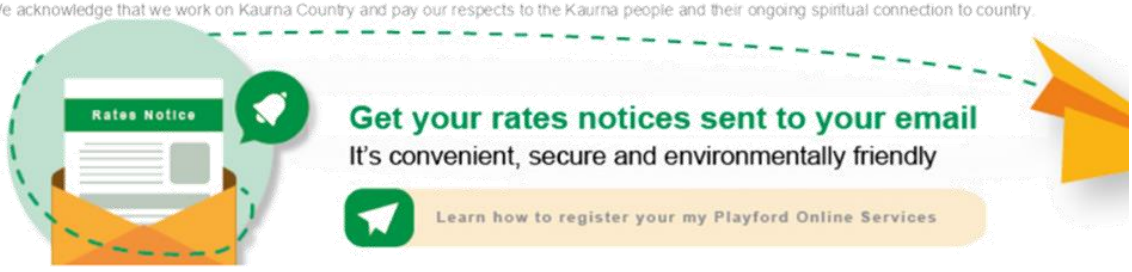

From: Trisca Price <TPrice@playford.sa.gov.au>
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Cc: David Gustafson <DGustafson@playford.sa.gov.au>; James Sibly <James.Sibly@bdo.com.au>
Subject: FW: Fraud Risk Questionnaires - Audit 2022

BDO are currently on site conducting the internal controls audit and have asked if the attached questionnaires are still relevant. Can you please provide a response.

Kind Regards
Trisca

Trisca Price
Manager - Finance
City of Playford

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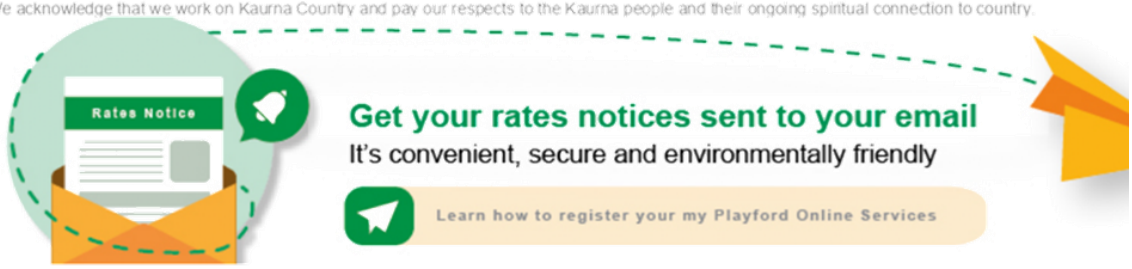

From: James Sibly <James.Sibly@bdo.com.au>
Sent: Monday, 21 March 2022 3:32 PM
To: Trisca Price <TPrice@playford.sa.gov.au>
Subject: Fraud Risk Questionnaires - Audit 2022

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Hi Trisca,

Are you able to please send the following questionnaires to Barry Porter and Susie Reichstein to see if the attached responses are still relevant for FY22?

Kind regards,

James

JAMES SIBLY
Senior Auditor
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Direct: +61 8 7324 6081
James.Sibly@bdo.com.au

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BDO	
CLIENT NAME	City of Playford
DOCUMENT NAME	Fraud questionnaire - Those charged with governance
PERIOD END	30 June 2021
DOCUMENT REF	2.00.04 Template version: 2019-09-30

Background

In conducting our audit, we are required to make enquiries of Those charged with governance regarding fraud. These enquiries form part of our risk assessment process and are critical in performing a risk based audit.

This questionnaire has been developed to assist in these discussions.

Questions

Please address the following questions:

Questions	Response
Questions to gain an understanding of historical frauds perpetrated and the commitment of Those charged with governance regarding fraud prevention, deterrence and detection.	
Do you have any knowledge of any fraud perpetrated, alleged or suspected that could result in a material misstatement of the entity's financial statements?	No
Do you have any knowledge of any other perpetrated, alleged or suspected fraud (regardless of value)?	No
Have you received any letters or communications from employees, former employees or others concerning allegations of fraud?	No
In the past, what kinds of frauds have been committed against the entity by employees or executives, including defalcations and employee thefts?	I am not aware of any in my time as Manager Governance (Risk or HR may be aware if there were any occurrences)
What incentives and pressures do you perceive to be on management and how are the related fraud risks managed?	All local government entities are under pressure to deliver more services to their communities without increasing rates, more-so in the Covid-19 environment. However, organisational policies, procedures and processes, along with the elected body (Council) having to sign off on the Budget and any adjustments ensures a robust framework is in place to prevent fraud. Council's Corporate Governance Committee (CGC) also provides Council with recommendations in relation to budget/compliance/risk and fraud matters which provides Council with an additional layer of assurance.

Questions	Response
Questions to gain an understanding of the role of those charged with governance in terms of management's fraud risk assessment and related controls	
What process do you undertake to assess the risk of fraud in the entity?	As the Manager Governance, the Governance Team (including myself) undertake some tasks relating to the prevention of fraud specifically within our area (managing the policy and procedure framework; responsibility for the fraud and corruption policy and Public Interest Disclosure Procedure; training and liaison with staff and Council Members in relation to legislative compliance; ensuring payments to Council Members are made in accordance with the Remuneration Tribunal of SA determinations and legislative requirements) . The process undertaken to assess the risk of fraud to the entity holistically is undertaken by staff from the Risk and WHS Team. I am aware that earlier in the year, the Council's Risk Advisors worked with teams across the organisation including the Governance Team to complete an Operational Risk Register (including risks related to fraud) which was considered and subsequently adopted by the Executive Team. Council also employees an internal auditor that reports regularly to the Corporate Governance Committee in relation organisational risk, including reporting on potential fraud risks.
What is your understanding about the risks of fraud in the entity, including any specific fraud risks the entity has identified or any account balances or classes of transactions for which a risk of fraud may be more likely to exist, and why?	In 2019, the Auditor - General tabled a report in State Parliament regarding credit card and other purchasing methods, highlighting a few areas requiring attention to prevent the risk of fraud. Since this time procurement and credit card purchasing policies and procedures have been significantly overhauled, coupled with an enhanced training regime for staff who undertake purchase via credit card.
What controls are in place to ensure that management has implemented the necessary programs and controls to mitigate specific fraud risks that have been identified, or that otherwise help to prevent, deter and detect fraud?	As per the above responses and in addition to regular reporting to the Corporate Governance Committee and Council, the role the Internal Auditor plays an important role in ensuring appropriate fraud controls and risk mitigation mechanisms are in place.
Describe any general policies or procedures in place to discourage fraudulent activities and encourage whistle blowing (e.g. severe punishment of perpetrators, rewards for whistle blowing, guarantees to	Fraud and Corruption Policy Public Interest Disclosure Procedure (As required by the Public Interest Disclosure Act 2018). All public officers are also bound by the ICAC Act 2012

Questions	Response
remain anonymous once reporting suspected fraud, training, etc.)	
What controls are in place to ensure that management monitor those programmes or controls?	A Responsible Officer must prepare a report for the Principal Officer regarding reports of disclosures (under the PID Act 2018), having regard to the confidentiality provisions within the legislation. Council's Fraud and Corruption Control Policy is a new policy and training will be rolled out to all staff as a part of the policy education program, as well as being included in the induction for new starters. The Executive Team have requested education play a key role in the Policy Governance Framework. The online induction mandatory for all new staff to complete includes information relating to the ICAC and PID Act.
Questions to gain an understanding about how those charged with governance exercise oversight of management's processes in relation to fraud risks.	
How do you communicate your views on business practices and ethical behaviour?	The Governance Team provide regular briefings to the Executive Team, Council, Corporate Governance Team and all staff. The Risk and WHS Team also provide the same. Council's internal auditor provides regular reports to the Corporate Governance Committee.
Has management reported to you on the entity's internal control and how management believes internal control serves to prevent, deter, or detect material misstatements due to fraud?	Council's internal auditor, along with the Manager Risk &WHS and risk staff regularly communicate with the management team regarding internal controls. The Governance Team undertake the same in relation to internal controls specific to the Team's area of responsibility.
What controls are in place to ensure that management demonstrate behaviour consistent with your views?	Regular communication with the Executive Team and Council (as required) ensures consistent messaging and behaviours are demonstrated.

Name: Susie Reichstein

Title: Manager Governance

Date: 25/8/21

Disclaimer: Please note that risk (across the entity) is not a function of the Governance Team and therefore as Manager Governance I have responded as best I can to my knowledge. However the Risk & WHS Manager would have greater insight and therefore would be better placed to respond to some of these questions.

14.2 EXTERNAL ASSESSMENT OF THE CORPORATE GOVERNANCE COMMITTEE

Responsible Executive Manager : Dale Welsh

Report Author : David Gustafson

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments : 1⇩. External Assessment of the Corporate Governance Committee

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

a. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

b. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

PURPOSE

The purpose of this report is to provide Council with the results of the external assessment of the Corporate Governance Committee.

STAFF RECOMMENDATION

Staff Recommendation Part A

That Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1(a), 1.1(b), and 1.1(c) in Council's Caretaker Policy adopted 23 August 2022.

Staff Recommendation Part B

1. That Council notes the findings and recommendations of the external assessment of the Corporate Governance Committee (Attachment 1) undertaken by UHY Haines Norton
2. The new Council considers the recommendations in the external assessment when establishing the Council Committee Structure and Corporate Governance Committee Charter following the 2022 Local Government Elections.
3. The Committee provides the following additional comments for the new Council's consideration:
    1. _____
    2. _____
    3. _____

COMMITTEE RECOMMENDATION

1. **That Council notes the findings and recommendations of the external assessment of the Corporate Governance Committee (Attachment 1) undertaken by UHY Haines Norton**
2. **The new Council considers the recommendations in the external assessment when establishing the Council Committee Structure and Corporate Governance Committee Charter following the 2022 Local Government Elections.**
3. **The Committee provides the following additional comments for the new Council's consideration:**
    - **All new members of the Committee undertake a mandatory induction and training program before joining the committee**

EXECUTIVE SUMMARY

In accordance with the Corporate Governance Committee Charter, in the year leading up to the Local Government Elections the Committee will undertake an external assessment of the Committee's effectiveness. Relevant recommendations from the assessment will be provided to Council to assist with the ongoing structure and role of the Committee.

The external assessment has been completed and is provided at Attachment 1. The staff recommendation is that the findings of the external assessment are considered by the new Council when establishing the new committee structure and Corporate Governance Committee Charter following the 2022 Local Government Elections.

1. BACKGROUND

The Corporate Governance Committee Charter requires that an external assessment of the Committee be completed in an election year. The purpose of the assessment is to determine the ongoing role and effectiveness of the Committee with regards to:

- Financial Reporting
- Internal Control, Audit & Risk Management Systems
- Public Interest Disclosures
- Strategic Management Plans
- Other Investigations or Evaluations

UHY Haines Norton were appointed to complete the external assessment.

2. RELEVANCE TO STRATEGIC PLAN

Decision Making Filter – We will ensure that we meet our legislative requirements and legal obligations.

The completion of the external assessment ensures the requirements of the Committee Charter are fulfilled. The assessment can be used to demonstrate the Committee is fulfilling the role of Council's audit committee as required under Section 126 of the *Local Government Act 1999.*

3. PUBLIC CONSULTATION

There is no requirement for public consultation in relation to this matter.

4. DISCUSSION

4.1 In accordance with the Corporate Governance Committee Charter, the Committee is required to undertake an annual self-assessment. In an election year this is required to be undertaken by an external party to assess the on-going role and effectiveness of the Committee and report any recommendations to Council as required.

4.2 UHY Haines Norton undertook the external assessment. The assessment considered relevant Committee documents, an assessment of compliance activities of the Committee against the Charter and relevant legislation, and included interviews with the external auditor, Committee members and Council staff as outlined below:

- Andrew Tickle – External Auditor
- Mayor Glenn Docherty – Committee Member
- Cr Shirley Halls – Committee Member
- Mark Labaz – Independent Committee Member (Presiding Member)
- Martin White – Independent Committee Member
- Peter Brass – Independent Committee Member
- Sam Green – Chief Executive Officer
- Dale Welsh – General Manager Strategy & Corporate
- Simon Blom – General Manager City Assets
- Elena Casciano – Senior Manager Information, Technology & Governance
- Natalie Caon – Senior Manager Financial Services
- Paula Paterson – Senior Manager Organisational Development
- Ninad Sinkar – Internal Auditor
- David Gustafson – Risk Specialist

4.3 The external assessment report is provided at Attachment 1. The following table summarises the recommendations and comments contained within the report.

Topic	Comment	Recommendations
Name of Committee	Reformed legislation changes the name to Audit and Risk Committee, and the functions of these committees are the same as the council's current Corporate Governance Committee. Having a different name for this committee compared to other councils may be confusing to elected members and the public	Consider changing the committee's name to Audit and Risk Committee.
Skills of Committee	The reformed legislation sets out the minimum skills required of the members of the committee	• That the skills required within the reformed legislation be listed in the Charter being; that the members (considered as a whole) must have skills, knowledge and experience relevant to the committee's

Topic	Comment	Recommendations
		functions, including financial management, risk management and governance. • That new applicants for membership to the committee are assessed against a skills matrix to ensure that members (as a whole) have the skills required within the reformed legislation. • That an induction and training program is developed for new elected members joining the committee.
Functions of the committee	The reformed legislation includes additional functions for the committee	• Oversight of planning and scoping of the internal audit work plan • Requirement for the internal auditor to provide a report to the committee quarterly, including the practice that the internal auditor addresses the committee in confidence with no other staff present at least annually. • That Section 48 Reports (Prudential Reports) are reviewed by the committee
Meetings	The reformed legislation requires that the committee will meet at least quarterly. The current charter sets out a minimum of six meetings per year, but it doesn't set out the timing of those meetings.	That the Charter is modified to say that the committee will meet a minimum of six times per year, with at least one meeting occurring in each quarter
Reporting to Council	The reformed legislation requires the committee to report to the council after each meeting. There is no guidance yet as to whether the current provision of the committee's minutes will be sufficient or whether a standard report will be required. The committee's annual report will also be required to be included in Council's Annual Report	That by November 2023, the Charter is modified to include the requirement for the committee to report to the council after each meeting and to provide an annual report to the council. Note that the council will be required to include the committee's annual report in the council's annual report
Internal Auditor	The reformed legislation will require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.	That the Charter is modified to require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.

Topic	Comment	Recommendations
Internal Audit Reporting	The reformed legislation will require a direct reporting relationship between the internal auditor and the committee, and the CEO will be required to report annually to the committee on the council's internal audit process.	• That the Charter is modified to require the internal auditor to report directly to the committee on internal audit matters • That the Charter is modified to require the CEO to report to the committee annually on the council's internal audit process
Relationship with Council	The committee members felt that the attendance by the chair at the council workshop this year at the commencement of the ABP was very worthwhile and suggested that joint workshops between the council and the committee could be worthwhile on relevant topics.	That the charter be modified to require, in addition to the current attendance by the chair to present the annual report of the committee to the council, that independent members of the committee can be invited to workshops with the council to discuss relevant topics as needed.
Understanding of roles	Committee members noted the importance of input by elected members on the committee. To ensure this input occurs at all meetings, it was suggested that alternative elected members be appointed to step in when a full elected member is unavailable.	That the charter be modified to allow alternative elected members to be appointed to attend meetings when the full elected member cannot attend. These alternative members should receive the same induction and training as full members.
Other items raised during interviews		Modify the Charter to • Include the consideration of gender diversity of the committee when selecting candidates • Appoint the chair for two years
		Review the sitting fees for independent members and consider an annual CPI increase.
		Consider if the inclusion of the Mayor on the committee is supported by the new council after the election.
Good Practice	The following suggestions arise from an assessment against Good Practice Guidelines; • Expand the role of committee to include o compliance on matters other than finance and risk o oversight of Ethical framework. • Expand activities to include a review of the performance of the Auditor	

5. OPTIONS

Recommendation

Staff Recommendation Part A

That Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1(a), 1.1(b), and 1.1(c) in Council's Caretaker Policy adopted 23 August 2022.

Staff Recommendation Part B

1. That Council notes the findings and recommendations of the external assessment of the Corporate Governance Committee (Attachment 1) undertaken by UHY Haines Norton

2. The new Council considers the recommendations in the external assessment when establishing the Council Committee Structure and Corporate Governance Committee Charter following the 2022 Local Government Elections.

3. The Committee provides the following additional comments for the new Council's consideration:
   -
   -
   -

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

The staff recommendation will allow the findings and recommendations of the external assessment to be considered by the new Council when they are establishing the committee structure and Corporate Governance Committee Charter following the 2022 Local Government Elections.

Risk Appetite

Regulatory Compliance

Council has a zero tolerance for non-compliance with applicable legislation including but not limited to: Local Government Act (LGA) 1999; Independent Commissioner Against Corruption (ICAC) Act 2012; Work Health & Safety (WHS) Act 2012; Environment Protection Act (EPA) 1993; Development Act 1993; Equal Employment Opportunity legislation; and Public Consultation legislation.

The Corporate Governance Committee acts as the Audit Committee for the purpose of S126(1) of the Local Government Act. The external assessment ensures the Committee is meeting the objectives of the Corporate Governance Committee Charter fulfilling the role of an audit committee.

6.1.2 Financial Implications

There are no direct financial or resource implications for this item.

There may be some minor financial implications should Council choose to implement some of the recommendations when they establish the Committee Structure and Corporate Governance Committee Charter following the Local Government Elections.

UHY Haines Norton
Chartered Accountants

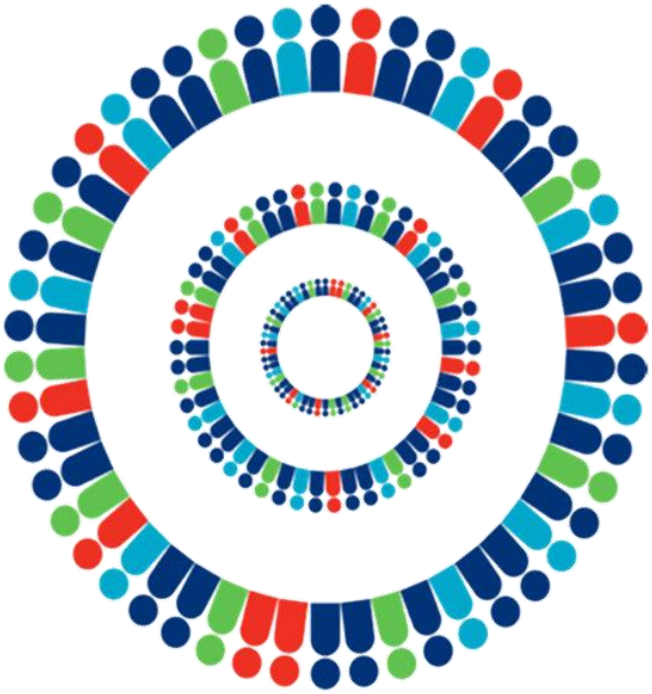
Assessment of the Corporate Governance Committee

Prepared for The City of Playford

September 2022



UHY Haines Norton
Chartered Accountants



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Contents

Introduction....4
Purpose....4
Methodology....4
Summary of Recommendations....4
Assessment....6
Improvements Since 2018 Review....6
Legislation Compliance....6
Agendas and Minutes....8
External Audit Findings....8
Attendance at Meetings....8
Self-Assessments....9
Interviews with Members....9
Policies Relevant to the Committee....13
Good Practice....13
Appendix A Legislation and Reforms....15
Appendix B Corporate and Governance Committee Charter....18
Appendix C Charter Compliance against Legislation....26
Appendix D Agendas and Minutes – Past 3 years....32
Appendix E External Audit Findings....39
Appendix F Self-Assessments....40
Appendix G Interviews with Committee Members and Key Staff....43
APPENDIX H Good Practice Guide....51

Introduction

Section 126 of the *Local Government Act 1999* requires councils to have an audit committee. The City of Playford has a Corporate Governance Committee with a charter that states that this committee undertakes the role of the Audit Committee as required by Section 126.

Audit committees are used in many organisations to undertake a critical role in;

- Ensuring the integrity of the organisation's financial reports
- Overseeing the development of policies, practices and reporting frameworks that assist in effective and efficient operations
- Overseeing the organisation's risk management and compliance programs
- Overseeing the external and internal audit functions and auditors
- Liaising with the Board of the Organisation (in the case of Local Government – liaising with Council)

The City of Playford has an operating budget of over $100m. This makes it a large business, requiring a robust committee that can consider and advise on financial and risk areas.

Purpose

UHY Haines Norton was engaged to assess the current Corporate and Governance Committee's activities and set out recommendations for the structure and practices of the Committee moving forward.

Methodology

The following methodology was used to develop this report;

- Review documents relevant to the Committee, including;
    - Committee Charter
    - Agendas and Minutes from 2019 to 2022
    - Work plans and action lists
    - Annual reports to Council from 2019 to 2021
    - Self-Assessments undertaken since 2019
- Interviews were undertaken with members of the Committee and Staff
- An analysis of compliance of the activities of the Committee against the current Charter and legislation was completed
- Good Practice guides were compared to current practices of the Committee to consider potential improvements

Summary of Recommendations

The following table summarises the recommendations and comments contained within this report;

Topic	Comment	Recommendations
Name of Committee	Reformed legislation changes the name to Audit and Risk Committee, and the functions of these committees are the same as the council's current Corporate Governance Committee.	Consider changing the committee's name to Audit and Risk Committee.

Topic	Comment	Recommendations
	Having a different name for this committee compared to other councils may be confusing to elected members and the public	
Skills of Committee	The reformed legislation sets out the minimum skills required of the members of the committee	• That the skills required within the reformed legislation be listed in the Charter being; that the members (considered as a whole) must have skills, knowledge and experience relevant to the committee's functions, including financial management, risk management and governance. • That new applicants for membership to the committee are assessed against a skills matrix to ensure that members (as a whole) have the skills required within the reformed legislation. • That an induction and training program is developed for new elected members joining the committee.
Functions of the committee	The reformed legislation includes additional functions for the committee	• Oversight of planning and scoping of the internal audit work plan • Requirement for the internal auditor to provide a report to the committee quarterly, including the practice that the internal auditor addresses the committee in confidence with no other staff present at least annually. • That Section 48 Reports (Prudential Reports) are reviewed by the committee
Meetings	The reformed legislation requires that the committee will meet at least quarterly. The current charter sets out a minimum of six meetings per year, but it doesn't set out the timing of those meetings.	That the Charter is modified to say that the committee will meet a minimum of six times per year, with at least one meeting occurring in each quarter
Reporting to Council	The reformed legislation requires the committee to report to the council after each meeting. There is no guidance yet as to whether the current provision of the committee's minutes will be sufficient or whether a standard report will be required. The committee's annual report will also be required to be included in Council's Annual Report	That by November 2023, the Charter is modified to include the requirement for the committee to report to the council after each meeting and to provide an annual report to the council. Note that the council will be required to include the committee's annual report in the council's annual report
Internal Auditor	The reformed legislation will require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.	That the Charter is modified to require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.
Internal Audit Reporting	The reformed legislation will require a direct reporting relationship between the internal auditor and the committee, and the CEO will be required to report annually to the committee on the council's internal audit process.	• That the Charter is modified to require the internal auditor to report directly to the committee on internal audit matters • That the Charter is modified to require the CEO to report to the committee annually on the council's internal audit process
Relationship with Council	The committee members felt that the attendance by the chair at the council workshop this year at the commencement of the ABP was very worthwhile and suggested that joint workshops between the council and the committee could be worthwhile on relevant topics.	That the charter be modified to require, in addition to the current attendance by the chair to present the annual report of the committee to the council, that independent members of the committee can be invited to workshops with the council to discuss relevant topics as needed.

Topic	Comment	Recommendations
Understanding of roles	Committee members noted the importance of input by elected members on the committee. To ensure this input occurs at all meetings, it was suggested that alternative elected members be appointed to step in when a full elected member is unavailable.	That the charter be modified to allow alternative elected members to be appointed to attend meetings when the full elected member cannot attend. These alternative members should receive the same induction and training as full members.
Other items raised during interviews		Modify the Charter to •Include the consideration of gender diversity of the committee when selecting candidates •Appoint the chair for two years
		Review the sitting fees for independent members and consider an annual CPI increase.
		Consider if the inclusion of the Mayor on the committee is supported by the new council after the election.
Good Practice	The following suggestions arise from an assessment against Good Practice Guidelines; • Expand the role of committee to include ○ compliance on matters other than finance and risk ○ oversight of Ethical framework. • Expand activities to include a review of the performance of the Auditor	

Assessment

Improvements Since 2018 Review

We noted a significant improvement in the committee's charter and activities since our assessment in 2018.

Legislation Compliance

Local Government legislation in South Australia is currently undergoing considerable reform. Legislation changes regarding the role and function of audit committees will commence in November 2023. The Office of Local Government provides comments on the changes that will affect these committees; [1]

- Extending the work of audit committees to audit and risk committees
- The audit and risk committees will provide independent assurance and advice to councils on;
  - Accounting
  - Financial management
  - Internal controls
  - Risk management
  - Governance matters
- Audit and risk committees will need to have a majority of independent members
- Councils will be able to form regional audit and risk committees
- Councils and their Chief Executive Officers (CEO)s will be required to ensure that effective policies, systems and procedures relating to risk management are established and maintained
- Where a council has an internal audit function, the CEO will be required to consult with the audit and risk committee before appointing a person to be primarily responsible for the internal audit function

Appendix A details the legislation reforms that will occur.

[1] www.dit.sa.gov.au/local-government/documents/office-of-local-government/local-gov-reform/lga-statutes-amendment-nov23.pdf

Council's current charter already includes risk, internal audit and governance matters. Council's charter is included in Appendix B.

We have assessed the current charter against the current and reformed legislation; refer to Appendix C for full detail.

Name of the Committee

The reformed legislation will change the name of the audit committee to audit and risk committees and also changes their roles to include internal controls, risk and governance matters which is additional to what is required in the current legislation.

The City of Playford called the committee that undertook the role of an audit committee, the Corporate and Governance Committee. Interview respondents stated that this name reflected the greater range of functions that this committee undertook compared to what was required in legislation.

As the reformed legislation expands the functions of audit committees to now cover the same functions as the council's Corporate Governance Committee, there may be minimal advantage in having a different name. A different name may be confusing for elected members and members of the public when local government discussions in and with other councils will be referring to audit and risk committees.

Interviews with members of the committee raised the current name as being potentially confusing for members of the council.

Recommendation: Consider changing the committee's name to Audit and Risk Committee.

Skills of Committee

The reformed legislation lists the skills, knowledge and experience required of the committee as a whole, including;

- Financial management
- Risk management
- Governance

Recommendation:

- **That the skills required within the reformed legislation be listed in the Charter being; that the members (considered as a whole) must have skills, knowledge and experience relevant to the committee's functions, including financial management, risk management and governance.**
- **That new applicants for membership to the committee are assessed against a skills matrix to ensure that members (as a whole) have the skills required within the reformed legislation.**

Roles and Functions of the Committee

The reformed legislation includes the following functions for the committee;

- an oversight role for internal audit instead of the advisory role included in the current charter
- the requirement for the internal auditor to provide a report to the committee quarterly
- review Section 48 (Prudential) Reports

A suggestion from committee members was that a meeting with the internal auditor should be in confidence with no staff present, in the same manner, used for a meeting with the external auditor.

Recommendations; That the Charter is modified to include;

- **Oversight of planning and scoping of the internal audit work plan**

- **Requirement for the internal auditor to provide a report to the committee quarterly include the practice that the internal auditor address the committee in confidence with no other staff present at least annually.**
- **That Section 48 Reports (Prudential Reports) are reviewed by the committee**

Meetings

The reformed legislation requires that the committee will meet at least quarterly. The current charter sets out a minimum of six meetings per year, but it doesn't set out the timing of those meetings.

Recommendation; That the Charter is modified to say that the committee will meet a minimum of six times per year, with at least one meeting occurring in each quarter.

Reporting to Council

The committee minutes are provided to Council currently. The reformed legislation requires the committee to report to the council after each meeting, summarising the work of the committee as well as an annual report. There is no guidance from the Local Government Association (LGA) yet as to whether the minutes of the committee will be sufficient or whether a standard report will be required.

The committee's annual report will also be required to be included in Council's Annual Report.

Recommendation; That by November 2023, the Charter is modified to include the requirement for the committee to report to the council after each meeting and to provide an annual report to the council.

Note that the council will be required to include the committee's annual report in the council's annual report

Appointment of Internal Auditor

The reformed legislation will require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.

Recommendation: That the Charter is modified to require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.

Internal Audit Reporting

The reformed legislation will require a direct reporting relationship between the internal auditor and the committee. The CEO must also report annually to the committee on the council's internal audit process.

Recommendation:

- **That the Charter is modified to require the internal auditor to report directly to the committee on internal audit matters**
- **That the Charter is modified to require the CEO to report to the committee annually on the council's internal audit process**

Agendas and Minutes

The analysis of the committee's agendas and minutes shows that the committee abided by the requirements within its charter. A summary of items considered during committee meetings is included in Appendix D.

External Audit Findings

The committee has been addressing external audit concerns. A summary of external audit findings is included in Appendix E.

Attendance at Meetings

The following table summarises the attendance at meetings from 2018/19 to 2021/22.

Committee Member	Attendance Rate			
	2018/19	2019/20 * change in members	2020/21	2021/22 * change in members
Mr Martin White	100%	100%	100%	100%
Mr Damian Pulgies	100%	100%		
Ms Merridie Martin	83.33%	86%		
Mr Mark Labaz		100%	100%	100%
Mr Peter Brass		100%	100%	100%
Mayor Glenn Docherty	33.33%	75%	75%	67%
Cr Jane Onuzans	100%	100%	87.5%	100%
Cr Shirley Halls				75%

Self-Assessments

The committee completed self-assessments each year. The assessments considered if members determined that the committee had undertaken a range of activities as required by their charter. Average responses are shown in Appendix E.

Each year's assessment showed an increase in respondents that agreed they had addressed the work required.

Interviews with Members

A set of questions were asked of the committee members and key staff. Responses are included in Appendix G.

Responses to questions are summarised below;

How do you find the relationship between the committee and staff?
All respondents felt there was a good relationship between the committee and staff with a high level of respect.

How do you find the relationship between the committee and the council?
The respondents felt this relationship wasn't as strong as that with staff. There was considerable positive comment about the chair attending a council workshop at the beginning of the Annual Business Plan process this year. Many felt that the informal workshop setting worked better for elected members in the chamber to engage with the chair and work through issues and questions.

Some respondents suggested that there could be combined workshops with all elected members and the committee members to have an open discussion on topics where the expertise of the independent members would be particularly appreciated.

Recommendation:

That the charter be modified to require, in addition to the current attendance by the chair to present the annual report of the committee to the council, that independent members of the committee can be invited to workshops with the council to discuss relevant topics as needed.

Do you think committee members understand their roles?

All respondents said yes. Some respondents noted that it can be difficult for new elected members on the committee to fully understand the committee when their term is short. There was a suggestion that the term on the committee for elected members could be longer or even the entire council term.

We note that the charter does not restrict elected members from being appointed for the whole term of the council.

It was also noted that there are more apologies from the elected members of the committee and that having alternative members could be useful to ensure that council is represented at all meetings.

We suggest that alternative members should receive the induction and training as a full member.

Independent members acknowledged the importance of the elected member's perspective.

Recommendation:

That the charter be modified to allow alternative elected members to be appointed to attend meetings when the full elected member cannot attend. These alternative members should receive the same induction and training as full members.

Do you think Council understands the purpose of the committee?
Some respondents felt that Council didn't understand the committee's purpose and wondered if the name was confusing when other councils call their committees' Audit Committees.

A recommendation to consider changing the committee's name is included in the Legislation Compliance section of this report.

Do you think committee members understand local government?
All respondents felt that committee members understood local government.

Would you like to see enhanced skills from members, whether independent or Elected members?
A range of skills was suggested as being required for members. We note that the number of members of the committee is restricted to the current membership by legislation. We suggest that a skills matrix is developed covering key skills required by legislation and any additional skills that the council consider useful. The committee as a whole should cover the required skills if possible. Respondents noted that Council engages additional skilled resources as needed when not available in-house.

A recommendation for the Charter to include a skills matrix is included in the Legislation Compliance section of this report.

Respondents suggested that elected members on the committee should have a more robust induction process.

Council elections will be held in November of this year with the potential for new Elected Members being appointed to the Committee who may have no background understanding of the committee nor of the legislation and framework within it works. The current three independent members will remain after the Council election, thus giving the Committee ongoing stability and consistency.

New Council Members on the Committee may have little knowledge of the responsibilities of the Committee itself and also potentially limited understanding of financial and risk management frameworks.

The Committee's Charter requires that 2 Council members are appointed to the Committee. It can be daunting for newly Elected Members to volunteer for a committee that includes three independents with specialist knowledge.

To overcome this, potential committee members need to be assured that they will receive the training they need to become confident in their role in the Committee. It is also important that they understand that they don't need to have specialist finance and risk management skills as the independent members fulfil this requirement. It is important for the Committee to have a wide range of skills and to have members who understand the community and Council's perspective as well as members who have high-level technical skills.

An Induction Pack is useful for new members and provides background material about the Committee and its activities. The Induction Pack could include the following (either in electronic or paper format).

- The Charter
- Overview of Council operations and Local Government in South Australia
- All materials previously provided on matters that are still before the Committee, including
    - Current internal and external audit plans
    - Outstanding action items from audits
- Agendas and Minutes for recent Committee meetings
- Most recent audited financial statement
- Risk Management Framework
- Internal control framework
- List of Policies that the Committee reviews

Before the committee's first formal meeting, the new members, current independent members and senior management should meet. This informal briefing allows senior management to go through the Induction Pack with the Committee and provide background information about Council activities.

This is an excellent opportunity for the ongoing independent members to get to know the new members and refresh themselves on background material relating to the Committee.

New Council members will undertake mandatory training required by legislation early in their term. Council members who sit on the Committee could benefit from additional training in the following;

- Asset Management
- Long Term Financial Planning
- Annual Business Plans and Budgets
- Rating
- Financial Reports
- Risk Management
- Overview of Accounting Standards
- The role of Internal Audit
- The requirements of External Audit

This training should also be undertaken early in the term of the new Committee, with additional training on specific topics ongoing throughout the term.

Other Elected Members may be interested in joining the Committee at some stage if a vacancy arises. To enable these members to have the confidence to undertake such a role, it would be useful to provide advanced training to any Elected Members keen to gain more knowledge in finance and risk management.

This additional training would also enhance the understanding of these matters for the whole Council, resulting in a better understanding of feedback and recommendations coming from the Committee.

Recommendation: That an induction and training program is developed for new elected members joining the committee.

Do you think the committee adds value to Council?
Generally, respondents felt that the committee adds considerable value to staff directly and indirectly to Council.

The attendance by the chair to the Council workshop on the ABP was raised under this question as well as a previous question with the response that Council gained value from this interaction.

Joint workshops with Council and the Committee were suggested.

A recommendation for joint workshops between Council and the committee is included earlier

Do you have the right number of meetings to get through the workload?
The general response was that the six meetings a year were sufficient as additional meetings can be added if needed.

Do you think the committee is covering the right matters?
Generally yes.

Anything else?
The following key points were raised;

- Lack of gender diversity on the committee
- The name of the committee is potentially confusing (*recommendation is included earlier in this report*)
- Currently appoint a chair for 12 months and then reappoint. 2 years or more could be better.
- Bring chair to council more often to present on difficult issues (*recommendation for a joint annual workshop between the council and the committee is included earlier in this report*)
- Could remuneration be reviewed, it has sat at the current level for some time. A suggestion of $750 for the chair and $500 for members to be more in line with other councils.
- Having extra members to increase skills available (*note that reformed legislation restricts membership to the current number*)
- Hear from the internal auditor in confidence annually or monthly *(recommendation is included earlier in this report).*
- Should the Mayor be on the committee? Could there be an influence on other elected members of the committee?

Sitting Fees
Skilled independent members are vitally important for a robust committee. None of the independents suggested that remuneration was their aim for applying for a position on the committee. However, reasonable recompense for skills, time to prepare for meetings and attendance at meetings is a respectful way to show appreciation for independent member input.

The following sitting fees have been extracted from the council Annual Reports for 2020/21.

A respondent suggested $750 for the Chair and $500 for other independent members.

Councils	Chair Sitting Fee	Independent Member Sitting Fee
City of Playford	$594	$475
City of Onkaparinga	$887.50	$687.50
City of Port Adelaide Enfield	$900	$740
City of Charles Sturt	Not noted in Annual Report	
City of Salisbury	Not noted in Annual Report	
City of Tea Tree Gully	$500	$500

Recommendations:

Modify the Charter to

- **Include the consideration of gender diversity of the committee when selecting candidates**
- **Appoint the chair for two years**

Review the sitting fees for independent members and consider an annual CPI increase.

Consider if the inclusion of the Mayor on the committee is supported by the new council after the election.

Policies Relevant to the Committee

The following council policies are relevant to the committee and are on the council's website.

Policy	Last Reviewed	Due Date for Review
Asset Management Policy	May 2021	January 2024
Caretaker Policy	August 2022	July 2026
Fees and Charges Policy	March 2022	March 2025
Financial Sustainability Ratios and Targets Policy	May 2021	May 2024
Fraud and Corruption Policy	May 2021	March 2023
Debt Recovery Procedure	July 2022	June 2024
Procurement Policy	May 2021	March 2025
Expense Card Procedure	May 2021	March 2025
Prudential Management Policy	May 2021	May 2024
Public Interest Disclosure Procedure	June 2021	July 2023
Sale and Disposal of Land and Other Assets Policy	May 2021	January 2025
Treasury Policy	May 2021	May 2024

We note that the principles of the following policies have been included within the Integrated Risk Management Framework and Internal Audit Framework;

- Internal Controls Policy
- Risk Management Policy

All relevant policies had been updated and had an appropriate review period.

Good Practice

'Audit Committee, A Guide to Good Practice' (The Guide) sets out aspects that make a good practice Audit Committee. [2] Many of the suggestions and recommendations from the 2018 Corporate Governance Committee Review were taken up by Council.

Following is an assessment of the current Corporate and Governance Committee against the Guide.

Role of the Committee

The Corporate Governance Committee fulfils many of these roles; however, it could take on a role to review;

- Compliance
- Ethics

Reviewing Performance of Auditor

Currently, the Committee does not address the performance of the Auditor. This could be added to the Committee's role.

Compliance

[2] *(Publication by Auditing and Assurance Standards Board, Australian Institute of Company Directors and The Institute of Internal Auditors-Australia 2017)*

Councils must comply with multiple pieces of legislation and standards. Non-compliance results in a risk to Council financially, legally and politically. The committee currently considers only those areas of compliance that relate to finance.

The role of the Committee could be expanded to review Council's compliance with all legislation.

Ethics and Organisational Culture
The Committee already considers Public Interest Disclosure but could expand its role to oversee the development of and then review an ethics program.

Good Practice Charter
The current Committee's charter outlines all of the aspects included in the Good Practice Charter, though the current charter's level of role and scope is more restricted.

Good Practice Induction
The list outlined is extensive but would be useful to a new member.

Good Practice Assessing Performance
The current committee undertakes an annual self-assessment and an external assessment every four years.

Appendix A Legislation and Reforms

Section 126 of the *Local Government Act 1999* sets out the following;

(1) A council must have an audit committee
(2) The membership of an audit committee –
  (a) May include persons who are not members of the council; and
  (b) May not include an employee of the council (although an employee may attend a meeting of the committee if appropriate); and
  (c) May include, or be comprised of, members of an audit committee for another council; and
  (d) Must otherwise be determined in accordance with the requirements of the regulations.
(4) The functions of an audit committee include-
  (a) Reviewing annual financial statements to ensure that they present fairly the state of affairs of the council; and
  (ab) proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
  (ac) proposing, and reviewing, the exercise of powers under section 130A; and
  (b) Liaising with council's auditor; and
  (c) Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis.

Section 128 (2) states that the auditor will be appointed by the council on the recommendation of the council's audit committee.

Section 129 (5a) (b) requires the auditor to provide opinions and advice to the council's audit committee

Section 130A – Other investigations – requires a report on other investigations under this section to be provided to the council's audit committee.

Part 5 of the Local Government (Financial Management) Regulations 2011 sets out the requirements for Council Audit Committees;

17 – Membership

(1) The audit committee of a council –
  (a) Must have between 3 and 5 members (inclusive); and
  (b) Must include at least 1 person who is not a member of the council and who is determined by the council to have financial experience relevant to the functions of an audit committee; and
  (c) Must not include, as a member, the council's auditor under section 128 of the Act

Section 84 of the *Statutes Amendment (Local Government Review) Act 2021* amends Section 126 of the *Local Government Act 1999 as follows, and these reforms are to commence on the 30th November 2023;*

(*the following apply unless a council has established a regional audit and risk committee)*

S126 (1) changes to; a council must have an audit and risk committee

adds

S126 (1a) The purpose of an audit and risk committee established by a council is to provide independent assurance and advice to the council on accounting, financial management, internal controls, risk management and governance matters.

S126 (2) is deleted and replaced with

S126 (2) The following provisions apply to the membership of a council audit and risk committee;

(a) The majority of the members of the committee must be persons who are not members of any council;
(b) The members of the committee (when considered as a whole) must have skills, knowledge and experience relevant to the functions of the committee, including financial management, risk management, governance and any other prescribed matter;
(c) The membership of the committee –
  (i) may not include an employee of the council (although an employee may attend a meeting of the committee if appropriate); and
  (ii) may include, or be comprised of, members of another council audit and risk committee or a regional audit and risk committee; and
  (iii) must otherwise be determined in accordance with the requirements of the regulations

S126 (4) is deleted and replaced with;

S126(4) The functions of a council audit and risk committee include –

(a) reviewing annual financial statements to ensure that the present fairly the state of affairs of the council; and
(b) Proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan; and
(c) Monitoring the responsiveness of the council to recommendations for improvement based on previous audits and risk assessment, including those raised by a council's auditor; and
(d) Proposing, and reviewing, the exercise of powers under section 130A; and
(e) Liaising with the council's auditor in accordance with any requirements prescribed by the regulations; and
(f) Reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis; and
(g) (i) in the council has an internal audit function –
  (A) Providing oversight of planning and scoping of the internal audit work plan; and
  (B) Reviewing and commenting on reports provided by the person primarily responsible for the internal audit function at least on a quarterly basis; or
  (ii) if the council does not have an internal audit function, reviewing and commenting on an annual report provided by the chief executive officer in relation to the policies and processes adopted by the council to evaluate and improve the effectiveness of its internal control practices and procedures; and
(h) Reviewing and evaluating the effectiveness of policies, systems and procedures established and maintained for the identification, assessment, monitoring, management and review of strategic, financial and operational risks on a regular basis; and
(i) Reviewing any report obtained by the council under section *48(1); and
(j) Performing any function determined by the council or prescribed by the regulations

S126 (5) There must be at least 1 meeting of a council audit and risk committee in each quarter

S126 (6) Subject to this Act, the procedure to be observed at a meeting of a council audit and risk committee will be –
(a) As prescribed by regulation; or
(b) Insofar as the procedure is not prescribed by regulation – as determined by the committee.

S126 (7) Without limiting subsection (6)(a), regulations under that subsection may provide for circumstances in which the public may be excluded from attendance at a meeting of a council audit and risk committee

S126 (8) A council audit and risk committee must-

(a) provide a report to the council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting; and
(b) provide an annual report to the council on the work of the committee during the period to which the report relates.

S126(9) A council must ensure that the annual report of its audit and risk committee is included in its annual report

S128(2) replaces the name audit committee with audit and risk committee

Section 125A(1) requires that the chief executive officer of a council that has an internal audit function must, before appointing a person to be primarily responsible for the internal audit function, or assigning such responsibility to an employee of the council, consult with the relevant audit and risk committee on the appointment or assignment of responsibility.

Section 125A(2) requires that the person primarily responsible for the internal audit function-

(a) must ensure that any reports they prepare relating to the internal audit function are provided directly to the audit and risk committee and
(b) may report any matters relating to the internal audit function directly to the audit and risk committee

Section 129 (5a) (b) replaces the name audit committee with audit and risk committee

Section 130A replaces the name audit committee with audit and risk committee

Section 99(1) (ib) 195 (job) requires the chief executive officer to report annually to the relevant audit and risk committee on the Council's internal audit processes

*S48(1) refers to a prudential report.

The Local Government (Financial Management) (Review) Variation Regulations 2021 reform the Local Government (Financial Management) Regulations 2011 as follows

Changes the name Audit Committee to Audit and Risk Committee wherever the committee is mentioned and also provides for regional audit and risk committees established by 2 or more councils.

Appendix B Corporate and Governance Committee Charter

CORPORATE GOVERNANCE COMMITTEE CHARTER

1 Role

The Corporate Governance Committee is established to assist the co-ordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

The Committees role is to:

1.1 Fulfil the role of Council's audit committee as required in section 126 of the Local Government Act.

1.2 Assist the Council in reviewing the principal risks facing the Council, including those that threaten the Council's strategic directions.

1.3 Assist in the effective management of financial and other risks and the protection of Council assets.

1.4 Review developments and adequacy of principles, policies and practices of Financial Planning and Reporting, Corporate Governance, Risk Management and Internal Control and make recommendations to Council as appropriate.

2 Terms of Reference

The Committee's terms of reference are to consider all matters outlined in section 126(4) of the Local Government Act:

2.1 Financial Reporting

The Corporate Governance Committee shall monitor the integrity of the financial statements of the Council, reviewing significant financial reporting issues and judgements which they contain.

The Corporate Governance Committee shall review and challenge where necessary:

a) The consistency of, and any changes to, accounting policies on a year on year basis;

b) The methods used to account for significant or unusual transactions where different approaches are possible;

c) Whether the Council has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor;

d) The clarity of disclosure in the Council's financial reports and the context in which statements are made; and

e) All material information presented with the financial statements, such as the operating and financial review and the External Auditor statement (insofar as it relates to the audit and risk management).

f) Provide input into the appointment of the External Auditor.

The Corporate Governance Committee shall meet as needed with the External Auditor. The Corporate Governance Committee shall meet the External Auditor at least once a year, without management being present, to discuss their remit and any issues arising from the External Audit.

2.2 Internal Control, Internal Audit & Risk Management Systems

The Corporate Governance Committee shall:

a) Keep under review the effectiveness of the Council's internal controls, audit and risk management systems.

b) Review and recommend the approval, where appropriate, of statements to be included in the annual report concerning internal controls and risk management.

c) Receive reports on the activities of the Chief Executive Officer's Strategic Risk and Internal Audit Work Program including the review of managements response to audits.

d) consider and make recommendations on the program of the internal controls and audit including the adequacy of resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards.

2.3 Public Interest Disclosures

The Corporate Governance Committee shall, review the Council's arrangements for its employees to raise concerns, in confidence, about possible wrongdoings in financial reporting, fraud and corruption and other matters.
The Committee shall ensure these arrangements allow for independent investigations where appropriate and appropriate follow-up action.

2.4 Strategic Management Plans

The Corporate Governance Committee shall propose and provide information relevant to, a review of the Council's strategic management plans including the Annual Business Plan, and review and provide recommendations on the sustainability of Councils financial performance giving consideration to Council's financial indicators.

2.5 Other Investigations or Evaluations

2.5.1 The Corporate Governance Committee shall, when necessary, propose and review the exercise of Council's powers under Section 130A of the Local Government Act 1999, in relation to the conduct of efficiency and economy Audits that would not otherwise be addressed or included as part of an annual External Auditor.

2.5.2 The Committee may review and consider reports or recommendations from external agencies where an investigation or evaluation relates to the role of the committee.

3 Definitions

Act for the purpose of this policy means the *Local Government Act 1999*.

Chief Executive Officer (CEO) means the Chief Executive Officer of a council and includes a deputy or other person acting in the officer of Chief Executive Officer.

Committee includes Section 41 Committees, other Committees and Panels established by Council.

Council Member means the Principal Member or a Councillor elected by the electors of a particular ward, as a representative of the ward in the City of Playford.

Electronic Means includes a telephone, computer or other electronic device used for communication.

Executive Officer is a staff member appointed by the Chief Executive Officer to support a Section 41 Committee, other committee or advisory group.

Independent Members are members on a committee or panel who are not elected but have been appointed by the Council to undertake a similar role as Councillors on Council's Section 41 Committees or the Council Development Assessment Panel. They are external appointees.

Mayor is the person elected as the Principal Member of the Council to represent the local government area as a whole.

Staff includes Council staff, contractors, volunteers and all others who perform work on behalf of Council.

Strategic Management Plans are defined as Council's Long Term Financial Plan, Council's Strategic Plan, Council's Asset Management Plan and the Council's Annual Business Plan.

4 Delegations

4.1 The Committee has delegation for the following:

4.1.1 Approve Committee's Minutes as a true and accurate record of proceedings.

4.1.2 Develop and approve the Committee's Work Plan.

4.1.3 Appoint a Presiding Member from within the Committee.

4.2 Any other business referred to the Committee in accordance with its Role and Terms of Reference, or where the Committee does not hold the delegated authority, this business may be debated with a recommendation referred to the next Ordinary Council Meeting for consideration.

4.3 The Executive Officer in consultation with the Presiding Member may approve a deputation request for business that falls in-line with the Committee's Role and Terms of Reference. The Committee may resolve to seek further information on the business of a deputation; although no further resolution may be passed for the business of a deputation at the meeting the deputation was provided.

4.4 Petitions are not delegated to the Committee and are only to be presented to Council.

5 Meetings

5.1 The Committee Meeting will be held on the first Tuesday of the month, starting at 5:00pm. The Committee will meet a minimum of six (6) times per annum. The Committee will determine an annual schedule of meetings.

5.2 The Committee Meeting will be hosted in the Committee Room at the Playford Civic Centre, 10 Playford Boulevard, Elizabeth, unless otherwise determined by the Committee prior to the meeting.

5.3 Meetings may either wholly or in part be held via electronic means with Zoom Video Communications, Inc.

A member of the Council participating in a Council meeting by electronic means is taken to be present at the meeting provided that the member:

a) can hear all other members present at the meeting;

b) can be heard by all other members present at the meeting; and

c) can be heard by the person recording the minutes of the meeting.

5.4 The agenda will be prepared and distributed to all Committee Members on the Thursday prior to the meeting, with the preference being to distribute electronically.

5.5 Special Meetings of the Committee may be necessary from time to time and may be called in accordance with Section 82 of the Local Government Act 1999. Notice of a Special Committee Meeting may be at a minimum of four (4) hours' notice, due to the urgency of the matters on the agenda.

6 Membership

6.1 Term rules:

6.1.1 The Committee shall comprise five (5) members consisting of the Mayor and one (1) Council Member and three (3) Independent Members.

6.1.2 The term of the Council Committee Members' appointment will be for a period not exceeding the next General Election.

6.1.3 Independent Members who are appointed to a Committee may carry over past an election term.

6.1.4 The Presiding Member must be an Independent Member and will be determined by the Committee for twelve (12) months, after which they may stand for re-election.

6.2 Independent Members of the Committee shall be appointed to bring recent and relevant experience and their capacity to act as a mentor to the Council Members on the Committee.

6.3 Table providing a summary of current Committee Membership and Term of Office details:

Term of Office		
Appointed Member	Endorsed by Council	Term Concludes
Cr Shirley Halls	26 Oct 2021	Nov 2022
Mr Martin White	22 Feb 2022	31 Mar 2024
Mr Mark Labaz	22 Feb 2022	31 Mar 2024
Mayor Glenn Docherty	27 Nov 2018	Nov 2022
Mr Peter Brass	26 Nov 2019	31 Mar 2023

7 Role of the Presiding Member

7.1 Oversee the conduct of Committee Meetings in accordance with the *Local Government Act 1999* and Code of Practice for Council and Committee Meetings.

7.2 Ensure all Committee Members have the opportunity to participate in debate and discussions in an open and encouraging manner.

7.3 Where a matter has been debated significantly and no new information is being discussed the Presiding Member may call the meeting to order and ask for the debate to be finalised and a motion be put forward.

8 Role of Committee Members

8.1 Actively participate in debate and discussion as a representative of Council in a professional manner at all times.

8.2 Ensure the Member is prepared and informed of meeting matters prior to the meeting.

8.3 Utilise the skills and experience of the Committee Members to effectively carry out the Committee's role.

9 Independent Member Support

Remuneration

9.1 Sitting fees are established by Council and will be reviewed biennially.

9.2 Independent Members will be paid per meeting, upon receipt of an invoice.

9.3 Independent Members who are required to attend an Ordinary Council meeting, other Committee meetings or mandatory training are entitled to 50% of the sitting fee.

9.4 If an Independent Member is also the Presiding Member of a Committee, they will receive 125% of the sitting fee.

Sitting fee	50 %	125 %
$ 475	$ 238	$ 594

Training

9.5 Independent Members may be offered to undertake training relevant to their role on the Committee. This may include mandatory training required of Council Members and Council and Committee Meeting Procedure training.

Insurance / Liability

9.6 Whilst acting in their capacity as an Independent Member, for any honest act or omission, Members will be provided indemnity for civil liability claims under the Local Government Association Mutual Liability Scheme.

9.7 Whilst acting in their capacity as an Independent Member, personal accident coverage will be provided to Independent Members. Note that under the Private Health Act 2007 and the rules attached to that Act, the personal accident policy may not cover medical expenses and Independent Members are responsible for their own medical expenses.

Submission of Returns

9.8 Council has determined that Division 2 – Register of Interests of the *Local Government Act 1999* applies to the Corporate Governance Committee.

9.9 Independent Members are required to submit a Primary Return within 30 days of initial appointment to the Committee. Ordinary Returns will be required within 60 days after 30 June each year.

9.10 Failure to supply a return before the expiration of one month from the period outlined in 9.9 will result in a vacancy.

10 Role of the Executive Officer and Administrative Support

10.1 The Executive Officer is appointed by the CEO to support the administration and operation of the Committee.

10.2 The Executive Officer and relevant staff may provide advice during the meeting in order to aid informed decision making.

10.3 The Committee is appointed a Minute Taker.

10.4 Governance will liaise with Independent Members to process remuneration and returns.

11 Reporting and Review

11.1 The Committee will undertake an annual self-assessment (in the election year this will be incorporated into the external review) to assess the on-going role and effectiveness of the Committee and report any recommendations to Council as required.

11.2 In the year leading up to a Council Election the Committee will undertake an external review of the Committee's effectiveness. Any relevant recommendations will be provided to the Council to assist with the ongoing structure of the Committee.

11.3 As determined by the Committee, the Committee may communicate with Council Members and staff on issues of importance to the Council. This communication may be delivered by the Presiding Member or Executive Officer in the form of a presentation to Council Members, a communiqué or a written memo and Council Report.

11.4 The Committee through the Chair will present to Council at least twice per year on
Corporate Governance Committee business.

12 Supporting Documentation

- *Local Government Act 1999*
- *Local Government (Financial Management) Regulations 2011*
- Code of Practice for Council and Committee Meetings
- Code of Practice for Public Access to Meetings and Associated Meeting Documents
- Code of Conduct for Council Members

13 Approval and Change History

Approval Date	Approval by	Change
	Council	Template & Committee Structure Review
25 Sep 2008	Council Resolution	Scheduled review
17 Dec 2013	Council Resolution No. 1622	Scheduled review
25 Feb 2014	Council Resolution No. 1683	Appointment of Independent Members: Ms Merridie Martin and Mr Allen Bolaffi
25 Nov 2014	Council Resolution No. 1996	Alignment to Council Elections 2014 and minor amendments to terms and meeting dates
25 Nov 2014	Council Resolution No. 1997	Appointment of Independent Member: Mr Andrew Andreyev
28 Jun 2016	Council Resolution No. 2604	Template & Committee Structure Review
27 Sep 2016	Council Resolution No. 2689	Reappointment of Independent Member: Mr Martin White
28 Nov 2017	Council Resolution No. 3039	Appointment of Independent Member: Mr Damian Pulgies
27 March 2018	Council Resolution No. 3121	Appointment of Member: Cr Dino Musolino
22 May 2018	Council Resolution No. 3159	Amendment to Charter outlining in more detail the Role and Responsibilities of the committee.
27 Nov 2018	Council Resolution No. 3336	Appointment of Members: Mayor Glenn Docherty and Cr Jane Onuzans Removal of cancellation clause.
26 Feb 2019	Council Resolution No. 3419	Reappointment of Independent Member: Ms Merridie Martin

27 Aug 2019	Council Resolution No. 3707	Removal of reference to the Annual Report as a document for the Committee to monitor as it is the Committee's role to consider the Financial Statements that are included in the Annual Report, not the Annual Report itself. Whistleblower provisions removed and replaced with provisions regarding Public Interest Disclosures, and the inclusion of reference to fraud and corruption. Inclusion of the Committee to provide input into the appointment of the External Auditor.
		Minor, administrative wording changes also made.
24 Sep 2019	Council Resolution No. 3746	Reappointment of Members: Cr Jane Onuzans and Mr Martin White Extension of appointment: Mr Damian Pulgies.
26 Nov 2019	Council Resolution No. 3848	Appointment of Independent Member: Mr Peter Brass
24 Mar 2020	Council Resolution No. 3981	Appointment of Independent Member: Mr Mark Labaz
07 Apr 2020	Council Resolution No. 3983	Definition of *Electronic Means* added in line with the new capability of electronic meetings.
25 May 2021	Council Resolution No. 4621	Inclusion of Independent Member Support
24 August 2021	Council Resolution No. 4731	Meeting Commencement time amended from 4:30pm to 5:00pm
26 October 2021	Council Resolution No. 4790	Appointment of Member: Cr Shirley Halls
22 February 2022	Council Resolution No. 4915	Reappointment of Members: Mr Martin White and Mr Mark Labaz

Appendix C Charter Compliance against Legislation

Local Government legislation is currently being reformed with a number of changes that affect Audit Committees referenced in the Local Government Act 1999. The Corporate Governance Committee Charter sets out the committee's role and terms of reference. The Charter was last updated on the 22nd of February, 2022.

Current Legislation	Legislation Reforms	Committee Charter	Recommendations
Local Government Act 1999	*Statutes Amendment (Local Government Review) Act 2021* amends the *Local Government Act 1999*		
Name of Committee			
S126(1) a council must have an audit committee	S126(1) A council must have an audit and risk committee	1.1 states that the Corporate Governance Committee fulfils the role of the Council's audit committee as required in S126	Having a different name than what is described in legislation may be confusing for elected members and members of the public. Recommendation: Consider changing the name of the Committee to Audit and Risk Committee
Membership of Committee			
S126(2) Membership of the committee; may include persons who are not members of the council and may include members of audit committees of other councils. Must be in accordance with regulations.	S126(2) requires the committee to have a majority of members who are not members of any council, and may not include an employee of the council but can include members of another council audit and risk committee. The members (considered as a whole) must have skills, knowledge and experience relevant to the functions of the committee, including financial management, risk management, governance and any other prescribed matter	6. states that there will be five members of the committee being three independent members, the Mayor and one Council Member 6.2 independent members shall be appointed to bring recent and relevant experience and their capacity to act as a mentor to the council members and the committee	Recommendation: That the skills required within the reformed legislation be listed in the Charter, being; that the members (considered as a whole) must have skills, knowledge and experience relevant to the committee's functions, including financial management, risk management, and governance. The current members have a range of skills that cover the requirements of the reformed legislation.

Current Legislation	Legislation Reforms	Committee Charter	Recommendations
Regulation 17 of the Local Government (Financial Management) Regulations 2011 – audit committee must have between 3 and 5 members (inclusive) and must have at least one person who is not a member of the council and has financial experience relevant to the committee and must not be the council's auditor.	Changes the name of audit committee to audit and risk committee throughout the Regulations. No change to number of members being between 3 and 5 (inclusive)		Recommendation: that new applicants for membership to the committee are assessed against a skills matrix to ensure that the members (as a whole) have the skills required within the reformed legislation.
Role and Functions of Committee			
S126 (4) the functions of the committee include; • reviewing annual financial statements to ensure fairly present state of affairs of council • propose and provide information relevant to council's strategic management plans or annual business plan • propose, review & exercise powers under S130A • liaise with council's auditor • review adequacy of accounting, internal control, reporting and other management systems and practices of council on a regular basis S128(2) requires that the auditor is appointed by council on recommendation of the committee S129(5a)(b) requires the auditor to provide opinions and advice to committee S130A investigation reports to be provided to committee	S126(1a) purpose of committee to provide independent assurance and advice to council on accounting, financial management, internal controls, risk management and governance matters S126(4) deleted and replaced with the following functions; • review annual financial statements to ensure they present fairly the state of affairs of council • propose and provide information relevant to a review of council's strategic management plans or annual business plan • monitor responsiveness of council to recommendations for improvement based on previous audits and risk assessment, including raised by auditor • propose, review and exercise powers under S130A • liaise with auditors in accordance with any requirements under regulations	Assist coordination of relevant activities of management, internal audit function and external auditor 1.2 Assist council in reviewing principal risks facing council including those that threaten council's strategic directions 1.3 assist in effective management of financial and other risks and protection of council assets 1.4 review development and adequacy of principles, policies and practices of Financial Planning and Reporting, Corporate Governance, Risk Management & Internal Control and make recommendations to council 2.1 – monitor the integrity of the financial statements, review significant financial reporting issues and judgements which they contain. Review and challenge where necessary – consistency of and changes to accounting policies, methods used to account for significant or unusual transactions where different approaches are possible, whether council has followed appropriate accounting standards and made	The reformed legislation sets out the committee's function, including providing oversight of planning and scoping of the internal audit work plan. The charter includes; Consider and make recommendations on program of internal controls and audit and receive reports on internal audit work plan. The legislation requires an oversight instead of an advisory role. Recommendation: That the Charter is modified to include oversight of planning and scoping of the internal audit work plan. The reformed legislation requires the committee to review and comment on reports provided by the person primarily responsible for internal audit at least quarterly. The Charter is not as explicit.

Current Legislation	Legislation Reforms	Committee Charter	Recommendations
	• review adequacy of accounting, internal control, reporting and other financial management systems and practices of council on a regular basis • if internal audit function – provide oversight of planning and scoping of internal audit work plan and • review and comment on reports provided by person primarily responsible for internal audit at least quarterly or • if not internal audit function, review and comment on annual report by CEO in relation to policies and processes adopted by council to evaluate and improve effectiveness of internal control practices and procedures • review and evaluate effectiveness of policies, systems and procedures established and maintained for identifying, assessing, monitoring, managing and reviewing strategic, financial and operational risks on regular basis • review S48 reports (Prudential Reports) • perform any function determined by council or regulations	appropriate estimates and judgements, taking into account views of auditor Clarity of disclosure of council's financial reports and context in which statements are made and all material information presented with financial statements such as operational and financial review and auditor statement Provide input to appointment of external auditor Keep under review effectiveness of council's internal controls, audit and risk management systems Review & recommend for approval, statements to be included in annual report concerning internal controls and risk management 2.2 Internal control, internal audit & risk management systems. Committee to review effectiveness of council's internal controls, audit and risk management systems. Review, recommend statements to be included in annual report concerning internal controls and risk management. Receive reports on activities of CEO strategic risk and internal audit work program including review of management's response to audits. Consider and make recommendations on program of internal controls and audit. 2.3 Public Interest Disclosures – review arrangements for employees to raise concerns re wrongdoings in financial reporting, fraud and corruption and other	Recommendation: That the Charter is modified to include the requirement for the internal auditor to provide a report to the committee quarterly. The reformed legislation requires S48 Prudential Reports to be reviewed by the committee. This is not included in the Charter. Recommendation: That the Charter is modified to require Section 48 Prudential Reports to be reviewed by the committee.

Current Legislation	Legislation Reforms	Committee Charter	Recommendations
		matters which allows for independent investigations. 2.4 Strategic Management Plans – review council's strategic management plans including Annual Business Plan, review and make recommendations on sustainability of financial performance considering financial indicators 2.5 other investigations under S130A	
Meetings			
Number of meetings not prescribed in legislation	S126(5) there must be at least 1 meeting of the committee each quarter	5.1 – the committee will meet a minimum of six times per annum. The committee will determine an annual schedule of meetings	The reformed legislation requires that the committee meet at least each quarter Recommendation; That the Charter is modified to say that the committee will meet a minimum of six times per year with at least one meeting occurring in each quarter.
Procedures of meetings not mentioned in the *Local Government Act 1999* but are in the *Local Government (Procedures at Meetings) Regulations 2013*	S126(6) meetings will be those prescribed by regulation and where not prescribed by regulation as determined by the committee	Included in councils Code of Practice for Council and Committee Meetings.	
Reporting to Council			
S41(9) requires that a committee that is performing a regulatory activity of the council must report to the council on its activities at least quarterly The LGA's Financial Sustainability Information Paper 3 – Audit Committees, revised February 2015 states that S126 of the *Local Government Act 1999* requires each council to have an audit committee,	S126(8) the committee must provide a report to council after each meeting summarising the work of the committee during the period preceding the meeting and the outcomes of the meeting and provide an annual report to the council on the work of the committee during the period to which the report relates. S126(9) a council must ensure that the annual report of its committee is included in its annual report	11.1 the committee will undertake an annual self-assessment (in the election year, this will be incorporated into the external review) to assess the on-going role and effectiveness of the committee and report any recommendations to Council as required 11.2 in the year leading up to a council election, the committee will undertake an external review of committee's effectiveness and any relevant	The reformed legislation has set reporting requirements beyond those that required under S41(9). There is no guidance yet on the form of the report. This report may be more than provision of minutes to the council. Recommendation; That by November 2023 the Charter is modified to

Current Legislation	Legislation Reforms	Committee Charter	Recommendations
however they are established under Section 41 of the Act.		recommendations will be provided to council to assist with the ongoing structure of the committee 11.3 – as determined by committee, the committee may communicate with council members and staff on issues of importance to council. Communication may be delivered by presiding member or executive officer in the form of a presentation to council members, a communique or a written memo and council report 11.4 the committee through the chair will present to council at least twice per year on committee business	include the requirement for the committee to report to council after each meeting and to provide an annual report to council. Note that council will be required to include the committee's annual report in council's annual report.
Appointment of Internal Auditor			
	S125A requires the CEO of council that has an internal audit function to consult with the committee before appointing a person to be primarily responsible for the internal audit function.	Playford has an internal audit function 2.2 (d) includes the committee considering and making recommendations on the adequacy of resources to perform function effectively and in accordance with the relevant professional standards	Recommendation: That the Charter is modified to require the CEO to consult with the committee before appointing a person to be primarily responsible for the internal audit function.
Internal Audit Reporting			
Nothing required	S125A(2) requires that the person responsible for the internal audit function must ensure that internal audit reports are provided direct to the committee	2.2 (c) receive reports on activities of CEO Strategic Risk and Internal Audit Work Program	Reformed legislation requires a direct reporting relationship between the internal auditor and the committee Recommendation: That the Charter is modified to require the internal auditor to report directly to the committee on internal audit matters
	S99(1)(ib) and S195(jb) requires the CEO to report annually to the relevant		Recommendation: That the Charter is modified to require the CEO to report

Current Legislation	Legislation Reforms	Committee Charter	Recommendations
	committee on the Council's internal audit process		to the committee annually on the council's internal audit process

Appendix D Agendas and Minutes – Past 3 years

The following assessment is undertaken against the committee's charter and the current legislation as at September 2022. Note that changes to legislation regarding Audit Committees will occur in November 2023.

Legislation	Charter	Reviewed and considered in committee meetings
Local Government Act 1999		
S126(4) Functions of the committee	Functions	
(a) reviewing annual financial statements to ensure that they present fairly the state of affairs of the council	2.1(d) the clarity of disclosure in the council's financial reports and in the context in which statements are made 2.1(e) all material information presented with the financial statements	Oct 2019-5.1 Adoption 2018/19 Annual Financial Statements Oct 2020-5.2 Adoption of 2019/20 Annual Financial Statements Oct 2021-5.1 Adoption 2020/21 Financial Statements
(ab) proposing, and providing information relevant to, a review of the council's strategic management plans or annual business plan	2.4 the committee shall propose and provide information relevant to a review of council's strategic management plans including the Annual Business Plan and review and provide recommendations on the sustainability of council's financial performance giving consideration to council's financial indicators	Aug 2019-6.2 LTFP update Oct 2019-5.3 Council's annual report Feb 2020-5.5 Mid-year Review Feb 2020-6.1 LTFP update May 2020-6.2 ABP update Aug 2020-6.1 LTFP update Oct 2020 Financial Report Feb 2021-6.1-LTFP update Feb 2021-5.1-Mid Year Review May 2021 ABP update Oct 2021-Financial Report December 2021 Review of Financial Sustainability Ratios Feb 2022 – 5.1 financial sustainability ratios and targets Feb 2022 – 5.4 – Mid Year Review Feb 2022-6.1 LTFP update Apr 2022 8.2 LTFP and ABP update May 2022 • 6. Draft 2022/23 ABP and LTFP • 8.1 LTFP update • 8.2 Major Project Status Update
(ac) proposing and reviewing the exercise of powers under Section 130A	2.5.1 the committee shall, propose and review the exercise of council's powers under Section 130A of the *Local Government*	Other investigations: Aug 2019 – Auditor General review of credit cards Nov 2019 – Auditor General review of credit cards

Legislation	Charter	Reviewed and considered in committee meetings
S130A are other investigations that the council may request to examine and report on any matter relating to financial management or the efficiency and economy with which the council manages or uses its resources to achieve its objectives that would not otherwise be addressed or included as part of an annual audit and that is considered by the council to be of such significance as to justify an examination under this section.	*Act 1999* in relation to the conduct of efficiency and economy audits that would not otherwise be addressed or included as part of an annual external audit	
(b) liaising with council's auditor		
Accounting, internal control, reporting, financial management	Accounting, internal control, reporting, financial management, risk and corporate governance	
(c) reviewing the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the council on a regular basis	1.2 Assist the council in reviewing the principal risks facing the council including those that threaten the council's strategic directions 1.3 Assist in the effective management of financial and other risks and the protection of council assets. 1.4 Review developments and adequacy of principles, policies and practices of financial planning and reporting, corporate governance, risk management and internal control and recommendations to council as appropriate 2.1review and challenge 2.1 (a) the consistency of and any changes to accounting policies on a year-on-year basis 2.1 (b) the methods used to account for significant or unusual transactions where different approaches are possible. 2.1 (c) Whether the council has followed appropriate accounting standards and made appropriate estimates and judgements,	Aug 2019-6.6 Work Plan review Aug 2019-5.2 Local Government Reform Discussion Paper Oct 2019-5.5 Internal Controls Update Dec 2019 • 5.1 Risk Management Review update • 5.2 2019/20 insurance portfolio • 5.3 2019 Local Govt Risk Scheme Highlights • 6.2 Internal Auditor • 6.3 work Plan review Feb 2020- • 5.3 Risk Management Review update • 5.4 risk Evaluation Summary May 2020 • 5.4 Risk Management Update • 6.1 Internal Audit Update • 6.3 Covid Update • 6.4 Work Plan Review July 2020 • 5.1 Assurance Gap Analysis and Internal Audit Plan • 5.2 risk Management update • 6.1 Impact of Accounting Standards for leases • 6.2 Covid update

Legislation	Charter	Reviewed and considered in committee meetings
	taking into account the views of the external auditor 2.1 (d) the clarity of disclosure in the council's financial reports and the context in which statements are made 2.2 (a) keep under review effectiveness of council's internal controls, audit and risk management systems 2.2(b) review and recommend the approval of statements to be included in the annual report concerning internal controls and risk management 2.2 (c) receive reports on the activities of the CEO's strategic risk and internal audit work program including the review of management response to audits 2.2 (d) consider and make recommendations on the program of the internal controls and audit including the adequacy of resources and access to information to enable it to perform its function effectively and in accordance with the relevant professional standards	• 6.4 Committee Work Plan Review August 2020 • 5.2 Risk Evaluation Action Plans • 6.3 committee work plan review Oct 2020 • 5.3 Covid Learnings Report • 5.6 Risk Evaluation Action Plans • 5.7-Internal Controls Update Dec 2020 • 5.2 Risk Management Update • 5.3 2020 Local Government Risk Scheme Highlights • 5.4 2020/21 Risk Evaluation Audit Action Plan • 5.5 2020/21 Insurance Portfolio • 5.6 Assurance Gap Analysis – status update • 5.8 Revaluation of Assets - Considerations Feb 2021-5.4-Procurement and Data Mining Internal Audit Report Mar 2021 • 5.1 Revocation of Risk Management Policy & replacement with Risk Management Framework • 5.2 Revocation of Community Engagement Management Policy • 5.3 Revocation of Open Space Trust Expenditure Policy • 5.4 Sale and Disposal of Land and other Assets Policy Review – feedback for further review April 2021 review of policies; 5.1 Sale and Disposal of Land and Other Assets 5.2 Procurement Policy Review 5.3 Fraud and Corruption Control Policy 5.4 Fees and Charges Policy Review 5.5 Prudential Management Policy Review 5.6 Treasury Policy Review May 21 • 5.2 Risk Management Plan Progress Update

Legislation	Charter	Reviewed and considered in committee meetings
		• 5.3 Risk Evaluation Audit Action Plan Progress Update • 5.4 Internal Controls Policy Review • 5.5 Financial Sustainability Ratios and Targets Policy Review • 5.6 Accounting for Property, Plant Equipment and Infrastructure Policy Review • 5.7 Asset Management Policy • 5.8 Treasury Policy • 8.1 Cyber Security Assessment August 2021 • 5.2 Risk Management Plan Progress Update • 5.3 2020/21 Risk Evaluation Audit Action Plan Progress Update • 5.4 Crisis Management Framework • 5.7Project Management Framework Internal audit report • 5.8 Internal Audit update Oct 2021-5.2, 2021/22, Insurance Portfolio Dec 2021 • 5.2 Risk Management Plan Progress Update • 5.4 2022 Schedule of meetings and workplan • 5.5 contract management internal audit report • 5.6 Recruitment and Selection Internal Assurance Report • 8.1 Revaluation Assets Feb 2022 – • 5.2 Risk Evaluation Action Plans • 5.5- Internal Audit Status Update • 8.1 Revaluation of Assets Apr 2022- • 5.1 Fees and Charges Policy & Procedure Review • 5.2 Risk Management Workplan update May 2022

Legislation	Charter	Reviewed and considered in committee meetings
		• 5.1 Financial Sustainability Ratios and Targets Policy and Procedure Review • 5.3 Internal Audit Status update August 2022 • 5.1 Hardship Policy and Procedure and Debt Recovery Procedure • 5.2 Risk Evaluation Action Plans update • 5.3 Strategic Risk Report • 5.5 Business continuity Planning Internal audit Report • 5.6 Governance and Delegation Internal Audit Report • 5.7 Risk Management Framework Internal Assurance Report • 5.8 Internal Audit Status update and Internal Audit Plan
S128 Auditor	Auditor	
S128(2) the auditor will be appointed by the council on the recommendation of the council's audit committee S128(2a) the audit committee must, in making a recommendation under subsection (2) take into account any factor prescribed by the regulations	2.1 (f) provide input into the appointment of the external auditor	Aug 2019-6.3 External Auditor Tender Process Feb 2020-5.2 Audit Tender Review – engagement scope for procurement of external auditor, committee's involvement with shortlisting through to appointment. May 2020-5.3 Audit Tender Review Update July 2020-8.2 Audit Tender results
	The committee shall meet as needed with the External Auditor. The committee shall meet the External Auditor at least once a year, without management being present, to discuss their remit and any issues arising from the External Audit.	Oct 2019 8.1 met with the external auditor in confidence with no staff present Oct 2020 8.1 met with external auditor in confidence with no staff present Dec 2020 6.2 Introduction of new External Auditors Oct 2021 8.1 met with the external auditor in confidence with no staff present.
S129 Conduct of Audit		
S129(1) the auditor of a council must undertake an audit of S129 (1)(a) the council's financial statements S129(1)(b) the controls exercised by the council in relation to the receipt, expenditure and investment of		Oct 2019- • 5.1-2018/19 Audit Completion Report • 8.1-Findings of External Audit Feb 2020 5.6 External Audit Plan – Interim Audit May 2020 5.2 Final Interim Audit Management Letter Oct 2020 8.1 Findings of External Audit

Legislation	Charter	Reviewed and considered in committee meetings
money, the acquisition and disposal of property and the incurring of liabilities S129(3) the auditor must provide to the council an audit opinion with respect to the financial statements and an audit opinion as to whether the controls audited under subsection (1)(b) are sufficient to provide reasonable assurance that the financial transactions of the council have been conducted properly and in accordance with law. S129(4) the auditor must provide to the council written advice on particular matters arising from an audit. S129 (5a) the auditor will provide the opinions under subsection (3) and advice under subsection (4) S129(5a)(b) to the council's audit committee		Oct 2021-8.1 Findings of External Audit Feb 2021-5.2-External Audit Plan – Interim Audit Apr 2022-5.3 External Audit Plan Aug 2022 5.9 External Audit-Interim Report
S41 Committees		
S41(9) A committee that is performing a regulatory activity of the council must report to the council on its activities at least quarterly		All committee minutes are provided to council.
	Public Interest Disclosures	
	2.3 the committee shall review the council's arrangements for its employees to raise concerns, in confidence about possible wrongdoings in financial reporting, fraud and corruption and other matters.	Aug 2019-5.1 Whistle-blower Protection Policy Nov 2019-8.2 ICAC Evaluation Update Dec 2019-6.2 Public Interest Disclosure Act update July 2020-6.3 ICAC Response Program Aug 2020 5.4 ICAC Implementation Program Oct 2020-5.4-ICAC Response Program Dec 2020-5.1 ICAC Implementation Program Dec 2020-6.1 Public Interest Disclosure Act 2018 Feb 2021-5.3-ICAC Implementation Program May 2021-5.9 ICAC implementation program Aug 2021 5.5 ICAC Implementation Program Oct 2021-5.4 ICAC Implementation Program-Final Report
	Meetings	
	5.1 … the committee will meet a minimum of six times per annum	2019/20, met 7 times Aug, Aug, Oct, Nov, Dec, Feb, May 2020/21, met 8 times

Legislation	Charter	Reviewed and considered in committee meetings
		Jul, Aug, Oct, Dec, Feb, Mar, Apr, May 2021/22, met 6 times Aug, Oct, Dec, Feb, Apr, May
	Reporting	
	11.1 the committee will undertake an annual self-assessment (in the election year this will be incorporated into the external review) to assess the on-going role and effectiveness of the committee and report any recommendations to council	Oct 2019-5.2-Adoption Corporate Governance Committee Annual Report 2018/19 Aug 2020-6.2 Committee self assessment Oct 2020-5.1-Adoption of Corporate Governance Committee Annual Report 2019/20 Dec 2021-5.1 Adoption of Committee Annual Report August 2022-5.10 Committee Self-Assessment (external assessment)
	11.3 the committee may communicate with council members and staff on issues of importance to the council. This communication may be delivered by the presiding member of the council, or executive officer in form of presentation to council members, a communique or a written memo and council report	All committee minutes are provided to council
	11.4 the committee chair will present to council at least twice per year on committee business	

Appendix E External Audit Findings

Meeting date	Issue	Recommendation	Management comments
April 2020	Report on users with access of functions in TechOne requires significant level of effort and time to review. Currently working to set up standard profiles with standard functions to allow review based on roles rather than detailed functions.	Continue with current project to establish standard profiles with standard functions in Tech one	Project has been initiated and expected to be implemented by end of June 2020
	Significant improvements in use of electronic purchase orders in past 3 years. Number of purchase orders issued after the date of the invoice reduced to 767 instances in 2019/20 (18% of purchase orders compared to 1022 in 2017/18 (27% of purchase orders. The average value of these purchase orders was $5,126 in 2019/20 ($9,961 in 2017/18)	Take steps to ensure that purchase orders are issued before purchasing goods/services.	Procurement team performed a review of PO compliance and identified reasons for noncompliance. Further training will be provided to staff and a periodic review will be implemented. The procurement policy will be reviewed which will take into consideration the PO compliance issues.
	One sample did not have an exemption for one procurement	Ensure that signed contracts and exemption forms are maintained on file	Implementation of contract instead of ad-hoc basis providing more robust costing structure
October 2021	A number of infrastructure assets were showing a useful life in the asset register that were higher than the policy range	That a review be done both on the policy and the asset register to ensure the correct useful lives are being applied	Expect inconsistencies will be removed as part of the valuation process that is occurring in the 2022 financial year.

Appendix F Self-Assessments

Self-Assessment of whether the committee had undertaken a range of activities or abided by Charter for each topic	2018/19 Average Response	2019/20 Average Response	2020/21 Average Response
Other Committee Activities			66.67% strongly agreed 27.28% somewhat agreed
Corporate Reporting	81.94% agreed 13.89% undecided 4.17% disagreed	88.9% agreed 2.8% undecided 6.9% unknown 1.4% N/A	81.25% strongly agreed 26.67% somewhat agreed
External Audit	76.56% agreed 15.63% undecided 4.69% disagreed 3.13% unknown	89.1% agreed 1.6% undecided 1.6% disagreed 7.8% unknown	
Internal Audit	35.94% agreed 12.50% undecided 48.44% disagreed 3.134% unknown	65.6% agreed 7.8% undecided 7.8% disagreed 10.9% unknown 6.3% strongly disagreed 1.6% did not respond	72.22% strongly agreed 27.78% somewhat agreed
Risk Management	66.25% agreed 20% undecided 10% disagreed 2.50% strongly disagreed 1.25% did not respond	78.8% agreed 7.5% undecided 3.8% disagreed 6.3% unknown 3.8% strongly disagreed	
Compliance and Ethics	46.43% agreed 35.71% undecided 14.29% disagreed 1.79% unknown 1.79% did not respond	71.4% agreed 8.9% undecided 10/7% disagreed 8.9% unknown	
Membership	87.5% agreed 9.38% undecided 3.13% disagreed	100% agreed	
Meetings	97.5% agreed 2.5% unknown	97.5% agreed 2.5% unknown	

Self-Assessment of whether the committee had undertaken a range of activities or abided by Charter for each topic	2018/19 Average Response	2019/20 Average Response	2020/21 Average Response
Other- committee regularly reports to council on activities and makes recommendations where appropriate	75% agreed 12.5% undecided 12.5% disagreed	75% agreed 12.5% undecided 12.5% strongly disagreed	
Committee evaluates their performance and effectiveness as a whole and for each member at least once per year	100% agreed	100% agreed	
Received regular reports regarding the ICAC Response Program			100% Strongly Agreed
Reviewed, provided feedback and made recommendations regarding policies and procedures related to financial, procurement, risk, fraud or other matters			100% strongly agreed
Areas for improvement	• Increased training for council members of the committee • Improving the updating and communication of policies • Active internal audit program with regular reporting from and discussion with internal auditor • Greater engagement with the chamber • Review of Annual Report to ensure consistency of risk and financial reporting • Inclusion and review of other key documents such as annual report and understanding policies • Regular reporting on the operation and effectiveness of risk management	• Overseeing the action plans for embedding the Risk Management Framework and developing ongoing risk based reporting to provide risk management assurance • Assessment of the effectiveness of the internal audit function as audits are completed throughout the year • Input on policy reviews as they commence via the ICAC Implementation Program • Greater engagement with the Council Members • Availability of Independent Members as and when required by management. Staff to provide advice and assistance rather than only during scheduled meetings	

Self-Assessment of whether the committee had undertaken a range of activities or abided by Charter for each topic	2018/19 Average Response	2019/20 Average Response	2020/21 Average Response
		• Avoid back to back council and committee meetings where possible so as to give council members opportunity and time to consider committee matters • Work program and agenda items that specifically address the activities listed in this survey • Presentation of risk profiles from senior managers • External presentation on key topics impacting council • Feedback from council on CGC performance	

Appendix G Interviews with Committee Members and Key Staff

The Auditor confirmed that they met with the committee annually in confidence and also meet them when introducing the audit plan. The Auditor felt that skills were appropriate with questions pitched at appropriate levels.

A set of questions were asked of the committee members and key staff. Responses are provided below. Respondents were very respectful of other members of the committee and staff that engage with the committee. Responses that may seem negative were all provided by respondents about themselves not about others whilst responses that are very positive about particular members were provided by other members. Elected members, independents and staff all seemed to appreciate what others brought to the meetings.

Question	Responses
How do you find the relationship between the committee and staff?	• Good • Chair meets with GM before agenda is finalised – that is very useful • Committee meetings are less formal, staff have no hesitation to talk to reports • Chair asks staff to talk to reports • Sometimes have to coach staff to understand that the aim is to improve • Seek advice from committee members where needed, know the skill set of members so happy to seek advice • Works well, good connections between staff and committee • Staff are encouraged to attend and talk to papers • All members are engaging and polite • Really appreciate that every report author is at the meeting and able to talk to report • Doesn't distinguish between staff and independents, quality good, all par to the same team trying to reach an outcome. • Committee has always had excellent engagement with executive and employees • CEO, executives and staff attend meetings. Time that staff and executive put into the committee is outstanding. • Think committee works well and there is a nice balance between administration, elected members, council and independents • Independents are able to challenge and refine administration's output • Good interaction, positive, opportunity to question and comment. • Sometimes staff might be a bit defensive when independents have a different perspective but this adds value • Collegial effort instead of formal • Respectful, can meet with the chair to discuss. Key staff seem to have a good relationship with members of the committee. • Good relationship with staff all the way from CEO onwards. CEO contacts chair or calls a special meeting if needed and all staff can ask questions or send further information. • Useful and gives value adding advice • Mostly good • Easy to work with committee

Question	Responses
How do you find the relationship between the committee and council?	• Elected Members distant from what is happening • Discussion isn't recorded so it is hard to see what the background was • Elected Members on the committee are the link back to council • Committee is not on the radar for elected members • When Chair spoke to council it was very good • The committee is a powerful tool that isn't being used • Interaction this year on Annual Business Plan was good. Working with council at a workshop rather than a deputation at a council meeting worked well. Feedback was the Elected Members were more appreciative, could engage better and were quite interactive and frank in discussion. This should occur in the future, • Not sure what comfort and what elected members get out of the committee as it is advising on topics that elected members may not be as interested in • Previously chair has tried to speak to council regularly, but timing is difficult to ensure that it is useful for the elected members. • When chair went to council for the annual business plan the feedback from the elected members was that they wanted to advice. • Views of the broader council might not be shared by councillor representatives on the committee • Important to get timing of meetings right so committee gets time to think about and input to council for council decision making. • Chair comes to council for significant issues, financial statements, and annual business plan. Not a lot of interaction in general. Some members understanding of the committee is not good as it is not in their background • Interactions we do have are positive • Council is comfortable with items considered by the committee. Our council has more items going to the committee than the minimum required legally but wouldn't like to have less. Sector wide these committees only focus on financials. We integrate systems and processes and are a bit broader • Council can send items to committee; administration encourages items to go to the committee • Not much of a relationship – the rate increase discussion this year seemed to be the only time a presentation occurred, and council thought that was valuable. • Chair presents a couple of sessions to elected members. • Other elected members might not want to sit on the committee – encourage the elected members to go on the committee to learn from the independents and to go to the LGA training. • Other than 2 elected members on the committee, council doesn't interact much. The ABP interaction was good with the chair of the committee coming to council at the beginning of the process rather than the end. Questions from the council to the chair were good and frank. • Maybe have workshops with committee members
Do you think committee members understand their roles?	• Yes, from almost all respondents • Independent members yes. Mayor has been on committee for a long time but other Elected members are only on for a single term and it takes a while to understand

Question	Responses
	• Good balance with chair having a significant role in local government and the other independents have experience out of local government • Mayor does and has been there for a long time and has done the AICD course as well (this response was not from the mayor) • Other elected members are on the committee for a short period • Feel that elected members might be nervous or intimidated to speak much as outnumbered by independent members and difficult for them to know how to contribute when independents have so much expertise. • Would like elected member representatives to bring more insight into what the elected member body is thinking. • It is helpful for the elected member representatives to provide the background from the council perspective • If one elected member is the mayor, could there be two extra elected members, would this be useful or not. • More apologies from Mayor and elected members, could an alternative step in so there is always two elected members in attendance • Yes – independents do and elected members on the committee do. Hard to get the rest of the elected members engaged. • Yes, they don't try to manage, they ask questions and think about risk and policy. They have different skill sets which is good for advice. • Not easy to get elected members to go onto the committee.
Do you think council understands the purpose of the committee?	• Don't think some members do, in other councils the committee is called other names, audit committee, does the corporate governance name cause confusion?
Do you think committee members understand local government?	• Yes – from all respondents • Yes – all independents have professional skill sets that have been developed outside of local government but still associated with local government.

Would you like to see enhanced skills from members whether independent or Elected Members?	• Sometimes I feel I don't know enough
	• Induction for Elected Member was only an hour with one of the managers to go through the agendas for a couple of meetings.
	• Would like training in;
	  ○ What the role of each person is and how they fit into the committee structure
	  ○ How the elected member fits into the structure
	  ○ What the parameters are, what the purpose is
	  ○ How to read financial reports
	  ○ Understanding risk
	  ○ Concept of debt and its purpose
	• Good balance at the moment between finance and risk
	• A lot of asset work, CBD, not sure if committee has experience in that area, but have engaged experts and they have presented to council
	• Covid has interrupted training for elected members
	• Yes
	• Audit/legal/cyber/finance – could we have extra spots to have a broader skill set
	• Asset Management – considerable time spent on reports dealing with assets and renewals , could be a useful skill set to add.

Question	Responses
	• More training for Elected Members on concepts of governance, risk, finance etc. • When Elected Members have workshops on strategic risk, committee could also attend to discuss with council about risk appetite, have risk workshops and understanding key risks, a more collective approach • Have most skills needed at this point • At least one independent could be female but difficult to get people and had to concentrate on skill set rather than diversity • Skillset is fine • Important for Elected Member representatives to have a really good induction program to help understand roles and how to contribute • Might be nice to have someone with a legal background, not necessary but can be good, however council can get legal advice when needed but could have been useful when coping with the recent Auditor General, ICAC report but council engaged appropriate advice • Would be good to have training around risk and WHS that you will see in the committee compared to what you see in council • There is already training on the financial components • Training for elected members about risk appetite and risk rating systems and a refresher on some of this during their term. • Maybe an annual training on risk and WHS and then a risk workshop • Better training for elected members will provide a better link back to council • Legal/contract law background, legal risk • Engineering skills as someone with those skills would also have skills in contracts and project management and understanding of asset management. • Independents don't require any additional skills. Elected members could be provided with more training to help them understand risk, the documents presented, risk appetite, risk documents, basic finance and understand policy reviews and the governance framework. • Elected members could have an induction with each department that reports to the committee. • When appointing members – look at skill mix like a board does with a skill matrix. Include skills in the skill matrix of IT-cyber security and engineering. • Good mix but it would be good to bring in additional skills sets such as engineering skills to be able to challenge the Asset Management Plans along with data analytics/cyber security. • Skill set could include cyber/infrastructure management/ customer serviced management/ customer relationship management. • Don't have extra member, rather have a skill set that is satisfied by current membership. Sometimes you don't get a perfect balance on committees and can get external advice to the committee in these cases. • Induction for elected member could be better. Not the most popular committee to sit on for elected members, need to

Question	Responses
	advocate for more consideration for elected members with similar skills to go onto the committee. • Wouldn't hurt to have asset management skills on the committee as we don't get a lot of challenge from the committee on this. Have brought in external expertise when needed.
Do you think the committee adds value to council?	• It adds value, provides direction and sound advice which keeps the council from going the wrong way into debt. • Provides financial management advice • Independent members come from a different perspective to elected members • It is good when the chair comes to talk to council about issues • Yes, the challenge to the impairment during the revaluation of assets was very useful • Add value to staff • This year Chair attended a council workshop on Annual Business Plan and discussions on updated financial targets, ratios and rates and that was very useful. • Council appreciated hearing from an independent member • Chair as part of the workshop of council was more useful than in formal meeting as a report as part of a deputation. • More recently receive higher quality information feedback to staff reports • Yes, more to staff but gives reassurance to council • Members are available outside of meetings as needed • Perhaps have some joint council and committee workshops where relevant • We haven't really explored the value the elected member body gets out of the committee or whether we need to do more • Add a lot of value but mostly feels like value is added through interaction with executive more than with elected members. • Done know whether elected members think we add value and whether there are ways that we could do that • Yes, I do, especially the testing and challenging of robustness of systems as independents are experts in their field and praise staff where doing well. • Yes, to administration. Council as a body get value when chair of committee presents to council. Potential for a lot of value but this isn't used. • The purpose of the elected members on the committee is to link the committee with the chamber and the community but also to be able to feel confident about information being presented. • Absolutely, especially to staff • Definitely, very low investment with low remuneration and big bang for buck back to council. • Had to review ICAC and Auditor General Reports – committee signing off is good value • Direct value to staff, only indirect value to council • Yes added value to our thinking – work with committee to improve outcome
Do you have the right number of meetings to get through the workload?	• 6 meetings per year, timing is important. Timing around ABP important to allow time for committee to consider before going to consultation, timing of workplan is important when thinking about timing of council decisions • Yes, there is time between meetings to progress plans

Question	Responses
	• There is an extensive amount of work that the committee is doing • Yes, can add additional meetings if required • 6 as minimum and extra when needed – at appropriate level • 6 scheduled and can have more, depends on what is going on and where in the cycle, i.e. Asset Management Plans and risk registers or external audit letters. • Right number, being strategic about what you want to achieve at each meeting • Not more often – need to allow time for staff to get things done • Additional workloads would require more meetings • Yes, even during the ICAC evaluation and reviewing policies, special meetings were called as needed. • Yes, more when needed but don't go monthly due to impact on staff resources. • Yes, can call special meeting if needed.
Do you think the committee is covering the right matters?	• Yes • Internal audit takes a lot of time • Can call extra meetings when required • Workplan is covering risk issues but will have more risk issues in the future. • Committee has spoken about hearing more about operational risks from GMs • Having own internal auditor is a big win for council and internal auditor can reach out to committee members. • Independent member could meet in confidence with committee like the external auditor does. • If require additional work in internal audit can engage an external resource if needed. • Chair and Executive Officer meet whilst agenda is being built and this is very useful. • About right • Have standing items to make sure we deliver on the charter and statutory roles • Committee members, especially independents don't necessarily know everything but due to good relationships with executive, executive bring ad-hoc issues as they arrive. • Yes – cover all the right things would be the perception from the independents. Staff allocate how long they think each presentation will take but that doesn't always work out. • Not good if meetings are the same days as council but now usually at start of the month and then there is time to get reports to council unless urgent. • Is the scope broad enough and in line with general expectation of the committee. In previous experience everything financial went to the committee before the board such as monthly budget updates. The committee doesn't meet enough to do monthly budgets. Budget reviews go straight to council and not the committee first. The committee mostly concentrates on risk. ABP went well this year. • Emerging risk should be looked at more
Anything else?	• Only 1 female, could we increase diversity, gender and cultural • Elected Members bring the residents view to the meeting • Terms of references for committees can be difficult to understand • More elected members to enable diversity in thought

Question	Responses
	• Encourage other elected members to come to committee meetings • Rotate elected members each year, think it would be better to be 2 years, 1 year doesn't give enough time to gain understanding of committee and role • When there is a difficult subject, bring the chair to council to explain the committee's recommendations • Feedback on agenda items would be better to get before the meeting, i.e. questions as then staff could prepare answers for the meeting. • No – think its working pretty well right now • Increase diversity • Fair amount of formality around meeting, have to do the right governance but currently staff sit back and are not in the meeting. More collaborative space and involve staff would be more relaxed to have open discussion. • Is name of committee potentially confusing for Elected Members • This committee was changed to be corporate governance not just finance and risk • Opportunity for pre-chat before meetings with anyone needed would be good • There is a unified approach with a good tone from the top, good values and behaviour of staff. • Only a single female on the committee • We appoint chair for 12 months and can then reappoint when that term comes to an end. Think 2 years might be better. Can continue to review each year as long as renewing allowed if the committee thinks that is better. Terms in other councils can be longer • Could remuneration be reviewed, believe it has been set at the same level for some time. What is the remuneration in other councils. Should the chair get a higher loading? • Employee doing internal audit is good, but it has taken a while to get to this point and I don't think this areas is resourced enough. • Internal audit person should play a stronger role in committee meetings and meet without staff in meeting. • What delegation does the internal auditor have to direct staff for information. • We meet with the external auditor either in person or on zoom and they are happy to take questions. • Currently elected members rotate through committee every two years – think it would be better if the whole term as this will give a chance to get a full understanding and complete training to do the role better. I don't think 2 years is long enough. • Got 3 independent members, should have 4 independents and 2 elected members and have all on a 4-year term with 2 independents changing half way through. Not 3 elected members though, only 2 but increase independents to 4. Especially as this is a large council with complexities especially with the CBD project and other complex projects. Instead of more elected members have more engagement with council by chair coming to council. • Works quite efficiently • Worthwhile hearing from internal auditor in confidence either annually or six monthly as this would improve independence

Question	Responses
	• I think the committee works well and has good independents and elected members • Committee is well functioning and not overpowering • Very finance and risk heavy – the mayor and elected member add a different perspective. • Doing the right things, committee is advisory rather than decision making. • Internal audit recommendations are getting acted upon • Why be called corporate and governance instead of audit and risk – don't do anything different than audit and risk • Is it the right thing to have the mayor on the committee – would a chair of a board sit on the audit committee? • Mayor should be oversight rather than a voting member of the committee, could influence the other elected member on the committee. • Instead of rotating chair every 12 months allow the term to be longer, could consider advertising to market for the chair position. • Recommend sitting fees to be $750 for chair and $500 for members to be more similar to other councils. • Teleconferencing has worked well but during key meetings is best to have members and auditors onsite. • need to be aware of expectations of committee as can put strain on resource capacity – how do we give the committee visibility of what is on our plates. • Internal audit function has had a number of recommendations for improvement with a lot of work to complete these. This has been good but needs to be weighed up with all other work. • Internal audit recommendations need to be risk rated to be prioritised – this has been discussed.

APPENDIX H Good Practice Guide

Good Practice Role

Role of the Audit Committee being to provide oversight of;

- External Financial Report and Annual Report
- External Audit
- Internal Audit
- Risk Management and Internal Control
- Compliance
- Ethics and Organisational Structure
- Fraud and Corruption

Assessment of the quality of audits conducted

Assessing the audits conducted and evaluating the performance of the auditor including considering:

- The Auditor's internal quality and standards
- The audit process (including the auditor's demonstration of professional scepticism)
- The timeliness of communications and usefulness and relevance of issues

Internal Audit

Reporting for internal audit is to the Audit Committee through the Chair. This involves the Audit Committee being involved with:

- Reviewing and approving the internal audit charter
- Reviewing the internal audit structure, independence and access to senior management, the audit committee and the board
- Approving decisions regarding appointment and replacement of the chief audit executive (CAE)
- Reviewing and approving the strategic internal audit plan (often 2-3-year period)
- Reviewing and approving the annual internal audit plan and any changes
- Reviewing reports on the results of internal audit engagement, audit-related activities, audit team capability, audit performance and other important matters.
- Considering the overall effectiveness of the CAE and the internal audit function
- Making enquiries of the CAE to determine any scope or budget limitations that may impede the execution of internal audit responsibilities
- Meeting privately with the CAE at least once a year without the chief executive officer or other management present.

Internal audit work is risk-based and encompasses both financial and non-financial operations.

Compliance

Oversight of compliance programs including;

- Monitoring the impact of changes in key laws, regulations, accounting standards, standards of good corporate governance
- Reviewing the effectiveness of the entity's systems, policies and practices that relate to compliance with laws, regulations, internal policies and accounting standards, and the results of management's investigation and follow-up of any instances of non-compliance.
- Obtaining regular updates from management and the head of compliance about compliance matters that may have a material impact on the entity's financial statements, strategy,

operations or reputation, including material breaches of laws, regulations, standards and company policies.

Ethics and Organisational Culture

Unethical behaviour can have potential financial, non-financial or reputational impacts on an entity.

Good audit committee practices will often include oversight of ethics/culture programs including:

- Considering the impact of culture on compliance
- Ensuring a code of conduct is in place, there is an effective implementation process to support its adoption, and the entity has a program for monitoring compliance with the code
- Approving and reviewing the policies, processes and framework for identifying, analysing and addressing complaints relating to the entity's ethical obligations, this may include whistleblowing procedures for employees and customer complaint handling processes
- Staying informed on significant ethical issues, as well as independent investigations and disciplinary action in relation to unethical behaviour

Good Practice Charter

The Guide outlines the items that are commonly included in an Audit Committee Charter;

- The committee's purpose and objectives
- The Committee's responsibilities, including
  - Its duty to address matters referred to the committee by the board
  - The scope of its activities for;
    - Financial reporting oversight
    - Internal and external audit evaluation
    - Risk management and internal control
    - Compliance with laws, regulations, internal policies and industry standards
    - Fraud risk mitigation
    - Continuous disclosure
  - Its responsibility for ensuring procedures are in place for receipt, retention and treatment of complaints received by the entity regarding accounting, internal accounting controls and auditing matters
- The authority delegated from the board to the audit committee, which might include the committee's right to;
  - Obtain outside legal or independent professional advice at the entity's expense
  - Institute special investigations
  - Recommend the appointment and retention of the external auditor
  - Recommend and approve the external audit fee and oversee the work of the external auditor
- Audit Committee membership and appointment
- Arrangements for meetings, including flexibility for the audit committee to invite non-members such as external auditors, internal auditors and members of management
- The Committee's responsibility for reporting on its activity
- How the audit committee performance will be assessed.

Good Practice Induction

The Guide recommends the following information be provided to new members on the Committee:

- The Charter
- Overview of business operations and the industry in which the entity operates
- All material previously provided to members on matters still before the Committee, including current audit plans and outstanding corrective action from previous audits (both external and internal)
- Papers from recent Committee meetings
- Internal audit charter
- Financial performance information including most recent audited financial report
- Risk profile of the entity and a list of business risks
- Risk appetite of the board
- Risk management framework and processes
- Internal control framework and processes
- Key financial reporting policies, including any related party issues
- Legal and regulatory requirements, including external reporting and compliance responsibilities
- Code of conduct for the entity
- Estimates of the time members need to commit to their Committee role
- Fraud control framework (and high-level details on previous fraud issues/allegations if any)

The Guide also proposes that all new members should meet with the chair, other Committee members, senior management and external and internal auditors as soon as practicable after being appointed.

Good Practice Assessing Performance

The Guide outlines the process for assessment of the Committee and individual Committee members.

- Identify and agree to the criteria by which the performance of the Committee will be assessed
- Assessing the effectiveness of the Committee as a whole and the performance of individual members
- Identify the process for implementing action plans developed in response to areas identified for improvement
- Assessing compliance with the Charter

Assessment of individual members includes whether the member has demonstrated;

- A good understanding of and commitment to the Committee's role and responsibilities
- Objectivity and independence
- Ability and willingness to take difficult but constructive stands at meetings when necessary
- Good understanding of the entity's business
- Sound understanding of the financial reporting issues and obligations
- Good understanding of entity's risk management and internal control processes
- Participation in activities to keep their business, industry, financial and regulatory knowledge current
- Preparation for and participation in committee meetings.

COMMITTEE REPORTS

CORPORATE GOVERNANCE COMMITTEE

Matters for Information

14.3 2021-22 CORPORATE GOVERNANCE COMMITTEE ANNUAL REPORT

Responsible Executive Manager : Dale Welsh

Report Author : David Gustafson

Delegated Authority : Matters for Information

Attachments : 1⇩. Corporate Governance Committee Annual Report 2021-2022

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

a. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

b. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

Purpose

To provide Council with the 2021-22 Corporate Governance Committee Annual Report.

STAFF RECOMMENDATION

That Council receives and notes the 2021-22 Corporate Governance Committee Annual Report (Attachment 1).

COMMITTEE RECOMMENDATION

That Council receives and notes the 2021-22 Corporate Governance Committee Annual Report (Attachment 1).

Relevance to Strategic Plan

Decision Making Filter – We will ensure that we meet our legislative requirements and legal obligations.

The annual report can be used to demonstrate the Corporate Governance Committee ('the Committee') is fulfilling the role of Council's audit committee as required under Section 126 of the *Local Government Act 1999.*

Relevance to Community Engagement Policy

There is no requirement for community engagement in relation to this item.

Background

In accordance with the Corporate Governance Committee Charter ('the Charter') the activities and performance of the Committee are reviewed on an annual basis.

Current Situation

The Corporate Governance Committee Annual Report for 2021-22 is provided at Attachment 1. The report details the role, structure and meeting attendance of the Committee and provides a list of the items considered by the Committee in 2021-22.

As this is an election year in accordance with the Charter, a review of the Committee must be completed by an external provider. This review has been completed and will be provided to the Committee and Council as a separate report.

Future Action

The CGC Annual Report will continue to be provided to the Committee and Council on an annual basis.

CITY OF Playford

Corporate Governance Committee Annual Report 2021/22

Contents

Introduction	3
Role of the Committee	4
Meetings	5
Presiding Member	5
Record of Attendance	5
Administration Support	6
Committee External Review	6
Appendix 1 – 2021-22 Committee Agenda Items	7

City of Playford
September 2022

(08) 8256 0333
12 Bishopstone Road,
Davoren Park SA 5113

Welcome

Welcome to the City of Playford Corporate Governance Committee Annual Report for 2021-22.

Introduction

This Annual Report documents the operation and activities of the City of Playford Corporate Governance Committee from 1 July 2021 to 30 June 2022.

Council's Corporate Governance Committee reviews and monitors the integrity of Council, including financial statements, internal controls, audit and risk management systems and strategic management plans.

The Committee is comprised of five members consisting of the Mayor, one Council Member and three Independent Members.

The term of the Council Members' appointment is generally for two years but does not exceed the next General Election.

Independent Members appointed to the Committee may carry over past an election term.

The Presiding Member must be an Independent Member and will be determined by the Committee for a term of twelve months, after which they may stand for re-election.

Independent Members of the Committee are appointed to bring current and relevant experience and their capacity to act as a mentor to the Council Members on the Committee.

Independent Members of the Corporate Governance Committee are paid for their services and are remunerated in accordance with the Committee's Charter.

During the 2021/22 financial year, the Committee's membership changed, with Cr Jane Onuzans completing her term and Cr Shirley Halls being appointed to the Committee in November 2021. Mr Mark Labaz assumed the position of Presiding Member, as resolved by the Committee on 4 May 2021 (resolution 4566).

The table below provides a summary of current Committee Membership and Term of Office details:

Appointed Member	Term Started	Term Concludes
Cr Shirley Halls	01 November 2021	November 2022
Mr Martin White	01 April 2022	31 March 2024
Mr Mark Labaz	01 April 2022	31 March 2024
Mayor Glenn Docherty	27 November 2018	November 2022
Mr Peter Brass	01 January 2020	31 March 2023

An external review of the Committee was completed in September 2022 providing an assessment on the activities of the Committee, evaluating their performance, and making recommendations to improve the operations of the Committee. The external review is provided to the Committee and Council as a separate report.

Role of the Committee

The purpose of the Corporate Governance Committee is to assist the coordination of relevant activities of management, the internal audit function and the external auditor to facilitate achieving overall organisational objectives in an efficient and effective manner.

The Committees role is to:

- Fulfil the role of Council's Audit Committee as required in Section 126 of the Local Government Act.
- Assist the Council in reviewing the principal risks facing the Council, including those that threaten the Council's strategic directions.
- Assist in the effective management of financial and other risks and the protection of Council assets.
- Review developments and adequacy of principles, policies and practices of Financial Planning and Reporting, Corporate Governance, Risk Management and Internal Control and make recommendations to Council as appropriate.

Terms of Reference

The Committee's Terms of Reference are to consider all matters outlined in Section 126(4) of the *Local Government Act 1999,* including:

- Financial Reporting
- Internal Control, Internal Audit & Risk Management Systems
- Public Interest Disclosures
- Strategic Management Plans
- Other Investigations or Evaluations

The specific objectives of the Corporate Governance Committee are outlined in the Committee's Charter.

Meetings

The Corporate Governance Committee meetings are held on the first Tuesday of the month, and during 2021/22 commenced at 5:00pm. The Committee meets a minimum six times per annum, with the schedule determined by the Committee in their workplan.

During the 2021/22 period, the Committee held six meetings with the average meeting lasting 1 hours and 33 minutes.

Due to the instigation of the Local Government Public Health Emergency Amendment Act 2020 in relation to the COVID-19 pandemic, and the need to maintain personal distancing, all members were able to participate via Zoom Video Communications, Inc. (teleconferencing) for all Corporate Governance Committee meetings. Attendance was often split between remote electronic and in person attendance.

The Committee considered 33 Reports and 10 Informal Discussion Items from 1 July 2021 to 30 June 2022. The Committee went into confidence on eight occasions to discuss matters that the Committee considered necessary to consider in confidence. A list of Committee items is provided at Appendix 1.

Presiding Member

The Presiding Member oversees the conduct of the Corporate Governance Committee Meetings in accordance with the *Local Government Act 1999* and Code of Practice for Council and Committee Meetings. Their role ensures that all Committee Members have the opportunity to participate in debate and discussions in an open and encouraging manner.

At the May 2021 Corporate Governance Committee meeting, the Committee appointed Mr Mark Labaz as Chair for a 12-month period, and in May 2022 Mr Labaz was appointed Chair for a further 12-month period.

Record of Attendance

Record of Attendance for Corporate Governance Meetings held from July 2021 to June 2022.

Member	Total Number of Meetings	Attendance	Attendance Rate
Cr Jane Onuzans	2	2	100%
Cr Shirley Halls	4	3	75%
Mr Martin White	6	6	100%
Mr Mark Labaz	6	6	100%
Mayor Glenn Docherty	6	4	67%
Mr Peter Brass	6	6	100%

Administration Support

An Executive Officer (EO) is appointed by the CEO to support the administration and operation of the Committee with the Executive Officer and relevant staff able to provide advice during the meeting as required to aid informed decision-making. The General Manager Strategy and Corporate, fulfilled the role of Executive Officer for 2021-22.

The CEO has appointed a Minute Taker and the Governance Team provide administration support preparing and distributing agendas and meeting papers in advance of the meetings as per legislation. Minutes were publicly available within five days of the meeting as per the requirements of the *Local Government Act 1999*.

Committee External Review

In line with the Corporate Governance Committee Charter, in the year leading up to a Council Election, the Committee will undertake an external review of the Committee's effectiveness.

The external review was completed in September 2022 and is provided to the Committee and Council through a separate report.

The review sets out recommendations for the structure and practices of the Committee and will be used by the Council when establishing the new Committee structure following the 2022 Local Government elections.

Appendix 1 – 2021/22 Committee Agenda Items

Meeting Date	Report Title	Report Type
Aug-21	Corporate Governance Committee Charter	Decision Report
Aug-21	Risk Management Plan Progress Update	Information Report
Aug-21	2020/21 – Risk Evaluation Audit Action Plan Progress Update	Information Report
Aug-21	Crisis Management Framework	Information Report
Aug-21	ICAC Implementation Program – July 2021	Information Report
Aug-21	Chief Executive Officer Update	Information Report
Aug-21	Project Management Framework Internal Audit Report	Information Report
Aug-21	Internal Audit Update	Information Report
Oct-21	Adoption of 2020/2021 Financial Statements	Decision Report
Oct-21	2021/22 Insurance Portfolio	Information Report
Oct-21	Chief Executive Officer Update	Information Report
Oct-21	ICAC Implementation Program – Final Report – October 2021	Information Report
Oct-21	Findings of External Audit	Informal Discussion - Confidential Matters
Oct-21	Northern CBD	Informal Discussion - Confidential Matters
Oct-21	2021 Committee Self-Assessment	Informal Discussion
Oct-21	Councils in Focus	Informal Discussion
Dec-21	Adoption of Corporate Governance Committee Annual Report 2020/21	Decision Report
Dec-21	Risk Management Plan Progress Update	Information Report
Dec-21	Chief Executive Officer Update	Information Report
Dec-21	2022 Schedule of Meetings and Workplan	Information Report
Dec-21	Contract Management Internal Audit Report	Information Report
Dec-21	Recruitment and Selection Internal Assurance Report	Information Report
Dec-21	Review of Financial Sustainability Ratios	Informal Discussion
Dec-21	CBD Development Update Presentation	Information Report – Confidential Matters
Dec-21	Revaluation Assets	Informal Discussion – Confidential Matters
Feb-22	Review of Financial Sustainability Ratios	Decision Report
Feb-22	2021/22 Risk Evaluation Action Plans	Information Report
Feb-22	Chief Executive Officer Update	Information Report
Feb-22	Mid Year Review – End of Year Forecast	Information Report
Feb-22	Internal Audit Status Update	Information Report
Feb-22	Long Term Financial Plan Update	Informal Discussion
Feb-22	Revaluation of Assets	Decision Report - Confidential Matters

Meeting Date	Report Title	Report Type
Apr-22	Fees and Charges Policy and Procedure Review	Decision Report
Apr-22	Risk Management Workplan Update	Information Report
Apr-22	External Audit Plan 2021/22	Information Report
Apr-22	Chief Executive Officer Update	Information Report
Apr-22	Hotel Update	Information Report - Confidential Matters
Apr-22	Update on Long Term Financial Plan and Annual Business Plan 2022/23	Informal Discussion - Confidential Matters
May-22	Financial Sustainability Ratios and Targets Policy and Procedure Review	Decision Report
May-22	Appointment of Presiding Member	Decision Report
May-22	Internal Audit Status Update	Information Report
May-22	Draft 2022/23 Annual Business Plan and Long Term Financial Plan	Informal Discussion
May-22	CBD Development Update Presentation	Informal Discussion - Confidential Matters

CITY OF Playford

City of Playford

Call — 08 8256 0333
playford@playford.sa.gov.au
playford.sa.gov.au

Post

12 Bishopstone Road
Davoren Park SA 5113

Visit

Playford Civic Centre
10 Playford Boulevard
Elizabeth SA 5112

Stretton Centre
307 Peachey Road
Munno Para SA 5115

playford.sa.gov.au/stayconnected

COMMITTEE REPORTS

STRATEGY AND SERVICES COMMITTEE

Matters which cannot be delegated to a Committee or Staff

14.4 CITY OF PLAYFORD ANNUAL REPORT 2021/22

Responsible Executive Manager : Dale Welsh

Report Author : Sarah Young

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments : 1⇩. City of Playford Annual Report 2021/22

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

a. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

b. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

PURPOSE

To seek Council's adoption of the City of Playford Annual Report 2021/22

STAFF RECOMMENDATION

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

Council adopts the City of Playford Annual Report 2021/22 and authorises the CEO to make further minor amendments that do not alter the intent of the Annual Report, prior to submitting the Report to the persons or bodies prescribed by the regulations and making it available to the general public.

COMMITTEE RECOMMENDATION

Council adopts the City of Playford Annual Report 2021/22 and authorises the CEO to make further minor amendments that do not alter the intent of the Annual Report, prior to submitting the Report to the persons or bodies prescribed by the regulations and making it available to the general public.

EXECUTIVE SUMMARY

The Annual Report 2021/22 provides a record of Council's performance during the 2021/22 financial year. It includes key information about Council, a summary of achievements during the year and how Council is tracking against its performance measures.

1. BACKGROUND

The *Local Government Act 1999* requires councils to prepare and adopt an annual report relating to the operations of the council for the preceding financial year.

The legislation specifies a number of requirements that Council must meet in developing its Annual Report; however, this report also provides additional information as outlined in the Local Government Association (LGA) Annual Report Guidelines.

The Report incorporates additional information as required by the reforms arising from the Statutes Amendment (Local Government review) Act 2021.

Due to the upcoming Local Government Elections in November 2022, and the associated Caretaker obligations during the election period, this Annual Report excludes a Mayor Foreword.

2. RELEVANCE TO STRATEGIC PLAN

The Annual Report provides a record of Council's performance during the 2021/22 financial year. Council services and projects are linked to the decision-making filters and community themes in Council's Strategic Plan 2020-24 *Community and City Foundations*.

3. PUBLIC CONSULTATION

The Annual Report 2021/22 provides a record of Council's performance during the 2021/22 financial year. There is no legislative requirement to consult the community on the contents of the report.

4. DISCUSSION

4.1 As the City of Playford expends community funds it must be accountable and transparent about that expenditure to its residents, ratepayers and stakeholders. The Annual Report is therefore an important method and ultimately a significant historical record to communicate Council's activities and performance for the year.

4.2 The 2021/22 Annual Report is comprised of the following sections:

- Welcome
- Our City
- Strategic Planning Framework
- Year in Review
- Financial Snapshot
- Measuring our Performance
- Your Council
- Our Workforce
- Looking Forward
- Legislative Checklist
- Appendices

These sections include the prescribed information as outlined in Section 131 and Schedule 4 of the *Local Government Act 1999.*

Information relating to Council Member and employee travel, gifts and credit card expenditure, and a summary of legal costs are included as per the reforms arising from *Statutes Amendment (Local Government review) Act 2021.*

As per the *Local Government Act 1999* the Annual Report also incorporates the following appendices:

- City of Playford's Audited Financial Statements 2021/22 (to be added following adoption by Council).
- Gawler River Floodplain Management Authority (GRFMA) Annual Report 2021/22
- Northern Adelaide Waste Management Authority (NAWMA) Annual Report 2021/22

5. OPTIONS

Recommendation

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

Council adopts the City of Playford Annual Report 2021/22 and authorises the CEO to make further minor amendments that do not alter the intent of the Annual Report, prior to submitting the Report to the persons or bodies prescribed by the regulations and making it available to the general public.

Option 2

Council adopts the City of Playford Annual Report 2021/22 with the following amendments and authorises the CEO to make further minor amendments that do not alter the intent of the Annual Report prior to submitting the Report to the persons or bodies prescribed by the regulations and making it available to the general public.

1. _____
2. _____
3. _____

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

The information contained within the Annual Report reflects Council's performance throughout the year and every effort has been made to ensure its appropriateness and accuracy.

Risk Appetite

Regulatory Compliance

Council has a zero tolerance for non-compliance with applicable legislation including but not limited to: Local Government Act (LGA) 1999; Independent Commissioner Against Corruption (ICAC) Act 2012; Work Health & Safety (WHS) Act 2012; Environment Protection Act (EPA) 1993; Development Act 1993; Equal Employment Opportunity legislation; and Public Consultation legislation.

This decision will ensure meet our legislative requirements as per Section 131 of the Local Government Act that a council must, on or before 30 November each year, prepare and adopt an annual report relating to the operations of the council for the financial year ending on the preceding 30 June.

6.1.2 Financial Implications

There are no financial or resource implications with the recommendation.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Council Members may suggest amendments to the Annual Report which can be incorporated prior to the legislative requirement to adopt the report by 30 November 2022.

6.2.2 Financial Implications

There are no financial or resource implications for this option.



Annual Report
2021/22

CITY OF Playford

Acknowledgement of Country

We acknowledge and pay our respects to the Kaurna people, the traditional custodians whose ancestral lands we gather on. We acknowledge the deep feelings of attachment and relationship of the Kaurna people to country and we respect and value their past, present and ongoing connections to the land and cultural beliefs.



Contents

Acknowledgement of Country 2

Contents 3

1. Welcome 4

2. Our City 6

3. Our Strategic Planning Framework 9

4. Year in Review 11

5. Financial Snapshot 28

6. Measuring our Performance 31

7. Your Council 35

8. Our Workforce 52

9. Looking Forward 62

10. Legislative Check List 65

11. Appendices 74

1. Welcome



Welcome

1

Welcome to the City of Playford 2021/22 Annual Report

This Report fulfils Council's obligation under the *Local Government Act* 1999 that requires councils, on or before 30 November each year, to prepare and adopt an annual report relating to the operations of the council for the preceding financial year.

The Report provides an overview of the services and projects that Council has delivered across the city throughout the year as identified in the 2021/22 Annual Business Plan and Budget.

The City of Playford General Purpose Financial Statements for the year ended 30 June 2022 will be added as an Appendix once adopted by Ordinary Council. The Annual Reports for Council's subsidiaries,the Gawler River Floodplain Management Authority (GRFMA) and the Northern Adelaide Waste Management Authority (NAWMA) are also included as Appendices.

An online version of the City of Playford 2021/22 Annual Report can be downloaded at

www.playford.sa.gov.au

2. Our City

The City of Playford is a diverse city enriched by resilient communities living in new and established suburbs as well as semi-rural townships. Residential development is occurring at a rapid pace, with Playford the centre of growth in South Australia.



Playford at a glance (ABS 2021)

Population

Older Residents (aged 60 years and older)

17.9% City of Playford

24.6% Greater Adelaide

Median age

33.3 City of Playford

40.6 Greater Adelaide

Aboriginal and Torres Strait Islander

3.5% City of Playford

Residents living with a disability **8,373**

Residents born overseas **21,612**

Estimated resident population

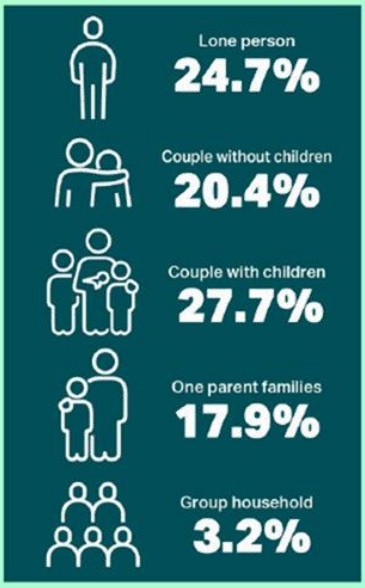
2022

101,274

2041 forecast

149,443

Household type



Employment

Health care and social assistance are our biggest employers. We also work in retail trade, education and training, as well as manufacturing.

345km² Area

Covering the northern perimeter of metropolitan Adelaide



Existing assets

Council has a significant portfolio of assets, ranging from roads and footpaths, to parks, community buildings, stormwater and fleet.

Transport

MORE THAN

900KM

of roads, plus eight Adelaide Ovals worth of carparks, as well as bridges, traffic islands and fencing



Footpaths & Signage



MORE THAN

800KM

of paths plus signage, bus pads and pram ramps

Parks & Sportsfields

OVER

1000

hectares of open space including 24 sportsfields and 100+ playgrounds





Buildings

189

buildings including civic and corporate buildings, community centres, sports club rooms and halls



Stormwater

507KM

of stormwater pipes plus 65km of network distributing recycled water to Council reserves, as well as schools and external customers



Fleet

231

assets including cars, van, utes, heavy machinery and movers essential to delivering services to our community

Technology



2796

items of technology equipment including computers, mobile devices and community audio-visual equipment

3. Strategic Planning Framework

Our Strategic Plan sits at the centre of our Strategic Planning Framework. It outlines Council's four-year goals for the city and provides direction for decision-making and how we prioritise the allocation of resources.



Strategic Planning Framework

3



The three phases of our Strategic Planning Framework:

PLAN

Council's high level plans guide our investment. The **Playford Community Vision 2043*** was developed in 2013 based on extensive community engagement and reflects the longer term aspirations of the community, organised under the goals of Prosperity, Liveability and Happiness.

City-wide Strategies focus on a particular asset class such as open space or cycling and walking and help prioritise projects across the City. **Masterplans** outline our vision across a particular precinct or project area such as the Lyell McEwin Health Precinct or Virginia Township.

INVEST

Council continues to invest in our growing community by undertaking new projects and delivering new services. The **Long Term Financial Plan*** ensures Council can deliver services, maintain assets and achieve its strategic objectives in a financially sustainable manner.

The **Annual Business Plan and Budget*** is the 12-month plan to deliver the Strategic Plan and secure funding.

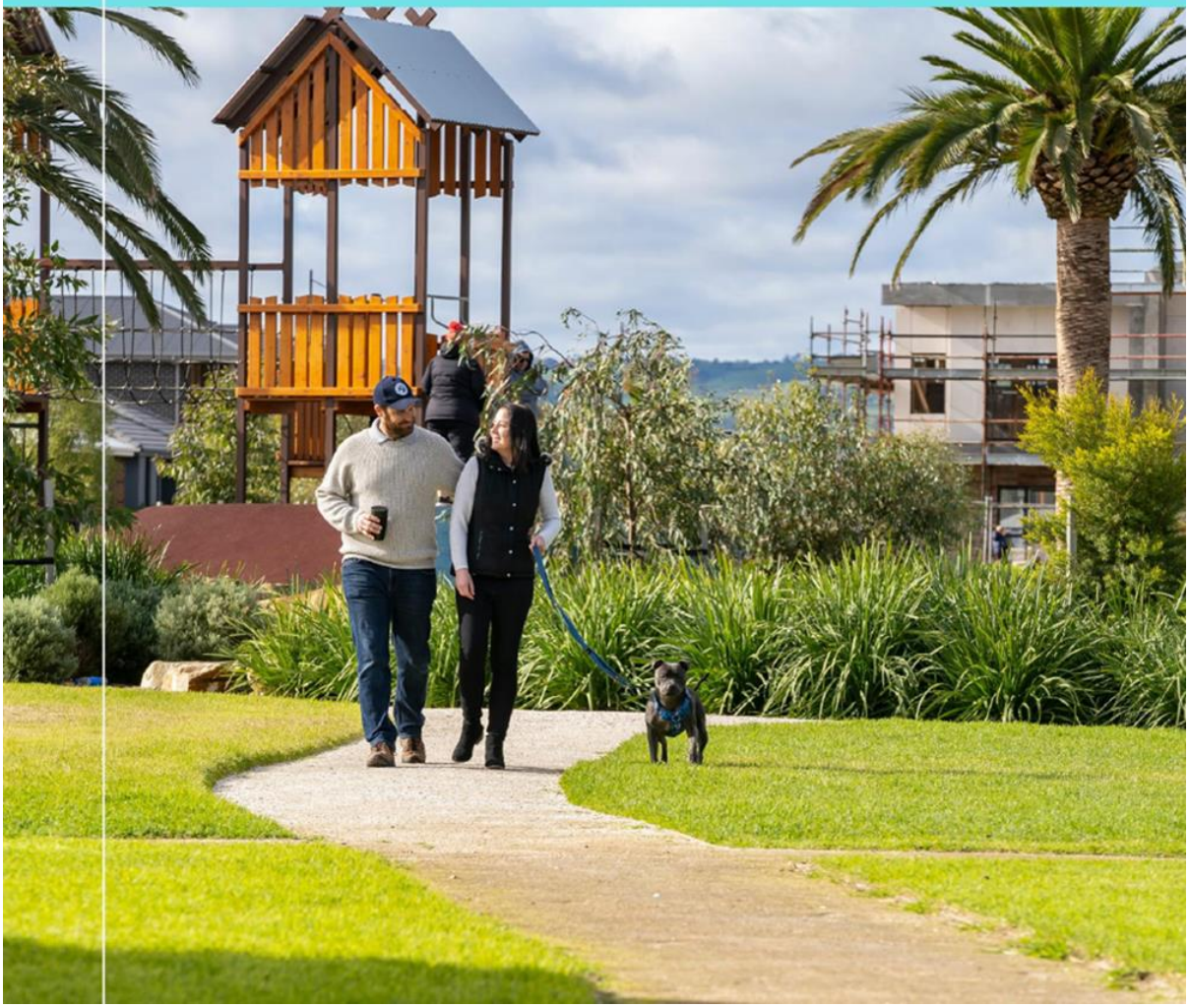
REVIEW

Council is constantly reviewing our investment. The **Strategic Asset Management Plan*** ensures effective and comprehensive management of our asset portfolios. We complete a range of different **analyses and planning activities** such as the Public Health Plan and Disability Access and Inclusion Plan that continue to guide our investment in our existing services.

**These plans meet Council's obligations under Section 122 of the Local Government Act 1999, which states that a council must develop and adopt plans for the management of its area, to be called collectively the strategic management plan.*

4. Year in Review

A summary of the key outcomes of the services and projects undertaken as outlined in Council's 2021/22 Annual Business Plan and Budget.



Year in Review

4

Service Highlights

Council has 25 core services it delivers to the community annually. Each of these services is delivered to its own specific standard to ensure the same level of service across the city from year-to-year.

Highlights from our services in 2021/22 are detailed below.



Community Facilities, Programs and Events

97,000 interactions by our **Customer Contact** team via phone calls, emails, front counter or webchat. Almost 32,000 customer requests were responded to and overall satisfaction with the team was rated at 84%.

Over 330,000 items were borrowed from our **Libraries.** The launch of the Tree Tots Nature Play Storytime program, in collaboration with The Precinct, aimed to improve every aspect of child development. The 'STEAM to you' program brought STEAM based activities out into the community.

The **Playford Civic Centre** was the base for SA Health's Elizabeth COVID-19 Vaccination Clinic with over 1100 daily vaccinations administered at its peak.

A record season of shows at **The Shedley Theatre** with most shows being sold out.

530 Playford residents became Australian Citizens as part of our **Events program**.

26,200 hours of community sport club use of Council **sportsfields and courts**.

Establishment of the **Playford Wellbeing Hub** with over 600 people participating in health and wellbeing activities, and a satisfaction rating of 4.7 out of 5 for its immediate impact on personal wellbeing. The hub received state recognition as the winner of the Local Government Professionals SA Annual Leadership Award for Excellence in Community Partnerships and Collaboration.

Over $100,000 in **Community Grants** awarded to residents and community groups. This includes $12,400 to assist young people to join local clubs and to recognise their outstanding achievements and $90,000 for community projects such as community events, cultural activities and new sports programs and initiatives.

16,500 Easy Meals sold from the **Healthy Food Co.**

Launch of the **'Everyday Money Skills'** online learning platform to teach adults with intellectual disability important money skills.

Over 110,000 attendances across **community inclusion** services and programs with 93.46% of participants satisfied with the programs and services.

360 **volunteers** contributed almost 68,000 hours to support the planning and delivery of Council services.

Year in Review

4



City Maintenance

Graffiti Operations responded to 482 CRS requests, 5624 incidents and removed 33,588 tags.

Maintenance of over 18 hectares of irrigated landscapes, such as garden beds, across our **Parks and Reserves**. 115 irrigated reserves were cut 26 times and unirrigated open space, such as reserves and windbreaks, in the urban areas were cut five times.

Over 1500 **Rapid Response** requests including for deceased animals, sump lids, rubbish hazards, damaged fences and bollard repairs.

Maintenance of our **rural streetscapes** with roadside slashing undertaken three times in the hills area and four times in the plains area.

Maintenance of 63 hectares of irrigated turf on our **sportsfields** across the City.

11,670 potholes filled, 1644 signs replaced, renewed, or installed and 66kms of line marking as part of our Roads and **Stormwater Network Maintenance** service.

Implementation of the Forestree app allowed our **Tree Services** team to proactively act upon risk and hazards in trees and implement tailored maintenance programs.

Over 10.5 hectares of irrigated landscapes maintained as part of the **Urban Streetscape Maintenance** service, including eight verge mowing cuts, 7.2km of irrigated median strips cut 26 times, 5.2km of irrigated verges cut 26 times, and 4.6km of footpath maintenance.



Waste and Recycling

Overall, there was a slight increase in **Illegally Dumped Rubbish** across the City throughout the year. However, trials across three suburbs have seen reductions of up to 60% in dumped rubbish within those trial areas.

There were approximately 3,890,500 bin lifts to collect weekly rubbish and fortnightly recycling and organics as part of our **Kerbside Waste** service.

Also, 38,532,765 kg of waste, recycling, and composting were collected and processed, and 16,744 hard waste disposal services provided.

Year in Review

4



Public Health, Regulatory and Environment

The **Environmental Health** team undertook 667 food safety inspections for 478 businesses to ensure safe and suitable food safety standards.

The **Environmental Sustainability** service saw 18,600 plants provided to the community for revegetation and greening. 161 hectares of Council reserves were managed and 174kms of rural roadsides maintained for biodiversity. Volunteers provided 1,187 hours for biodiversity work.

7311 people attended our school, community and business **Immunisation** clinics and received 11,433 vaccinations.

The **Regulatory Services** team assisted with Safe Pets Safe Families days held at The Precinct. This quarterly event helps members of the community who find themselves homeless, displaced or domestic violence victims and offers a free vet check, worming, free animal grooming and micro-chipping for their animals.

Dog registrations increased thanks in part to education provided to dog owners on the responsibility and importance of identifying their dogs.

2860 development applications lodged with Councils **Development Services** of which 1009 were applications for new dwellings.

Approximately $48.5 million in developer **contributed assets** were handed over to Council.

Over 1200 **building inspections** were carried out and the team responded to over 1100 compliance/local nuisance customer requests and over 1000 traffic related customer requests.



Local Business Support

Business Support team interacted with over 2000 local businesses and provided services to facilitate businesses to plan, start or grow their businesses, which supported the creation of 154 local jobs.

The **Stretton Centre** coworking facility continues to grow, with 40 businesses based on site. The centre developed a tailored **NDIS** networking platform to allow businesses to learn from each other and create new business opportunities.

Targeted events and collaboration created a focus on **defence industries** in Playford.

Year in Review

4

Strategic Projects Update

Our annual operating budget provides funds for concept plans, feasibility studies and other investigations to be carried out for future work. The table below shows the status of Strategic Projects for 2021/22.

Each project has been assessed as being completed, commenced or deferred.

Strategic Project	Status
Argana Park Infrastructure Masterplan	Completed
Creative Industries	Completed
GEP Strategic Investigations	Completed
Greening Adelaide – Heat Mapping	Commenced
Kooranowa and Munno Para Reserves (Athletics) Concept Planning	Completed
Local Park Upgrades	Completed
Mofflin Reserve Concept Plan	Completed
Northern Adelaide Plains Food Cluster	Commenced
Park Road Drainage System – Planning and Design	Commenced
Planning and Design Code Amendments	Commenced
Review of City-wide Sportsground Strategy	Commenced
Ridley Reserve (Football) Concept Planning	Deferred*
Shared Path Concept Planning	Commenced
Stormwater Investigations	Completed
Stormwater Management Plans	Completed
Traffic Concept Planning	Completed
Traffic Management – Lighting	Completed
Virginia Main Street Signage	Commenced

*Deferred pending outcomes of Adelaide United Football Club organisation directions.

Year in Review

4

Asset Management Plan Overview

Council's capital expenditure budget of $60.2M included $21.9M allocated to asset renewals. Council manages its physical assets through the development and implementation of Asset Management Plans (AMPs), which detail the actions required to deliver the agreed level of service in a fiscally responsible and sustainable manner, and in accordance with Council's Strategic Plan 2020-2024. These actions are a combination of maintaining and managing existing assets, and the renewal and upgrade of existing assets when they reach end of life or the optimum time in their lifecycle to intervene.

Delivery of our 2021/22 renewal program was impacted by supply chain disruptions due to the COVID 19 pandemic. This resulted in delays to the initiation of some work that was scheduled to take place. The footpath program was also delayed by the setting-up of a new long-term contract. These works have been carried over and will be undertaken in the 2022/23 financial year.

A summary of the 2021/22 community infrastructure renewals, including stormwater, buildings, footpaths and transport assets, is listed below, with the status of each project noted as being in the Planning and Design or Construction phase, Completed or Deferred.

Stormwater Infrastructure

$0.5M of stormwater asset renewals completed or initiated at the following sites:

Project	Status
Andrews Farm	
Carabeen Crescent	Completed
President Avenue	Completed
Sophia Way	Completed
Blakeview	
Bentley Road	Contract awarded
Berkshire Lane	Completed
Coachwood Close	Completed
Sherwood Place	Completed
Woodcroft Drive	Completed
Craigmore	
Adams Road	Completed
Currawong Crescent	Completed
Karinga Avenue	Completed
Kakuna Crescent	Completed

Year in Review

4

Project	Status
Somerset Grove	Completed
Davoren Park	
William Drive	Completed
Elizabeth East	
Bellinger Road	Completed
Elizabeth Vale	
Kennedy Street	Contract awarded
Hillbank	
Norway Avenue	Completed
Munno Para	
Alawoona Road	Completed
Penfield	
Andrews Road	Completed
Waterloo Corner	
Symes Road	Contract awarded

Parks and Sportsfields

$0.6M of parks and recreation renewal works were completed at the following sites:

Project	Scope	Status
Argana Park Oval Fencing	Fencing renewal at Argana Oval, Elizabeth Downs	Completed
Perre Reserve Shelter	Shelter renewal at Perre Reserve, Craigmore	Completed
Playgrounds AMP Replacement	Playground renewal at Michael Crescent Reserve, Munno Para Linear Reserve and Dauntsey Reserve	Completed
Renewal of Park Structures	Park structures and furniture renewal at the following sites: – Argana Park bin enclosure – Blake Road Median bench seat – Braemore Reserve bench seating & bin – Manningford Road Reserve bench seat – Holyoake Court East Reserve bench seats – Karri Reserve bin, bench seating & picnic setting	Completed

Year in Review

4

Project	Scope	Status
	– Knightsbridge Estate Reserve bins – Little Athletics Oval picnic setting – Perre Reserve shelter & picnic setting – Pipkin Road Reserve bench seat & bin – Playford Waters bench seating – Stratton Reserve bench seat – Womma Park bins	
Womma Park - Coaches Boxes	Coach boxes renewal at Womma Park, Elizabeth North	Completed

Footpaths and Transport

2.1km of renewed footpath was constructed throughout the city for a total of $0.3M, as well as 9.2km of road and kerb renewal and 2130m2 of carpark renewal delivered totalling $3M. Below is a summary of the volume of footpath and transport assets categorised by suburb:

Project	Scope	Status
Bibaringa		
Alexander Avenue Kerb & Reseal	Resurface 3135m of road from Gawler One Tree Hill to boundary line	Construction underway
Cornishmans Hill Road Kerb & Reseal	Resurface 1680m of road from Cornishmans Hill Road from Uleybury museum to Tyeka Drive	Construction underway
Blakeview		
Craigmore Road Kerb & Reseal	Resurface the roundabout exit and entry lane	Completed
Village Terrace Kerb & Reseal	Resurface 315m road from Craigmore Road to Main Terrace	Completed
Woodhaven Walk Kerb & Reseal	Resurface 180m of road from Main Terrace to Gumbrae Place	Completed
Craigmore		
Adams Road Kerb & Reseal	Resurface 180m of road from Stringbark Avenue to Sturt Drive	Completed
California Avenue Kerb & Reseal	Resurface 200m the road from Venice Street to Jacaranda Drive	Completed
Tatura Court Kerb & Reseal	Resurface 490m road from Tareena Street entry to 1 Tatura Court.	Completed
Washington Drive Footpath	Renew 549m of footpath from California Avenue to California Avenue	Construction underway

Year in Review

4

Project	Scope	Status
Zurich Road Kerb & Reseal	Resurface 275m of road from Rome Court to Adams Road	Completed
Davoren Park		
Bishopstone Road Footpath	Renew 480m of footpath from Meadows Lane to carpark	Completed
Christopher Court Kerb & Reseal	Resurface 50m of road from Pix to the end of road (Cul-de-sac)	Kerb construction underway
Cummins Street Footpath	Renew 350m of footpath from Marshman Street to Lawson Street	Completed
Pat Herbert Kerb & Reseal	Resurface 50m of road from Pix to end of road (Cul-de-sac)	Kerb construction underway
Peachy Road Kerb & Reseal	Resurface 410m of road from Block Pave to finish of block pave	Completed
Pix Road Kerb & Reseal	Resurface 640m of road from Whitington to Pix Road	Kerb construction underway
Prichard Street Footpath	Renew 500m of footpath from McLelland Street to Coventry Road	Completed
Pritchard Street Kerb & Reseal	Resurface 350m of road from Coventry to McLelland	Completed
Swallowcliffe Road Footpath	Renew 75m of footpath from Peachey Road to Westwood Street	Completed
William Drive Kerb & Reseal	Crack seal 350m from Smith Place to Gerald Boulevard roundabout	Planning and Design
Wilton Street Kerb & Reseal	Resurface 200m of road from Peachey to Pritchard Side	Completed
Elizabeth		
Wilcox Road Kerb & Reseal	Resurface 210m of road from Ogbury Street to Short Road	Completed
Elizabeth Downs		
Barritt Street Kerb & Reseal	Resurface 215m of road from Haldane Street to Parkinson Street	Completed
Haldane Street Kerb & Reseal	Resurface 80m of road from Barritt Street to Andrews Road	Completed
Mavros Road Kerb & Reseal	Resurface 450m of road from Midway Road to Dockett Road	Completed
Stratton Reserve Kerb & Reseal	Resurface 590m2 of carpark	Completed
Elizabeth East		
Catalina Road Footpath	Renew 100m of footpath from Saratoga Road to Yorktown Road	Completed

Year in Review

4

Project	Scope	Status
Saratoga Road Footpath	Renew 660m of footpath from Catalina Road to Anderson Steet	Completed
Elizabeth Park		
Dwight Reserve Kerb & Reseal	Resurface 1540m2 carpark	Completed
Elizabeth Vale		
Jarvis Road Kerb & Reseal	Resurface 610m road from Porter Street to John Rice Avenue	Completed
Hillbank		
Henryk Drive Kerb & Reseal	Resurface 90m of road from Bungarra Street to Wells Court	Completed
Menka Street Kerb & Reseal	Resurface 120m of road from Shandon Drive to Stanley Street	Completed
Stanley Street Kerb & Reseal	Resurface 140m of road from Menka Street to West End Side	Completed
Munno Para		
Coventry Road Kerb & Reseal	Resurface 465m of road from Dalkeith Road to Demannu Road	Design completed for construction in 2022/23
One Tree Hill		
Miles Road Kerb & Reseal	Resurface 550m of road from Uley to End Side	Design completed for construction in 2022/23
Potts Road Kerb & Reseal	Resurface the road from 550m West of Gawler One Tree Hill Rd to Goth Road	Completed
Penfield		
Andrews Road Kerb & Reseal	Resurface 1150m of road from Womma Road to Bellchambers Road	Completed
Bellchambers Road Kerb & Reseal	Resurface 1070m road from Stebonheath Road to Andrews Road	Completed
Smithfield		
Graeber Road Kerb & Reseal	Resurface 300m of road from Overlander Way to Andersons Walk	Completed
Uleybury		
Chapman Drive Kerb & Reseal	Resurface 980m of road from Uley Road to the cul-de-sac	Design completed for construction in 2022/23

Year in Review

4

Project	Scope	Status
Virginia		
Brady Street Kerb & Reseal	Resurface 60m of road from Phineas Street to Leach Street	Deferred****
King Road Kerb & Reseal	Resurface 200m of road from Quintrell Road to Downer Drive	Design completed for construction in 2022/23
Womma West Road Kerb & Reseal	Resurface 480m of road from Gawler Road to Crosby Road	Completed
Waterloo Corner		
Talbot Road Kerb & Reseal	Resurface 845m of road from Tozer Road to bend.	Completed

Buildings

Building Renewals totalling $2.9M were completed during 2021/22:

Project	Scope	Status
Aquadome, Elizabeth	Retiling of the 50M pool and major upgrade of the plant filtration system	Completed
The Precinct, Smithfield	Replacement dishwasher	Completed
Spruance Hall, Elizabeth East	Upgraded fire system and replacement HVAC system	Completed
Playford Operations Centre, Davoren Park	Replacement storage shed (shed 13), and EV Charging Station	Completed
Duncan Anderson Reserve, Elizabeth Vale	Replacement veranda	Completed

Capital Projects Update

Each year Council also introduces a range of new projects which are over and above our existing services and assets. The status of the new projects for 2021/22, as well as those projects continuing from previous years, are listed below. The status of each project is noted as being in the Planning and Design or Construction phase, Completed or Deferred.

Project	Status
Angle Vale Community Sports Centre Stage 5	Completed
Building Works Minor Projects	Commenced

Year in Review

4

Project	Status
Curtis Road/Peachey Road Intersection Minor Safety Upgrades	Design completed for construction in 2022/23
Deed Delivery and Infrastructure Design for Playford Growth Areas Project	- Heaslip Road – Design completed for construction 2022/23 - Stebonheath Culvert – Construction underway Completed - Chivell Road outfall drain (Design Only)
Fremont Park Stage 3	Design
ICT Minor Projects	Commenced
McGilp Reserve Upgrade	Deferred*
Munno Para Linear South Reserve Irrigation	Design completed for construction in 2022/23
New Footpath Projects	Completed - Harvest Court footpath - Hillier Court footpath - Kingate Boulevard footpath - Garden street footpath - Womma Road footpath Planning and Design - Sheedy Road footpath - Burnlea Parade footpath - Camelot Drive footpath - Tuner Drive footpath - Olinda Street footpath - Pinda Court footpath - Browne Circuit footpath
Northern CBD Prince Charles Street	Deferred**
Open Space Minor Projects	Completed - Miscellaneous minor reserve improvements - Jo Gapper Dog Park lighting - Blakeview Basketball Court - Eyre Sports Park shade sails - Blakeview Pumptrack shelter - Hillbank shelter

Year in Review

4

Project	Status
Park Road Drainage System	Design commenced
Playford Sports Precinct – CDFC Changerooms and Playford International College Floodlights	Construction underway
Playford Sports Precinct Softball Lights	Planning and design
Rural Road Sealing – Riggs Road	Completed
Sport and Recreation Minor Projects	Completed
Stebonheath Road/Dalkeith Road Intersection Upgrade	Deferred***
Stebonheath Road Upgrade Stage 2	Construction underway
Stormwater Minor Works – Andrews Road	Design completed for construction in 2022/23
Traffic Management Minor Projects	Completed
Virginia Main Street Upgrade	Construction underway

*The upgrade to McGilp Reserve was deferred pending grant funding and is included in Council's 2022/23 Annual Business Plan and Budget.

**Northern CBD Prince Charles Street was deferred pending the Expression Of Interest (EOI) for the CBD development and is included in Council's 2022/23 Annual Business Plan and Budget.

*** The intersection upgrade for Stebonheath Road/Dalkeith Road was deferred due to an unsuccessful grant application. Funding will be sought through the Blackspot Program in 2022/23.

**** Brady Street Kerb & Reseal has been deferred to align with the Virginia Main Street upgrade.

Playford Growth Areas Infrastructure

In 2010, the South Australian Government prepared the 30-Year Plan for Greater Metropolitan Adelaide. This Plan identified the City of Playford as the centre of residential growth in northern metropolitan Adelaide. Primary production land in Angle Vale, Virginia and Playford North was rezoned in 2013/2014 as residential land, in what become known as the Playford Growth Areas. As part of the re-zoning, agreements known as Infrastructure Deeds, were negotiated with landowners and the State Government. These Deeds set out the legal arrangements between landowners, Council and the State Government and identify required infrastructure, costs and the mechanisms for delivery between the various parties to the Deeds.

Deeds cover social, transport and stormwater infrastructure and require Council and the State Government to report on an annual basis, the funds raised within the Growth Areas and any expenditure of the funds.

Year in Review

4

Council is the Administering Body for the **social** and **stormwater** deeds and the tables below show the status of the funds for 2021/22.

Social Infrastructure Deeds

Virginia	Amount	
Contributions received into the Fund 2021/22	$25,344	
Expenditure from the Fund 2021/22	$0	
2020/21 Total	**$25,344**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$133,193
Total Expenditure from the Fund (up to 30 June 2022)		$0
Balance of Fund (up to 30 June 2022)		**$133,193**

Angle Vale	Amount	
Contributions received into the Fund 2021/22	$397,205	
Expenditure from the Fund 2021/22	$0	
2021/22 Total	**$397,205**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$1,018,487
Total Expenditure from the Fund (up to 30 June 2022)		$0
Balance of Fund (up to 30 June 2022)		**$1,018,487**

- Riverbanks College opened in February 2022 and the shared recreation facilities negotiated for use by Council have been completed. Council has commenced making some payments towards its shared costs and these funds have been sourced from the annual Budget.

. Playford North Extension	Amount	
Contributions received into the Fund 2021/22	$38,758	
Expenditure from the Fund 2021/22	$0	
2021/22 Total	**$38,758**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$204,094
Total Expenditure from the Fund (up to 30 June 2022)		$0
Balance of Fund (up to 30 June 2022)		**$204,094**

Year in Review

4

Stormwater Infrastructure Deeds

The framework for the necessary stormwater and flood mitigation works in the three Playford Growth Areas are guided by Growth Area Stormwater Management Plans (SMPs). These SMPs prescribe a range of works on both private and public land.

As part of the land division development assessment/approval process, the majority of SMP works are undertaken by private parties as negotiated works–in–kind. For example, in 2021/22 the developer undertook work on the first section of the Broadacres Drive Regional Outfall Drain with the project being nearly completed. Negotiations are underway to have the next section of the drain constructed.

These works are not accounted for in the tables below but play a critical role in realising the Growth Area SMPs, which in turn allows development to continue to take place in the Growth Areas and provide the necessary protections for the community.

Virginia	Amount	
Contributions received into the Fund 2021/22	$0	
Expenditure from the Fund 2021/22	$165,979	
2021/22 Total	**($165,979)**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$150,056
Total Expenditure from the Fund (up to 30 June 2022)		$302,397
Balance of Fund (up to 30 June 2022)		**($152,341)**

Angle Vale	Amount	
Contributions received into the Fund 2021/22	$0	
Expenditure from the Fund 2021/22	$328,085	
2021/22 Total	**($328,085)**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$400,150
Total Expenditure from the Fund (up to 30 June 2022)		$679,520
Balance of Fund (up to 30 June 2022)		**($279,370)**

- The detailed design for the Chivell Road Regional Outfall Drain has been completed and will shortly go to tender.

Year in Review

4

Playford North Extension	Amount	
Contributions received into the Fund 2021/22	$0	
Expenditure from the Fund 2021/22	$254,901	
2021/22 Total	**($254,901)**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$0
Total Expenditure from the Fund (up to 30 June 2022)		$581,419
Balance of Fund (up to 30 June 2022)		**($581,419)**

- The Stebonheath Road Regional Outfall Culvert has now been completed facilitating critical stormwater drainage for a number of new Growth Area land divisions.

Transport Infrastructure Deeds

The Department for Infrastructure and Transport (DIT) is the Administering Body for the transport deeds and the tables below show the status of the funds for 2021/22.

Angle Vale Road	Amount	
Contributions received into the Fund 2021/22	$3,630,000	
Expenditure from the Fund 2021/22	$1,151,000	
2021/22 Total	**$2,479,000**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$8,994,000
Total Expenditure from the Fund (up to 30 June 2022)		$2,237,000
Balance of Fund (up to 30 June 2022)		**$6,757,000**

Works undertaken by DIT in 2021/22:

- AV13 – Curtis Road/Heaslip Road roundabout. Concept and design work further continuing into 2022/23. Construction is expected to commence in 2023.
- AV15 – Heaslip Road/Saverio Boulevard. Construction of a single lane roundabout completed.
- AV18 – Heaslip Road upgrade. Design work commenced and construction expected to commence in 2022/23.
- AV34 – Fradd Road upgrade. Portion of upgrade complete. Further design and construction of the remaining section expected to occur in 2023/24.

Year in Review

4

Playford North Extension	Amount	
Contributions received into the Fund 2021/22	$242,000	
Expenditure from the Fund 2021/22	$0	
2021/22 Total	**$242,000**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$1,326,000
Total Expenditure from the Fund (up to 30 June 2022)		$0
Balance of Fund (up to 30 June 2022)		**$1,326,000**

Works undertaken by DIT in 2021/22:

- PN23 – Womma Road/Stebonheath Road. Installation of a single lane roundabout complete. This was funded separately from the Eyre Development/Renewal SA Deed.

Virginia	Amount	
Contributions received into the Fund 2021/22	$ 484,000	
Expenditure from the Fund 2021/22	$0	
2021/22 Total	**$484,000**	
Whole of life total contributions received into the Fund (up to 30 June 2022)		$2,380,000
Total Expenditure from the Fund (up to 30 June 2022)		$0
Balance of Fund (up to 30 June 2022)		**$2,380,000**

Works undertaken by DIT in 2021/22:

- Nil

5. Financial Snapshot

Council is committed to delivering long-term financial sustainability, with a focus on producing a sustainable operating surplus position, effectively managing debt and sustainably growing assets and services.



Financial Snapshot

5

Financial Snapshot

2021/22 Performance

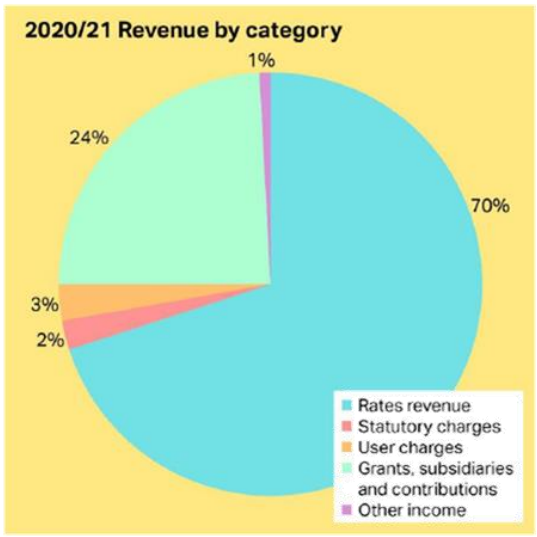
Item	2021/22 Actual $M
Operating income	124.2
Operating expenses	108.6
Operating result	15.6

The operating surplus for 2021/22 is $15.6M against an original budgeted surplus of $4.4M. This favourable result is mainly due to increased Federal Government Grants, developer contributions, employee cost savings, interest savings and savings related to delays in capital projects.

Revenue was higher than 2020/21 by $8.3M largely due to Council receiving higher than anticipated developer contributions and grants of $5.2M, user charges of $0.7M, profit share of $0.2M, rate revenue of $2.7M which was partially offset by a reduction in other income $0.8M.

Actual operating expenses have increased from 2020/21 by $4.2M. The increase in operating costs is largely due to higher depreciation as a result of revaluation of assets. The increase was partially offset by a reduction in finance costs.

Where Council's money comes from

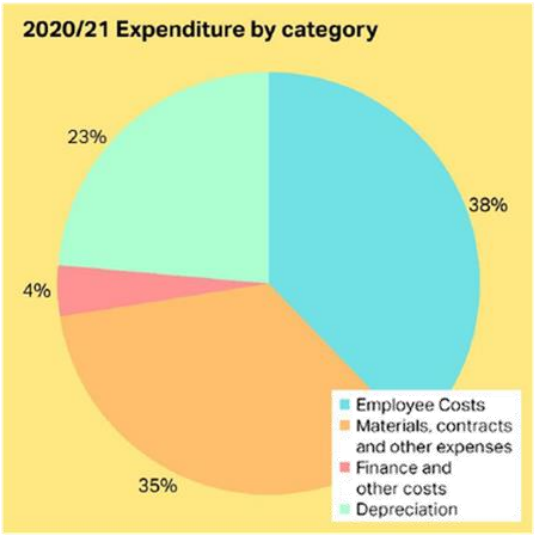


The City of Playford received income of $124.2M in 2021/22. The main sources of revenue were rates revenue (commercial and residential) of $86.3M and grants, subsidies and contributions totalling $29.2M. The balance of $8.7M was generated through statutory charges, user charges and other minor sources.

Financial Snapshot

5

What Council's money was spent on



The City of Playford spent $108.6M on delivering services in 2021/22. Operating expenses included employee and labour hire costs of $41.7M, materials, contracts and general expenses of $37.5M, depreciation of $25.5M and finance and other costs $4.0M.

6. Measuring our Performance

A range of performance measures and financial targets help track our progress as we deliver against the Annual Business Plan and Budget.



Measuring our Performance 6

Playford Community Survey

The Playford Community Survey is a key part of Council's commitment to listen effectively to community experiences about living in our city. In 2021, we undertook a major review of our annual survey to improve the experience and accessibility for our community and garner more meaningful feedback. Part of this review also included aligning questions to our Strategic Plan themes to increase our community's understanding of the work being undertaken by Council.

With the insights gathered from the 2021 survey still being used today, in 2022 the Playford Community Survey acted as a 'pulse check' with our community. We sought to understand how they are experiencing our city halfway through the delivery of our 2020-2024 Strategic Plan.

What we heard in the 2022 Playford Community Pulse Survey

Feedback was collected online, over the phone, through field work and promotional QR codes across the city. Over 1200 members of the Playford community shared their thoughts and experiences. The graphics below show the average rating out of five for each Community Theme. The average Community Sentiment is also shown below. This represents community trust and confidence in council, as well as satisfaction with council over the past 12 months.



Measuring our Performance

6

Financial Sustainability

Council includes its financial strategies, objectives and targets in a Long Term Financial Plan (LTFP). This plan has direct links to all Council strategic plans including the Asset Management Plan, Playford Community Vision 2043 and Annual Business Plan.

The table below summarises the results for the 2021/22 financial year. Some of ratios are outside the target range due to additional developer contributions and grant funding, as noted in the comments.

The 2021/22 LTFP shows that over the next 10 years Council will maintain a solid financial position with the 10 year average with all financial indicators falling within the target range over the long term.

Financial Indicator	Explanation	2021/22 Actual	Target	Comments
Operating Surplus Ratio	Performance Indicator This ratio expresses Council's operating result as a percentage of Council's total income	12.5% 9.4% when adjusted for prepayment of FAGs[1].	1%-10%	Above target range due to the one off effects of additional developer contributions and grant funding for capital projects.
Cash Flow from Operations Ratio	*Performance Indicator* The cash generated each year from operations compared to the 10 year average requirements in the Asset Management Plan. This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	212.2% 160.1% when adjusted for prepayment of FAGs	Between 90% and 110%	Above target range. This ratio is above target range due to the effects of additional developer contributions and once off grant funding for capital projects. These funds are committed to long term capital projects and thus this ratio will normalise over time.
Asset Renewal Funding Ratio	Infrastructure Indicator This ratio shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	70%	Between 90% and 110%	Below target range due to delays in a number of asset renewal programs
Net Financial Liabilities Ratio	Debt Indicator This ratio shows net financial liabilities as a percentage of Total Operating Income	102% 114% when adjusted for prepayment of FAGs	50%-160%	Within target range

[1] FAGs = Financial Assistance Grants

Measuring our Performance

6

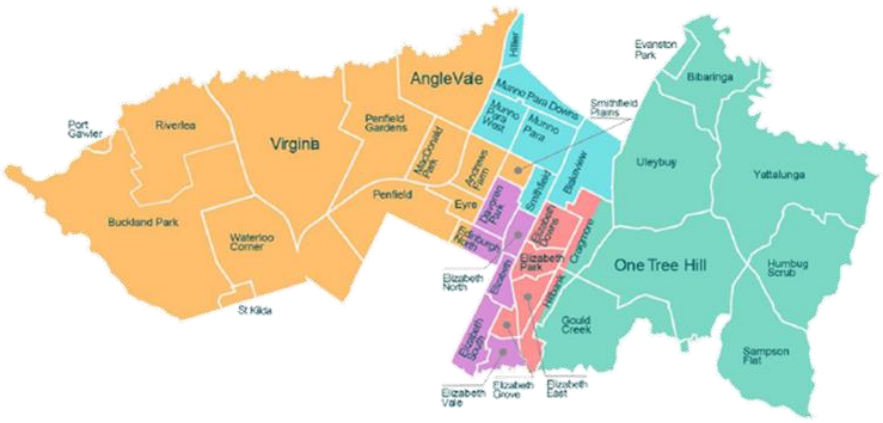
Financial Indicator	Explanation	2021/22 Actual	Target	Comments
Interest Expense Cover Ratio	Debt Indicator This ratio shows how much rate income is used to pay interest on borrowings.	4.5%	4%-8%	Within target range

7. Your Council

The City of Playford is divided into five wards, with a Mayor and 15 Councillors. Each ward is represented by three Councillors. The ward boundaries endeavour to provide an equal number of electors represented by a Councillor.



Your Council



MAYOR



Mayor Glenn Docherty

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
CEO Review Committee (Chair)
Civic Events Committee (Ex Officio)
Corporate Governance Committee
Policy Review Committee (Chair)

WARD 1



Cr Clint Marsh

Ordinary Council
Strategy & Services Committee (Sep-Jun) (Chair – Mar-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Policy Review Committee



Cr Peter Rentoulis
Deputy Mayor

Ordinary Council
Strategy & Services Committee (Sep-Jun) (Chair – Sep-Feb)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
CEO Review Committee



Cr Cathy-Jo Tame

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)

WARD 2



Cr Stephen Coppins

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Council Assessment Panel (Jul-Nov)



Cr Jane Onuzans

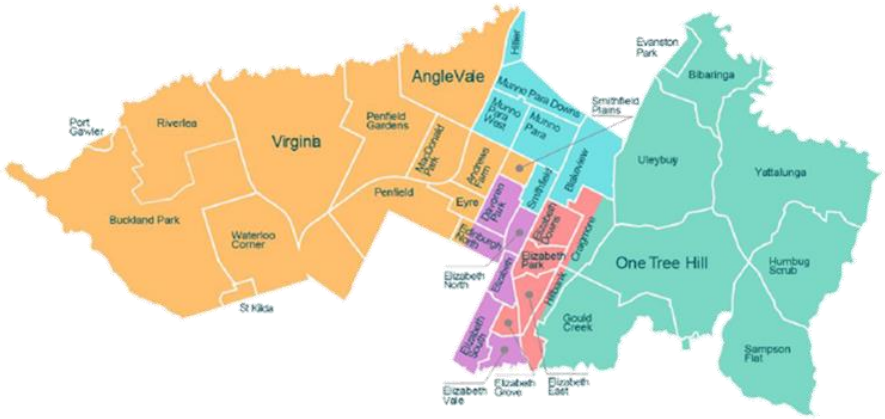
Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug) (Chair)
Strategic Planning Committee (Jul-Aug)
Corporate Governance Committee (Jul-Oct)



Cr Gay Smallwood-Smith

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Civic Events Committee (Jul-Apr) (Chair)

Your Council



WARD 3



Cr. Andrew Craig

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)



Cr. Veronica Gossink

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)



Cr. David Kerrison

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug) (Chair)
Policy Review Committee

WARD 4



Cr. Marilyn Baker

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
CEO Review Committee



Cr. Dennis Ryan

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Civic Events Committee (Jul-Apr)
CEO Review Committee



Cr. Katrina Stroet

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Civic Events Committee (Jul-Apr)
Council Assessment Panel (Dec-Jun) (Deputy Member)

WARD 5



Cr. Akram Arifi

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Policy Review Committee (Jul-Aug)



Cr. Shirley Halls

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Corporate Governance Committee (Nov-Jun)



Cr. Misty Norris

Ordinary Council
Strategy & Services Committee (Sep-Jun)
Services Committee (Jul-Aug)
Strategic Planning Committee (Jul-Aug)
Council Assessment Panel (Dec-Jun)
Policy Review Committee (Sep-Jun)

Your Council

7

Council Members and Representation

The table below shows Council's representation quota and the average representative quota for councils of a similar size and type in South Australia.

Council	Council Members	Electors	Rep. Quota	Number of Wards	Ward Quota
Playford	16	67796	4237	5	4519
Tea Tree Gully	13	74880	5760	6	6240
Onkaparinga	13	131830	10140	6	10985
Salisbury	15	98474	6564	7	7033
Marion	13	68216	5247	6	5684
Charles Sturt	17	90259	5309	8	5641
Port Adelaide Enfield	18	89105	4950	7	5241
Adelaide	12	33540	2795	3	3049

- Data Source: Local Government Association
- Representation Quota = number of electors divided by number of Councillors and the Mayor
- Ward Quota = number of electors divided by the number of Councillors representing wards
- *Refer to www.ecsa.gov.au for ward quota structure information

The City of Playford last completed a representation review on 16 October 2017. The next period of review will be April 2024 to April 2025.

The public will be informed of the preparation of the representation options paper and invited to make written submissions when this occurs.

Council Member Allowances and Benefits

Council Members receive an allowance for discharging their official functions and duties as provided for under Section 76 of the *Local Government Act 1999*. Allowances are adjusted by the Remuneration Tribunal of South Australia each November.

In addition to the allowance paid to Council Members, *the Local Government Act 1999* also provides for the reimbursement of certain expenses; provision of facilities and support; and training and development activities to assist Members in performing or discharging official functions and duties. These supports are detailed in the Council Member Support Policy and Procedure and the Council Member Training and Development Policy and Procedure and include:

- Provision of technology (mobile phone/iPad) and reimbursement of expenses where a Council Member utilises their personal internet and/or mobile phone service
- Reimbursement for travel and childcare expenses when undertaking Council business.

Your Council

7

- Training and development activities including seminars, conferences, and short courses

The Mayor has access to a vehicle for Council business and civic duties and is also provided with office space and administrative support. Additional supports provided to the Mayor are detailed in the Mayor Support Procedure.

Council Member	2021/22 Allowance & Benefits	Council Member	2021/22 Allowance & Benefits
Mayor Glenn Docherty	$91,187	Cr Clint Marsh	$25,144
Cr Akram Arifi	$23,478	Cr Misty Norris	$23,701
Cr Marilyn Baker	$24,182	Cr Jane Onuzans	$23,605
Cr Stephen Coppins	$21,982	Cr Peter Rentoulis	$29,306
Cr Andrew Craig	$22,072	Cr Dennis Ryan	$22,202
Cr Veronica Gossink	$21,982	Cr Gay Smallwood-Smith	$28,768
Cr Shirley Halls	$22,695	Cr Katrina Stroet	$22,248
Cr David Kerrison	$23,028	Cr Cathy-Jo Tame	$22,401

Independent Member Sitting Fees

Independent Members on the Corporate Governance Committee and Council Assessment Panel are paid a sitting fee for meetings they attend.

Meeting	Chair Sitting Fee	Member Sitting Fee
Corporate Governance Committee	$594	$475
Council Assessment Panel	$563	$450

Council and Committee Structure

Council has established a number of statutory and non-statutory committees to assist with its decision-making.

A comprehensive review of Council's governance structure in relation to committees, reference and advisory groups was undertaken in 2021. This review resulted in a restructure of Council's Section 41 Committees to provide for more effective decision making and reduce formality and structure: therefore enabling more time for informative workshops and presentations. The Section 41 Strategic Planning and Services Committees were dissolved, and a new Section 41 Strategy and Services Committee established, amalgamating the functions of the Strategic Planning and Services Committees. The new committee structure is detailed below.

Your Council

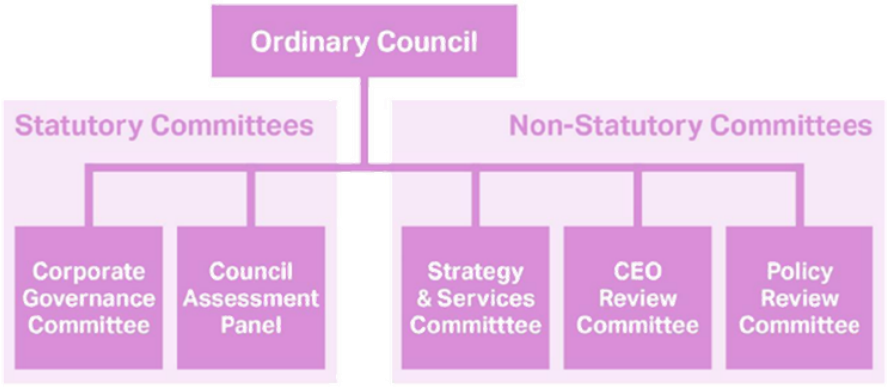
7

Statutory Committees:

- Council Assessment Panel
- Corporate Governance Committee[2]

Non-statutory Committees:

- Strategy & Services Committee
- Chief Executive Officer Review Committee
- Policy Review Committee



Council Meetings

In 2021/22 Council met on 12 occasions with two Special Council meetings held where a decision was required prior to the next Ordinary Council meeting.

Council Meeting Attendance

Council Member	Attendance Council Meetings	Attendance Special Council Meetings	Council Member	Attendance Council Meetings	Attendance Special Council Meetings
Mayor Glenn Docherty	11/12	2/2	Cr Clint Marsh	12/12	2/2
Cr Akram Arifi	12/12	2/2	Cr Misty Norris	12/12	2/2
Cr Marilyn Baker	12/12	2/2	Cr Jane Onuzans	12/12	2/2
Cr Stephen Coppins	10/12	1/2	Cr Peter Rentoulis	11/12	2/2
Cr Andrew Craig	11/12	2/2	Cr Dennis Ryan	10/12	2/2
Cr Veronica Gossink	10/12	2/2	Cr Gay Smallwood-Smith	11/12	2/2

[2]. In accordance with Section 126 of the *Local Government Act* 1999, the Corporate Governance Committee has also been appointed as the Audit Committee.

Your Council

Cr Shirley Halls	12/12	2/2	Cr Katrina Stroet	10/12	2/2
Cr David Kerrison	12/12	2/2	Cr Cathy-Jo Tame	9/12	2/2

Information Sessions

In 2021/22, 29 Information Sessions were held in accordance with Section 90A of the *Local Government Act* 1999.

Confidentiality

As prescribed by the *Local Government Act* 1999, matters of a confidential nature may be discussed at closed Council and Committee meetings. As per the *Planning, Development and Infrastructure Act 2016*, the public may be excluded from meetings of the Council Assessment Panel.

During 2021/22, there were 37 occasions where a Committee or Council were satisfied it was necessary to exclude the public and consider items in confidence.

Confidential Orders made under Section 90(2)			Section 90 (3) provision
Meeting	Date	Subject	
Special Council	13/07/21	CBD Development Strategy	b, d, j
Ordinary Council	27/07/21	Litigation Matter – Public Lighting	h
CEO Review Committee	02/08/21	Review of Chief Executive Officer's Quarterly Performance	a, b, d
CEO Review Committee	02/08/21	CEO Performance Assessment 2020/21	a
Ordinary Council	24/08/21	Virginia Main Street Sewer Upgrade	d
Ordinary Council	24/08/21	Health Precinct – Lot 144 John Rice Avenue	b
Ordinary Council	24/08/21	CEO Performance Assessment 2020/21	a
Ordinary Council	28/09/21	Independent Membership Appointment for the City of Playford Council Assessment Panel	a
Corporate Governance Committee	05/10/21	Findings of External Audit	b
Corporate Governance Committee	05/10/21	Northern CBD	b, d
Ordinary Council	26/10/21	Litigation Matter – Public Lighting	h

Your Council

Confidential Orders made under Section 90(2)			Section 90 (3) provision
Meeting	Date	Subject	
CEO Review Committee	08/11/21	CEO Annual Total Employment Cost Package Review	a
CEO Review Committee	08/11/21	Review of Chief Executive Officer's Quarterly Performance	a, b, d
Ordinary Council	23/11/21	CEO Annual Total Employment Cost Package Review	a
Ordinary Council	23/11/21	Health Precinct Strategy	b
Special Council	30/11/21	CBD Development Strategy	b, c, i, j
Corporate Governance Committee	07/12/21	Revaluation of Assets	b
Strategy & Services Committee	07/12/21	Munno Para West Neighbourhood Park	a, b
Ordinary Council	14/12/21	Munno Para West Neighbourhood Park	a, b
Ordinary Council	14/12/21	Lot 4 Mingari Street, Munno Para	d
Ordinary Council	14/12/21	Investment Opportunity	d
Ordinary Council	24/01/22	Code of Conduct Complaint	a
Corporate Governance Committee	01/02/22	Revaluation of Assets	b
CEO Review Committee	14/02/22	Quarter 2 – Review Progress of the CEO KPIs and Half Year Financials to Date	a, b, d
Ordinary Council	22/02/22	Lot 3 Mingari Street, Munno Para	b
Ordinary Council	22/03/22	Hotel Development Update	b, h
Corporate Governance Committee	05/04/22	Hotel Update	b
Corporate Governance Committee	05/04/22	Update on Long Term Financial Plan and Annual Business Plan 2022/23	b
CEO Review Committee	11/04/22	Quarter 3 – Review Progress of the CEO KPIs and Half Year Financials to Date	a, b, d
Ordinary Council	26/04/22	CBD Development Strategy	d

Your Council

Confidential Orders made under Section 90(2)			Section 90 (3) provision
Meeting	Date	Subject	
Ordinary Council	26/04/22	Hotel Development Strategy	b
Corporate Governance Committee	03/05/22	CBD Development Update Presentation	b, d
Strategy & Services Committee	10/05/22	Rate Rebate Report	b
Strategy & Services Committee	10/05/22	NAWMA 2022/23 Budget Presentation	b
Ordinary Council	24/05/22	Rate Rebate Report	a
Ordinary Council	24/05/22	Code of Conduct Matter	a
Ordinary Council	23/06/22	Building Upgrade Finance	d, h

During 2021/22, seven of the Confidential Orders made under Section 90(2) above expired or were revoked during the financial year.

As of 30 June 2022, the total number of items remaining in confidence under Section 91(7) of the *Local Government Act 1999* stands at 141, excluding any orders made prior to 15 November 2010.

Internal Review of a Council Decision (Section 270 Review)

The Council, including the elected body and administration, makes decisions every day which impact our community and customers. We are committed to open, responsive and accountable government which includes providing the opportunity for our community and customers who may be adversely affected by our decisions to request an internal review of a Council decision as per Section 270 of the *Local Government Act 1999*.

In 2021/22, two applications were made to have a decision reviewed under Section 270 of the *Local Government Act 1999*.

Area of Complaint	Type of Matter	Outcome
Insurance Claims	Decision to reject an insurance claim.	All information was considered and reviewed. Original decision upheld.
Insurance Claims	Decision to reject an insurance claim.	All information was considered and reviewed. Original decision upheld.

Your Council

7

Training and Development

During 2021/22, Council Members represented the City of Playford at conferences, meetings and on organisations and attended training as shown below:

Council Member	Event
Mayor Glenn Docherty	ALGA National General Assembly LGA Annual General Meeting LGA Ordinary General Meeting
Cr Clint Marsh	Northern Adelaide Waste Management Authority Gawler River Floodplain Management Authority
Cr Misty Norris	ALGA National General Assembly
Cr Katrina Stroet	ALGA National General Assembly
Cr Shirley Halls	LGA Annual General Meeting
Cr Veronica Gossink	LGA Annual General Meeting
Cr David Kerrison	Northern Adelaide Waste Management Authority
Cr Jane Onuzans	LGA Ordinary General Meeting
Cr Peter Rentoulis	Gawler River Floodplain Management Authority

Registers, Codes and Policies

The following documents are available to the public on request, in accordance with the *Local Government Act 1999:*

Registers

- Council Member Register of Interests
- Council Member Allowances and Benefits Register
- Officers Register of Salaries
- Fees and Charges
- Community Management Plans
- City of Playford Public Road Register
- By Laws

Codes

- Code of Practice for Public Access to Meetings and to Associated Meeting Documents
- Code of Conduct for Council Members
- Code of Conduct for Council Employees
- Code of Practice for Council and Committee Meetings

Your Council

7

Statutory Policies

- Prudential Management Policy
- Procurement Policy
- Community Engagement Policy
- Council Member Support Policy
- Council Member Training and Development Policy
- Naming of Assets Policy
- Complaints Handling Policy

Local Government (Elections) Act 1999

Part 14 Campaign Donation Returns prepared by candidates.

Freedom of Information Act

Section 9 Information Statement

Travel

A summary of travel undertaken by Council Members in 2021/22 is shown below:

Council Member	Travel Details	Cost
Mayor Glenn Docherty	Australian Local Government Association (ALGA) Annual General Meeting - Canberra	$2,557
Cr Misty Norris	ALGA Annual General Meeting – Canberra	$2,855
Cr Katrina Stroet	ALGA Annual General Meeting – Canberra	$2,637
Total		$8,049

Gifts

Council Members did not receive any gifts above $50 funded in whole or in part by Council in 2021/22.

Your Council

7

Community Engagement

Council recognises the role of community engagement and public consultation in helping to shape and test ideas and support decision making, leading to stronger outcomes (services, infrastructure, planning and programs) for the community.

In line with legislation and the City of Playford Community Engagement Policy, the following public engagements took place in 2021/22:

July 2021	• Proposed Revocation of Community Land Classification: Main North Road Allotments • Proposed Revocation of Community Land Classification: Allotment 52 (Elizabeth CBD)
February 2022	• Mofflin Health and Wellness Reserve
April 2022	• Draft Stormwater Management Plans
May 2022	• Annual Business Plan and Budget 2022/23 • Long Term Financial Plan 2022/23
June 2022	• Draft Sports Facility Strategy

Tendering Arrangements

We are committed to ensuring that our competitive tendering activities provide best value to our community and are undertaken in an open, honest and accountable manner. All tendering is managed within the following principles, outlined in our Procurement Policy:

- Promoting open and fair competition
- Valuing accountability and transparency
- Achieving value for money
- Fostering environmental sustainability
- Commitment to Industry Participation Principals
- Commitment to protecting human health, safety and welfare
- Ensuring our processes are compliant with relevant legislation and regulations

National Competition Policy

Competitive neutrality is one of the key principles of the National Competition Policy. The principle is based on the concept of a level playing field for people competing in business and related to situations where there is, or is the potential for, competition between the private and public sectors.

Councils are required to identify what its business activities are and disclose those in Category One (annual gross operating income greater than $2 million per year) and Category Two (annual gross operating income less than $2 million per year).

There are no Category One business activities operated by the City of Playford.

Your Council

7

In 2021/22 the City of Playford had the following significant (Category Two) business activities:

- Food Co-Operatives
- Water Business Unit
- Shedley Café
- Windsor Car Park
- John McVeity Centre

Councils are required to identify the review and reform of by-laws which restrict competition, including proposals for new by-laws.

In 2021/22 the City of Playford initiated a review of its existing by-laws. The following proposed by-laws include parts which have the potential to restrict competition.

- By-Law 2 – Moveable Signs By-Law 2022
- By-Law 3 – Local Government Land By-Law 2022
- By-Law 6 – Bird Scaring Devices By-Law 2022
- By-Law 7 – Roads By-Law 2022
- By-Law 8 – Waste Management By-Law 2022

No complaints were made to the State Competition Commissioner regarding the City of Playford.

Auditors Payment

The expenditure for external audit fees was $32,525 (excl. GST) and this amount was included in the 2021/22 financial statements. There was no other remuneration payable.

Financial Assistance Grants

The South Australian Grants Commission is responsible for the distribution of Commonwealth Financial Assistance Grants to councils in accordance with State and Federal legislative requirements.

Council has a significant reliance on Federal Assistance Grants (FAGs) with approximately 10% of total operating revenue (adjusted) coming from this source. Allocation of the grants is based on a complex formula involving analysing Council's income and expenses with State averages and other factors such as our demographic profile, the movement in our population relative to the movement in both South Australia's and Australia's population, and our community's ability to pay relative to other council communities.

During 2021/22 financial year Council received $6.4million (50% allocation) of the 2021/22 grant and $10.2million (72% allocation) of the 2022/23 grant.

Credit Card Expenditure

Expenditure incurred on Council credit cards was $485,752 (incl. GST) and this amount was included in the 2021/22 financial statements across a number of expense categories.

Your Council 7

Legal Costs

The expenditure for legal fees was $558,799 (excl. GST) and this amount was included in the 2021/22 financial statements. There was no other remuneration payable.

Community Reference Groups

For a number of years, the City of Playford had several Community Reference Groups in place. These groups were reviewed in late 2021. While the insight the individuals on these groups provided was invaluable, this review established that our community were looking for more opportunities to connect with Council and each other and have their ideas and experiences understood and heard. Consequently, the City of Playford's Community Reference Groups began to transition to action focused groups.

This new approach for the Reference Groups will ensure representation and participation is relevant, diverse and focused with clear objectives and outcomes.

The Refence Groups and relevant Council staff will participate in regular and meaningful consultation and collaboration to identify annual actions. Through co-design, the reference groups will shape and test ideas and may offer recommendations for consideration to support decision making and progression of identified actions.

There are now three Community Reference Groups in place:

- Access and Social Inclusion Advisory Group (ASIAG)
- Youth Advisory Committee (YAC)
- Aboriginal and Torres Strait Islander Community Reference Group

Community Land

Community Land Management Plans identify the purpose and objectives of land held for community use in accordance with Section 196 of the *Local Government Act* 1999.

In 2020/21 the following community land had its classification revoked for alternative use:

- Lot 52, Prince Charles Street, Elizabeth

Ombudsman Report

The Office of the South Australian Ombudsman provides free, impartial, informal and timely resolution of complaints to promote fairness, openness and good public administration in South Australia. It assists with complaints about the administrative actions of local government and reviews decisions about Freedom of Information. The Ombudsman 2020/2021 Annual Report can be accessed via www.ombudsman.sa.gov.au.

Freedom of Information

Requests for documents that are not already public (and are not listed as public documents under "Documents Held by Council") will be considered under the *Freedom of Information Act 1991*. This does not guarantee access.

Your Council 7

Requests are required to be in writing and addressed to the Freedom of Information Officer, City of Playford, 12 Bishopstone Road, Davoren Park, SA 5113.

Request for Access Forms are available from the following locations, and can be lodged together with the prescribed fee determined by Regulation (currently $39, other processing fees may be applicable):

- Playford Civic Centre, Customer Service Counter, 10 Playford Boulevard, Elizabeth
- State Records of South Australia website Freedom of Information Application Form

Although the *Freedom of Information Act 1991* allows 30 days to deal with applications, Council endeavours to process them as quickly as possible.

Full information about City of Playford and Freedom of Information can be found on our website at www.playford.sa.gov.au.

Your Rights

The right exists to amend personal information of a document held by Council to ensure that personal information, which may be used by the Council, does not unfairly harm or misrepresent the person referred to.

A person can apply for the amendment of a Council document which they have already obtained, provided that:

- The document containing the personal information relates to the applicant only
- The information is available for use by Council in connection with its administrative functions
- The information is, in the person's opinion, incomplete, incorrect, out of date or misleading

Access to documents may be available under other arrangements, in some circumstances, without the need to refer to provisions contained in the *Local Government Act* 1999.

Who to contact

Applications and enquiries relating to Freedom of Information matters may be directed to the Freedom of Information Officer between 9am and 5pm, Monday to Friday by telephone 8256 0227.

Freedom of Information Applications

Twenty-one applications were received under Freedom of Information legislation and 21 applications were assessed within 30 days in the 2021/22 year. Twelve applications were determined for full release. Nine applications were refused; eight for non-payment of fees and one as information was otherwise available. No applications were received for either an internal or for an external review by the Ombudsman. Council received applications on various topics including those related to complaints to Council, compliance matters, and infrastructure and development documentation.

Your Council

7

Freedom of Information Statements

For the purposes of Section 9(1) and (1a) of the *Freedom of Information Act 1991*, an information statement relating to the City of Playford is published on Council's website.

Rates

Rates are administered by each council in line with the *Local Government Act 1999* which allows some flexibility for each council to make decisions to suit its local community. The City of Playford Rating Policy and Procedure sets out Council's policy for setting and collecting rates from its community.

Rate Relief

Council applies rate remissions, concessions, postponements and rebates in accordance with the Act and its Rating and Rate Rebate Policies.

Remission of Rates – Hardship

Section 182 of the *Local Government Act 1999* permits a council to postpone or give remission on rates due to hardship and other defined reasons.

Seniors Rates Postponement

Seniors Rates Postponement allows ratepayers who hold a state government issued Seniors Card to postpone payment of Council rates amounts above $500 per year until their property is sold, or eligibility ceases. This can assist eligible ratepayers who have a high level of equity in their home but are on limited incomes. Ongoing compounded monthly interest is applied to postponed amounts. Further information about the Seniors Rate Postponement Scheme is available on Council's website.

Discretionary Rebates

Council may consider an application and approve a rebate under its discretion in accordance with Section 166 of the *Local Government Act 1999*. Further information is detailed in the Rate Rebate Policy.

Hardship Policy

Council is committed to assisting customers who are experiencing financial hardship to manage their bills on an ongoing basis and to make payments in a mutually acceptable manner, helping ratepayers clear their outstanding and ongoing rates debt.

Ratepayers are encouraged to contact Council as soon as they become aware that they may be unable to meet their quarterly rates payment and if experiencing financial hardship.

Council's Hardship Policy provides options for ratepayers seeking rates relief due to hardship or extenuating circumstances. Council may refer the ratepayer to an accredited financial counsellor or negotiate a flexible affordable payment schedule through Centrepay or Direct Debit.

Your Council

7

Local Nuisance and Litter Control Act and Regulations

The total number of complaints of local nuisance or littering received by Council reached 481(nuisance) and 2908 (litter) complaints. NB: of the 2908 litter requests 2186 of them were not investigated by Council.

There were 44 offences under the Act that were expiated, comprising of:

Section	Number of expiations
Section 18(2)(a) causing local nuisance body corporate	9
Section 20 person must cease local nuisance if asked	0
Section 22(1)(b) disposing of litter over 50L	27
Section 22(1)(d) disposing of litter up to 50L (general)	2
Section 30(9) fail to comply with abatement notice	6

There were 10 nuisance abatement notices issued in relation to unsightly properties.

No offences under the Act were prosecuted. There were no civil penalties negotiated under Section 34 of the Act, nor applications by the Council to the Court for orders for civil penalties under Section 34 of the Act.

8. Our Workforce

The City of Playford is focused on building sustainable foundations and places the community at the heart of everything we do. We provide a supportive and collaborative environment where employees feel engaged and connected to the work of the organisation, to each other, and the community.



Our Workforce

8

Our Workforce

Strategic Aspiration

Our Strategic Aspiration is to support and foster the development of a workplace environment where all employees feel engaged and connected to the work of the organisation, to each other and the community.

Foundation Principles

The City of Playford Foundation Principles provide two clear boundaries that everyone in our organisation works within. Our two principles – **Full Disclosure** and **Do No Harm** – are non-negotiable and help create an environment where we can make the most of our skills and experience and genuinely contribute to the community we work in.

Full Disclosure means no surprises. Share the right information, with the right people, at the right time, so we can all do our jobs well. Talk about the risks as well as all the opportunities. It's not about sharing everything with everyone but using judgement to ensure all stakeholders have the information they need when they need it.

Do No Harm. Do no physical or psychological harm. This means to people, but also extends to our assets, environment, and our community. Be honest, respectful, and ethical.

Workforce and Remuneration Profile

As of 30 June 2022, City of Playford employed 453 employees from a broad demographic base. The headcount by position status and gender are as follows:

Status	Nº	%	Male		Female	
			Nº	%	Nº	%
On-going Full Time	291	64.24%	194	42.83%	97	21.41%
On-going Part Time	58	12.80%	10	2.21%	48	10.60%
Fixed Term Contract Full Time	48	10.60%	24	5.30%	24	5.30%
Fixed Term Contract Part Time	29	6.40%	8	1.77%	21	4.64%
Casual	27	5.96%	13	2.87%	14	3.09%
Total	**453**		**249**	**54.97%**	**204**	**45.03%**

Salary ranges for employees are reported in the table below, excluding compulsory superannuation contributions. No bonuses or incentive payments are paid to any member of staff or management.

Our Workforce

8

Employee Categories	Salary Range $,000	Male	%	Female	%	Tot.	%
CEO	250-300	1	0.4%	0	0.0%	1	0.22%
General Managers	200-250	2	0.8%	1	0.49%	3	0.66%
Senior Managers	150-200	7	2.81%	6	2.94%	13	2.87%
Managers and Senior Officers	99-150	45	18.07%	29	14.22%	74	16.34%
Other Staff	0-99	194	77.91%	168	82.35%	362	79.91%
Totals		**249**		**204**		**453**	

Members of the Executive Team (including the Chief Executive Officer and General Managers) have salary packages that may include a fully maintained vehicle or novated lease vehicle and are provided with devices such as mobile phones, tablets and laptops as work tools in accordance with Council's ICT Acceptable Use Procedure.

Managers with the ability to incur private use of a Council vehicle pay the net vehicle costs from their salary in recognition that the vehicle is available for staff and volunteers to use as a 'pool vehicle' during business hours in accordance with Council's Motor Vehicle Fleet Management Procedure.

Management/Staff Ratio

Title	Number
Management*	62
Staff (other than Management)	391
Total Council Staff	**453**

*Identified as having direct reports

Service Delivery

Direct Services FTE	Indirect Services FTE	Combined Total FTE
263.19	135.75	398.94

* An FTE of 1.0 means that the person is working the hours equivalent to a full-time worker.

The Service Delivery table represents the Full-Time Equivalent (FTE) in the organisation that is providing either:

- Direct Services for the community
- Indirect Services where roles are not directly involved with the delivery of services to the community such as Financial Services, ICT, Risk and WHS and Procurement.

Our Workforce

8

Organisational Structure



SAM GREEN

Chief Executive Officer

The Chief Executive Officer, in partnership with the Mayor and Councillors, is responsible for leading, managing and implementing efficient and effective services to the community.

The CEO provides leadership and direction on behalf of the Council that promotes a positive culture for the benefit of its staff and the community; ensures the Council's statutory and governance obligations are met in a timely and effective manner; and drives the financial sustainability of Council through the development and implementation of appropriate strategic and operational financial plans.

Key areas of responsibility include: developing and maintaining a strong customer service focus for the organisation, maintaining a positive and collaborative working relationship with the Mayor and Councillors, Leadership and Strategy, Finance and Asset Management, People and Culture.



SIMON BLOM

General Manager City Assets

The General Manager City Assets is responsible for a significant portfolio comprising two distinct components being the management of Council's $1b asset portfolio and the program management of Council's key strategic projects.

Key areas of responsibility include: providing sustainable and enjoyable parks, playgrounds, sports grounds, streetscapes, cycling and walking trails for the needs of a growing city, development of the northern CBD, fleet, infrastructure asset management, and property portfolios.

Asset Operations
- Service Development
- Buildings
- Fleet
- Operations
- Security

City Operations
- Support Services
- Roads & Stormwater
- Parks & Verges
- Parks & Landscapes
- Tree Services

Assets & Delivery
- Asset Management
- Asset Delivery

City Property
- Sports & Property
- Repurposing Assets



DALE WELSH

General Manager Strategy and Corporate

The General Manager Strategy and Corporate is responsible for a diverse portfolio, providing services to both internal and external stakeholders to deliver the strategic intent of Council.

Key areas of responsibility include maintaining corporate functions such as financial services, organisational development, and information, technology and governance, as well as planning for the growth of the city through our corporate and city planning functions. The community engagement and experience teams seek to ensure greater connection with our community.

Financial Services
- Finance
- Procurement & Accounts Payable
- Rates

City and Corporate Planning

Community Engagement and Experience
- Engagement and Insights
- Customer Contact
- Marketing, Communications and Events

Organisational Development
- HR Services
- Risk & WHS

Information, Technology and Governance
- ICT Service Delivery
- ICT Service Solutions
- Information Management
- Governance



TINA HUDSON

General Manager City Services

The General Manager City Services supports an extensive scope of service delivery to the community from education and training programs through to Development Services and Environmental Health.

Key areas of responsibility include: providing direct service delivery areas to the community through links to the NDIS and My Aged Care, library services, youth programs, community volunteers, waste management, environment sustainability and biodiversity, urban design and construction.

Development, Environment and Community Safety
- Building & Compliance
- Planning Services
- Engineering Services
- Regulatory Services
- Health & Immunisation
- Environment & Waste

Libraries, Civic Venues and Stretton
- Library Services
- Civic Venues
- Stretton Centre

Community Services
- Community Inclusion
- Community Development
- Creative Cultural Development

Our Workforce

8

Recruitment and Selection

The City of Playford considers recruitment to be a significant financial investment. We commit to investing the time required in our recruitment processes to gather as much data as possible to be confident in the decision we make that each successful candidate is the right person for their role and we are the right organisation for our candidate.

Recruitment and selection of employees in the City of Playford complies with all legal requirements including equal opportunity and sound human resource management principles, together with the policies and procedures adopted by the City of Playford.

We aim to recruit and select employees who demonstrate attributes that are consistent with our organisation's Foundation Principles and that will best meet the organisation's needs to deliver on our strategic objectives.

Our recruitment and selection processes have been created to include:

- Ensuring selection panels incorporate at least one panel member who does not work within the workgroup for which the recruitment is being conducted.
- Incorporating methods by which any real, perceived, or potential conflicts of interest are identified and appropriately dealt with.
- The requirement for a selection panel summary report to be produced at the conclusion of the recruitment process, with signatory from the panel members, that comprehensively outlines the recruitment process that was undertaken and the rationale for appointment.

Equal Employment Opportunities (EEO)

The City of Playford continues to deliver high quality, responsive council services, through the support and development of its people in a positive working environment with effective workforce planning processes.

We are committed to equal employment and advancement opportunities without regard to race, colour, gender, marital status, religion, age, national origin or citizenship status, disability, sexual orientation, or any other protected characteristic as established by law.

This commitment to fair employment practices applies to every aspect of the employment life cycle, ensuring that equal consideration is extended to all employees and applicants in all aspects of employment including remuneration, recruitment and selection, learning and development, performance evaluation, career development and progression opportunities.

Learning and Development

A Learning and Development Framework has been implemented for employees to engage in training and further development that is linked to workforce planning needs, the position, capability and professional growth, and meeting legislative requirements.

Continuation of our focus on the Mental Health of our workforce included ongoing training and awareness, the appointment of further designated Mental Health First Aiders and being recognised by Mental Health First Aid Australia as a Skilled Level workplace.

Our Workforce

8

Employee Assistance Program

The organisation values the wellbeing of its employees and pro-actively provides access to professional and confidential counselling services through an Employee Assistance Program (EAP) for all City of Playford employees, Councillors and their immediate families, for any personal or work-related issues. Counselling is available on site, off site or by telephone, and aims to assist in clarifying any challenges or problems they may be facing, with a focus on building effective strategies and solutions to address those issues.

Risk and Work Health and Safety (WHS)

Like all organisations, City of Playford has continued to adapt and respond to the impacts of the COVID-19 pandemic throughout 2021/22. The Continuity Management Team (CMT), established to respond to the COVID-19 outbreak, assessed recommendations for service provision and the workplace from subject matter experts, taking into consideration Commonwealth and State Government advice to inform decision-making. The three principles followed to guide decision-making were:

- Provision of a safe workplace.
- Provision of services to our community where it was safe to do so and where the community wanted to access those services safely.
- Taking advice from Australian Government Departments including SA Health and South Australian Police (SAPOL).

Pro-active risk, WHS and injury management work has continued across the organisation to ensure ongoing employee safety and legislative compliance. This included the establishment of a two-tier WHS Committee structure, allowing for an increased focus on both strategic and operational components of WHS.

Risk management training continued to be delivered across the organisation to ensure staff have the knowledge and skills to meet their risk management obligations. To further enhance our risk management capabilities, a software platform was implemented that captures and effectively reports on strategic, operational and project risks for the organisation.

The number of Return to Work (RTW) Claims decreased during 2021/22, while the number of days lost and claims costs increased.

Our Workforce

8

Return to Work Claims*						
Financial Year	RTW Claims Playford	RTW Claims Group Average	LTI Days Playford	LTI Days Group Average	Duration Rate (days) Playford	Duration Rate (days) Group Average
2020/21	28	31	169	288	15.4	20.6
2021/22	21	21	544	135	24.7	19.3

*Data is accurate from the Local Government Risk Services (LGRS) Member Centre as at 27 July 2022 and is subject to change due to on-going claims and costs which may carry over into other financial years.

Return to Work Claim Costs*		
Financial Year	Claims Cost Playford	Claims Cost Group Average
2020/21	$321,575	$344,404
2021/22	$504,239	$142,729

*Data is accurate from the Local Government Risk Services (LGRS) Member Centre as at 27 July 2022 and is subject to change due to on-going claims and costs which may carry over into other financial years.

Insurance Claims

Liability, Fleet and Assets			
Financial Year	Liability Claims	Fleet Claims	Asset Claims
2020/21	30	31	5
2021/22	36	87	10

The increase in the number of fleet claims is due to the hailstorm event in October 2021.

Our Workforce

8

Other Key Activities

City of Playford has also delivered several key activities across 2021/2022.
These include:

- Provision of an income protection scheme through the Local Government Risk Services (LGRS) that supports staff if they suffer from an injury or illness that occurs outside of the workplace.
- An online employee survey tool was implemented enabling the effective measurement, analysis and reporting of employee engagement and feedback.
- Delivery of hearing assessments for staff required to wear hearing protection.
- Delivery of annual flu vaccinations for staff.

The following activities were undertaken as part of our Healthy Wellbeing Program:

- Skin cancer checks for staff who regularly work outdoors (also available to all employees).
- Annual health assessments for employees.
- Cancer Council Biggest Morning Tea.

Corporate Awards and Recognition

Local Government Professionals, Annual Leadership Excellence Awards 2021

- Management Challenge – Play for Growth (Winner)
- Excellence in Cross Council Collaboration – Northern Sport and Recreation Network (Cities of Playford, Salisbury, Tea Tree Gully, Port Adelaide Enfield, and Charles Sturt) – (Winner)

Australian Red Cross Lifeblood – National Council Blood Challenge 2021

Council participated in the Australian Red Cross Blood Challenge, where City of Playford was the leading council for SA/NT in 2021 for the fourth year in a row whilst placing fifth nationally.

- Most Donors (Winner for SA/NT, 4th place nationally)
- Most New Donors (Winner for SA/NT)
- Most Plasma Donors (Winner for SA/NT)

Our Workforce

8

Travel

A summary of travel undertaken by Council employees in 2021/22 is show below:

Details	Attendees	Cost
School Vaccination Program Port Augusta and Clare Valley	Administration Officer – Immunisation x2 Environmental Health Administration Officer, Immunisation Nurse and Community Immunisation Nurse Coordinator	$3755
Attendance at Conferences & Events Environmental Health Australia 40th SA State Conference	Environmental Health Officer x 4	$644
National Growth Areas Alliance – National Congress	Executive Strategic Advisor	$322
Creative Cultural Development /Northern Sound System Team participation as Panel hosts at the Launceston Freelance Festival	Manager – Creative Cultural Development, Creative Cultural Facilitator, Creative Industries Project Support Officer, Creative Cultural Project Officer, Creative Industries Project Officer	$1920
Project Management Support District Council of Coober Pedy	Manager – Operations	$3199
	Total	**$13,273**

Our Workforce

8

Gifts

A summary of gifts received by Council employees in 2021/22, funded in whole or in part by the Council, is shown below:

Details	Position	Cost
Years of Service recognition 20 years x 4	Executive Strategic Advisor, Human Resources Partner, Playford 10 Community Partnerships and Project Lead, Records Management Officer	$400
25 years x 3	Administration Assistant, Library Officer, Systems Administration Officer	$450
30 years x 1	City Operations Specialist	$150
35 years x 3	Pathways to Employment Coordinator, PA / Team Assistant, Road Sweeper Operator	$450
40 Years x 1	Team Assistant	$150
Retirement Gift x 3	Pathways to Employment Coordinator, Skilled Labourer – Civil, Rates Officer	$750
	Total	**$2350**

9. Looking Forward

Council's 2022/23 Annual Business Plan and Budget outlines the services, projects and programs Council will deliver in the year ahead.



Looking Forward

9

2022/23 Annual Business Plan and Budget

The 2022/23 Annual Business Plan and Budget (ABP) was adopted by Council on 28 June 2022 following a period of community engagement.

The plan outlines the services, projects and programs Council will deliver in the year ahead, reflecting Council's sustained focus on investing in the things that matter most to the community – building core infrastructure, improving the local environment and supporting a quality lifestyle for residents.

It includes extensive renewal of existing roads, footpaths and kerbs; it allows for 2,000 trees to be planted across the city; it details major upgrades to sports facilities and community infrastructure and there will be new and revitalised outdoor play spaces across the city.

These are the things we know will make a positive difference to the lives of people in our community, with investment in long term assets also benefiting future generations who will call Playford home.

Council is committed to maintaining a responsible budget while keeping rates as low as possible. We continue to implement our long-term Finance Strategy to manage debt and make the organisation financially sustainable, through ongoing breakeven or surplus operating positions and reducing historical debt. The 2022/23 budget maintains an operating surplus position, meaning we only spend the income we have and do not borrow money for ongoing service delivery.

In 2022/23, Council is facing increasing costs, such as inflationary costs and impacts of supply chain shortages. We have managed to partially offset these with $1M of ongoing savings. A 2.85% increase in rate revenue for the year enables us to continue to deliver our existing services and introduce new services to our city.

Measures and Targets

Section 123 of the *Local Government Act 1999* states that the Annual Business Plan must include the measures (financial and non-financial) that the council intends to assess the performance of council against its objectives over the financial year. Council has a strong focus on engaging with our community and customers to understand their experience of us and gather feedback and insights to help measure our performance and improve service delivery. Council monitors its performance in several ways to ensure we are on track to meet the objectives of our Strategic Plan 2020-24.

In 2022/23 the **Playford Community Survey** will again be used to capture the sentiment, perception and performance of Council. The results will be used to guide our decision making around priorities for the budget to ensure up-to-date feedback from the community is considered as part of our planning.

Looking Forward

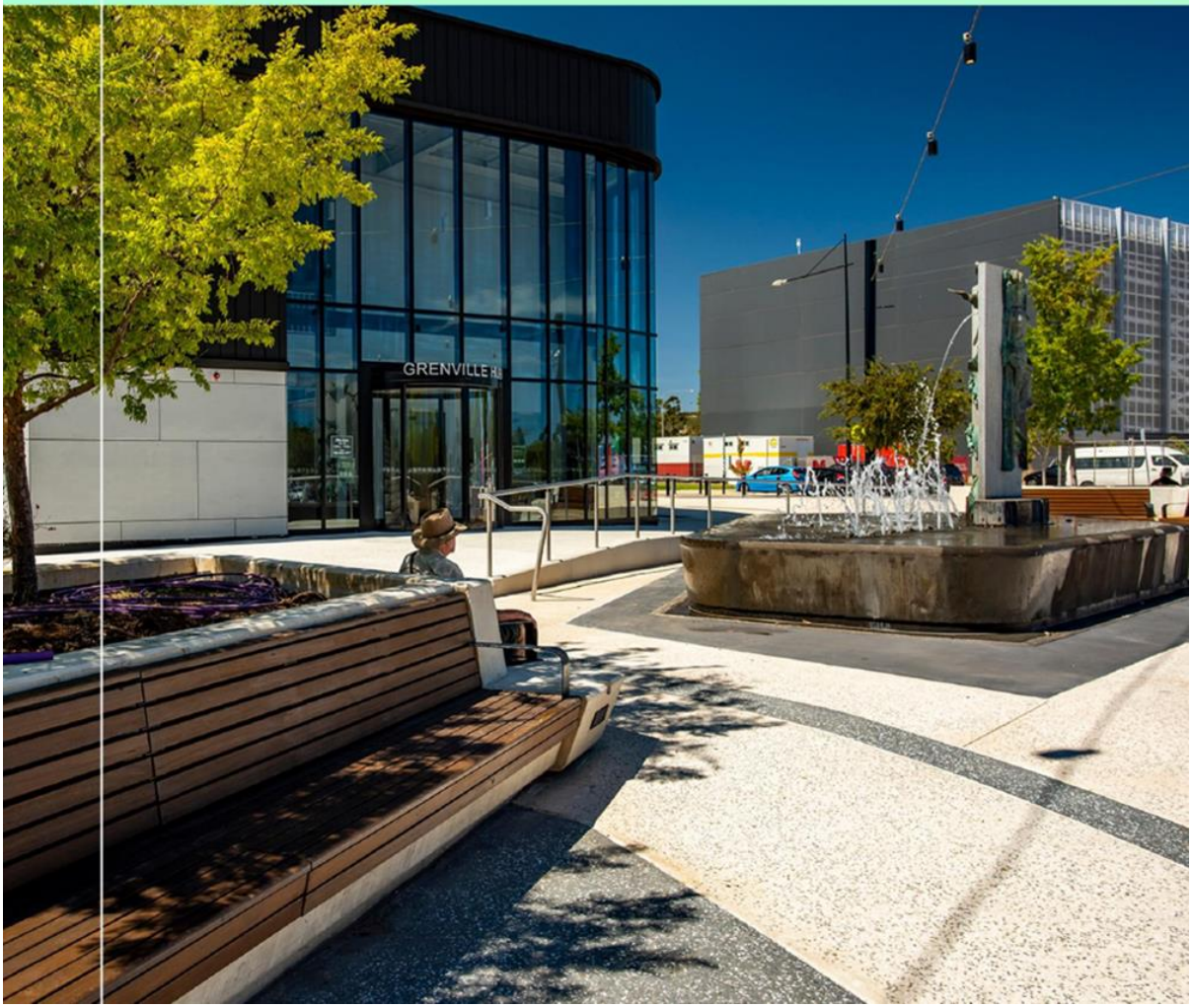
9

Financial Indicators are used to measure Council's financial sustainability. The target ranges for these financial indicators for 2022/23 have been reviewed by Council and slightly narrowed in some cases. The target and budgeted outcomes are outlined in the table below:

Financial Indicator	Explanation	Target	2021/22 Revised Budget	2022/23 Budget	Projected 5 Year Average
Operating Surplus Ratio	This ratio gives an indication of Councils ability to service its operations from expected income, while maintaining long term financial sustainability.	Between 1% and 10%	3.0%	1.6%	2.2%
Cash Flow from Operations Ratio	This ratio measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	Between 90% and 110%	145.2%	173.4%	194.6%
Asset Renewal Funding Ratio	This ratio shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	Between 90% and 110%	113.4%	111.3%	102.3%
Net Financial Liabilities Ratio	This ratio shows the extent to which Council is managing its debt.	Between 50% and 160%	132.1%	133.0%	99.1%
Interest Expense Ratio	This ratio shows how much discretionary income is used to pay interest on borrowings	Between 4% and 8%	5.7%	5.5%	4.5%

10. Legislative Check List

This check list incorporates annual reporting requirements set out in the Local Government Act 1999 and other relevant Acts and statutory instruments.



Legislative Check List

10

Legislative Check List

The City of Playford Annual Report has been developed in line with the *Local Government Act 1999* and *Local Government (General) Regulations 2013*. The checklist below identifies the relevant sections of the Act(s) and the corresponding page number(s) in the Report.

Legislative Requirement	Page Reference
Representation quota *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(h) a statement of—* *(i) the council's representation quota; and* *(ii) the average representation quota for councils of a similar size and type (taking into account various factors prescribed by the regulations); and* *(iii) when the council is next required to conduct a review under Chapter 3 Part 1 Division 2;* Schedule 4, Clause 3 defines **representation quota** for the purpose of the annual report requirements as follows: ***Representation quota** for a council is an amount ascertained by dividing the number of electors for the area of the council (as at the last closing date under the Local Government (Elections) Act 1999) by the number of members who constitute the council (ignoring any fractions resulting from the division and expressed as a quota).*	Page 38 – Council Members and Representation
Strategic Management Plans *Schedule 4, Clause 2, Local Government Act 1999 (mandatory)* *(a) the council's performance in implementing its strategic management plans during the relevant financial year, and the council's projections and targets under its plans for the next financial year;* *(ab) the council's performance against its annual business plan for the relevant financial year;*	Page 11 – Year in Review Page 31 – Measuring our Performance
Council Member content *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(f) information on allowances paid to members of the council or a council committee;* **Note** – this includes allowances paid to members of the Audit Committee and other committees established under section 41 of the *Local Government Act 1999*.	Page 38 – Council Member Allowances and Benefits

Legislative Check List

10

Schedule 4, Clause 2, Local Government Act 1999 (mandatory) *(ca) the training and development activities for members of the council during the relevant financial year;* *Regulation 35(2), Local Government (General) Regulations 2013 (mandatory)* *(b) a summary of the details (including the cost) of any interstate and international travel (excluding prescribed interstate travel) undertaken by members of the council during the relevant financial year funded in whole or in part by the council;* *Regulation 35(2), Local Government (General) Regulations 2013 (mandatory)* *(d) a summary of the details (including the cost) of any gifts above the value of $50 provided to members of the council during the relevant financial year funded in whole or in part by the council;* Regulation 35(3) provides that gift includes hospitality.	Page 44 – Training and Development Page 45 Travel and Gifts
Management and Staffing *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(g) information on the number of senior executive officers and information on the kinds of allowances, bonuses and benefits that are made available to those officers as part of a salary package;* *Regulation 35(2), Local Government (General) Regulations 2013 (mandatory)* *(c) a summary of the details (including the cost) of any interstate and international travel (excluding prescribed interstate travel) undertaken by employees of the council during the relevant financial year funded in whole or in part by the council;* *Regulation 35(2), Local Government (General) Regulations 2013 (mandatory)* *(d) a summary of the details (including the cost) of any gifts above the value of $50 provided to employees of the council during the relevant financial year funded in whole or in part by the council;* *Regulation 35(3) provides that gift includes hospitality.*	Page 53 – Workforce and Remuneration Profile Page 60/61 – Travel and Gifts
Internal review of Council actions *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(3) other material prescribed by the regulations;* **Regulation 35(2), *Local Government (General) Regulations 2013*** • *the report required under section 270(8) of the Act;*	Page 43 – Internal Review of a Council Decision (Section 270 Review)

Legislative Check List

10

Section 270(8) of the *Local Government Act 1999* provides: (8) *A council must, on an annual basis, initiate and consider a report that relates to—* (a) *the number of applications for review made under this section; and* (b) *the kinds of matters to which the applications relate; and* (c) *the outcome of applications under this section; and* (d) *such other matters as may be prescribed by the regulations.*	
Community land and Council facilities *Schedule 4, Clause 2, Local Government Act 1999 (mandatory)* (e) *the progress of the council in preparing or finalising any management plans for community land required under Chapter 11;*	Page 48 – Community Land
Local Nuisance and Litter Control Act and Regulations *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* (j) *other information to be included in the annual report under this or another Act.* **Section 8 of the *Local Nuisance and Litter Control Act 2016.*** *A council must, in its annual report prepared pursuant to section 131 of the Local Government Act 1999 in relation to a particular financial year, include details of the performance by the council during that year of functions conferred on it under this Act.* **Regulation 5 of the *Local Nuisance and Litter Control Regulations 2017*** *For the purposes of section 8 of the Act, a council's annual report should include details of—* (a) *the number of complaints of local nuisance or littering received by the council; and* (b) *the number and nature of—* (i) *offences under the Act that were expiated; and* (ii) *offences under the Act that were prosecuted; and* (iii) *nuisance abatement notices or litter abatement notices issued; and* (iv) *civil penalties negotiated under section 34 of the Act; and* (v) *applications by the council to the Court for orders for civil penalties under section 34 of the Act and the number of orders made by the Court on those applications; and* (c) *any other functions performed by the council under the Act.*	Page 51 – Local Nuisance and Litter Control Act Regulations
Confidentiality *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)*	Page 41 - Confidentiality

Legislative Check List

10

(ga) a report on the use of sections 90(2) and 91(7) by the council and its council committees containing the information required by the regulations; Regulation 35(1), *Local Government (General) Regulations 2013* provides the following information to be reported: *(a) in the case of a report on the use of section 90(2) of the Act, the following information is required:* *(i) the total number of orders made under that subsection in the financial year;* *(ii) the date and subject of each order within the ambit of subparagraph (i);* *(iii) in relation to each paragraph ((a) to (o)) of section 90(3) of the Act—the number of times in the financial year that an order made under section 90(2) was made on the basis that the information or matter fell within the ambit of the paragraph; and* *(b) in the case of a report on the use of section 91(7) of the Act, the following information is required:* *(i) the total number of orders made under that subsection in the financial year;* *(ii) the number of orders made under that subsection that expired, ceased to apply or were revoked during the financial year;* *(iii) the number of orders made under that subsection that remained operative at the end of the financial year (but not including orders made before 15 November 2010);* *(iv) the date and subject of each order within the ambit of subparagraph (i) or (iii).*	
Freedom of Information Statements *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)*[11] *(gb) a report on the applications made to the council under the Freedom of Information Act 1991 during the relevant financial year containing the information required by the regulations;* Separate to the requirement to report on the number of applications received, Section 9(1a) of the *Freedom of Information Act 1991* requires councils to publish a freedom of information statement, at intervals of not more than 12 months. Regulation 5 of the *Freedom of Information (General) Regulations 2017* provides that an information must be published in one or both of the following ways: • in the annual report of the agency; • on a website maintained by the agency.	Page 50 – Freedom of Information

Legislative Check List

10

Section 9(2) and (3) of the *Freedom of Information Act 1991* provide the following requirements for inclusion in an information statement: *(2) An information statement must contain:* *(a) a description of the structure and functions of the agency (including of any board, committee or other body constituted by two or more persons that is part of the agency or has been established for the purpose of advising the agency and whose meetings are open to the public or the minutes of whose meetings are available for public inspection); and* *(b) a description of the ways in which the functions (including, in particular, the decision-making functions) of the agency affect members of the public; and* *(c) a description of any arrangements that exist to enable members of the public to participate in the formulation of the agency's policy and the exercise of the agency's functions; and* *(d) a description of the various kinds of documents that are usually held by the agency, including—* *(i) a description of the various kinds of documents that are available for inspection at the agency (whether as part of a public register or otherwise) in accordance with the provisions of a legislative instrument other than this Act, whether or not inspection of any such document is subject to a fee or charge; and* *(ii) a description of the various kinds of documents that are available for purchase from the agency; and* *(iii) a description of the various kinds of documents that are available from the agency free of charge; and* *(e) a description of the arrangements that exist to enable a member of the public to obtain access to the agency's documents and to seek amendment of the agency's records concerning his or her personal affairs; and* *(f) a description of the procedures of the agency in relation to the giving of access to the agency's documents and to the amendment of the agency's records concerning the personal affairs of a member of the public, including— (i) the designation of the officer or officers to whom inquiries should be made; and (ii) the address or addresses at which applications under this Act should be lodged.* *(3) An information statement—* *(a) must identify each of the agency's policy documents; and* *(c) must specify the designation of the officer or officers to whom inquiries concerning the procedures for inspecting and purchasing the agency's policy documents should be made; and* *(d) must specify the address or addresses at which, and the times during which, the agency's policy documents may be inspected and purchased.* *(4) Nothing in this section requires the publication of information if its inclusion in a document would result in the document being an exempt document.*	

Legislative Check List

10

National Competition Policy *Government Business Enterprises (Competition) Act 1996/Revised Clause 7 Statement (mandatory)* *(j) other information to be included in the annual report under this or another Act.* By virtue of the *Government Business Enterprise (Competition) Act 1996*, the Revised Clause 7 *Statement on the application of competition principles to Local Government under the Competition Principles Agreement (September 2002)*, applies to council. The Revised Clause 7 Statement requires councils to: *…include in its annual report, wherever relevant, information in relation to:* - *the commencement or cessation of significant business activities controlled by the agency;* - *the competitive neutrality measure applied to each significant business activity controlled by the agency;* - *the review and reform of by-laws which restrict competition, including proposals for new by-laws;* - *complaints received alleging a breach of competitive neutrality principles by the agency;* - *the structural reform of public monopolies.* *The information included in the annual report may be in summary form*	Page 46 – National Competition Policy
List of documents available to the public *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(b) a list of the registers that are required to be kept under this Act or the Local Government (Elections) Act 1999;* *(c) a list of the codes of conduct or practice required under this Act or the Local Government (Elections) Act 1999;*	Page 44 – Registers, Codes and Policies
Budget and financial reports *Section 131, Local Government Act 1999 (mandatory)* *(1a) The annual report must include the amount of legal costs incurred by the council in the relevant financial year.* *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(a) a copy of the audited financial statements of the council for the relevant financial year;* *Schedule 4, Clause 2, Local Government Act 1999 (mandatory)* *(b) the extent to which activities of the council have been subjected to competitive tender or other measures to ensure services are delivered cost-effectively, and the extent (if any) to which the council has pursued policies for purchasing local goods and services;*	Page 48 – Legal Costs Appendix 1 Page 46 - National Competition Policy

Legislative Check List

10

Regulation 35(2), Local Government (General) Regulations 2013 (mandatory) *(f) a statement of the total amount of expenditure incurred using credit cards provided by the council for use by members or employees of the council during the relevant financial year.*	Page 47 – Credit Card Expenditure
Auditors *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(j) other information to be included in the annual report under this or another Act.* **Section 128(9) of the *Local Government Act 1999*** The information required by section 128(9) of the Local Government Act concerning the council auditor *(9)(a) information on the remuneration payable to its auditor for work performed during the relevant financial year, distinguishing between—* *(i) remuneration payable for the annual audit of the council's financial statements; and* *(ii) other remuneration;* *(9)(b) if a person ceased to be the auditor of the council during the relevant financial year, other than by virtue of the expiration of his or her term of appointment and not being reappointed to the office—the reason or reasons why the appointment of the council's auditor came to an end.*	Page 47 – Auditors Payment
Subsidiaries *Schedule 4, Clause 1, Local Government Act 1999 (mandatory)* *(ha) the annual report of any subsidiary received by the council under Schedule 2 for the relevant financial year;* **Schedule 2, *Local Government Act 1999*** **Clause 12** *(1) A subsidiary must, at the request of the council, report to the council on any matter, and on any basis, specified by the council.* *(2) A subsidiary must, on or before a day determined by the council, furnish to the council a report on the work and operations of the subsidiary for the preceding financial year.* *(3) A report under subclause (2) must—* *(a) incorporate the audited financial statements of the subsidiary for the relevant financial year; and* *(b) contain any other information or report required by the council or prescribed by the regulations.*	Appendices 2 & 3

Legislative Check List

10

(4) A report under subclause (2) must be incorporated into the annual report of the council. **Clause 28** *(1) A regional subsidiary must, on or before a day determined by the constituent councils, furnish to the constituent councils a report on the work and operations of the subsidiary for the preceding financial year.* *(2) A report under subclause (1) must—* *(a) incorporate the audited financial statements of the subsidiary for the relevant financial year; and* *(b) contain any other information or report required by the council or prescribed by the regulations.* *(3) A report under subclause (1) must be incorporated into the annual report of each constituent council.*	

11. Appendices

1. City of Playford General Purpose Financial Statements 2021/22
2. NAWMA Annual Report 2021/22
3. GRFMA Annual Report 2021/22



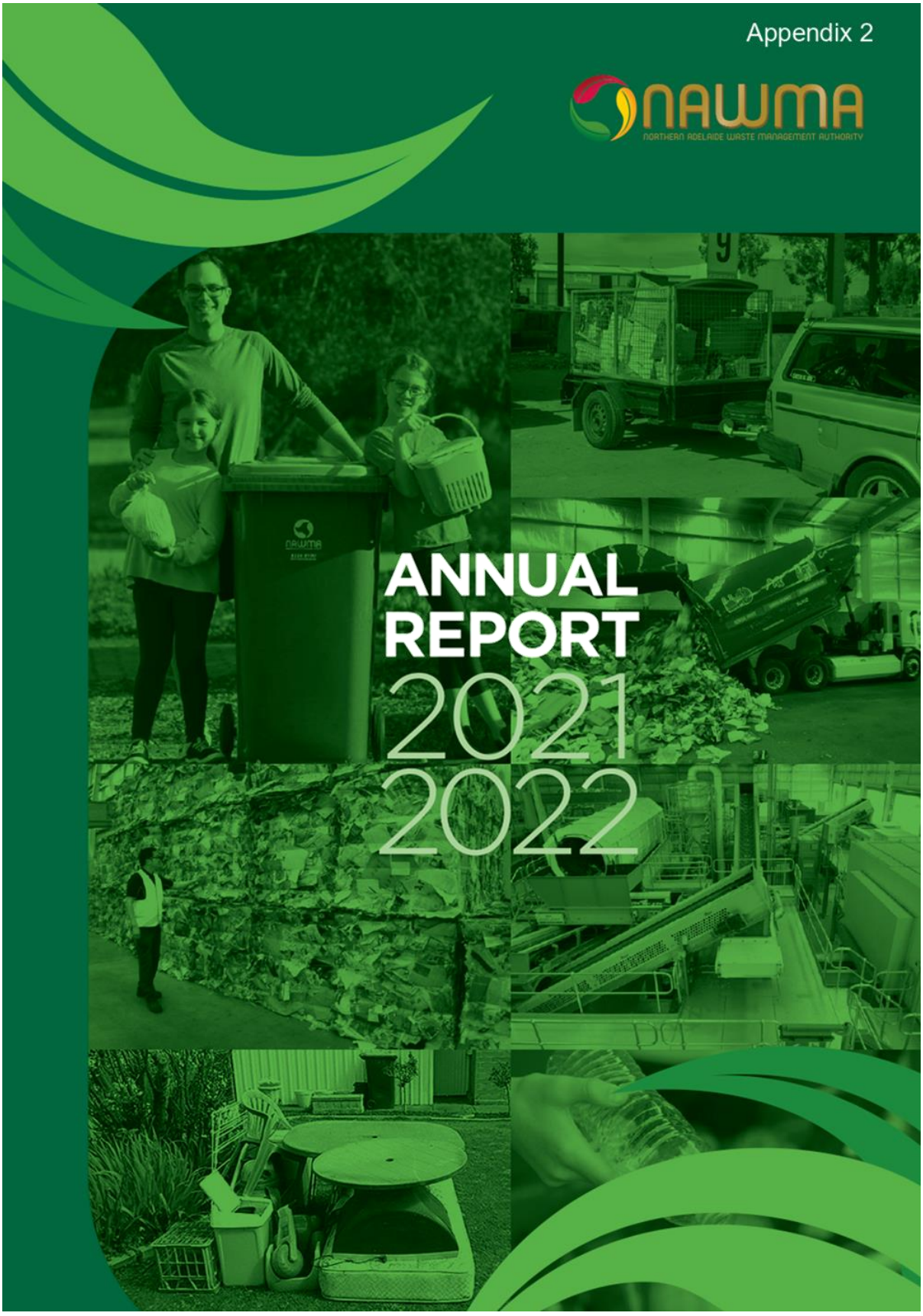
Appendices

11

1. **City of Playford General Purpose Financial Statements 2021/22**
   To be added once adopted by Council

Appendix 2

NAWMA
NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY



ANNUAL REPORT 2021 2022


Food and Garden Organics
75,000
FOGO BINS
within our
Constituent Councils
35,975
TONNES
of kerbside FOGO material
collected from residents
27,729
TONNES
of kerbside collected material
processed by Peats
8,246
TONNES
collected via our RRCs
and processed by Peats

Contents

NAWMA Annual Report 2021-2022

2 Our Mission & Objectives

3 Report from the Independent Chairperson

5 Report from the (Acting) Chief Executive Officer

7 NAWMA Governance

9 Resource Recovery Centres

10 Each Year NAWMA...

11 Material Recovery Facility (MRF)

12 NAWMA Services Map

13 Food and Garden Organics

14 Did You Know?

15 Uleybury Balefill (Landfill) and Renewable Energy Park

16 Hard Waste Service

17 Education and Community Engagement

19 Customer Service

21 Audited Financial Report

Our **Mission & Objectives**

About NAWMA

Northern Adelaide Waste Management Authority (NAWMA) provides local waste management, resource recovery services and infrastructure of global significance. We do this on behalf of our Constituent Councils: City of Salisbury, City of Playford and Town of Gawler.

Mission

To deliver world-class recycling and waste management services to our Constituent Councils, and Client Councils.

Objectives

Objective 1: **Achieve best practice in diversion of waste from landfill**

Performance indicators:

- All Constituent Council households to have a three-bin system by 2022
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recyclables bin to less than 10% by 2023

Objective 2: **Advocate and facilitate a circular economy**

Performance indicators:

- Recycle 100% of yellow-lid bin (household recycling) recovered material in Australia by 2020, (and only access international markets where domestic markets are not available or commercially viable)
- Engage with Constituent Councils to encourage the purchasing back of half (by weight) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

Objective 3: **Maintain cost-effectiveness in service delivery**

Performance indicators:

- Reduce cost per Serviced Entitled Premise by 5% by 2023 (allowing for LGPI/CPI indexation, and excluding State Government Solid Waste Levy)
- Reduce cost per Constituent Council by 5% by 2023 (allowing for LGPI/CPI indexation, and excluding State Government Solid Waste Levy)
- Efficiently manage the life of the Uleybury Landfill, while investigating landfill alternative technologies in readiness for post-closure

Report from the **Independent Chairperson**

In 2021-2022 NAWMA has aimed to deliver a high level of services to our Constituent Councils and residents. While consistent with many other organisations, we have continued to feel the lasting effects of the global pandemic.

Flexible working arrangements have continued across the state with more people working from home, resulting in a substantial increase in the volume of household waste and recyclables collected at the kerbside. NAWMA has successfully adapted to this change by being flexible in its approach to add additional service offerings across hard waste collections, Resource Recovery Centres, and helpful information accessed through our website and customer service centre.

The FY21/22 year saw the NAWMA team working hard to reduce operating costs and work on new recycling initiatives to post an operating surplus for the financial year after the initial budget forecast a small deficit. The surplus will be invested in asset and infrastructure replacement and maintenance and funding capital projects in forward years.

NAWMA has continued to operate a best practice Material Recovery Facility (MRF) and in FY21, proudly ensured that every single tonne of yellow top bin recyclables were marketed into domestic (Australian) and valid global recycling reprocessors.

Despite the challenges of several organisational distractions including the recruitment of a new Chief Executive Officer, the Senior Management Team, in support of the NAWMA Board, has sustained commercial improvement.

This positive operating result allows the NAWMA team to focus on asset renewal, replacement, sustainability targets and strategic capital projects, continuing to improve already high service delivery standards to our Constituent Councils.

The Paper Polishing Plant will continue as a key



Stages 1 and 2 of the landfill have already been completely filled, capped with topsoil and revegetated.

Report from the **Independent Chairperson**

priority in 2022-2023 to sort out impurities from paper and cardboard recovered from residents' yellow-lid bins). The Plant, once finally designed, constructed, and commissioned, will consolidate NAWMA's leadership position in Australia's emboldening circular economy. From a local perspective, the Plant will help to secure the future of our kerbside yellow-lid bin system, while creating a potential 60 construction jobs and further on-going employment opportunities for the Northern Region.



Minister Susan Close and Rhiannon Pearce MP visit NAWMA.

NAWMA remains as one of Australia's leading waste management and resource recovery organisations and will continue to drive innovation in our field. Testament of this is the continued outstanding work on the 'Alternative to Landfill' project which is identifying worlds best technology to divert and treat residual waste from the three Constituent Councils which would normally be destined for landfill.

The Project Advisory Group that are charged with investigating options available for red-lid bin (non-recyclable) waste for when the Uleybury Balefill and Renewable Energy Park is closed (circa 2025-2027) met on many occasions throughout the year and took part in specialised sub-groups and workshops to accelerate the thinking of this initiative.

The Group is comprised of NAWMA Board representatives, Constituent Council Executive, and highly skilled independent parties that specialise in technical/environmental, procurement, probity, social licensing and community consultation, under the leadership and facilitation of NAWMA's Chief Executive Officer, and through a Terms of Reference administered by myself as Chairperson.

The package of work has progressed considerably in this financial year, with our sights firmly set on the introduction of community discussions within the next twelve (12) months.

In terms of governance, the NAWMA Board and Audit Committee continued to provide leadership and guidance to the organisation at all opportunities, with one joint meeting held throughout the year providing opportunity for collaboration and beneficial discussion.

As always, I take this opportunity to thank a number of important stakeholders – the NAWMA Board for their continued guidance, leadership and astute decision making, our Constituent Councils (Mayors, Elected Members, Chief Executives and Administration) who provide very strong support and trust to our organisation as well as the NAWMA Audit Committee, and NAWMA Project Advisory Group for their valued work in 2021-2022.

On behalf of all the above who are involved in governing and advising NAWMA, I want to thank John Phillips for his guidance and leadership in his time as NAWMA's Acting Chief Executive Officer and wish the new Chief Executive Officer, Toby Terlet, all the success as he takes the reigns into the future.

Finally, I thank our staff for their enormous efforts this year and the application of their expertise to make the success that is NAWMA. We are fortunate to have such a quality team working with us for our Councils and communities.

I look forward to another successful year in 2022-2023 continuing to deliver our Strategic Plan outcomes and I commend to you the 2021-2022 Annual Report.



Brian Cunningham
Independent Chairperson

Report from the **(Acting) Chief Executive Officer**

NAWMA continues to excel, working in partnership with Constituent Councils and key waste management and recycling sector stakeholders. Working together to achieve Circular Economy outcomes through waste diversion and resource recovery, responding to changing community behaviour during a period of business disruption influenced by Covid.

The objectives of NAWMA seek to ensure our Constituent Council communities and householders are serviced through a range of contemporary recycling and resource recovery initiatives and facilities, embracing the South Australian Waste Strategy 2020–2025 waste diversion targets.

To achieve increased diversion and reduced contamination in domestic waste streams NAWMA works closely with our 120,000 households through community engagement and education, underscoring increased participation in the three-bin system and encouraging councils to increase green bin (Food and Organics) diversion from landfill.

During the two-year Covid pandemic, NAWMA has observed a change in household waste and recyclables mix, due to more time working from home. This change in consumer habits and more online shopping, saw increased plastics and cardboard, as well as the maxing out of hard waste collections during this 2021-2022 reporting period.

The NAWMA Board, Audit Committee, Management



NAWMA's Education & Community Engagement saw an increase in green bin usage by residents.

Report from the **(Acting)** **Chief Executive Officer**



In the year 2021-2022 NAWMA facilitated over 30,000 bins delivered to residents (new and repaired).

Leadership Team and Staff have punched well above their weight during the year, responding to Covid related issues including, managing down time on a day-to-day basis, maintaining MRF operating at full throughput, ensuring transport operations availability, responding to hundreds of Customer Service Centre calls a day, and navigating increasing fuel, energy and asset management costs.

NAWMA recycling contractual arrangements support 26+ councils across rural and regional South Australia, and we collaborate closely with such authorities to maximize resource recovery and reduce the impact of the State Solid Waste Levy.

A significant cost to regional councils is borne through transport fees, waste levy, further impacted due to limited resources and scale of economy. NAWMA demonstrates significant value add collaborating with these organizations and contributing support to the overall South Australian transition to Circular Economy.

Key highlights of the 2021–2022 reporting period include:

- Planning for future growth as the Northern Region heads towards an additional 10,000 houses and estimated 130,000 population increase by 2035
- Responding to an average 320 calls per day via the NAWMA Customer Service centre we implemented the new cloud-based phone system and NAWMA "Online chat" function which has been very positively received
- Over 30,000 bins delivered (new and repaired)
- Recovering over 13,000 tonnes of glass fines improving the quality of paper exports and supporting council and industry procurement and re-manufacturing opportunities
- Providing over 40,000 hard waste services across NAWMA's three Constituent Councils
- Recovering 36,000 tonnes of food and organic material (FOGO) processed into quality compost products.



John Phillips
(Acting) Chief Executive Officer

NAWMA
Governance

NAWMA is administered by a Board in accordance with the requirements of the *Local Government Act (1999)*, the NAWMA Charter and various other policies. The Board is responsible for the overall governance, management and strategic direction of the Authority.

The Board meets five (5) to six (6) times each financial year, and drives organisational performance to deliver efficient, best practice services and facilities to our Constituent Councils.

As defined by the NAWMA Charter, the membership of the Board comprises of ten (10) Directors - three Directors appointed by each of the Constituent Councils, and one independent person appointed by the Board who acts as Chair.

The Board appoints a Chief Executive Officer who is responsible for implementing the decisions made by the Board and the day-to-day operations of the Authority.

The Board held nine (9) formal meetings over the 2021-2022 financial year, in addition to several other matters being resolved by Circular Resolutions out of Session. The table below details Board Member attendance at the nine meetings.



Mr Brian Cunningham
Independent Chair
9 of 9 meetings



Cr Paul Koch
Town of Gawler
Deputy Chair
8 of 9 meetings



Mr Sam Green
City of Playford
8 of 9 meetings



Cr Clint Marsh
City of Playford
9 of 9 meetings



Cr David Kerrison
City of Playford
9 of 9 meetings



Mr Charles Mansueto
City of Salisbury
9 of 9 meetings



Cr Julie Woodman
City of Salisbury
5 of 9 meetings



Cr Graham Reynolds
City of Salisbury
9 of 9 meetings



Mr Henry Inat
Town of Gawler
5 of 9 meetings



Cr Paul Little
Town of Gawler
5 of 9 meetings

Deputy Board Directors		Meetings
Cr Shirley Halls	City of Playford	**1** of 1
Ms Janey Mitson	City of Playford	**3** of 3
Mr Jack Darzanos	Town of Gawler	**1** of 1
Cr David Hughes	Town of Gawler	
Cr Shiralee Reardon	City of Salisbury	
Mr John Devine	City of Salisbury	
Cr Kylie Grenfell	City of Salisbury	

Note: Deputy Board Directors attend meetings only as required.

NAWMA
Governance

Audit

In accordance with the requirements of the Local Government Act (1999), NAWMA has an established Audit Committee.

The functions of the Committee include:

- monitoring the integrity of NAWMA's financial statements, including its annual report, reviewing significant financial reporting issues and judgements within;
- reviewing the adequacy of NAWMA's accounting, internal auditing, reporting and other financial management systems and practices on a regular basis; and
- reviewing and providing recommendations to NAWMA on the sustainability of its financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

Constituent Council Chief Executive Officer Roundtable

NAWMA's Independent Chairman held a number of formal meetings of the Constituent Council CEOs to discuss strategic matters and facilitate collaboration in service delivery during 2021/2022.

The roundtable meetings are assisted by the NAWMA Chief Executive Officer as a subject matter expert.

Project Advisory Group

NAWMA's Project Advisory Group was established to accelerate due diligence into options for the disposal/processing of household non-recyclable waste once Uleybury Landfill is closed.

The Project Advisory Group worked under a Board Endorsed Terms of Reference Chaired by NAWMA's Independent Chairperson and led by NAWMA's Chief Executive Officer.

The Group met formally on two (2) occasions, with many more meetings occurring in sub-group disciplines of technical, environmental, legal, financial and social nature.

The membership of the Audit Committee consists of six (6) members, three (3) members who are independent members (including the Chair), two (2) members who are NAWMA Board Directors, and the NAWMA Board Chair as an Ex-Officio member.

The Audit Committee held five (5) formal meetings over the 2021-2022 financial year, in addition to several other matters being resolved by Circular Resolutions out of Audit Meeting frequency.

The following table details Audit Committee Member attendance at these meetings:



Mr Mark Labaz
Independent Chair
5 of 5 meetings



Ms Claudia Goldsmith
Deputy Chair
Independent Member
4 of 5 meetings



Mr Craig Johnson
Independent Member
4 of 5 meetings



Mr Charles Mansueto
Board Director
5 of 5 meetings



Cr Graham Reynolds
Board Director
4 of 5 meetings



Mr Brian Cunningham
Ex-Officio Member
5 of 5 meetings

The Audited Financial Statements for the year ended 30 June 2022 are provided from page 21.

Resource Recovery

Resource Recovery Centres

NAWMA operates two (2) Resource Recovery Centres (RRCs) within the northern community, which are open to the public and small commercial contractors seven (7) days a week.

The Edinburgh North Resource Recovery Centre is located on Bellchambers Road, Edinburgh North and houses:

- A drive-through undercover Resource Recovery Centre for materials recovery,
- A Salvage and Save retail outlet operated by MOBO, a not-for-profit disability employment business, and;
- A recycling service for Container Deposit Returns operated by Scouts SA.

The Pooraka Resource Recovery Centre is located on Research Road, Pooraka and operates a drive-through Resource Recovery Centre for materials recovery. The site will see the commencement of a significant upgrade in the 2022/2023 financial year, coordinated by NAWMA in conjunction with site owner City of Salisbury. The upgrade will ensure the site is operating as safely as possible and complies with all regulatory requirements.

Working in conjunction with Green Industries South Australia (GISA), the Edinburgh North Resource Recovery Centre houses a household chemical and paint drop-off area which is open to all South Australian residents.

The free service increases options for disposal of household volumes of materials such as batteries, poisons, pesticides and paint, and operates seven days a week out of this Resource Recovery Centre.

2021-2022 RRC statistics:

- Customers - 114,291
- Pooraka waste tonnes diverted to alternative fuels - 11,184
- Edinburgh North RRC waste tonnes diverted to alternative fuels - 4,531
- Mattress units Pooraka - 4,061
- Mattress units Edinburgh North – 8,244
- Tyre units Pooraka - 2,766
- Tyre units Edinburgh North RRC - 2,105
- Paint tonnes - 63









Each Year NAWMA...



Delivers services to approximately

120,000

households within the Cities of Salisbury and Playford and the Town of Gawler



Generates

10,000

MWh of electricity to power 1,900 SA homes from Australia's first landfill gas and solar power plant at a landfill site



Recovers

36,000

tonnes of organic material which is sent for composting in South Australia



Processes

56,000

tonnes of waste to Uleybury balefill



Provides employment for nearly

100

people



Sorts

67,000

tonnes of recyclables



Provides more than

40,000

hard-waste services

Resource Recovery

Material Recovery Facility (MRF)

South Australia's first Local Government owned and operated Material Recovery Facility (MRF) was commissioned in 2017 to process yellow-lid kerbside bin recyclables from residents in NAWMA's Constituent Council areas.

While the plant continues to process these tonnes, it now also receives material from 26 metropolitan and regional South Australian Councils – more than half of South Australian households geographically!

Our best practice facility sorted more than 67,000 tonnes of kerbside recyclables during the 2021-2022 financial year, producing high quality finished goods such as paper, plastics, glass, aluminium, and steel.

We are extremely proud that our MRF operation provides employment to more than fifty (50) local employees and creates a revenue stream to offset some of the costs associated with collecting and sorting to our Constituent Councils.

A highlight for NAWMA and its Constituent Councils is the ongoing pursuit of excellence in the industry.

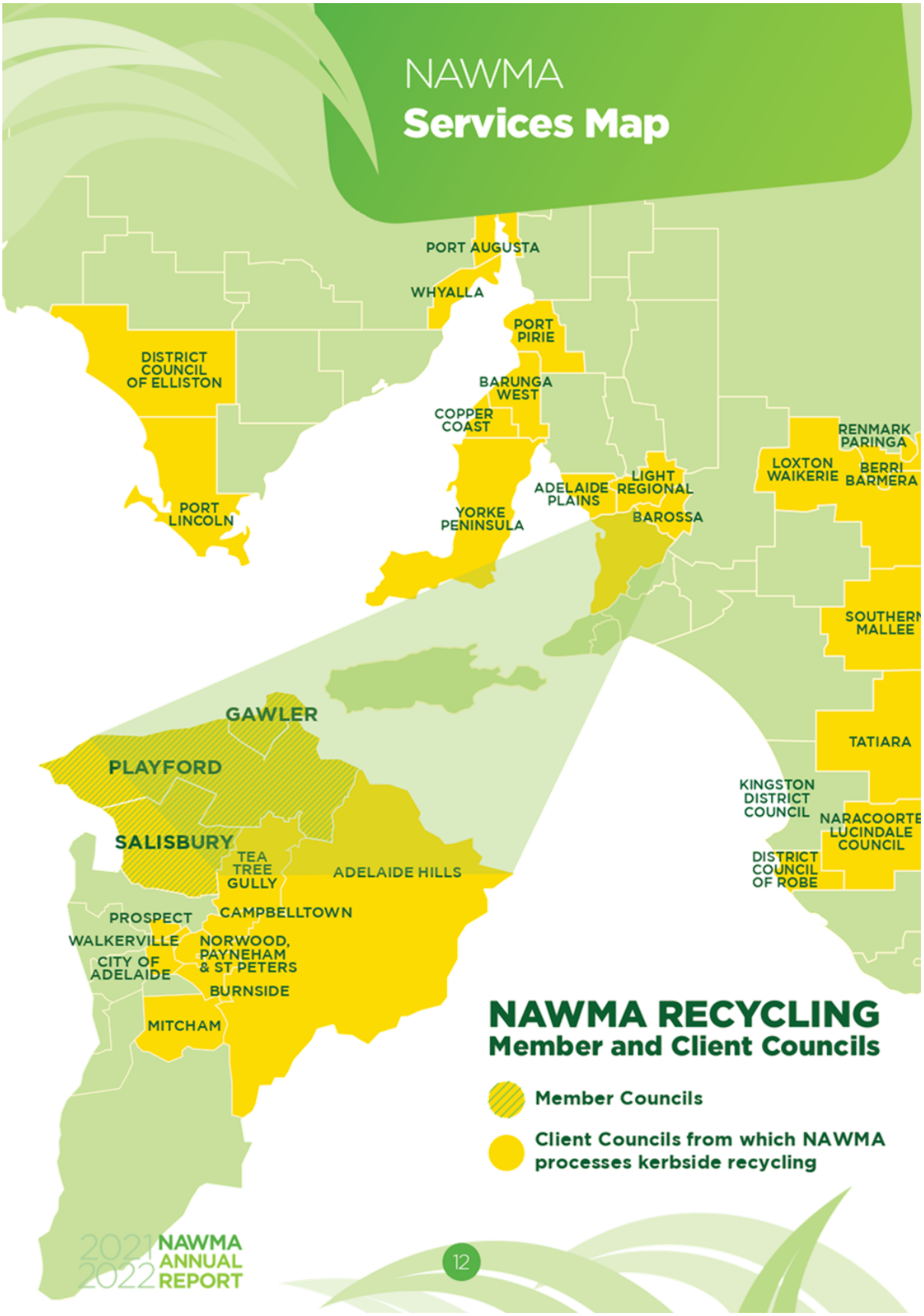
Through the obtainment of Federal and State Government funding, we are planning to build an advanced Fibre Polishing Plant at our Edinburgh facility, which once established will allow NAWMA to maximise the value of recovered paper and cardboard from yellow-lid kerbside recycling bins. The creation of further jobs and the ability to meet new quality benchmarks for recycled paper and cardboard products is something NAWMA is very excited about.

2021-2022 MRF statistics:

- Servicing 26+ Local Government Councils
- 18,000 waste tonnes diverted to alternative fuels
- 13,000 tonnes of glass fines diverted from landfill and used as a sand substitute
- 32,000 tonnes of paper and cardboard recovered and processed back into packaging products.
- 1,500 plus tonnes of steel and aluminium recovered and recycled
- 2,100 plus tonnes of plastic containers and bottles recovered and recycled



NAWMA's MRF operation provides employment to more than fifty (50) local people.


NAWMA
Services Map
PORT AUGUSTA
WHYALLA
PORT PIRIE
DISTRICT COUNCIL OF ELLISTON
BARUNGA WEST
COPPER COAST
RENMARK PARINGA
LOXTON WAIKERIE
BERRI BARMERA
LIGHT REGIONAL
ADELAIDE PLAINS
BAROSSA
PORT LINCOLN
YORKE PENINSULA
SOUTHERN MALLEE
GAWLER
TATIARA
PLAYFORD
KINGSTON DISTRICT COUNCIL
SALISBURY
NARACOORTE LUCINDALE COUNCIL
TEA TREE GULLY
ADELAIDE HILLS
DISTRICT COUNCIL OF ROBE
PROSPECT
CAMPBELLTOWN
WALKERVILLE
NORWOOD, PAYNEHAM & ST PETERS
CITY OF ADELAIDE
BURNSIDE
MITCHAM
NAWMA RECYCLING
Member and Client Councils
Member Councils
Client Councils from which NAWMA processes kerbside recycling
2021 NAWMA ANNUAL 2022 REPORT
12

Resource Recovery

Food and Garden Organics

NAWMA's Food and Garden Organics (FOGO) collection is an opt-in service for the residents of our three Constituent Councils. Kerbside collected organic material is transported to our Edinburgh North facility by Veolia (NAWMA's kerbside collection contractor) using side-loader vehicles that are specifically designed for the kerbside collection of bins.

The material is stored short-term at this location before being bulk hauled by sealed vehicles to one of Peats Soils & Garden Supplies' Facilities.

The material is processed by Peats into mulch and compost products. Many of these products are used in large-scale operations such as vineyards and market gardens.

A highlight for the service was the removal of the price point for kerbside FOGO bins within the City of Salisbury so that all residents of that council can access the service free of charge. The new service has been launched and will be supported by an ongoing education campaign.

2021-2022 FOGO statistics:

- Peats Processed 27,729 tonnes of kerbside collected material
- 8,246 tonnes were collected via our RRCs and processed by Peats







Peats Composting Windrow Turner turns FOGO items into high performance organic soil conditioner.

Did You **Know?**









- Free hard waste drop-off or collection services are available for residents of Salisbury, Playford and Gawler councils.
- Free trailer hire is available for residents of Salisbury, Playford and Gawler councils to use in conjunction with a hard waste drop-off service.
- A wide variety of items that can't be recycled via the yellow-lid recycling bin can be recycled at NAWMA's two Resource Recovery Centres, for example: liquid paint, x-rays, rigid polystyrene, used cooking oil and electronic waste.
- NAWMA offers residents, and people working with residents, from its constituent councils, free tours of its operational sites and Circular Economy Education Centre.
- In 2018, NAWMA's Material Recovery Facility (MRF) won a Local Government Professionals Australia award for 'Excellence in Environmental Leadership and Sustainability'.
- A 100kW solar system is installed on the roof of the Material Recovery Facility in Edinburgh.
- After receiving Green Industries SA grant funding, NAWMA introduced a paper and plastics detecting robot and a Glass Fines Recovery Plant into its MRF to increase recovery of recyclables.
- Residents can request a range of services including bin repairs online via NAWMA's website.
- NAWMA's Edinburgh North Resource Recovery Centre hosts a Community Chemical & Paint Drop-off facility where residents can dispose of hazardous household items for free, seven days a week.
- NAWMA's Uleybury Balefill and Renewable Energy Park won the Landfill Excellence category of the 2019 Australian Landfill and Transfer Stations Awards.
- Food waste is accepted in the green-lid Food Organics and Garden Organics bin (FOGO), which is then composted along with garden waste.
- NAWMA's two Resource Recovery Centres are open every day of the year with the exception of New Year's Day, Good Friday, ANZAC Day and Christmas Day.

Uleybury
Balefill (Landfill) and Renewable Energy Park

NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar – landfill gas farm of its type in Australia and continues to generate power for the local community.

The power is generated using over 11,000 solar panels and gas extracted from 18 vertical wells and a network of horizontal wells in the active cell area. NAWMA, with its South Australian partner Joule Energy, has committed to turning a once untapped waste product into a resource.

During 2021 -2022, 56,649 tonnes of material were deposited at the Uleybury Balefill. Placement of bales in the final cell (Cell 3) started in 2016 with revegetation of the site (Cells 1 and 2) well underway. As part of the closure plan for the Uleybury site, works will commence for a northern rock batter fill and landfill cap as Cell 3 is being completed.

Life for NAWMA's waste stream after the closure of the site is currently being investigated, with several options being subject to thorough due diligence and discussions with the Board and Constituent Councils.

The Balefill Management Consultative Committee (BMCC), chaired during the year by Cr Paul Little (Town of Gawler), continues to meet as necessary. The committee provides nearby residents, councils, the Environment Protection Authority and NAWMA the opportunity to discuss topics relating to the Uleybury site and its operations, with meeting minutes and supporting documents distributed to nearby residents and City of Playford.

2021-2022 Uleybury Balefill statistics:

- Solar – 1,390,072 Kilowatt hours exported
- Gas – 7,970,304 Kilowatt hours exported
- 9,360,376 kWh accumulated power generation



NAWMA's combined renewable energy facility generates over 9,000 MWh of electricity per year.

Resource Recovery
Hard Waste Service

NAWMA continued to provide and operate a hard waste service for all three Constituent Councils during the 2021-2022 financial year. NAWMA was very proud that it successfully delivered this high-quality service uninterrupted during the global pandemic.

The service proved very popular with it being accessed just over 40,000 times across the three Constituent Councils. This is a slight increase from the previous financial year, sustaining the high pandemic numbers and servicing the growth of housing across NAWMA's three constituent councils.

The at-call collection service provides a reduction in wait time and allows residents to have their hard waste collected at a time convenient to their needs. NAWMA has added a reminder SMS feature for the HW collection service to remind residents of their impending collection, which has significantly reduced the number of times residents fail to present their items for collection.

The service level for collections is complemented by a drop-off system for hard waste presented to either of NAWMA's Resource Recovery Centres. The drop-off system is a real-time system that allows residents to be sent a unique voucher number while on their mobile to the NAWMA Customer Service Team member. Almost 14,150 vouchers were redeemed in 2021- 2022, gaining momentum as a choice of convenience and an increase of 9% on the previous financial year.

NAWMA also offers a free trailer-hire service for residents of its three constituent councils who have hard waste items to recycle, but no access to their own trailer.

Residents can borrow a 6x4 caged trailer from either of NAWMA's two Resource Recovery Centres to transport hard waste as part of their drop-off service.



Residents of NAWMA's three Constituent Councils can access the free hard waste voucher system any day of the week.

Education and **Community Engagement**



NAWMA's Education team regularly conduct waste reduction and recycling activities across the three Constituent Councils.

NAWMA's community education and engagement activities started to return to normal as the impacts of COVID-19 lessened during the 2021-2022 financial year.

We were able to increase our presence in the community through the engagement of another part-time team member. In addition to group presentations and attending displays in public locations, we were able to partner with a variety of organisations to co-deliver a series of Zero Waste workshops. These included the themes of Zero Waste Christmas and Avoiding Food Waste.

We also had several information stalls at community events across our Constituent Council areas including the Town of Gawler STEMmania and City of Salisbury Fringe.

Building on Phase 1 of the Resident Engagement Strategy, we commenced Phase 2 and introduced bin tagging to increase our interactions with residents of 450 households in the three target areas. A kerbside bin audit was carried out across the NAWMA region in November 2021.

Around nine hundred bins were audited, and separate data was obtained for houses with and without a FOGO service. Results from the audit will help to inform future services and educational programs.

Formal professional development sessions were held for school teacher groups. The sessions included a contextualised presentation in the Circular Economy themed NAWMA Education Centre, tour of the MRF and guided site visits to NAWMA's Edinburgh

Education and **Community Engagement**









North Resource Recovery Centre, Green Organics processing area, Waste Processing Facility and Uleybury Landfill.

Staff from different work teams of NAWMA's three Constituent Councils were also welcomed at the Education Centre where they combined a MRF tour with an information session to understand NAWMA's role as a subsidiary of the Constituent Councils and services provided. We were also happy to be able to resume our popular community tours for people who work or reside within the NAWMA region.

We increased usage of marketing opportunities within the community including at bus shelters and the City of Salisbury Gateway Tower digital signage.

Our following on social media continued to grow with the NAWMA Education Centre Facebook page recording a 79% increase in page visits from last financial year. Other digital platforms including the NAWMA website, My Local Services app, direct email mailout (biannual NAWMA News) and LinkedIn, continued to assist with providing messaging to the community.

NAWMA's **Customer Service**

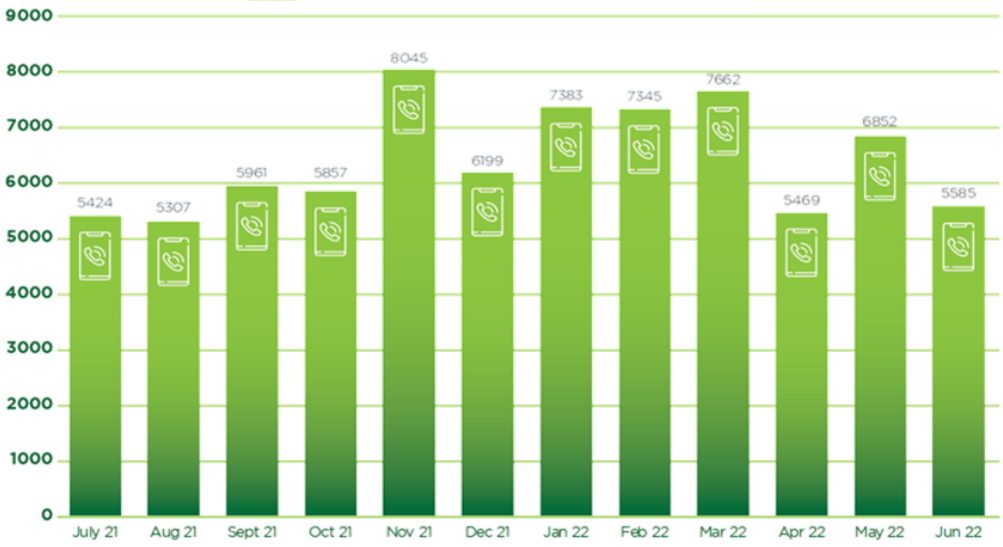
The NAWMA Customer Service team experienced a busy year during the 2021-2022 financial year. Whilst navigating through the pandemic and its impacts, our team focused on improving technological resources to enhance the service provided to residents and Constituent Councils. A permanent part-time position joined the team, bringing the department to a total 4.5 FTE.

After much planning, comparison and deliberation, a new cloud-based phone platform was introduced in November 2021. The platform not only enhanced call quality but enabled us to drill down into the nature of enquiries from residents. This provides opportunity to strategically focus on the ways in which we can provide a more effective, efficient and fit-for-purpose service to our constituents. The system also assists us in developing call monitoring for training and development, queue call back and an automated after call survey. The survey question will be developed to align with a particular point of interest or issue and will be changed quarterly to allow NAWMA to gain further insight into the behaviours of residents.

The webchat feature trialled in 2021 was made a permanent feature in mid-2022. The service, available through the NAWMA website, provides a further point of contact between the Customer Service team and NAWMA's residents and has proven popular for those who may be time poor or have a simple request for information. Our Customer Service team are utilising the webchat to guide residents to the information they require efficiently and effectively. To date, we have participated in over 600 individual chats with the community and see this channel of communication continuing to gain momentum as the service is more widely promoted through social media and word of mouth.

The Customer Service teams goal is to be available through as many communication channels as possible to provide residents with best practice service through the channel most suitable to their needs. NAWMA's platforms will continue to develop and be a focus of the 2022-2023 financial year. Concentration on reviewing, and developing these will make certain that our Customer Service remains inclusive and effective.

Total Customer Service Calls 2021-2022



The introduction of the new webchat function has shown a decrease in calls to NAWMA's Customer Service team, demonstrating the effectiveness and usefulness of webchat.

Contents **Audited Financial Report**

Certification of Financial Statements 21

Principal Financial Statements

Statement of Comprehensive Income 22
Statement of Financial Position 23
Statement of Changes in Equity 24
Statement of Cash Flows 25

Notes to, and forming part of, the Principal Financial Statements

Note 1 - Significant Accounting Policies 26
Note 2 - Income 31
Note 3 - Expenses 31
Note 4 - Current Assets 32
Note 5 - Property, Plant & Equipment 33
Note 6 - Liabilities 35
Note 7 - Cash Flow Reconciliation 36
Note 8 - Financial Instruments 37
Note 9 - Commitments for Expenditure 39
Note 10 - Events Occurring After Reporting Date 39
Note 11 - Contingent Liabilities 39
Note 12 - Leases 40
Note 13 - Disclosure of Related Party Transactions 40
Note 14 - Fair Value Measurements 41

Statement of Auditor's Independence 44

Independent Auditor's Report - Financial Report 45

Independent Auditor's Report - Internal Controls 47

Certification of Auditor Independence 49

Constituent Council Certification of Auditor Independence 50

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

Annual Financial Statements
Financial year ended 30 June 2022

Certification of Financial Statements

I have been authorised by Northern Adelaide Waste Management Authority to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*

- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.

- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.

- the financial statements accurately reflect the Authority's accounting and other records.

Toby Terlet
Chief Executive Officer

Brian Cunningham
Chairperson

Date: 29 September 2022

Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
INCOME			
User charges	2	48,140	45,571
Investment income	2	262	240
Other	2	15	115
Total Income		**48,417**	45,926
EXPENSES			
Employee costs	3	4,147	3,827
Materials, contracts & other expenses	3	38,174	36,523
Finance costs	3	467	512
Depreciation, amortisation & impairment	3	3,315	3,250
Total Expenses		**46,103**	44,112
Operating Surplus / (Deficit)		**2,314**	1,814
Asset disposal & fair value adjustments	3	(1)	-
Amounts received specifically for new/upgraded assets		60	77
NET SURPLUS / (DEFICIT)		**2,373**	1,891
Other Comprehensive Income			
Changes in revaluation surplus - property, plant & equipment		-	-
Total Other Comprehensive Income		**-**	-
Total Comprehensive Income		**2,373**	1,891

This Statement is to be read in conjunction with the attached Notes.

Northern Adelaide Waste Management Authority

Financial Statements 2021-2022

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	4	9,802	7,167
Trade & other receivables	4	5,143	4,167
Stock on Hand		50	27
Total Current Assets		**14,995**	11,361
Non-current Assets			
Property, Plant & Equipment	5	20,679	22,914
Total Non-current Assets		**20,679**	22,914
Total Assets		**35,674**	34,275
LIABILITIES			
Current Liabilities			
Trade & Other Payables	6	7,117	6,667
Provisions	6	327	366
Borrowings	6	2,243	2,527
Total Current Liabilities		**9,687**	9,560
Non-Current Liabilities			
Borrowings	6	8,310	10,512
Provisions	6	6,489	5,388
Total Non-current Liabilities		**14,799**	15,900
Total Liabilities		**24,486**	25,460
Net Assets		**11,188**	8,815
EQUITY			
Accumulated Surplus		10,528	8,155
Asset Revaluation Reserve		660	660
Total Equity		**11,188**	8,815

This Statement is to be read in conjunction with the attached Notes.

Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	$'000	$'000	$'000
Balance at start of period - 1 July 2020	6,264	660	6,924
Net Surplus/ (Deficit) for Year	1,891	-	1,891
Balance at end of period - 30 June 2021	8,155	660	8,815
Balance at start of period - 1 July 2021	**8,155**	**660**	**8,815**
Net Surplus/ (Deficit) for Year	2,373	-	2,373
Balance at end of period - 30 June 2022	**10,528**	**660**	**11,188**

This Statement is to be read in conjunction with the attached Notes.

Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

STATEMENT OF CASH FLOWS
for the year ended 30 June 2022

	Notes	2022 $'000	2021 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts from customers		47,185	45,358
Investment receipts		262	240
Operating payments to suppliers & employees		(41,871)	(39,439)
Finance payments		**(408)**	**(462)**
Net Cash provided by (or used in) Operating Activities	7	**5,168**	5,697
CASH FLOWS FROM INVESTING ACTIVITIES			
Amounts specifically for new or upgraded assets		-	77
Sale of surplus assets	3	15	-
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(67)	(27)
Net Cash provided by (or used in) Investing Activities		**(52)**	50
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		-	-
Repayments of Borrowings		(1,099)	(891)
Repayment of lease liabilities		(1,382)	(1,493)
Net Cash provided by (or used in) Financing Activities		**(2,481)**	(2,384)
Net Increase (Decrease) in cash held		**2,635**	3,363
Cash & cash equivalents at beginning of period	7	7,167	3,804
Cash & cash equivalents at end of period	7	**9,802**	7,167

This Statement is to be read in conjunction with the attached Notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the *Local Government (Financial Management) Regulations 2011*.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Salisbury, City of Playford and the Town of Gawler.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollar ($'000).

2 The Local Government Reporting Entity

Northern Adelaide Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the SA *Local Government Act 1999* and Section 25 of the Local Government Implementation Act, and has its principal place of business at 71-75 Woomera Avenue, Edinburgh Park SA 5111.

These financial statements have been prepared for use by the Constituent Councils of the Authority.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 8.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

5 Infrastructure, Property, Plant & Equipment

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead. Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land. The capitalisation threshold applied across all asset classes is $5,000. Any purchases greater than this amount are capitalised and depreciated on the Authority's asset register.

5.3 Subsequent Recognition

Certain asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset.

5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment	5 to 10 years
Buildings	30 years
Waste Facility	10 to 20 years
Landfill Construction	Amortised proportionately to rate of filling
Landfill Capping & Rehabilitation	Amortised proportionately to rate of filling

5.5 Land Assets

As at 30 June 2018, an independent valuation was undertaken on all Land and Building assets held by the Authority. The independent valuation was undertaken by AssetVal Pty Ltd and valued land and building assets to the current market value. Given the material value of Land and Building assets subsequent to the valuation performed, Land and Building assets are shown as a separate class of asset and disclosed accordingly in Note 5.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

5.6 Impairment

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed 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 (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super). The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (10% in 2021/22; 9.5% in 2020/21). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Contributions to Other Superannuation Schemes

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

8 Rehabilitation

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

Landfill Remediation

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet. An independent assessment of the Authority's landfill capping and post closure rehabilitation obligations was undertaken by Golder Associates Pty Ltd as at 30 June 2022.

The obligation to recognise a landfill remediation liability commences when the landfill cell is developed. Provisions are stated at the present value of the expected future cash outflows to occur. The Authority has an obligation to cap each cell upon the airspace of the cell being fully consumed as well as an ongoing post-closure monitoring and remediation of the site once it is closed for a period determined by the Environment Protection Authority (EPA) and other government environmental requirements.

Industrial Property Remediation

The Authority leases industrial property which under lease agreement held, requires that the Authority undertakes remediation and rectification works to the site upon exit. The scope of works includes the remediation of damaged and/or worn facilities, the removal of plant and equipment from the site as well as undertake rectification of any site contamination issues.

9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards. No changes have been made to comparative information in the principal financial statements nor has not been amended for any changes to accounting standards.

10 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

11 New Accounting Standards

No new accounting standards were applied by the Authority during the financial year. The Authority has not elected to early adopt any new accounting standards, interpretations or amendments which are not yet effective.

12 Stock on Hand

The Authority records stock on hand as at reporting date to reflect the value of stockpiled recycled finished goods held. The value attributed to stock items is based on the expected sale price of goods held based on existing contract rates held with customers and/or pubic market rates, whichever is applicable.

13 Related Party Transactions – Services Provided by Member Councils to the Authority

The Authority has entered into a lease agreement with the City of Salisbury to manage and operate the waste transfer station located at Pooraka. The lease with the City of Salisbury is reflected on the Balance Sheet in accordance with AASB 16. Transactions between the Authority and Member Councils where services have been provided by the Authority have been separately disclosed in Note 13.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

14 Leases

The Authority assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Authority recognises lease liabilities to make lease payments and right-of-use assets representing the right of use of the underlying assets.

14.1 Right-of- Use Assets

The Authority recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentive received and the estimate of costs incurred to restore the leased asset. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of assets.

14.2 Lease Liabilities

At the commencement date of the lease, the Authority recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the net present value of the lease payments, the Authority uses its incremental borrowing rate or the interest rate implicit in the lease.

14.3 Short-term leases and leases of low-value assets

The Authority applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date). It also applies the low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 2 - INCOME

	Notes	2022 $'000	2021 $'000
USER CHARGES			
Waste Management Operations		48,140	45,571
		48,140	45,571
INVESTMENT INCOME			
Interest Income: Local Government Finance Authority		32	23
Rental income		230	217
		262	240
OTHER INCOME			
Lease Provision Adjustment		-	70
Promotional Income		15	45
		15	115

Note 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		3,212	3,219
Employee leave expense		371	112
Superannuation		312	274
Workers' Compensation Insurance		109	62
Other		143	160
		4,147	3,827
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration			
Auditing the financial reports		21	17
Other Services		-	-
Bad and Doubtful Debts		-	9
Lease costs		26	32
Promotions		29	44
Bank Fees		50	51
Landfill Royalty		183	144
Contractors		28,105	26,482
Electricity		227	286
Environmental Protection Agency Levy		8,239	8,040
Fuels & Oils		268	178
Professional services		297	450
Administration & Other Expenses		729	780
		38,174	36,523

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 3 - EXPENSES (cont)

	Notes	2022 $'000	2021 $'000
DEPRECIATION, AMORTISATION & IMPAIRMENT			
Waste Processing Facility		182	215
Uleybury Landfill Plant & Equipment		18	27
Education Program Plant & Equipment		-	-
Office Furniture & Equipment		22	39
Property & Improvements		13	17
Landfill Cell Stage Three		187	233
Landfill Capping Stage Three		204	99
Post Closure Rehabilitation		188	151
Buildings		158	172
Material Recovery Facility		645	637
Right-of-use-assets		1,422	1,384
Right-of-use-assets Restoration		276	276
		3,315	3,250
FINANCE COSTS			
Interest on Loans and Overdraft		259	315
Interest on Leases		131	167
Unwinding of present value discounts		77	30
		467	512
ASSET DISPOSALS			
Proceeds from disposal		15	-
Less: Carrying amount of assets sold		(16)	-
Gain (Loss) on disposal		**(1)**	-

Note 4 - CURRENT ASSETS

CASH & CASH EQUIVALENTS			
Cash on Hand and at Bank		8,452	3,378
Deposits at Call		1,350	3,789
		9,802	7,167
TRADE & OTHER RECEIVABLES			
Debtors - general		4,371	3,933
Accrued Revenues		385	206
Prepaid Expenses		396	37
Provision for Impairment		(9)	(9)
		5,143	4,167

Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 5 - PROPERTY, PLANT & EQUIPMENT

	2021 $'000				2022 $'000			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
Land	1,776	-	-	1,776	1,776	-	-	1,776
Waste Processing Facility	-	3,257	(1,949)	1,308	-	3,240	(2,130)	1,110
Uleybury Landfill Plant & Equipment	-	2,125	(2,051)	74	-	2,125	(2,069)	56
Education Program Plant & Equipment	-	34	(31)	3	-	34	(31)	3
Office Furniture & Equipment	-	199	(139)	60	-	199	(161)	38
Property & Improvements	-	1,605	(1,524)	81	-	1,605	(1,537)	68
Landfill Cell Stage Three	-	3,084	(1,684)	1,400	-	3,084	(1,871)	1,213
Landfill Capping Stage Three	1,590	-	(495)	1,095	2,022	-	(699)	1,323
Post Closure Rehabilitation	2,167	-	(1,358)	809	2,776	-	(1,547)	1,229
Buildings	3,285	1,491	(510)	4,266	3,285	1,491	(668)	4,108
Material Recovery Facility	-	7,475	(1,980)	5,495	-	7,475	(2,625)	4,850
Right-of-use-assets	-	8,049	(2,742)	5,307	-	8,039	(4,165)	3,874
Right-of-use-asset Restoration	1,516	-	(276)	1,240	1,515	-	(551)	964
WIP	-	-	-	-	-	67	-	67
	10,334	27,319	(14,739)	22,914	**11,374**	**27,359**	**(18,054)**	**20,679**

Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 5 - PROPERTY, PLANT & EQUIPMENT (Cont)

	2021 $'000	Movement in Property, Plant & Equipment during the Financial Year							2022 $'000
	CARRYING VALUE	ADDITIONS		Disposals	Revaluation	Adjustment	Depreciation		CARRYING VALUE
		Renewal/ Replacement	New/ Upgrade						
Land	1,776	-	-	-	-	-	-		1,776
Waste Processing Facility	1,308	-	-	(16)	-	-	(182)		1,110
Uleybury Landfill Plant & Equipment	74	-	-	-	-	-	(18)		56
Education Program Plant & Equipment	3	-	-	-	-	-	-		3
Office Furniture & Equipment	60	-	-	-	-	-	(22)		38
Property & Improvements	81	-	-	-	-	-	(13)		68
Landfill Cell Stage Three	1,400	-	-	-	-	-	(187)		1,213
Landfill Capping Stage Three	1,095	-	-	-	-	432	(204)		1,323
Post Closure Rehabilitation	809	-	-	-	-	608	(188)		1,229
Buildings	4,266	-	-	-	-	-	(158)		4,108
Material Recovery Facility	5,495	-	-	-	-	-	(645)		4,850
Right-of-use-assets	5,307	-	-	-	-	(11)	(1,422)		3,874
Right-of-use-assets Restoration	1,240	-	-	-	-	-	(276)		964
WIP	-	-	67	-	-	-	-		67
	22,914	**-**	**67**	**(16)**	**-**	**1,029**	**(3,315)**		**20,679**
2021 $'000	23,828	27	2,753	-	-	(444)	(3,250)		22,914

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 6 - LIABILITIES

		2022 $'000		2021 $'000	
	Notes	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES					
Goods & Services		4,124	-	3,931	-
Accrued expenses - other		2,176	-	1,931	-
Amounts received in advance		817	-	805	-
		7,117	**-**	6,667	-
BORROWINGS					
Loans		1,143	5,305	1,099	6,448
Lease Liabilities		1,100	3,005	1,428	4,064
		2,243	**8,310**	2,527	10,512
PROVISIONS					
Annual Leave		189	-	252	-
Long Service Leave		138	85	114	101
Provision for Capping Stage 3A		-	2,022	-	1,590
Provision for Post Closure Site Rehabilitation		-	2,759	-	2,151
Provision for Property Restoration		-	1,623	-	1,546
		327	**6,489**	366	5,388

RECONCILIATION OF MOVEMENT IN LANDFILL & RESTORATION PROVISIONS	Provision for Capping Stage 3A	Provision for Post Closure Site Rehabilitation	Provision for Property Restoration	Total
Opening Balance	**1,590**	**2,151**	1,546	5,287
Additional Amounts Recognised/(Derecognised)	432	608	-	1,040
Payments	-	-	-	-
Unwinding of Present Value Discounts	-	-	77	77
Closing Balance	**2,022**	**2,759**	1,623	6,404

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 7 - CASH FLOW RECONCILIATION

(a) Reconciliation of Cash

	Notes	2022 $'000	2021 $'000
Total cash & equivalent assets	4	9,802	7,167
Less: Short-term borrowings		-	-
Balances per Statement of Cash Flows		**9,802**	7,167

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)		2,373	1,891
Non-cash items in Income Statement			
Depreciation, amortisation & impairment	3	3,315	3,250
(Gain) / Loss on Disposal of Assets	3	1	-
Capital Grants		(60)	(77)
Bad Debts Expense	3	-	9
Lease Adjustment - Right-of-Use Asset	5	(11)	-
Unwinding of Present Value Discounts	6	77	30
		5,685	5,103
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(976)	(328)
Net (increase) decrease in inventory		(23)	(2)
Net increase (decrease) in trade & other payables		450	811
Net increase (decrease) in other provisions		22	113
Net Cash provided by (or used in) operations		**5,168**	5,697

(c) Financing Arrangements

Credit Card Facilities	25	15
LGFA Cash Advance Debenture Facility	2,500	2,500

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 8 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** Carried at lower of cost and net realisable value; Interest is recognised when earned. **Terms & conditions:** Deposits on Call do not have a maturity period and have an average interest rates of 0.69% - 1.05% (2021: 0.3%).. **Carrying amount:** approximates fair value due to the short term to maturity.
Receivables - Gate Fees & Associated Charges	**Accounting Policy:** Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable. **Carrying amount:** approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount**: approximates fair value.

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority

Risk Exposure

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 8 - FINANCIAL INSTRUMENTS (Cont)

Liquidity Analysis

2022	Maturity				
	≤ year	> 1 year ≤ 5 years	> 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Amortised Cost					
Cash Assets	9,802	-	-	-	9,802
Receivables	-	-	-	4 ,747	4,747
Total	**9,802**	**-**	**-**	**4,747**	**14,549**
Financial Liabilities					
Payables	-	-	-	6,300	6,300
Borrowings	2,253	6,383	1,917	-	10,553
Total	**2,253**	**6,383**	**1,917**	**6,300**	**16,853**

2021	Maturity				
	≤ year	> 1 year ≤ 5 years	> 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000
Financial Assets					
Amortised Cost					
Cash Assets	7,167	-	-	-	7,167
Receivables	-	-	-	4,130	4,130
Total	7,167	-	-	4,130	11,297
Financial Liabilities					
Payables	-	-	-	5,862	5,862
Borrowings	2,527	7,660	2,852	-	13,039
Total	2,527	7,660	2,852	5,862	18,901

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 9 - COMMITMENTS FOR EXPENDITURE

	Notes	2022 $'000	2021 $'000
Expenditure Commitments			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		35	-
Waste Collection, Processing and Mobile Garbage Bin Supply Contracts		36,125	52,297
		36,160	52,297
These expenditures are payable:			
Not later than one year		17,128	16,791
Later than one year and not later than 5 years		19,032	35,506
Later than 5 years		-	-
		36,160	52,297

The Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures of the Authority.

Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events that occurred after reporting date that requires to be disclosed.

Note 11 - CONTINGENT LIABILITIES

The Authority has a performance bond/guarantee held with the Local Government Finance Authority to the Environment Protection Authority for an amount of $1,350,000 in accordance with the requirements under its Post Closure remediation obligations for the Uleybury Landfill site.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 12 - LEASES

Authority as a lessee

The Authority leases external operations facilities, waste processing plant & machinery and motor vehicles.

	Buildings & Other Structures $'000	Plant & Motor Vehicles $'000	Total $'000
At 1 July 2021	3,844	1,463	5,307
Additions of right-of-use-assets	-	-	-
Depreciation Charge	(759)	(663)	(1,422)
Right-of-Use Adjustments	-	(11)	(11)
At 30 June 2022	**3,085**	**789**	**3,874**

Set out below are the carrying amounts of lease liabilities and the movements during the period.

At 1 July 2021	5,492
Additions	-
Accretion of interest	(131)
Payments	(1,382)
Lease Liability Adjustment	(5)
At 30 June 2022	**4,105**
Current	**1,100**
Non-Current	**3,005**

Note 13 - DISCLOSURE OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under the *Local Government Act 1999*. In all, 4 persons were remunerated as following:

	2022 $'000	2021 $'000
Salaries, allowances & other short term benefits	753	713
TOTAL	**753**	713

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS (Cont)

Transactions with Related Parties:

Related Party Entity	Sale of Goods and Services ($'000)	Amounts Outstanding from Related Parties ($'000)	Description of Services Provided to Related Parties
City of Salisbury	16,800	1,363	Provision of waste collection, processing and disposal services
City of Playford	11,568	984	Provision of waste collection, processing and disposal services
Town of Gawler	2,703	405	Provision of waste collection, processing and disposal services

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

Note 14 - FAIR VALUE MEASUREMENTS

The Authority measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land assets
- Building assets
- Stock on Hand
- Landfill Capping
- Post Closure Rehabilitation Costs
- Right-of-Use Restoration

The Authority does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 14 - FAIR VALUE MEASUREMENTS (Cont)

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2.

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

Valuation techniques

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

The valuation techniques selected by the Authority are consistent with one or more of the following valuation approaches:

- ***Market approach:*** uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- ***Income approach:*** converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- ***Cost approach:*** reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2022

Note 14 - FAIR VALUE MEASUREMENTS (Cont)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

2022	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		50	-	-	50
- Landfill Capping Asset	5	-	-	2,022	2,022
- Post Closure Rehabilitation	5	-	-	2,776	2,776
- Right-of-Use Restoration	5	-	-	1,515	1,515
Total financial assets recognised at fair value		**50**	**5,061**	**6,313**	**11,424**

2021					
Recurring fair value measurements					
Infrastructure, Property, Plant & Equipment					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		27	-	-	27
- Landfill Capping Assets	5	-	-	1,590	1,590
- Post Closure Rehabilitation	5	-	-	2,167	2,167
- Right-of-Use Restoration	5	-	-	1,516	1,516
Total financial assets recognised at fair value		27	5,061	5,273	10,361

(b) Disclosed fair value measurements

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the techniques used to measure the value of items disclosed in the financial statements.	1	Market	Based on expected sale price of goods based on existing contract prices.
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements.
There has been no change in the techniques used to measure the value of items disclosed in the financial statements.	3	Cost Approach	Landfill assets unobservable inputs. The measure of these costs requires significant estimates and assumptions such as: discount rate, inflation rate, assessment of EPA requirements, the timing, extent and costs of the required activities and the estimated remaining airspace of the landfill.

Galpins
Accountants, Auditors & Business Consultants

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

GENERAL PURPOSE FINANCIAL STATEMENTS

For the year ended 30 June 2022

Statement by Auditor

I confirm that, for the audit of the financial statements of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 14 September 2022

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ABN: 89 656 702 886

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Northern Adelaide Waste Management Authority
Financial Statements 2021-2022

Galpins
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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL REPORT

To the members of the Northern Adelaide Waste Management Authority (NAWMA)

Opinion
We have audited the accompanying financial report of NAWMA (the Authority), which comprises the statements of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Executive Officer and the Chairperson.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2022, and its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion
We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report
The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Authority 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 Authority is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority's financial reporting process.

Auditor's Responsibility 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 misstatements, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with 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 decision of users taken on the basis of this financial report.

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As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 30 September 2022

Galpins
Accountants, Auditors & Business Consultants

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROLS

To the members of the Northern Adelaide Waste Management Authority (NAWMA)

Independent Assurance Report on the Internal Controls of NAWMA

Opinion
We have audited the compliance of NAWMA (the Authority) with the requirements of Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities for the period 1 July 2021 to 30 June 2022 have been conducted properly and in accordance with the law.

In our opinion, the Authority has complied, in all material respects, with Section 125 of the *Local Government Act 1999* in relation to internal controls established by the Authority in relation to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities so as to provide reasonable assurance that the financial transactions of the Authority have been conducted properly and in accordance with law for the period 1 July 2021 to 30 June 2022.

Basis for Opinion
We conducted our engagement in accordance with applicable Australian Standards on Assurance Engagement ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and ASAE 3150 *Assurance Engagement on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

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

Responsibility for Internal Controls
The Authority is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the *Local Government Act 1999* to ensure that the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law.

Our Independence and Quality Control
We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and applied Auditing Standard ASQC 1 *Quality Control for Firms that Performs Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Auditor's responsibility
Our responsibility is to express an opinion on the Authority's compliance with Section 125 of the *Local Government Act 1999* in relation only to the internal controls established by the Authority to ensure that financial transactions relating to receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities have been conducted properly and in accordance with law, based on our procedures.

Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Information* and ASAE 3150 *Assurance Engagements on Controls*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Authority has complied with Section 125 of the *Local Government Act 1999* in relation only to the internal controls specified above for the period 1 July 2021 to 30 June 2022. ASAE 3000 also requires us to comply with the relevant ethical requirements for the Australian professional accounting bodies.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Limitations of controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and operating effectively, the control objectives may not be achieved so that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An assurance engagement on controls is not designed to detect all instances of controls operating ineffectively as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the outcome of the evaluation of controls to future periods is subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Limitation of use

This report has been prepared for the members of the Authority in accordance with Section 129 of the *Local Government Act 1999* in relation to the internal controls specified above. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the members of the Authority, or for any purpose other than that for which it was prepared.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date: 30 September 2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2022

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011.*

Toby Terlet
Chief Executive Officer

Date: 29 September 2022

Mark Labaz
Chairman - Audit Committee

Date: 29 September 2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2022

CONSTITUENT COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011.*

.....

Sam Green
Chief Executive Officer
City of Playford

Date: 15.09.2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2022

CONSTITUENT COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011.*

.....
John Harry
Chief Executive Officer
City of Salisbury

Date: 16/9/2022

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2022

CONSTITUENT COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Northern Adelaide Waste Management Authority for the year ended 30 June 2022, the Authority's Auditor, Galpins, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011.*

Henry Inat
Chief Executive Officer
Town of Gawler

Date: 14/9/2022


Resource Recovery Centres
114,291
CUSTOMERS
utilised the Edinburgh North and Pooraka RRC's
15,715
TONNES
of material were diverted to alternative fuels
12,305
MATTRESSES
were processed at the Edinburgh North and Pooraka RRC's
4,871
TYRES
were processed at the Edinburgh North and Pooraka RRC's


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City of Playford
Gawler
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Appendix 3

ANNUAL REPORT 2021-22

Gawler River Floodplain Management Authority

Constituent Councils:

Adelaide Hills Council
Adelaide Plains Council
The Barossa Council
Town of Gawler
Light Regional Council
City of Playford

Contents

		Page
1.	Chair Report	3
2.	Gawler River Floodplain Management Authority (GRFMA)	4
3.	Governance	5
4.	Evaluation of Performance Against the Business Plan	11
5.	Financial Statements 2020-21	16

Acting Chairperson Foreword

The Gawler River Floodplain Management Authority (GRFMA) has heavily advanced a suite of projects and programs throughout the reporting period and, as Acting Chairperson, it is my pleasure to acknowledge the outputs and achievements of the Board through this year's foreword.

Recent flooding events on our nation's eastern seaboard serve to reinforce the importance of investing time, money and resources into flood preparedness and flood mitigation. While the Gawler River has not experienced a flood event since October 2016, we are only too aware that our next flood event may be just a winter away and planning for the inevitable rains that will fall within the catchment has been high on the Board's agenda yet again in 2021/2022.

The GRFMA subsidiary has yet again provided the vehicle for collaborative engagement amongst the six constituent councils over the reporting period and enabled productive engagement with state and federal government agencies and other key stakeholders on a raft of platforms.

Of the significant achievements, I glean upon and report the following:

- Adoption of the inaugural GRFMA Strategic Plan for 2021-2026
- Progression of the Stormwater Management Plan
- Major maintenance of the Bruce Eastick North Para Flood Mitigation Dam
- Advancement of GRFMA Charter Review II (cost contributions model)
- Engagement with State Government on the Gawler River Flood Mitigation Business Case

Suffice to say, it has been a busy yet rewarding period for the Board.

As Acting Chairperson, I take this opportunity to acknowledge the work of our Chairperson, Ian Baldwin (who at the time of preparing the Annual Report was on some well-deserved leave) and our Executive Officer, David Hitchcock. Both Ian and David have served the subsidiary extremely well yet again and I thank them for their contributions to the activities of the Board.

I also wish to acknowledge the valuable contributions of all Board Members and Committee Members throughout the period, including those who have recently retired from the Board in Sam Dilena and Gary Mavrinac; all our members' contributions have again been highly valued and greatly appreciated.

I commend the 2021/2022 Annual Report to you.

Mr James Miller, Acting Chair, Gawler River Floodplain Management Authority

Gawler River Floodplain Management Authority (GRFMA)

The Gawler River

The Gawler River is formed by the confluence of the North Para and South Para in the town of Gawler and is located in the Adelaide Plains district of South Australia. The district surrounding the river produces cereal crops and sheep for both meat and wool, as well as market gardens, almond orchards and vineyards. The farm gate output of the Gawler River Floodplain horticultural areas is estimated to be at least $225 million.

Purpose of the GRFMA

The GRFMA was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 on 22 August 2002. The Constituent Councils are the Adelaide Hills Council, The Adelaide Plains Council, The Barossa Council, The Town of Gawler, Light Regional Council, and the City of Playford.



The Charter sets down the powers, functions, safeguards, accountabilities, and an operational framework.



The Authority has been established for the purpose of coordinating the planning, construction, operation, and maintenance of flood mitigation infrastructure for the Gawler River, and for the following functions:

- to raise finance for the purpose of developing, managing, and operating and maintaining works approved by the Board;
- to provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flooding of the Gawler River;
- to advocate on behalf of the Constituent Councils and their communities where required to State and Federal Governments for legislative policy changes on matters related to flood mitigation and management and associated land use planning with Gawler River flood mitigation;
- to facilitate sustainable outcomes to ensure a proper balance between economic, social, environmental, and cultural consideration; and
- to provide advice as appropriate to the Constituent Councils in relation to development applications relevant to the Authority's roles and functions.

Governance

The Board

The Authority is governed by the Board of management. The Board comprises of

- one independent person, who is not an officer, employee, or elected member of a constituent council, to be appointed as the Chairperson of the Board of Management of the GRFMA for a term of three years.
- Two persons appointed from each of the six constituent councils (12 members in total). Council appointees comprise of the Council CEO, or delegate and one Elected Member.
- Deputy Board members as appointed by each constituent council

The Members of the Board are:

Council	Board Members	Deputy Board Members
Chairperson & Independent Member	Mr Ian Baldwin	
Adelaide Hills Council	Cr Malcolm Herrmann Mr Ashley Curtis	Cr Pauline Gill
Adelaide Plains Council	Cr Terry-Anne Keen Mr James Miller	Cr John Lush Ms Sheree Schenk
The Barossa Council	Mayor Bim Lange Mr Gary Mavrinac (resigned 30/6/22)	Cr Russell Johnstone
Town of Gawler	Cr Paul Koch Mr Sam Dilena (resigned 16/6/22)	Cr Nathan Shanks Vacant
Light Regional Council	Cr William Close Mr Brian Carr	Mr Andrew Philpott
City of Playford	Cr Agapios (Peter) Rentoulis Mr Greg Pattinson	Cr Clinton Marsh

Meetings of the Board are held at such time and such place as the Board decides subject only to the requirement that there will be at least one meeting in every two calendar months. A special meeting of the Board may be held at any time and may be called at the request of the Chairperson or at the written request of six members of the Board representing all the Constituent Councils.

Ordinary meetings of the Board are generally held bi-monthly on the third Thursday of the even months commencing at 9.45am: excepting December which is held on the second Thursday. Meetings are hosted by the Constituent Councils on a rotational roster with six Board meetings and two Special Board Meetings held during the year as follows:

Ordinary Board Meetings:

- Thursday 19 August 2021 – Town of Gawler
- Thursday 21 October 2021 – Adelaide Plains Council
- Thursday 9 December 2021 – City of Playford
- Thursday 17 February 2022 – Light Regional Council
- Thursday 14 April 2022 – Adelaide Hills Council
- Thursday 16 June 2022 – The Barossa Council

One Special Board Meeting:

- Monday 27 September 2021 – City of Playford

Technical Assessment Panel

A Technical Assessment Panel has been appointed to support the decision-making processes of the Board with delegated powers to provide advice and manage the technical aspects of the design, assessment, and construction of the various parts of the Scheme.

The Members of the Panel are:

- Mr Ian Baldwin, Independent Chair
- Ms Ingrid Franssen, Manager Flood Management, DEWNR
- Vacant, Principal Engineer Dams, SA Water
- Council representative – Vacant following resignation of Matt Elding, The Barossa Council
- Mr Braden Austin, Playford Council
- Mr David Hitchcock, Executive Officer

Three meetings of the Panel were held during the year

- Monday 5 July 2021
- Wednesday 11 August 2021
- Wednesday 1 September 2021

Email out of session consideration was also undertaken to consider proposed repairs to the Lower Level Outlet Pipe and Baffle Block replacement at the Bruce Eastick North Para Flood Mitigation Dam.

Audit Committee

An Audit Committee has been appointed to review:

- the annual financial statements to ensure that they present fairly the situation of the Board, and
- the adequacy of the accounting, internal control, reporting and other financial management systems and practices of the Board on a regular basis.

The Committee held four (4) meetings during the year:

- Thursday 12 August 2021
- Tuesday 23 November 2021
- Monday 7 February 2022
- Wednesday 1 June 2022

The members of the Committee are:

- Mr Peter Brass, Independent Member
- Mr Greg Pattinson, City of Playford
- Cr Malcolm Herrmann, Adelaide Hills Council

Membership of the GRFMA Audit Committee is for two years (I July 2020 until 30 June 2022).

Executive Officer

Mr David Hitchcock has been appointed Executive Officer on a contract basis (part time) to 31 December 2023.

External Auditor

Dean Newbery and Partners have been appointed as the external auditor for 2020-2024.

GRFMA Policies

The following Policies have been adopted to provide management guidelines for the day-to-day business of the GRFMA:

- Procurement and Operations Policy
- Grant Policy
- Internal Review of Decisions Policy
- Public Consultation Policy
- Access to Meetings and Documents Policy
- Dam Valuation Policy
- Treasury Management Policy

The purpose of the policies is to provide prudent management guidelines for the day-to-day management of the affairs of the Authority.

Meetings

All meetings of the GRFMA and its committees are open to the public, except for those matters to be considered under Section 90 of the Local Government Act 1999.

No Freedom of Information requests were received during the year.

Forum	Total Resolutions for the year	Resolutions to exclude the Public – S90(3)	Purpose	Order for docs to remain confidential - S91(7)	%
Board	89	7		7	8
Technical Assessment Panel	17	3		0	100
Audit Committee	10	0		0	0

Key Strategic Initiatives 2022

Progressing the Gawler River Stormwater Management Plan

In 2021 the GRFMA (including its Constituent Councils), in partnership with the Stormwater Management Authority of South Australia, the Green Adelaide Board and the Northern and Yorke Landscape Boards and the Department for Environment and Water initiated a project to develop a stormwater management plan (SMP) for the Gawler River.

Stormwater management plans are strategic plans which should provide for the management of stormwater in an integrated and holistic way. They:

- Identify issues, risks and opportunities relating to stormwater management in a catchment.
- Outline the functions and responsibilities of all stakeholders involved in stormwater management, including Local Government authorities and State Government agencies.
- Set objectives for the protection and enhancement of the economic, environmental, social and cultural values in a catchment (as they relate to stormwater quality, water security and flood hazard).

- Identify and prioritise investments and initiatives that contribute to achievement of these objectives and address stormwater issues in a considered and coordinated manner.
- Outline a plan for implementation of the prioritised investments and initiatives.

Development of the plan has progressed throughout 2021-2022 with anticipated completion by the end of September 2022.

Strategic Plan

As a requirement of the Charter Review the GRFMA has now established the inaugural Strategic Plan 2021-2026. The plan consists of a 5-year Strategic Plan (2026) and identifies relevant longer term strategic issues to 2036.

The plan has established 3 key themes.

Theme 1: Design, build, and maintain physical flood mitigation infrastructure

Objective: To have in place an agreed extent of physical flood mitigation infrastructure that is fit for purpose and achieves the targeted levels of performance.

Theme 2: Develop and evolve key relationships

Objective: To maintain key relationships that are most important to the Authority achieving its purpose.

Theme 3: Ensure good governance and ongoing financial sustainability

Objective: To ensure that the Authority meets legislative requirements and contemporary standards of governance and is financially sustainable for the long term.

Bruce Eastick North Para Flood Mitigation Dam (BENPFM) Maintenance

The BENPFM dam was designed as a dry detention basin to provide attenuation during flooding events. The dam attenuates high rainfall flows from the North Para by temporarily storing floodwater and then managing flow volume (downstream) though the dam.

A significant body of maintenance work was undertaken on the dam in early 2022.

This included draining and desludging the stilling basin, new internal coating of the Lower-level outlet pipe, which manages water through the dam, and replacement of four baffle blocks that had been previously dislodged from the basin floor.

Works undertaken ensures the dam is maintained in good condition and continues to operate at required services standards.

Evaluation of Performance Against the Business Plan

Part A: Funding

Performance Targets:	Timings:	To be measured by:	Actual Achievements:
Grant Claims	At all times	Lodge claims monthly for the payment of Commonwealth and State Government Grants.	☑ **Claims lodged according to grant conditions**
Maintain positive Cash Flow	At all times	Positive bank account balances at all times.	☑ **Positive cash flow maintained**

Part B: Proposed Flood Mitigation Scheme Works

Gawler River Flood Mitigation Scheme	
One	What will the Mark Two Scheme Include? (Note these steps may occur concurrently and not necessarily in the following order)
Two	Reconfirm with the Constituent Councils that a 1 in 100-year level of protection is the protection standard that is to be pursued in the development of the Gawler River Flood Mitigation Scheme - Mark Two Strategy. N.B. The protection standard does not guarantee full protection for all flood events. ***The Findings Report 2016 advised the 1 in 100 ARI event is considered to be the minimum desirable level of flood protection for new development as well as for much of the existing floodplain development.*** *GRFMA Strategic Plan Priority action 1.2 - Review, with Constituent Councils and stakeholders, design standards for infrastructure works including costs and benefits.* ***The Findings Report 2016 advised enlarging the existing Bruce Eastick North Para Flood Mitigation Dam on the North Para offers the greatest level of protection with least impacts and is rated as the most favoured structural mitigation option. This option deferred pending completion of the Gawler River Storm Water Management Plan. Noting feasibility of raising the height of the Bruce Eastick Dam is still a strategic consideration.*** *GRFMA Strategic Plan Priority action 1.4 – In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan.*

Gawler River Flood Mitigation Scheme	
Three	The Gawler River Floodplain Mapping Model should be maintained as the reference tool to demonstrate the level of flood protection and validity of design of land proposed for development as part of the approval process. To achieve this, the model should be upgraded to include recent works such as the Northern Expressway works and the additional floodplain mapping completed as part of the Light River Templers Creek Salt Creek Mapping Study by the Adelaide Plains Council. ***Completed.***
Four	To further develop the preliminary assessment of possible local area levees prepared in the 2008 Gawler River Floodplain Mapping Study at Gawler, Angle Vale and Two Wells and develop a levee strategy for Virginia to a robust design standard with a staging plan. Undertake a cost benefit study for each stage of the plan. ***Will be a consideration of the Gawler River Stormwater Management Plan 2022.***
Five	Establish a protocol with the Floodplain Councils that where development of land in areas identified as 'at risk of flooding' is planned to proceed by the implementation of a local area levee that mapping of the proposed levees on the Gawler River Floodplain Mapping Study Model will be required. *GRFMA Strategic Plan Priority action 1.4 – In conjunction with the Constituent Councils, develop and implement a schedule of flood mitigation infrastructure works for the Gawler River referencing the Gawler River Stormwater Management Plan.*
Six	Maintain a working relationship with the Australian Rail Track Corporation to ensure that any changes to Railtrack infrastructure of culverts and rail heights are mapped on the Gawler River Floodplain Mapping Study Model to identify any changes to flooding impacts. ***Ongoing – new replacement of the rail bridge completed April 2021.***
Seven	Develop a funding strategy for flood protection that is delivered by local area levees on the questions of who should own and maintain the levees and whether local area levees are regional works that the GRFMA should fund or are they local works that are the responsibility of the local Council. ***Will be a consideration of the Gawler River Stormwater Management Plan 2022.***
Eight	Investigate opportunities for funding partners and grants to undertake the necessary assessments and designs. ***Ongoing. GRFMA currently working with Department of Environment and Water on the $9 Mil Gawler River Flood Mitigation projects.*** *GRFMA Strategic Plan Priority action 2.4 – Proactively pursue governance structures and/or management approaches that bring together the various government agencies involved in water management related to the Gawler River to ensure coordinated action is taken to reduce flood risk, while contributing to greater integration of water management.*
Nine	The Scheme will also seek to clarify, through the Local Government Association, the policy and legal framework around maintenance of rivers and creeks where those rivers and creeks are part of the regional flood management plan. Under current legislation a landowner is responsible for the condition of a creek or waterway on private land. ***Pending finalisation of the review by Department Environment and Water. GRFMA submission provided.***

Part B: Maintenance of the Scheme

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Six monthly inspection	June and December	Completion of Inspection Report	☑ **Routine inspections completed**

Part C: Operation of the Regional Subsidiary

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Reports to Stakeholders	Bi-Monthly	Key Outcomes Summary to be published following each Board Meeting	☑ **Key Outcomes Summary prepared following GRFMA meetings.**
Maintain effective Regional Subsidiary	December	The performance of the Executive Officer be reviewed annually Charter Review	☑ **Review conducted in December 2021.** ☑ **GRFMA Charter Review(2nd stage) commenced April 2020 - Materially completed pending finalisation of cost share funding model.**
	August	The appointment of Auditor, Bank Operators, levels of insurance, appropriate registrations, delegations and policies be reviewed annually.	☑ **New External Auditor appointed 2020 to 2024.** ☑ **Appropriate levels of insurance reviewed in July 2021.**
Review of the Business Plan	By 31st March	Review the Business Plan prior to preparing the Budget Forward to the Councils	☑ **June 2021 - Business Plan 2021- 2022 adopted.** ☑ **June 2021 - Achievements against the Business Plan 2021 - 2022 presented.**

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Annual Budget	By 31st March, June, October, December	Adopt for consultation forward to Councils- Adopt Budget – copy to Councils in 5 days- Conduct Budget Reviews	☑ **2022 - 2023 Draft Budget forwarded in March 2022 to consistent councils for consultation.** ☑ **Budget Reviews 1, 2 and 3 reviewed by GRFMA Audit Committee.**
Subscriptions	June December	Send half year subscriptions to Council	☑ **All first half subscriptions paid.** ☑ **All Second half subscriptions paid.**
Report to Constituent Councils	Following each Board meeting By 30th September	The receipt of the following reports by Councils, Board Meeting Key Outcome Summary Annual Report including Annual Financial Statements	☑ **Key Outcomes Summary prepared following meetings.** ☑ **Annual Report forwarded electronically to Councils.**
Governance	Ongoing	Policies and new management framework documents developed and reviewed	☑ **Independent review of all GRFMA policies initiated December 2021.** ☑ **GRFMA Strategic Plan facilitated and considered at the June 2022 GRFMA Meeting.** ☑ **Draft Asset Management Plan and Long Term Financial Plans facilitated for adoption June 2022.** X **Charter Review 2 Funding Model not finalised.**

Performance Targets:	Timings:	To be measured By:	Actual Achievements
Annual Operations		Advocacy for construction of Northern Floodway project	**Hiatus. Pending completion of the Gawler River Stormwater Management Plan**
			☑ **GRFMA currently working with Department of Environment and Water on the $9 Mil Gawler River Flood Mitigation projects.**
		Dewatering and repair of the low-level inlet pipe and stilling basin	☑ **Major repair works facilitated and completed 30 April 2022.**
			☑ **Removal of Graffiti and security chains attached to HLOP screens completed November 2021.**
		Implementation of the Gawler River Stormwater Management Plan	X **Delayed from May 2022. Anticipated completion now September 2022.**
		Scheduled inspection	☑ **Completed April 2022.**
		Environmental management of land associated with the Dams location.	☑ **Annual land management lease in place.**
		GRUMP decision support tool to manage flood risk	☑ **Completion March 2022.**
		Revegetate land zone around the Bruce Eastick North Para Flood Mitigation Dam.	☑ **Ongoing.**

16

Financial Statements 2021-22

1. Certification of Financial Statements
2. Financial Statements and Notes
3. Related Parties Disclosures
4. Statement of Auditors Independence
5. Certification of Auditor Independence

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022
CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Gawler River Floodplain Management Authority Council to certify the financial statements in their final form.

In our opinion:

- the accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2022 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

David Hitchcock
EXECUTIVE OFFICER

18/8/2022
Date

James Miller
ACTING CHAIR

18 August 2022
Date

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 30 June 2022

	Notes	2022 $	2021 $
INCOME			
Subscriptions	4	**261,256**	196,235
Investment income		**1,132**	1,009
State Government Grants	3	**70,518**	20,000
Other Income		**100**	100
Total Income		**333,006**	217,344
EXPENSES			
Contractual Services	5	**236,420**	156,177
Finance Charges		**3,275**	-
Depreciation	1(h), 10	**322,298**	321,163
Other		**21,831**	21,359
Total Expenses		**583,824**	498,698
OPERATING SURPLUS / (DEFICIT)		**(250,818)**	(281,354)
NET SURPLUS / (DEFICIT) transferred to Equity Statement		**(250,818)**	(281,354)
Other Comprehensive Income			
Total Other Comprehensive Income		**-**	-
TOTAL COMPREHENSIVE INCOME		**(250,818)**	(281,354)

This Statement is to be read in conjunction with the attached Notes.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF FINANCIAL POSITION
as at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	1(d)	**126,130**	169,344
Trade and Other Receivables		**98,664**	49,278
Total Current Assets		**224,794**	218,622
Non-current Assets			
Infrastructure	10	**25,920,879**	25,329,000
Accumulated Depreciation Infrastructure	1(h), 10	**(4,438,623)**	(4,116,325)
Land	10	**477,000**	477,000
Total Non-current Assets		**21,959,256**	21,689,675
Total Assets		**22,184,050**	21,908,297
LIABILITIES			
Current Liabilities			
Trade & other payables		**61,003**	36,567
Borrowings		**502,136**	-
Total Liabilities		**563,138**	36,567
NET ASSETS		**21,620,912**	21,871,730
EQUITY			
Accumulated Surplus		**12,938,939**	13,189,757
Asset Revaluation Reserves	1(g)	**8,681,973**	8,681,973
TOTAL EQUITY		**21,620,912**	21,871,730

This Statement is to be read in conjunction with the attached Notes.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2022

2022	Notes	Accumulated Surplus $	Asset Revaluation Reserve $	TOTAL EQUITY $
Balance at end of previous reporting period		13,189,757	8,681,973	21,871,730
Net Surplus / (Deficit) for Year		(250,818)	-	(250,818)
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-
Balance at end of period		12,938,939	8,681,973	21,620,912
2021				
Balance at end of previous reporting period		13,471,111	8,681,973	22,153,084
Net Surplus / (Deficit) for Year		(281,354)	-	(281,354)
Other Comprehensive Income				
Gain on revaluation of infrastructure, property, plant & equipment		-	-	-
Balance at end of period		13,189,757	8,681,973	21,871,730

This Statement is to be read in conjunction with the attached Notes

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

STATEMENT OF CASHFLOWS
for the year ended 30 June 2022

	Notes	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		282,547	199,195
Interest Receipts		1,073	1,023
Payments		(237,090)	(182,638)
Net Cash provided by (or used in) Operating Activities	8	46,530	17,580
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Expenditure on renewal/replacement of assets	10	(591,879)	-
Net Cash provided by (or used in) Investing Activities		(591,879)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Proceeds from borrowings		502,136	-
Net Cash provided by (or used in) Financing Activities		502,136	-
Net Increase (Decrease) in cash held		(43,214)	17,580
Cash & cash equivalents at beginning of period		169,344	151,764
Cash & cash equivalents at end of period	8	126,130	169,344

This Statement is to be read in conjunction with the attached Notes

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 1 - Statement of Significant Accounting Policies

a) The Local Government Reporting Entity

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The Gawler River Floodplain Management Authority is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Constituent Councils are the Adelaide Hills Council, The Barossa Council, Town of Gawler, Light Regional Council, Adelaide Plains Council and The City of Playford.

All funds received and expended by the Authority have been included in the financial statements forming part of this financial report.

b) Basis of Accounting

This financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuation of non-current assets.

c) Employees

The Authority has no employees.

d) Cash

For purposes of the statement of cash flows, cash includes cash deposits which are readily convertible to cash on hand and which are used in the cash management function on a day to day basis, net of outstanding bank overdraft.

e) Infrastructure

The Bruce Eastick North Para Flood Mitigation Dam was constructed in 2007. The valuation includes all materials, contractor's costs plus costs incidental to the acquisition, including engineering design and supervision fees and all other costs incurred.

f) Land

Land includes the land on which the dam is constructed, rights of way access to the land and 'right to flood' easements over the land upstream from the dam that will be inundated by dam waters for short periods of time during a flood event. The Board valuation was undertaken at 30th June 2011. Additional Land surrounding the dam was purchased in 2017/18 and was revalued by Asset Valuation and Consulting Pty Ltd in May 2017 for part lot 750 Kemp Road Kingsford. The next valuation is scheduled to be undertaken in 2022/2023.

g) Revaluation

The Board sought an independent valuation to be applied as at 30th June 2019, of the Bruce Eastick North Para Flood Mitigation Dam. The Board recognises that the dam is a unique infrastructure. The Board sought the advice of Entura (Hydro Tasmania), who provided a replacement cost valuation based on the actual construction contract costs, including some 'owner's costs' which would be incurred in the event of a replacement being necessary. In accordance with Accounting Standard (AASB)13 Fair Value Measurement, the valuation was undertaken as at 30 June 2019 and recorded as a level 3 restricted asset valuation. The next Valuation is scheduled to be undertaken in 2023/2024.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Fair value level 3 valuations of buildings, infrastructure and other assets – There is no known market for these assets and they are valued at depreciated current replacement cost. The method involves:

The determination of the cost to construct the asset (or its modern engineering equivalent) using current prices for materials and labour, the quantities of each being estimated based on recent experience of this or similar Councils, or on industry construction guides where these are more appropriate.

The calculation of the depreciation that would have accumulated since original construction using current estimates of residual value and useful life under the prime cost depreciation method adopted by the Authority.

The method has significant inherent uncertainties, relying on estimates of quantities of materials and labour, residual values and useful lives, and the possibility of changes in prices for materials and labour, and the potential for development of more efficient construction techniques.

h) Depreciation

The depreciation period for the Bruce Eastick North Para Flood Mitigation Dam is based on a straight line depreciation method with an expected useful life of 80 years.

The depreciation period for the Access Road is based on a straight line depreciation method with an expected useful life of 15 years.

i) Revenue

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate.

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer.

In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset has been received to enable the authority to acquire or construct a recognisable non-financial asset that is to be controlled by the authority. In this case, the authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the entity satisfies its obligations under the transfer.

Revenue from the Subscriptions is recognised upon the delivery of the service to customers.

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

Revenue is stated net of the amount of goods and services tax (GST).

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

j) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates, and is recorded as part of "Payables"

Note 2 - Schedule of Constituent Council's Interest in Net Assets as at 30th June 2022
Prepared to meet the requirements of Clause 15.5 of the Charter

"The 'Schedule of Constituent Councils' Interests in Net Assets' will reflect the proportionate contribution each Constituent Council has made to the growth of the net assets of the Authority having regard to the proportionate contribution to subscriptions. The Schedule when updated by the Board at the end of each financial year will reflect the proportionate contribution of each Constituent Council since the commencement of the Authority and once accepted by each Constituent Council will be evidence of the agreed proportion of a Constituent Council's interests in the net assets as at 30 June in that year."

For the purposes of this Clause all subscriptions by Constituent Councils have been included.

Calculation of Net Equity

Assets	
Investments / Debtors	$ 224,794
Infrastructure	$ 21,482,256
Land	$ 477,000
	$ 22,184,050
Less Liabilities	
Accounts Payable / Creditors	$ 61,003
Borrowings	$ 502,136
NET EQUITY	**$ 21,620,912**

Allocation of Councils Interest in Net Assets

Constituent Councils	Accumulated Subscriptions for Operations to 30 June 2022	Accumulated Subscriptions for Maintenance to 30 June 2022	Accumulated Subscriptions for Scheme Works to 30 June 2022	All Subscriptions to 30 June 2022	Percentage of Contributions to the Total	Council's Interests in Net Assets
Adelaide Hills Council	$201,424	$6,352	$72,462	$280,238	4.87%	**$1,052,939**
The Barossa Council	$201,424	$31,813	$362,879	$596,116	10.36%	**$2,239,926**
Town of Gawler	$201,424	$63,586	$724,666	$989,676	17.19%	**$3,716,635**
Light Regional Council	$201,424	$31,813	$362,879	$596,116	10.36%	**$2,239,926**
Adelaide Plains Council	$201,424	$106,079	$1,207,770	$1,515,273	26.33%	**$5,692,786**
City of Playford	$201,424	$127,254	$1,449,319	$1,777,997	30.89%	**$6,678,700**
	$1,208,544	**$366,897**	**$4,179,975**	**$5,755,416**	**100%**	**$21,620,912**

Schedule of Constituent Councils' Interests in Net Assets' as at the 30th June 2022 adopted by the Board in accordance with Clause 15.5 of the Charter on 18 August 2022.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 3 - Functions / Activities of the Authority

a) Revenues and expenses have been attributed to the following functions / activities, descriptions of which are set out in Note b.

b) The activities of the Authority are categorised into the following function / activities:

Administration: The operations of the Authority and its Board

Other Environment: Flood Mitigation

c) Functions of the Gawler River Floodplain Management Authority (excluding depreciation)

		Revenue			Expenses	
	Year	Grants	Other	Total Revenue	Expenses Total	Surplus (deficit)
Administration	2022	-	$177,284	$177,284	$88,260	**$89,024**
	2021	-	$147,044	$147,044	$85,115	**$61,929**
Other Environment:	2022	$70,518	$ 85,204	$155,722	$173,267	**($17,545)**
Flood Mitigation	2021	$20,000	$ 50,300	$ 70,300	$92,421	**($22,121)**
Total	2022	$70,518	$262,488	$333,006	$261,527	**$71,479**
	2021	$20,000	$197,344	$217,344	$177,536	**$39,808**

Note 4 - Subscriptions

The following subscriptions were levied on the Constituent Councils in accordance with Clause 10.2 of the Charter for the year:

	Maintenance		Operations		TOTALS	
Constituent Council	**2022**	2021	**2022**	2021	**2022**	2021
Adelaide Hills Council	**$ 1,474**	$ 871	**$29,342**	$24,322	**$30,816**	$25,193
The Barossa Council	**$ 7,388**	$ 4,361	**$29,342**	$24,322	**$36,730**	$28,683
Town of Gawler	**$14,774**	$ 8,722	**$29,342**	$24,322	**$44,116**	$33,044
Light Regional Council	**$ 7,388**	$ 4,361	**$29,342**	$24,322	**$36.730**	$28,683
Adelaide Plains Council	**$24,624**	$14,541	**$29,342**	$24,322	**$53,966**	$38,863
City of Playford	**$29,556**	$17,444	**$29,342**	$24,325	**$58,898**	$41,769
TOTAL	**$85,204**	$50,300	**$176,052**	$145,935	**$261,256**	$196,235

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 5- Contractual Services

	2022	2021
Executive Officer	**$56,826**	$56,280
Audit Committee	**$2,600**	$2,600
Audit Fees	**$5,188**	$5,000
Legal Fees	**$2,000**	$0
Gawler River Scheme Consultancies	**$159,957**	$84,737
Maintenance Contractors	**$9,849**	$7,560
TOTALS	**$236,420**	$156,177

Note 6 - Comparison of Budget and Actual Results (excluding depreciation)

	2022		2021	
	Budget	**Actual**	Budget	Actual
Revenue				
Administration	**$176,652**	**$177,284**	$147,050	$147,044
Other Environment: Flood Mitigation	**$85,200**	**$85,204**	$0	$0
State Grant	**$70,518**	**$70,518**	$20,000	$20,000
Maintenance	**$0**	**$0**	$50,300	$50,300
Other Environment: Flood Mitigation Capital	**$0**	**$0**	$0	$0
Total Revenue	**$332,370**	**$333,006**	$217,350	$217,344
Expenditure				
Administration	**$94,152**	**$88,260**	$88,050	$85,115
Other Environment: Flood Mitigation	**$15,200**	**$10,035**	$97,950	$7,684
Maintenance	**$168,995**	**$163,232**	$100,736	$84,736
Other Environment: Flood Mitigation Capital	**$635,000**	**$591,879**	$0	$0
Total Expenditure	**$913,347**	**$853,406**	$286,736	$177,535
Surplus (deficit)	**($580,977)**	**($520,400)**	($69,386)	$39,809

Note 7 - Expenditure Commitment

i. An agreement has been entered into with David Hitchcock to provide Executive Officer and Supervision of Consultants services to 31 December 2023.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 8 - Reconciliation Statement of Cash Flows

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2022	2021
	$	$
Total cash & equivalent assets	126,130	196,235
Balances per Cash Flow Statement	126,130	196,235

(b) Reconciliation of Change in Net Assets to Cash from Operating Activities

Net Surplus (Deficit)	(250,818)	(281,354)
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	322,298	321,163
	71,480	39,809
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(49,386)	(17,127)
Net increase (decrease) in trade & other payables	24,436	(5,102)
Net Cash provided by (or used in) operations	46,530	17,580

Note 9 -Economic Dependence

The Gawler River Floodplain Management Authority (GRFMA) was formed as a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999 in August 2002, by a Charter that was amended and published in The South Australian Government Gazette on 27th February 2020 at page 474.

The Gawler River Floodplain Management Authority (GRFMA) is dependent upon subscriptions levied on the Constituent Councils in accordance with Clause 10.2 of the Charter to fund the construction, operation and maintenance of flood mitigation infrastructure of the Authority which it owns and manages.

28

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 10 - Non-Current Assets Summary

		2022				2021			
	Fair Value Level	At Fair Value	At Cost	Accum Dep'n	Carrying Amount	At Fair Value	At Cost	Accum Dep'n	Carrying Amount
Land and easements	-	**$477,000**	-	-	**$477,000**	$477,000	-	-	$477,000
North Para Dam Access Roads	3	**$84,000**	-	**($19,800)**	**$64,200**	$84,000	-	($14,200)	$69,800
North Para Dam	3	**$25,245,000**	**$591,879**	**($4,418,823)**	**$21,418,056**	$25,245,000	-	($4,102,125)	$21,142,875
Total Infrastructure and Land		**$25,806,000**	**$591,879**	**($4,438,623)**	**$21,959,256**	$25,806,000	-	($4,116,325)	$21,689,675
Comparatives		**$25,806,000**	-	**($4,116,325)**	**$21,169,675**	**$25,806,000**	-	**($3,795,163)**	**$22,010,937**

	2021	Carrying Amount Movements During the Year							2022
		Additions							
	Carrying Amount	New Upgrade	Renewals	Disposals	Depreciation	Impairment	Transfers	Net Valuation	**Carrying Amount**
Land and easements	$477,000	-	-	-	-	-	-	-	**$477,000**
Access Roads	$69,800	-	-	-	($5,600)	-	-	-	**$64,200**
Infrastructure - North Para Dam	$21,142,875	-	$591,879	-	($316,698)	-	-	-	**$21,418,056**
Total Infrastructure, Property, Plant & Equipment	**$21,689,675**	**-**	**$591,879**	**-**	**($322,298)**	**-**	**-**	**-**	**$21,959,256**
Comparatives	$22,010,837	-	-	-	($321,163)	-	-	-	**$21,169,675**

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 11 - Financial Instruments

All financial instruments are categorised as *loans and receivables.*

Accounting Policies - Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned **Terms & conditions:** Deposits are returning fixed interest rates between 0.10% and 0.25% (2021: 0.25% and 0.30%). **Carrying amount:** approximates fair value due to the short term to maturity.
Bank, Deposits at Call, Short Term Deposits	**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost, interest is recognised when earned **Terms & conditions:** Deposits are returning fixed interest rates between 0.25% and 1.05% (2021: 0.25% and 0.30%). **Carrying amount:** approximates fair value due to the short term to maturity.
Receivables - Fees & other charges	**Accounting Policy:** initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method **Terms & conditions:** Unsecured, and do not bear interest. Although the authority is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Authorities boundaries. **Carrying amount:** approximates fair value (after deduction of any allowance).
Liabilities - Creditors and Accruals	**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority. **Terms & conditions:** Liabilities are normally settled on 30 day terms. **Carrying amount:** approximates fair value.
Liabilities – Interest Bearing Borrowings	**Accounting Policy:** initially recognised at fair value and subsequently amortised cost, interest is charged as an expense usint the effective interest rate. **Terms & conditions:** secured over future revenues, borrowings are repayable; interest is charged at fixed or variable rates 2.80%. **Carrying amount:** approximates fair value.

Liquidity Analysis

2022	Due < 1 year	Due > 1 year ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets	$	$	$	$	$
Cash & Equivalents	**126,130**	**-**	**-**	**126,130**	**126,130**
Receivables	**98,664**	**-**	**-**	**98,664**	**98,664**
Total	**224,794**	**-**	**-**	**224,794**	**224,794**
Financial Liabilities					
Payables	**59,003**	**-**	**-**	**59,003**	**59,003**
Borrowings	**70,000**	**287,788**	**305,058**	**662,846**	**502,136**
Total	**129,003**	**287,788**	**305,058**	**721,849**	**561,139**

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

2021		Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
Financial Assets		$	$	$	$	$
Cash & Equivalents		**169,344**	-	-	-	**169,344**
Receivables		**49,278**	-	-	-	**49,278**
	Total	**218,622**	-	-	-	**218,622**
Financial Liabilities						
Payables		**36,567**	-	-	-	**36,567**
	Total	**36,567**	-	-	-	**36,567**

The following interest rates were applicable to the Authority's Borrowings at balance date:

	2022		2021	
$'000	Weighted Av Interest Rate	Carrying Value	Weighted Av Interest Rate	Carrying Value
Variable Interest Rates	**2.80%**	**502,136**		-
		502,136		-

Risk Exposures:

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any impairment. All Authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 5 & 6 in relation to individual classes of receivables, exposure is concentrated within the Authorities boundaries, and there is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Authority has a balance of both fixed and variable interest rate borrowings and investments. Cash flow fluctuations are managed holistically in seeking to minimise interest costs over the longer term in a risk averse manner.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 12 Uniform Presentation of Financial Statements

The following is a high level summary of both operating and capital investment activities of the Authority prepared on a simplified Uniform Presentation Framework basis.

All Local Government Councils and Authorities have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Authorities finances.

		2022 $		2021 $
Income		333,006		217,344
Expenses		(583,824)		(498,698)
Operating Surplus / (Deficit)		(250,818)		(281,354)
Less Net Outlays in Existing Assets				
Capital Expenditure on renewal and replacement of Exising Assets	(591,879)		-	
Add back Depreciation Amortisation and Impairment	322,298		321,163	
Proceeds from Sale of Replaced Assets	-		-	
		(269,581)		321,163
Less Net Outlays on New and Upgraded Assets				
Capital Expenditure on New and Upgraded Assets	-		-	
Amounts received specifically for New and Upgraded Assets	-		-	
Proceeds from Sale of Surplus Assets	-		-	
		-		-
Net Lending / (Borrowing) for Financial Year		(520,399)		39,808

Note 13 – Contingencies & Assets & Liabilities not recognised in the Balance Sheet

There are no contingencies, asset or liabilities not recognised in the financial statements for the year ended 30 June 2022.

Gawler River Floodplain Management Authority
Notes to and forming part of the Financial Statements
for the year ended 30 June 2022

Note 14 - Events Occurring After Reporting Date

There were no events subsequent to 30 June 2022 that need to be disclosed in the financial statements.

Note 15 - Related Parties Disclosures

Key Management Personnel

The Key Management Personnel of the Gawler River Floodplain Management Authority (GRFMA) include the Chairman, Board Members, Deputy Board Members and Executive Officer. In all Key Management Personnel were paid the following total compensation:

	2022 $	2021 $
Salaries, allowances & Other Short Term Benefits	$65,126	$65,530
TOTAL	**$65,126**	**$65,530**

	Amounts received from Related Party during the financial year	Amounts received from Related Party during the financial year
	2022 $	2021 $
Adelaide Hills Council	$32,076	$12,597
The Barossa Council	$36,730	$28,683
Town of Gawler	$44,116	$33,044
Light Regional Council	$36,730	$28,683
Adelaide Plains Council	$53,966	$38,863
City of Playford	$58,898	$41,769
TOTAL	**$262,516**	**$183,639**

The Authority has been established for the following purposes:

1. To co-ordinate the construction, operation and maintenance of flood mitigation infrastructure for the Gawler River. This purpose is the core business of the Authority;
2. To raise finance for the purpose of developing, managing and operating and maintaining works approved by the board;
3. To provide a forum for the discussion and consideration of topics relating to the Constituent Council's obligations and responsibilities in relation to management of flood mitigation for the Gawler River;
4. Upon application of one or more Constituent Councils pursuant to clause 12.4:
    1. to coordinate the construction, maintenance and promotion and enhancement of the Gawler River and areas adjacent to the Gawler River as recreational open space for the adjacent communities: and
    2. to enter into agreements with one or more of the Constituent Councils for the purpose of managing and developing the Gawler River.

GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Gawler River Floodplain Management Authority for the year ended 30 June 2022 the Authority's Auditor Dean Newbery and Partners has maintained its independence in accordance with the requirements of the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

David Hitchcock
EXECUTIVE OFFICER

Peter Brass
PRESIDING MEMBER AUDIT COMMITTEE

James Miller
ACTING CHAIR GRFMA

18/8/22

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GAWLER RIVER FLOODPLAIN MANAGEMENT AUTHORITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2022

CERTIFICATION OF AUDITOR INDEPENDENCE

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This statement is prepared in accordance with the requirements of Regulation 22(3) Local Government (Financial Management) Regulations 2011.

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Andrew Aitken
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Andrew Aitken
Chief Executive Officer
Adelaide Hills Council

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James Miller
Chief Executive Officer
Adelaide Plains Council

DocuSigned by:
Henry Inat
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Henry Inat
Chief Executive Officer
Town of Gawler

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Martin McCarthy
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Martin McCarthy
Chief Executive Officer
The Barossa Council

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Sam Green
Chief Executive Officer
City of Playford

DocuSigned by:
Richard Dodson
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Richard Dodson
Acting Chief Executive Officer
Light Regional Council

STAFF REPORTS

Matters which cannot be delegated to a Committee or Staff

15.1 BUDGET UPDATE REPORT

Responsible Executive Manager : Dale Welsh

Report Author : Trisca Price

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments : 1⇩. Budget Update Report

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

b. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

c. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

Purpose

To inform Council on the organisation's financial performance to the end of September 2022.

STAFF RECOMMENDATION

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

Council notes the Budget Update report for the Period ending 30 September 2022.

Relevance to Strategic Plan

This item ensures we meet our legislative requirements under the *Local Government (Financial Management) Regulations 2011* and *S123 (13)* of the *Local Government Act 1999*. It also provides transparent financial reporting to our community by illustrating how our Finance Strategy is achieving long term financial sustainability.

Relevance to Community Engagement Policy

There is no requirement to consult with the community for this Budget Update Report.

Background

Council has responsibility under the *Local Government Financial Management Regulations 2011* and *S123 (13)* of the *Local Government Act 1999* to consider financial reports on the Council's financial performance and budget position.

Current Situation

Budget Position

On 28 June 2022 Council adopted the 2022/23 Annual Business Plan and Budget, which included an operating surplus of $1.9M and a net capital budget of $44.0M (capital expenditure of $55.4M supported by $11.4M of grant funding).

Operating Position

The year to date result as at 30 September 2022 is an operating surplus of $3.0M compared with a budgeted deficit of $0.7M, $3.7M favourable. This comprises operating income being favourable to budget by $2.9M due to higher than budgeted developer contributions and grants and operating expenditure being favourable to budget by $0.8M.

The full year forecasted result as at 30 September 2022 is an operating deficit of $3.1M compared with a budgeted operating surplus of $1.9M, unfavourable by $5.0M. This largely reflects the prepayment of 72% of the 2022/23 Financial Assistance Grant last financial year. Should Council receive a 50% prepayment of the 2023/24 allocation it will change Council's forecasted position positively.

Capital Position

The full year net capital forecast of $44.2M is $0.2M more than the net capital budget of $44.0M.

Whilst only a small variance this includes retiming of capital expenditure from delays in projects for 2021/22 that will continue to be delivered during 2022/23 which has been offset by an estimate for multiyear projects which will be delivered into 2023/24.

Further detail in relation to this Budget Update Report can be found in Attachment 1.

Debt Position

On 28 June 2022 Council adopted the 2022/23 Annual Business Plan and Budget, and approved a maximum debt facility of $155M, a reduction from the $164.5M debt facility approved for 2021/22.

Actual borrowings at 30 September 2022 of $93.6M were well below the approved maximum debt facility.

Future Action

Further updates to be provided on a monthly basis.

YTD Result as at September 2022

The table below shows the year to date position for income and expense with a year to date net Surplus of $3.0M which is favourable to YTD Budget by $3.8.0M.

	YTD Actual $'000	YTD Budget $'000	Variance Fav/(Unfav) $'000	%	Explanation of variance where considered material
Income					
RATES REVENUES	22,885	22,885	0	0%	
STATUTORY CHARGES	854	592	262	44%	Higher application volume, Section 7 searches and building compliance fine income.
USER CHARGES	962	1,098	(136)	(12%)	Lower usage at various facilities.
INVESTMENT INCOME	7	2	5	250%	
REIMBURSEMENTS	231	108	123	114%	Water reimbursement from Developers and cost recoveries.
OTHER INCOME	21	15	6	40%	
GRANTS, SUBSIDIES, CONTRIBUTIONS	4,541	1,845	2,696	146%	Developer contributions and Supplementary Local Road grant.
Total Income	**29,501**	**26,545**	**2,956**	11%	
Expense					
EMPLOYEE COSTS	9,796	10,175	379	4%	
MATERIALS CONTRACTS OTHER EXPENSES	8,956	8,938	(18)	(0%)	
FINANCE COSTS	901	1,248	347	28%	Lower debt balance.
DEPRECIATION, AMORTISATION & IMPAIRMENT	6,800	6,887	87	1%	
Total Expense	26,453	27,248	795	3%	
Net Surplus/(Deficit)	**3,048**	**(703)**	**3,751**		

Full Year Forecast Result as at September 2022

The table below shows the full year forecasted result for income and expense with a net Deficit of $3.1M which is Unfavourable to Budget by $5.0M.

	Full Year Forecast $'000	Full Year Budget $'000	Variance Fav/(Unfav) $'000	%	Explanation of variance where considered material
Income					
RATES REVENUES	91,573	91,585	(12)	(0%)	
STATUTORY CHARGES	2,592	2,234	358	16%	Higher application volume, Section 7 searches and building compliance fine income.
USER CHARGES	5,890	6,008	(118)	(2%)	
INVESTMENT INCOME	11	9	2	27%	
REIMBURSEMENTS	760	517	243	47%	Infrastructure Deed legal fee recovery, water reimbursement from Developers and cost recoveries.
OTHER INCOME	199	203	(4)	(2%)	
GRANTS, SUBSIDIES, CONTRIBUTIONS	16,012	20,229	(4,217)	(21%)	Early receipt of Financial Assistance Grant payment offset by additional Developer contributions, grants and grant carry ins.
NET GAIN - JOINT VENTURES & ASSOCIATES	33	33	0	0%	
Total Income	**117,070**	**120,818**	**(3,748)**	(3%)	
Expense					
EMPLOYEE COSTS	44,521	44,277	(244)	(1%)	Grant funded positions.
MATERIALS CONTRACTS OTHER EXPENSES	43,250	41,987	(1,263)	(3%)	Grant funded contractor & materials expenditure and rising fuel costs.
FINANCE COSTS	4,828	5,001	173	3%	Lower debt balance.
DEPRECIATION, AMORTISATION & IMPAIRMENT	27,524	27,572	48	0%	
NET LOSS- JOINT VENTURES & ASSOCIATES	101	101	0	0%	
Total Expense	120,224	118,938	(1,286)	(1%)	
Net Surplus/(Deficit)	**(3,154)**	**1,880**	**(5,034)**		

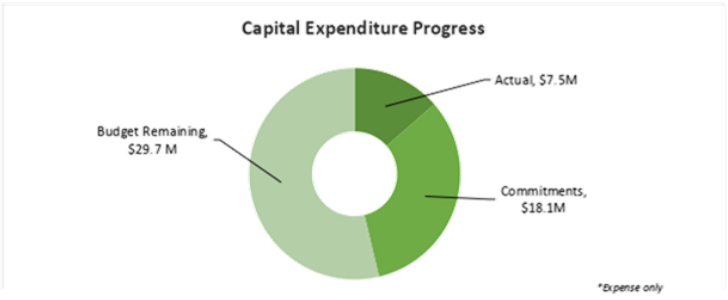
Capital Full Year Movement (2021/2022)

The table below shows the full year forecasted net capital expenditure of $44.2M which is greater than Budget by $0.2M.

	Full Year Forecast	Full Year Budget	Variance Less/ (Greater)	Explanation of variance where considered material
Revenue	(8,798)	(11,436)	2,638	Multiyear projects: Kalara Reserve-Andrews Farm Soccer Upgrade, Argana Park- Shared Change Facilities, Dwight Reserve Upgrade, Curtis/Frisby Rd Intersection Upgrade (road), Virgo St Reserve and Barrow St Reserve Upgrade, Mofflin Reserve Upgrade and McGilp Reserve Redevelopment construction to occur in FY24, offset by carry in for Virginia Main Street, CDFC Changerooms and Curtis Rd/Peachey Rd Intersection Minor Safety Upgrades to be processed at budget review 1.
Expenses	52,956	55,401	2,445	Carry in to be included in budget review 1 offset by projects continuing in 23/24.
Total Net Capital Expenditure	**44,158**	**43,965**	**(193)**	

	Full Year Forecast $'000	Full Year Budget $'000	Variance Less/ (Greater) $'000	Explanation of variance where considered material
Buildings	1,834	845	(989)	Carry in to be included in budget review 1, savings in AMP Buildings
Fleet	3,246	1,981	(1,265)	Carry in to be included in budget review 1
IT	535	535	-	
Northern CBD	1,273	1,471	198	Costs delayed to FY24
Other	1,554	3,092	1,538	Munno Para West Reserve to be constructed in FY24
Playford Alive	807	829	22	
Parks	9,528	7,972	(1,556)	Carry in to be included in budget review 1 offset by Mofflin Reserve Upgrade and McGilp Reserve Redevelopment construction to occur in FY24
Stormwater	716	584	(132)	Carry in to be included in budget review 1 offset by Stormwater Deed Broadacres Drive construction to occur in future years
Streetscapes	5,678	5,112	(566)	Carry in to be included in budget review 1, AMP Streetscape construction to continue in FY24
Transport	18,691	21,394	2,703	Carry in to be included in budget review 1 offset by AMP Footbridges (AV Bridge), Transport Deed Heaslip Rd (AV) upgrade and Argana Park - Carparking and Oval Lighting construction to occur in FY24
Wetlands	296	150	(146)	Carry in to be included in budget review 1
Total Net Capital Expenditure	**44,158**	**43,965**	**(193)**	

Capital Expenditure Progress as at September



Borrowings/Investment Summary (2021/2022)

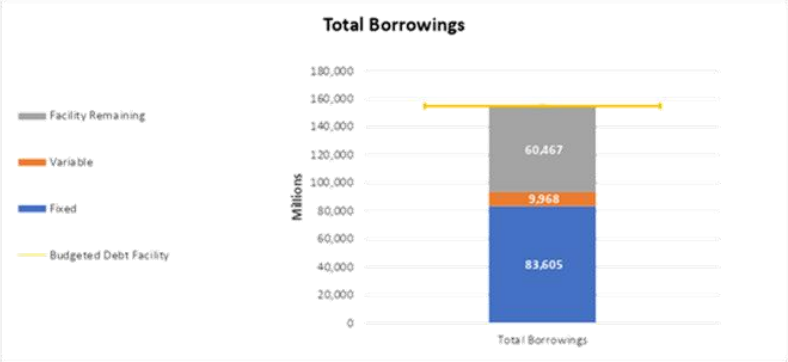
Debt Mix:

As at September 2022 the balance of Council's short-term investments is $0.3M.

Council's total borrowings as at the end of September 2022 are $93.6M, comprising $83.6M in fixed rate borrowings and $10.0M of variable rate borrowings; total facilities accumulate to $154.0M.

Total borrowings, net of repayments, have decreased $3M from $96.6M the prior month. This is consistent with Council's capital spend timing and receipts.

The LTFP has a budgeted debt facility of $155.0M based on the assumption of full delivery of capital programs and an allowance for Treasury cash flow management. These borrowings fall within the approved budget, Council's adopted financial indicators and the LTFP. Forecasted Debt as at 30 June 2022 is $123.7M.



Rates Recovery:

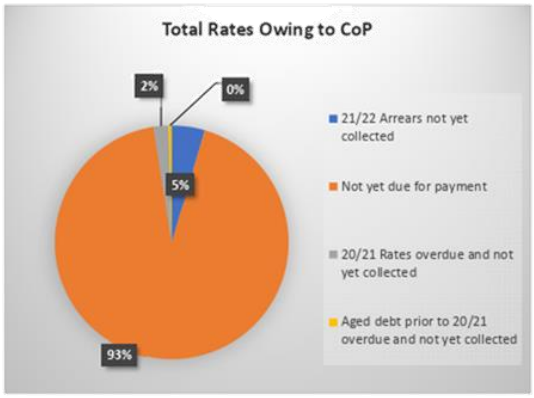
Total rates owing of $63.2M as at September 2022 reflects an increase of $3.9M compared to the total rates owing as at September 2021.

The total aged rates owing greater than 12 months old of $1.6M as at September 2022 is the same as the $1.6M owing as at September 2021.

The average aged amount owed per debtor of $908 as at September 2022 reflects a decrease of 10.7% compared to $1017 as at September 2021.

Rates recovery has a direct impact on positive cash flow which then correlates to borrowings. By maximising cashflows, less borrowings are required to fund operational expenditure.

Rates KPI Comparison	September 2022	September 2021
Total Rates Owing to CoP	63,227,182	59,331,127
Total % Collected	33%	34%
Aged rates owed over 12 months	1,560,777	1,583,892
% Aged Rates Collected since 30 June	54%	56%
Average Aged Rates owing	908	1,017



Reserves

The reserves are a collation of developer contributions received over a number of periods and are managed as a cash offset against our debt. Under legislation we are required to apply interest income to the balance in reserves using the RBA average cash rate.

The forecasted balance of reserves as at 30 June 2023 is $13.0M.

Below is a summary of the forecasted contributions, expenditure and estimated interest as at September 2022.

Reserve	Opening Balance	Forecasted Developer Contributions & State Govt Grants	Forecasted Expenditure	Transfer	Estimated Interest	Forecasted Closing balance
	$'000	$'000	$'000	$'000	$'000	$'000
Open Space Reserve	9,115	3,438	(5,153)	-	137	7,537
Stormwater Infrastructure Deed - Virginia	(152)	-	-	-	(3)	(155)
Stormwater Infrastructure Deed - Angle Vale	(279)	-	(90)	-	(7)	(376)
Stormwater Infrastructure Deed - Playford North Extension	(581)	-	-	-	(11)	(592)
Social Infrastructure Deed - Virginia	133	31	-	-	3	167
Social Infrastructure Deed - Angle Vale	1,017	450	-	-	27	1,494
Social Infrastructure Deed - PNE	204	116	-	-	6	326
Supplementary Local Roads	1,964	681	-	-	49	2,694
Playford Alive Initiative Fund	163	208	(90)	-	5	286
Urban fund tree	10	1	-	-	0	11
Gawler Rail Vegetation Offset	243	-	-	-	4	247
Other one-off Reserves	1,423	-	(125)	-	24	1,322
	13,260	**4,925**	**(5,458)**	**-**	**235**	**12,961**

Financial Indicators

Financial sustainability is achieved when Council can deliver the services it provides to the community at an agreed and consistent standard across a long period, without the need for significant rate increases or significant service reductions, whilst maintaining inter-generational equity.

Financial sustainability enables Council to:
- Deliver and maintain intergenerational equity
- Maintain a solid and healthy financial position
- Maintain a degree of stability and predictability for future rate increases
- Manage its debt levels

Council has five financial indicators used to measure its financial sustainability.

Financial Indicator	Explanation	Target	Forecast	Budget	Points to note on indicators outside of target range
Operating Surplus Ratio	Gives an indication of Councils ability to service its operations from expected income, while maintaining long term financial sustainability.	Between 1% and 10% ✗	-2.7% ✓	1.6%	Reflects prepayment of Financial Assistance Grant.
Cash Flow from Operations Ratio*	Measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	Between 90% and 110% ✗	173.1% ✗	173.1%	Includes receipt of one-off operating grants and contributions that will need to be spent on infrastructure projects into the future.
Asset Renewal Funding Ratio	Shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	Between 90% and 110% ✗	138.6% ✗	111.3%	Above target as a result of delayed AMP program from 2021/22 carried over to 2022/23.
Net Financial Liabilities Ratio**	Shows the extent to which Council is managing its debt.	Between 50% and 160% ✓	78.4% ✓	133.0%	Forecast is reflective lower debt due to the additional Financial Assistance Grant income received and delayed capital spend to still be incurred.
Interest Expense Ratio	Shows how much discretionary income is used to pay interest on borrowings	Between 4% and 8% ✓	5.3% ✓	5.5%	

Note that the Cashflow from Operation Ratio Forecast is only updated at BR1, Mid Year, BR2
**Note that forecast for Net Financial Liabilities Ratio is based on current period balance*

15.2 FIRST BUDGET REVIEW 2022/23

Responsible Executive Manager : Dale Welsh

Report Author : Trisca Price

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments : 1⇩. Uniform Statements 2022-23

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

a. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

b. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

PURPOSE

The purpose of the First Budget Review 2022/23 is to adjust for any changes in circumstances and priorities since adoption of the Budget in June 2022.

STAFF RECOMMENDATION

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

That the First Budget Review 2022/23, incorporating the Uniform Presentation of Finances presented in **Attachment 1**, be adopted. Note the Revised Budget consists of:

1. Estimated operating income of $122.8M.
2. Estimated operating expenditure (including depreciation) of $118.6M.
3. An operating surplus of $4.3M.
4. Estimated capital expenditure of $83.2M supported by grant funding for new/upgraded assets of $20.7M (a net capital budget of $62.5M).
5. Revised Balance sheet net asset movement of $41.5M.
6. No Change to existing maximum debt facility of $155.0M.
7. Council Resolution 5092 is not allocated any funding as part of this budget review.

EXECUTIVE SUMMARY

Following endorsement of First Budget Review 2022/23 all changes will be incorporated into end of month reporting. The impacts of the proposed changes on the operating and capital budgets are presented in the revised Uniform Presentation of Finances (**Attachment 1)**.

1. BACKGROUND

In accordance with *Regulation 9 of the Local Government (Financial Management) Regulations 2011*, Council must reconsider its budget at least two times throughout the year, between 30 September and 31 May, restating the impact in the Uniform Presentation of Finances.

This is the first major budget reconsideration by Council for the 2022/23 financial year. The purpose of this review is to adjust the budget for any changes in circumstances and priorities since the adoption of the Budget in June 2022.

The Revised Budget takes account of changed operating conditions and recent Council decisions which have an ongoing impact to Council's operating result. It also adjusts for once off grant funding for capital projects.

Other non-permanent, once-off adjustments that do not result in a change to the ongoing budget, are not included in Revised Budget. These are instead reported via forecasting in Council's monthly Budget Update Report.

2. RELEVANCE TO STRATEGIC PLAN

This item ensures we meet legislative requirements under the *Local Government (Financial Management) Regulations 2011* and *S123 (13) of the Local Government Act 1999*. It also provides transparent financial reporting to our community by illustrating how our Finance Strategy is achieving long term financial sustainability.

3. PUBLIC CONSULTATION

Council is not required to consult with the community concerning the First Budget Review 2022/23. Financial information is provided to residents through the Annual Report and monthly Budget Update Reports presented to Council.

4. DISCUSSION

4.1 Operating Budget Review Recommendations

The First Budget Review 2022/23 provides a revised operating surplus of $4.3M, an increase of $2.4M.

The Operating Budget has been adjusted for the following items:

- Increased Financial Assistance Grant allocation for 2022/23.
- Increased grant funding for Supplementary Local Roads (SLR).
- Decreased interest cost relating to a lower debt balance.
- Higher insurance premiums.
- Additional operating costs relating to a minor FTE increase of 0.2.

The table below summarises the impact of these updates.

Operating Position 2022/23	$000's (Unfav)/Fav	$000's
Original Budget		**1,880**
Grant Funding (Financial Assistance Grant)	1,348	
Grant Funding (SLR)	681	
Interest due to lower debt balance	431	
Insurance Premiums	(57)	
Other minor changes	(6)	
Total Value of Changes	**2,397**	
Revised Budget Surplus		**4,277**

4.2 Capital Budget Review Recommendations

The 2022/23 Capital Budget was developed in conjunction with the 4-year delivery plan.

The First Budget Review 2022/23 is an opportunity to update project budgets based on actual work completed in the prior year and the updated schedule of works for the current year.

Capital projects to be adjusted through the First Budget Review 2022/23 fall into the following categories:

- Carry Ins from 2021/22 (expenditure on projects already approved by council, deferred to a future year).
- New Grant Funded Projects.
  - Traffic Infrastructure Deed - Heaslip Rd Angle Vale Upgrade
  - State Bicycle Fund - Elizabeth South Railway Station and Ridley Road
  - Blakes Crossing Local Area Traffic Management Plan
  - Supplementary Local Roads
- New Projects (approved by Council, minor projects not yet approved by Council, or increased budget for already approved projects).

Overall, an $18.5M net increase to the Capital Budget is proposed as summarised in the table below.

Capital Budget 2022/23	Revenue $000's	Expense $000's	Net Capital $000's
Original Budget	**(11,436)**	**55,401**	**43,965**
Additional Funding from Grants (New Project)	(1,073)	1,754	681
Project Carry In's (from FY22)	(8,240)	25,084	16,844
New Projects	-	975	975
Total Value of Changes	**(9,313)**	**27,813**	**18,500**
Revised Capital Budget	**(20,749)**	**83,214**	**62,465**

The table below summarises the capital adjustments by Asset Class.

Asset Class	Capital Budget Movement $'000	Comment
Building	1,569	AMP, Carry ins
IT	112	AMP, Grant projects NSS
Other	113	Carry ins & Grant funded Library Assets
Parks	5,055	Carry ins & New Projects
Transport	4,273	Carry ins & Grant funded projects
Stormwater	1,898	Carry ins
Streetscape	3,697	Carry ins
Fleet	1,637	Carry ins & New projects
Wetlands	146	Carry ins
Change in Capital Expenditure	**18,500**	

At the Ordinary Council Meeting on 23 August 2022 Council resolved the following (5092):

That should savings be identified the Council consider allocating appropriate funding as part of the next budget review process for the construction of signalised pedestrian activated crossing along Woodford Road, Elizabeth near Playford College.

Council staff to work closely with the Playford College Principal to implement temporary measures for safer pedestrian crossing and assist where possible.

Council's Finance Strategy key objective is to maintain a positive structural surplus. To achieve this we need to ensure that the ongoing financial implications of our decisions are fully funded.

Although the revised budget is a surplus of $4.3M, the current full year forecast for 2022/23 is a deficit of $3.1M, largely reflecting the forecasted reduced Financial Assistance Grant income due to the prepayment of 72% of the 2022/23 allocation last financial year and the uncertainty of any prepayment being received in 2022/23. There has been public comment from the Grants Commission that the prepayment is causing issues for some councils, and they feel this practice should not continue. The last payment has resulted in some councils being overpaid their allocation for 2022/23 creating even more uncertainty around any future prepayments.

Based on the forecasted end of year position being in deficit, it is considered that allocating funding towards any new initiatives at this point of the year would be contrary to Council's Finance Strategy, which seeks Council to maintain ongoing structural operating surpluses.

4.3 Revised Balance Sheet Recommendations

The revised balance sheet reflects the ending 30 June 2022 position and considers changes in revenue and expenditure identified above that have a flow on impact to cash, infrastructure, property plant and equipment, borrowings, and equity.

4.4 Revised Debt Recommendations

The final 30 June 2022 debt position combined with the budget revisions result in a revised 30 June 2023 debt position of $123.7M, $19.2M lower than the original budget of $142.9M. This largely reflects the increase in grant funding and the impact of delayed capital projects from 2021/22.

Although revised debt is budgeted to be lower than the original budget it is not considered necessary to reduce the maximum debt facility.

5. OPTIONS

Recommendation

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

That the First Budget Review 2022/23, incorporating the Uniform Presentation of Finances presented in **Attachment 1**, be adopted. Note the Revised Budget consists of:

1. Estimated operating income of $122.8M.
2. Estimated operating expenditure (including depreciation) of $118.6M.
3. An operating surplus of $4.3M.
4. Estimated capital expenditure of $83.2M supported by grant funding for new/upgraded assets of $20.7M (a net capital budget of $62.5M).
5. Revised Balance sheet net asset movement of $41.5M.
6. No Change to existing maximum debt facility of $155.0M.
7. Council Resolution 5092 is not allocated any funding as part of this budget review.

Option 2

Option 1 with any amendments requested by Council to be included in budget review 2.

1.
2.
3.

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

The recommendation ensures Council incorporates all known changes and issues that have arisen since the adoption of the Budget in June 2022 and meets statutory obligations to review the Budget.

6.1.2 Financial Implications

The Revised Operating surplus is $4.3M, an increase of $2.4M. The change is largely caused by the increase in Federal Assistance Grant, once off grant funding and reduced interest costs.

Carry overs already have approved funding pathways so do not result in any change to the operating surplus and new capital projects have been funded by additional grant funding or by efficiency savings.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Option 2 allows Council to adopt the Revised Budget but amend, remove or include new items to be approved at a later meeting. As there is a statutory requirement that First Budget Review 2022/23 is considered prior to 30 November 2022, any changes to this proposed budget review would be included in the next budget review process.

6.2.2 Financial Implications

The financial impact under Option 2 is unknown and would be subject to any amendments requested by Council.

Attachment 1

City of Playford
Statement of Comprehensive Income
For the year ended 30 June 2023

2021/22 Actual $000's		2022/23 Original Budget $000's	2022/23 Revised Budget $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
	INCOME					
86,346	Rates	91,585	91,585	-	0%	
2,852	Statutory Charges	2,233	2,233	-	0%	
3,929	User Charges	6,008	6,008	-	0%	
10	Investment Income	9	9	-	0%	
905	Reimbursements	517	517	-	0%	
205	Other Income	203	203	-	0%	
29,150	Grants, Subsidies and Contributions	20,229	22,257	2,028	10%	Financial Assistant Grant FY23 allocation above budget
842	Net Gain - Equity Accounted Council Businesses	33	33	-	0%	
124,239	**TOTAL INCOME**	120,817	122,845	2,028	**2%**	
	EXPENSES					
41,719	Employee costs	44,277	44,282	(5)	(0%)	Headcount reallocation with minor expense increase
37,507	Materials, Contracts & Other Expenses	41,987	42,044	(57)	(0%)	Increased insurance premium
3,847	Finance costs	5,001	4,570	431	9%	Reduce borrowings at start of year
25,537	Depreciation, Amortisation and Impairment	27,572	27,572	-	0%	
77	Net Loss - Equity Accounted Council Businesses	100	100	-	0%	
108,687	**TOTAL EXPENSES**	118,937	118,568	369	**0%**	
15,552	**Operating Surplus / (Deficit)**	**1,880**	**4,277**	**2,397**	**128%**	
(4,769)	Asset Disposal & Fair Value Adjustments	3,844	3,844	-	0%	
2,516	Amounts Received Specifically for New or Upgraded Assets	11,436	20,749	9,313	81%	Carry in capital grant to 22/23
48,511	Physical Resources Received Free of Charge	15,894	15,894	-	0%	
61,810	**NET SURPLUS / (DEFICIT)**	**33,054**	**44,764**	**11,710**	**35%**	
	Other Comprehensive Income					
215,794	Changes in Revaluation Surplus - I,PP&E	29,181	29,181	-	0%	
29	Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	0%	
(689)	Impairment (Expense) / Recoupments Offset to Asset Revaluation Reserve	-	-	-	0%	
215,134	**Total Other Comprehensive Income**	29,181	29,181	-	0%	
276,944	**TOTAL COMPREHENSIVE INCOME**	**62,235**	**73,945**	**11,710**	**19%**	

Attachment 1

City of Playford
Year End Balance Sheet
For the year ended 30 June 2023

2021/22 Actual $000's		2022/23 Original Budget $000's	2022/23 Revised Budget $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
	CURRENT ASSETS					
1,818	Cash & Cash Equivalents	1,500	1,500	-	0%	
6,426	Trade & Other Receivables	6,521	6,635	114	2%	
192	Inventories	180	185	5	3%	
-	Other Financial Assets	-	-	-	0%	
757	Other current assets	581	617	36	6%	
5,156	Non-current assets classified as Held for Sale	-	-	-	0%	
14,349	TOTAL CURRENT ASSETS	8,782	8,937	155	2%	
	NON-CURRENT ASSETS					
273	Financial Assets	248	249	1	0%	
10,759	Equity Accounted Investments in Council Businesses	9,829	10,691	862	9%	Councils share of NAWMA and GRFMA relating to final 30 Jun 22 result
1,527,134	Infrastructure, Property, Plant & Equipment	1,596,551	1,622,789	26,238	2%	Reflects 30 Jun 22 final result with an increase in assets received free of charge
12,726	Other Non-Current Assets	16,361	12,726	(3,635)	(22%)	The budget is an estimate only based on the best available information at the time
1,550,892	TOTAL NON-CURRENT ASSETS	1,622,989	1,646,455	23,466	1%	
1,565,241	**TOTAL ASSETS**	1,631,771	1,655,392	23,621	1%	
	CURRENT LIABILITIES					
20,575	Trade & Other Payables	18,524	19,577	(1,053)	(6%)	The budget is an estimate only based on the best available information at the time
6,314	Borrowings	7,011	6,950	61	1%	
6,429	Provisions	6,210	6,461	(251)	(4%)	
33,318	TOTAL CURRENT LIABILITIES	31,745	32,988	(1,243)	(4%)	
	NON-CURRENT LIABILITIES					
100,269	Long Term Borrowings	135,885	116,702	19,183	14%	Borrowings lower than budget due to Financial Assistance Grants paid in advance as well as delays in capital spend
1,269	Long Term Provisions	1,306	1,372	(66)	(5%)	
101,538	TOTAL NON-CURRENT LIABILITIES	137,191	118,074	19,117	14%	
134,856	**TOTAL LIABILITIES**	168,936	151,062	17,874	11%	
1,430,385	**NET ASSETS**	**1,462,835**	**1,504,330**	**41,495**	**3%**	
	EQUITY					
415,270	Accumulated Surplus	574,115	468,335	(105,780)	(18%)	
1,001,855	Asset Revaluation Reserves	886,953	1,031,036	144,083	16%	Reflects 30 Jun 22 final result
13,260	Other Reserves	1,767	4,959	3,192	181%	Reflects 30 Jun 22 final result
1,430,385	**TOTAL EQUITY**	**1,462,835**	**1,504,330**	**41,495**	**3%**	

Attachment 1

City of Playford
Statement of Changes in Equity
For the year ended 30 June 2023

2021/22 Actual $000's		2022/23 Original Budget $000's	2022/23 Revised Budget $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
	ACCUMULATED SURPLUS					
496,160	Balance at end of previous reporting perioc	532,797	415,270	(117,527)	(22%)	
61,810	Net Surplus / (Deficit) for Year	33,054	44,764	11,710	35%	See Statement of Comprehensive Income
16	Adjustments (Correction of Prior Period Errors)	-		-	0%	
29	Other Equity Adjustments - Equity Accounted Council Businesses	-	-	-	0%	
(67,458)	Transfer to Accumulated Surplus on Sale of I,PP&E					
(75,287)	Transfers between Reserves	8,264	8,301	37	0%	
415,270	**Balance at end of reporting period**	**574,115**	**468,335**	**(105,780)**	**(18%)**	
	ASSET REVALUATION RESERVE					
645,797	Balance at end of previous reporting perioc	857,772	1,001,855	144,083	17%	
-	Other Comprehensive Income	-	-	-	0%	
215,794	Gain(Loss) on revaluation of infrastructure, property, plant & equipment	29,181	29,181	-	0%	
(689)	Impairment (expense) / recoupments offset to asset revaluation reserve	-	-	-	0%	
67,458	Transfers to accumulated surplus	-	-	-	0%	
73,495	Transfers between Reserves					
1,001,855	**Balance at end of reporting period**	**886,953**	**1,031,036**	**144,083**	**16%**	
	OTHER RESERVES					
11,468	Balance at end of previous reporting perioc	10,031	13,260	3,229	32%	
-	Transfers to accumulated surplus	(8,264)	(8,301)	(37)	0%	
1,792	Transfers from accumulated surplus	-	-	-	0%	
13,260	**Balance at end of reporting period**	**1,767**	**4,959**	**3,192**	**181%**	
1,430,385	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**1,462,835**	**1,504,330**	**41,495**	**3%**	
415,270	Accumulated Surplus	574,115	468,335	(105,780)	(18%)	
1,015,115	Reserves	888,720	1,035,995	147,275	17%	
1,430,385	**TOTAL EQUITY AT END OF REPORTING PERIOD**	**1,462,835**	**1,504,330**	**41,495**	**3%**	

Attachment 1

City of Playford
Statement of Cash Flows
For the year ended 30 June 2023

2021/22 Actual $000's		2022/23 Original Budget $000's	2022/23 Revised Budget $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
Inflows / (Outflows)		Inflows / (Outflows)	Inflows / (Outflows)			
	CASHFLOWS FROM OPERATING ACTIVITIES					
	Receipts					
86,551	Rates Receipts	91,585	91,585	-	0%	
2,852	Statutory Charges	2,225	2,225	-	0%	
4,242	User Charges	5,994	5,994	-	0%	
29,228	Grants, Subsidies and Contributions	20,426	22,178	1,752	9%	Financial Assistant Grant FY23 allocation above budget
10	Investment Receipts	9	9	-	0%	
980	Reimbursements	520	520	-	0%	
6,464	Other Receipts	214	214	-	0%	
	Payments	-		-	0%	
(41,885)	Payments to Employees	(44,142)	(44,147)	(5)	(0%)	
(42,989)	Payments for Materials, Contracts & Other Expenses	(42,847)	(43,015)	(168)	(0%)	Additional insurance costs
(3,847)	Finance Payments	(5,001)	(4,570)	431	9%	Reduce borrowings at start of year
41,606	**NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**	**28,983**	**30,993**	**2,010**	**7%**	
	CASH FLOWS FROM FINANCING ACTIVITIES					
	Receipts					
138,615	Proceeds from Borrowings	13,723	23,579	9,856	72%	Reflects borrowings for carry in capital projects
	Payments				0%	
(157,671)	Repayments of Borrowings	(7,577)	(6,417)	1,160	15%	Reflects borrowings for carry in capital projects
(134)	Repayment of Finance Lease Liabilities	(93)	(93)	-	0%	
(19,190)	**NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES**	**6,053**	**17,069**	**11,016**	**182%**	
	CASH FLOWS FROM INVESTMENT ACTIVITIES					
	Receipts					
1,361	Sale of Replaced Assets	-	-	-	0%	
4,334	Sale of Surplus Assets	8,906	14,062	5,156	58%	Delayed settlement
2,516	Amounts Received Specifically for New/Upgraded Assets	11,436	20,749	9,313	81%	Carry in capital grant to 22/23
18	Repayments of Loans by Community Groups	23	23	-	0%	
	Payments		-	-	0%	
(15,110)	Expenditure on Renewal/Replacement of Assets	(16,167)	(24,094)	(7,927)	(49%)	Delayed projects carry in, due to external factors
(13,839)	Expenditure on New/Upgraded Assets	(39,234)	(59,120)	(19,886)	(51%)	Delayed projects carry in, due to external factors
(20,720)	**NET CASH PROVIDED BY (USED IN) INVESTMENT ACTIVITIES**	**(35,036)**	**(48,380)**	**(13,344)**	**(38%)**	
1,696	**NET INCREASE (DECREASE) IN CASH HELD**	-	**(318)**	(318)	0%	
122	CASH AT BEGINNING OF REPORTING PERIOD	1,500	1,818	(318)	(21%)	
1,818	**CASH AT END OF REPORTING PERIOD**	**1,500**	**1,500**	-	**0%**	

Attachment 1

City of Playford
Uniform Presentation of Finances
For the year ended 30 June 2023

2021/22 Actual $000's		2022/23 Original Budget $000's	2022/23 Revised Budget $000's	Variance Fav/ (Unfav) $000's	Variance Fav/ (Unfav) %	Explanation of variance where considered material
124,239	Operating income	120,817	122,845	2,028	2%	Financial Assistant Grant FY23 allocation above budget
(108,687)	Less: Operating expenditure	(118,937)	(118,568)	369	0%	
15,552	**Operating Surplus / (Deficit)**	**1,880**	**4,277**	**2,397**	**128%**	
	Net outlays on existing assets					
(15,110)	Capital expenditure on renewal and replacement of existing assets	(16,167)	(24,094)	(7,927)	49%	Delayed projects carry in, due to external factors
25,537	add back Depreciation, Amortisation and Impairment	27,572	27,572	-	0%	
1,361	add back Proceeds from Sale of Replaced Assets	-	-	-	0%	
11,788	**Net Outlays on Existing Assets**	**11,405**	**3,478**	**(7,927)**	**(70%)**	
	Net outlays on new and upgraded assets					
(13,839)	Capital expenditure on new and upgraded assets	(39,234)	(59,120)	(19,886)	(51%)	Delayed projects carry in, due to external factors
2,516	add back Amounts Received Specifically for New and Upgraded Assets	11,436	20,749	9,313	81%	Carry in capital grant to 22/23
4,334	add back Proceeds from sale of surplus assets	8,906	14,062	5,156	58%	Delayed settlement
(6,989)	**Outlays on New and Upgraded Assets**	**(18,892)**	**(24,309)**	**(5,417)**	**(29%)**	
20,351	**NET LENDING / (BORROWING) FOR FINANCIAL YEAR**	**(5,607)**	**(16,554)**	**(10,947)**	**(195%)**	

Attachment 1

City of Playford
Financial Indicators
For the year ended 30 June 2023

2021/22 Actual	Financial Indicator	Explanation	2022/23 Original Budget	2022/23 Revised Budget	Target	Comments
12.5%	Operating Surplus Ratio	***Performance Indicator*** This ratio expresses Council's operating result as a percentage of Council's total income	1.6%	3.5%	1%-10%	Within target Improved surplus
9.4%		*Adjusted for FAGS prepaid grants*	N/A	N/A		
102.0%	Net Financial Liabilities Ratio	***Debt Indicator*** This ratio shows net financial liabilities as a percentage of Total Operating Income.	133.0%	116.1%	50%-160%	Within target Reduced starting debt
114.0%		*Adjusted for FAGS prepaid grants*	N/A	N/A		
4.5%	Interest Expense Ratio	***Debt Indicator*** Shows how much discretionary income is used to pay interest on borrowings	5.5%	5.0%	Between 4% and 8%	Within target Reduced interest cost
70%	Asset Renewal Funding Ratio	***Infrastructure Indicator*** This ratio shows whether or not Council is replacing assets at the rate as required in the Asset Management Plan.	111.3%	165.9%	Between 90% and 110%	Above target range due to delayed AMP from 21/22
212.2%	Cash Flow from Operations Ratio	***Infrastructure Indicator*** Measures whether Council is generating enough cash from its operations to cover the replacement of assets over time.	173.1%	185.1%	Between 90% and 110%	Above target range Increased Grant income
160.1%		*Adjusted for FAGS prepaid grants*	N/A	N/A		

15.3 2022 LGA ANNUAL GENERAL MEETING - PLAYFORD POSITION PAPER

Responsible Executive Manager : Dale Welsh

Report Author : Kiraly Gosnell

Delegated Authority : Matters which cannot be delegated to a Committee or Staff

Attachments :
1⇩. LGA Annual General Meeting 28 October 2022 – Agenda Items – Playford Position Paper
2⇩. LGA AGM Agenda - 28 October 2022
3⇩. Notification of Appointment of Substitute Council Delegate for one meeting only

CARETAKER CONSIDERATION

In accordance with the council's Caretaker Policy, this decision is not considered a designated decision during an election period therefore council can consider this matter.

To assist the Elected Member body in being transparent as to why they are considering this item during a caretaker period, the following issues have been considered:

a. Does this decision relate to the appointment, employment or remuneration of the CEO?
No

b. Does this decision enter into a contract, arrangement or undertaking to the value exceeding $900,000?
No

PURPOSE

For Council to consider a position regarding agenda items to be considered at the 2022 Local Government Association (LGA) South Australia Annual General Meeting (AGM) scheduled on 28 October 2022.

STAFF RECOMMENDATION

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

1. Council endorses the LGA Annual General Meeting 28 October 2022 – Agenda Items - Playford Position Paper (Attachment 1).

2. If the Mayor is unable to attend and appoints an attending Council Member as the proxy Council Delegate for voting rights, the Council authorises the CEO to complete the *Notification of Appointment of Substitute Council Delegate for one meeting only* form (Attachment 3).

EXECUTIVE SUMMARY

For Council's consideration, a Position Paper (Attachment 1) has been prepared on all agenda items on the 2022 LGA AGM Agenda.

Consideration has been given to each agenda item on its relevance and potential impacts to the City of Playford. The Position Paper recommends supporting 16 agenda items. There are two agenda items which have not yet been released and therefore the Position Paper does not make a recommendation, however it is expected that those items will be supported once they are released.

1. BACKGROUND

The LGA AGM provides an opportunity for the City of Playford delegates to network with other Local Government representatives, discuss issues of common interest to Local Government and assist with making recommendations to State and Federal policy makers.

The LGA AGM will be held on 28 October 2022 at the Adelaide Oval. The Position Paper (Attachment 1) provides an overview of each agenda item and recommendations for Council's consideration.

The full agenda is provided at Attachment 2.

As per Council Resolution number 4914, on 22 February 2022, the Mayor, Cr Halls and Cr Stroet were appointed as Council's representatives at the LGA AGM for October 2022, with the Mayor being appointed as the Council Delegate with voting rights. If the Mayor is unable to attend the LGA AGM, he will nominate one of the Council Member representatives as proxy. The full resolution is outlined below:

1. *Council appoint the Mayor, Cr Halls and Cr Stroet as Council's attendees at the LGA Annual General Meeting to be held at the Adelaide Oval on 28 October 2022.*

   If required, the private ballot process outlined in the Code of Practice for Council and Committee Meetings – Section 6.16 be utilised to elect the Council attendees, with the results of the ballot becoming the outcome.

2. *The Mayor is appointed as the Council Delegate for voting rights with an attending Council Member appointed by the Mayor as proxy Council Delegate in the event that the Mayor is unable to attend.*

2. RELEVANCE TO STRATEGIC PLAN

The LGA AGM provides an important opportunity for member councils to discuss important issues for the sector, and pass motions that set the LGA's strategic direction.

3. PUBLIC CONSULTATION

There is no requirement to undertake public consultation for this item.

4. DISCUSSION

4.1 The LGA AGM will be held on 28 October 2022 at the Adelaide Oval. At the Ordinary Council meeting on 22 February 2022 Council appointed the Mayor, Cr Halls and Cr Stroet as Council's attendees.

4.2 The Mayor was appointed as the Council delegate for voting rights. If the Mayor is unable to attend, he will appoint ether Cr Halls or Cr Stroet as proxy for voting rights. If this occurs the CEO will be required to complete a form (Attachment 3) notifying the LGA of the substitute appointment. An authorisation for the CEO to complete this form is included in the staff recommendation.

4.3 The LGA AGM Agenda comprises 18 agenda items for consideration. These agenda items have been provided by the LGA Board of Directors, South Australian Region Organisation of Councils (SAROC) and Greater Adelaide Region Organisation of Councils (GAROC) Committees.

4.4 Consideration has been given to each agenda item on its relevance to the City of Playford and what impact the recommendation may have on the region.

4.5 The Position Paper (Attachment 1) recommends support for 16 of the agenda items. There are two agenda items which the Position Paper has not made a recommendation as the items relate to annual reports which have not been released yet. The LGA has advised these reports will be available prior to the AGM. Staff are not aware of any reason why support for these items would not be provided. The explanation of Council's position is provided in the Position Paper (Attachment 1).

5. OPTIONS

Recommendation

Staff Recommendation Part A

Council resolves to consider this item noting that it does not constitute a designated decision in accordance with section 1.1 (a), 1.1 (b), and 1.1 (c) in Council's Caretaker Policy adopted on 23rd August 2022.

Staff Recommendation Part B

1. Council endorses the LGA Annual General Meeting 28 October 2022 – Agenda Items - Playford Position Paper (Attachment 1).

2. If the Mayor is unable to attend and appoints an attending Council Member as the proxy Council Delegate for voting rights, the Council authorises the CEO to complete the *Notification of Appointment of Substitute Council Delegate for one meeting only* form (Attachment 3).

Option 2

1. Council endorses the LGA Annual General Meeting 28 October 2022 - Playford Position Paper (Attachment 1) with the following changes:

- Item X.X _____
- Item X.X _____
- Item X.X _____

If the Mayor is unable to attend and appoints an attending Council Member as the proxy Council Delegate for voting rights, the Council authorises the CEO to complete the *Notification of Appointment of Substitute Council Delegate for one meeting only* form (Attachment 3).

6. ANALYSIS OF OPTIONS

6.1 Recommendation Analysis

6.1.1 Analysis & Implications of the Recommendation

The agenda items have been reviewed and consideration given to whether they are applicable to the City of Playford and how each item recommendation could impact the region.

If Council agrees with the proposed positions outlined for each agenda item, the Recommendation should be endorsed.

Risk Appetite

Service Delivery

Council has a moderate appetite for supporting and enhancing existing services and programs to improve the social, recreation and health and wellbeing outcomes for residents; and driving social and economic transformation through a number of major projects and Council initiatives, which will create jobs and act as a catalyst for private investment into Northern Adelaide to support the growing population.

This decision will provide an important opportunity for member councils to discuss important issues for the sector, and pass motions that set the LGA's strategic direction, which in turn will open potential service delivery improvements and opportunities for Council

6.1.2 Financial Implications

There are no financial or resource implications.

6.2 Option 2 Analysis

6.2.1 Analysis & Implications of Option 2

Council may have a differing opinion on whether to support/not support a particular agenda item. This option allows Council to make any amendments to positions outlined in the Position Paper.

6.2.2 Financial Implications

There are no financial or resource implications.

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

Agenda Item No.	Recommendation	Playford Position	Responsible Staff Member
	LGA Business		
6.1	**LGA Annual Report 2021-2022** Recommendation That the Annual General Meeting receives and adopts the Local Government Association of South Australia's Annual Report for the year 2021-22.	**No position** **Explanation:** Report has not been provided yet and we are unable to provide a position.	**Zoey Squires**
6.2	**LGA Financial Statements 2021-2022** Recommendation That the Annual General Meeting receives and adopts the LGA of SA and controlled entities Financial Statements for the year 2021/22.	**Support** **Explanation:** Overall surplus and clear audit opinion	**Natalie Caon**
6.3	**Annual Reports for the LGA Committees** Recommendation That the Annual General Meeting notes the Annual Reports for the year 2021-2022 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)	**Support** **Explanation:** Information report only.	**Zoey Squires**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

Agenda Item No.	Recommendation	Playford Position	Responsible Staff Member
	c) CEO Advisory Group d) Audit and Risk Committee		
6.4	**LGASA Mutual Annual Report 2021-2022** Recommendation That the Annual General Meeting receives and notes the LGASA Mutual Annual Report for the year 2021-2022.	**Support** **Explanation:** Information report only.	**Paula Paterson**
6.5	**LGA Procurement Annual Report 2021-2022** Recommendation That the Annual General Meeting receives and notes the LGA Procurement Annual Report for the year 2021-2022.	**No Position** **Explanation:** Report has not been provided yet and we are unable to provide a position.	**Natalie Caon**
6.6	**Local Government Research and Development Scheme** Recommendation That the Annual General Meeting notes the report.	**Support** **Explanation:** Report provides Information on the last years activity.	**Greg Pattinson**
6.7	**Special Local Roads Program** Recommendation That the Annual General Meeting notes the report.	**Support** **Explanation:** Information report only.	**Derek Langman** **Janey Mitson**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

Agenda Item No.	Recommendation	Playford Position	Responsible Staff Member
6.8	**LGA Advocacy Update** Recommendation That the Annual General Meeting notes the report.	**Support** **Explanation:** Report provides Information on the last years activity.	**Greg Pattinson**
6.9	**LGA Members Services Update** Recommendation That the Annual General Meeting notes the report.	**Support** **Explanation:** Information report only.	**Zoey Squires** **Paula Paterson**
6.10	**Local Government Financial Indicators 2022** Recommendation That the Annual General Meeting notes the report regarding Local Government Financial Indicators.	**Support** **Explanation:** Sourced from Grants Commission Report using sector agreed ratios. Combined representation of councils – not Playford specific.	**Natalie Caon**
6.11	**SAROC and GAROC Terms of Reference** 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).	**Support** **Explanation:** No change to Terms of Reference	**Zoey Squires**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

Agenda Item No.	Recommendation	Playford Position	Responsible Staff Member

Recommendation Reports from the SAROC Committee			
7.1	**Landscapes Board Levy (City of Victor Harbor)** Recommendation That the Annual General Meeting requests the Local Government Association to request the State Government review the manner which they collect the Landscape levy from local communities. With the desired outcome being one in which Revenue SA collect the levy directly in alignment with the Emergency Services levy.	**Support** **Explanation**: Current arrangements can cause confusion with community about council rates and some financial burden for unpaid levies.	**Natalie Caon**
7.2	**EPA Solid Waste Levy (City of Mount Gambier)** Recommendation That the Annual General Meeting requests the LGA to call for the Deputy Premier the Hon Susan Close, as Minister for Climate, Environment and Water, to provide the LGA with a detailed explanation of how the Solid Waste Levy funds collected by waste depot licence holders are allocated both in terms of general revenue and the Green Industry Fund and calls for an equitable distribution of funds between regional and metropolitan councils.	**Support** **Explanation:** Current arrangement is not clearly transparent, and it can be difficult to understand how the Waste Levy is allocated.	**Derek Langman**
7.3	**Energy Positive and Carbon Neutral Development (City of Victor Harbor)**	**Support**	**Derek Langman**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	Recommendation That the Annual General Meeting request the LGA to write to the Expert Panel on Planning and to the Minister for Planning seeking an amendment to the Planning, Development and Infrastructure Act 2016 which would enable the State Planning Commission and/or Councils to amend the Planning and Design Code to enable more energy efficient and sustainable development.	**Explanation:** This is not seeking to mandate additional provisions but to enable alternative development and building materials.	

Recommendation Reports from the GAROC Committee			
8.1	**Mental Health and Wellbeing (Town of Gawler)** Recommendation That the Annual General Meeting requests that: 1. the LGA support and actively advocate that the State Government addresses the lack of mental health outcomes and suicide prevention through providing information, connecting people with improved support agencies, and undertaking studies and further research to inform advocacy on related service needs in South Australia; and 2. notes that if the item of business is approved by the LGA members at the Annual General meeting the LGA Secretariat will undertake the following actions: a. write to the Minister for Health and Wellbeing, and the Shadow Minister for Health and Wellbeing, outlining this advocacy position and requesting increased funding opportunities for local government, noting that improved collaboration is required with Local Health Networks including in regional public health planning; b. write to the CEOs of each Local Health Network, expressing a need for stronger collaboration with local government in the regional public health planning process, particularly around wellbeing as a primary	**Support** **Explanation:** While it is recommended that this item is supported in the sense that more resourcing is required to address improved mental health outcomes and suicide prevention in the community, Local Government is not always best placed to deliver these services. Current collaboration is already occurring in northern Adelaide through the NALHN driven Northern Adelaide Mental Health Alliance.	**Sam Grieve**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	prevention strategy to address mental health and suicide prevention activities/services; c. write to the CEOs of the Country Primary Health Network and the Adelaide Primary Health Network, expressing a need for stronger collaboration with local government in the regional public health planning process, particularly regarding wellbeing as a primary prevention strategy to address mental health and suicide prevention activities/services; and d. liaise with the Australian Local Government Association (ALGA) to ensure that there is consistent messaging from the sector on this issue.		
8.2	**Responding to the Climate Emergency (Town of Gawler)** <u>Recommendation</u> That the Annual General Meeting: 1. requests the LGA to: a) update its Climate Policy Statements to acknowledge the State Government's declaration of a Climate Emergency; b) commit to supporting the State Government in responding to the Climate Emergency; and c) commit to engaging with the State Government on developing a collaborative reform agenda towards: i. Enabling councils and their communities to better access renewable energy, carbon offsets and technologies to reduce emissions (mitigation); and ii. Improving disaster resilience and climate adaptation planning and response to extreme events (adaptation); and	**Support** **Explanation:** This item acknowledges actions already undertaken by the State Government and recognises an existing partnership with them, as well as supporting the continued progress of work already underway. This differs from similar motions in previous years as it recognises the State Government declaration of a Climate Emergency rather than seeking for such a declaration from the LGA.	**Derek Langman**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	2. notes that if the Item of Business is approved by LGA members at the Annual General Meeting, a. Part a) of the item to recognise the State Government's declaration of a Climate Emergency will be enacted through an amendment to the Climate Change statements in the LGA Policy Manual; and b. Parts b) and c) of the item will see the LGA continuing to support and engage with the State Government on climate change issues, with the current level of resourcing available and directed from the LGA Secretariat		
Recommendation Reports from the LGA Board of Directors			
9.1	**LGA Policy Manual on Climate Change Endorsement** <u>Recommendation</u> That the Annual General Meeting: 1. notes the report on a review of the LGA Policy Manual on Climate Change; 2. endorses the revised LGA Policy Manual statements on Climate Change to take effect from 28 October 2022 as follows: '4.4 Managing the Risks of Climate Change: Local government acknowledges that human-induced climate change is occurring and that urgent, ambitious, and immediate action is required at all levels of government to address the climate crisis by reducing emissions, and adapting to the impacts that are now unavoidable. The LGA supports the State Government's ambition to achieve a 50% reduction in emissions by 2030 and net zero emissions by 2050. The LGA supports its member councils to take the meaningful and immediate actions required, and calls for strong leadership and	**Support** **Explanation:** This will bring LGA policy in line with current policy context at Federal and State Government level and will assist the LGA in its advocacy activities. The Policy Manual does not prevent individual councils from taking a more progressive or conservative approach to the issue of climate change.	**Derek Langman**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	coordination at all levels of government for ongoing, effective and adequately funded Commonwealth and State Government climate change policies and programs.'; '4.4.1 Partnerships: Local government accepts that negative impacts from climate change are inevitable, and recognises that building resilience to these impacts is a responsibility shared by everyone. Councils shall continue to be key partners in delivering a strategic response to climate risks.'; '4.4.2 Funding and Strategic Investment; Building resilience to climate impacts will require significant funding and investment, both now and into the future. Councils shall continue to provide equitable levels of funding and investment, recognising it is incumbent on federal and state governments to subsidise the majority of expenditure required'; '4.4.3 Embedding Climate Change Considerations: Climate risk and vulnerability assessments are vital in identifying climate impacts and determining appropriate actions. Councils shall ensure assessments are conducted with full consideration of available relevant information as part of all council strategic and operational planning processes across all functions and services.'; '4.4.4 Decision Making: Local government understands that decisions made by councils must take account of all currently available climate data. Local government supports improved availability and regionally relevant data to be LGA Annual General Meeting Agenda & Papers – 28 October 2022 – Page 269 of 298 Local Government Association of South Australia provided through state government, so that councils can expand their knowledge base (such as sustainable development, tree management, coastal management, bushfire management, flood mitigation and other climate hazards) to ensure they are 'best informed to make well rounded decisions.' (LGMLS);		

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	'4.4.5 Consultation and Engagement; Tackling the impacts of climate change will require community involvement and effort, in partnership with government-led policy and services. Councils should not solely rely on expert input, science and data when making decisions relating to climate change, but should also consider the outcomes of stakeholder and public consultation for better informed decision making and to raise awareness within the community.'; '4.4.6 Energy Reduction and Storage; Local government provides leadership in the community through proactive actions to reduce energy use and associated greenhouse gas emissions. Continual improvement in technologies mean that councils should undertake regular audits of facilities and practices that are energy intensive, seek to reduce energy usage as far as practicable through installation of energy reduction and storage technologies and contribute to associated policy development and reform where appropriate.'; '4.4.7 Greenhouse Gas Reduction Mechanisms; Local government supports that voluntary carbon markets, including renewable energy, carbon offsets, and other low carbon products and services, be supported through clarified carbon accounting and legislation to ensure zero carbon outcomes are cost effective.'; '4.4.8 Integrity; Local government supports the Glasgow Climate Pact (2021), the Paris Agreement (2016), and the Kyoto Protocol (2005) for the reduction of global greenhouse gas emissions and shall contribute towards the commitments made by the Federal Government to achieve national carbon emission reduction targets, and Net Zero Carbon by 2050.'; and '4.4.9 Zero or Low-emission Vehicles; Local government recognises the need for widespread transition to zero emission transport and the role of emerging technologies to facilitate this and reduce negative impacts such as toxic emissions, engine noise and greenhouse gas emissions. Therefore, as road authorities, infrastructure providers,		

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	fleet managers and representatives of their local communities, councils should support and encourage the use of zero or low emission vehicles through their planning, policies, investment and procurement activities.'		
9.2	**Housing Supply, Affordability and Homelessness** Recommendation That the Annual General Meeting requests that the LGA calls on the State Government to: 1. acknowledge the statewide housing crisis in South Australia; 2. establish a Regional Housing Crisis Taskforce, which features suitable representation from State Government agencies and the local government sector, to develop a roadmap for increasing regional housing supply; 3. host a South Australian housing summit to inform the development a whole-of government response to the statewide housing supply, affordability and homelessness issues, including: a. supply of worker housing in regional South Australia; b. support community driven efforts to identify people experiencing homelessness by name; c. investigate how homelessness support services can be most effectively and sustainably coordinated; and d. increase funding to expand the stock of social and community housing; 4. support local government's calls, made at ALGA's 2022 National General Assembly, that the Australian Government:	**Support** **Explanation:** We recognise the current housing crisis in both affordable housing for rent and purchase and the lack of emergency housing. Likewise, we support activities that contribute toward ending homelessness. A Statewide approach with stakeholders across the tiers of Government is required.	**Erin Findlay**

LGA Annual General Meeting 28 OCTOBER 2022 – Agenda Items – Playford Position Paper

	a. host a national affordable housing summit to identify the regional, state, and national issues to be addressed to deliver housing solutions to communities through local, state, and federal government in a whole-of government response to be tailored for respective community needs; b. fund further national housing research, specific to understanding housing affordability, housing supply and demand, and housing accessibility across rural and regional Australia; c. develop and implement a collaborative program, involving all levels of government, to address housing concerns in rural and regional Australia; and d. commit to implementing a funding stream, specific to rural and regional local governments, allowing them to undertake LGA-specific housing research; and to prepare and implement LGA-specific housing plans (aligning to the relevant State Housing and Homelessness Strategies prepared under the NHHA); and 5. delivers its election commitment to hold quarterly cabinet meetings with the local government sector and use this important engagement to discuss these housing challenges and opportunities with the Local Government Association of South Australia.		

Local Government Association of South Australia

The voice of local government.

Notice of Meeting

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

Friday 28 October 2022 at 2pm

In the William Magarey Room, Adelaide Oval

War Memorial Drive, North Adelaide



Clinton Jury
Chief Executive Officer

28 September 2022

Local Government Association of South Australia

The voice of local government.

Agenda

Item			Page
1.	**Open & Welcome**		
2.	**Apologies**		
3.	**Notice & Arrangements**		
4.	**President's Address**		
5.	**Minutes of Previous Meeting**		
	5.1	Minutes of the meeting held on 8 April 2022	4
	5.2	Resolutions and Actions from the OGM of 8 April 2022	16
6.	**LGA Business**		
	6.1	LGA Annual Report 2021/22	25
	6.2	LGA Financial Statements 2021/22	26
	6.3	Annual Reports of LGA Committees	78
	6.4	LGASA Mutual Annual Report 2021/22	127
	6.5	LGA Procurement Annual Report 2021/22	129
	6.6	Local Government Research and Development Scheme	130
	6.7	Special Local Roads Program	154
	6.8	LGA Advocacy Update	156
	6.9	LGA Member Services Update	197
	6.10	Local Government Financial Indicators 2022	200
	6.11	SAROC and GAROC Terms of Reference	210
7.	**Recommendation Reports from the SAROC Committee**		
	7.1	Landscapes Board Levy (City of Victor Harbor)	237
	7.2	EPA Solid Waste Levy (City of Mount Gambier)	241
	7.3	Energy Positive and Carbon Neutral Development (City of Victor Harbor)	246
8.	**Recommendation Reports from the GAROC Committee**		
	8.1	Mental Health and Wellbeing (Town of Gawler)	250
	8.2	Responding to the Climate Emergency (Town of Gawler)	260

Local Government Association of South Australia

The voice of local government.

9. Recommendation Reports from the LGA Board of Directors

9.1 LGA Policy Manual on Climate Change Endorsement (LGA Secretariat) 269

9.2 Housing Supply, Affordability and Homelessness (LGA Secretariat) 289

10. Next Meeting

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

12. Close

5.1 Minutes of the Ordinary General Meeting held on 8 April 2022

Minutes of Previous Meeting

From:	Kianna Al Jaberi, Executive Assistant	
Meeting:	Annual General Meeting	28 October 2022
ECM:	782438	Attachment: 774352

Recommendation

That the Annual General Meeting confirms the minutes of the Ordinary General Meeting held on 8 April 2022 as a true and accurate record of the proceedings held.

Discussion

The Ordinary General Meeting of the membership was held on 8 April 2022. The draft minutes are attached for confirmation as to their accuracy.

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Draft Minutes of the LGA Ordinary General Meeting held on Friday 8 April 2022 at 11:00am at the Adelaide Entertainment Centre, 98 Port Road, Hindmarsh SA.

1. Open & Welcome

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

Present:

President	Mayor Angela Evans
Chief Executive Officer	Clinton Jury
Executive Director Corporate Governance	Andrew Johnson
Executive Director Public Affairs	Lea Bacon
Executive Director Member Services	Nathan Petrus
Executive Assistant to the CEO & President (minutes)	Ashlea Lyall
Executive Assistant (E-voting)	Kianna Al Jaberi
Executive Assistant and Administration Coordinator (E-voting)	Sarah Ryan

Member Councils (voting delegates):

City of Adelaide	District Council of Cleve
Adelaide Hills Council	Coorong District Council
Adelaide Plains Council	Copper Coast Council
Alexandrina Council	District Council of Elliston
The Barossa Council	Regional Council of Goyder
Berri Barmera Council	District Council of Grant
City of Burnside	City of Holdfast Bay
Campbelltown City Council	District Council of Karoonda East Murray
District Council of Ceduna	District Council of Kimba
City of Charles Sturt	Kingston District Council
District Council of Franklin Harbour	Light Regional Council
Town of Gawler	District Council of Lower Eyre Peninsula
Clare & Gilbert Valleys Council	

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District Council of Loxton Waikerie	District Council of Robe
City of Marion	City of Salisbury
Mid Murray Council	Southern Mallee District Council
City of Mitcham	District Council of Streaky Bay
Mount Barker District Council	City of Tea Tree Gully
City of Playford	District Council of Tumby Bay
City of Mount Gambier	City of Unley
Rural City of Murray Bridge	City of Victor Harbor
Naracoorte Lucindale Council	Wakefield Regional Council
City of Norwood Payneham & St Peters	Town of Walkerville
City of Onkaparinga	Wattle Range Council
District Council of Orroroo Carrieton	City of West Torrens
City of Port Lincoln	City of Whyalla
Port Pirie Regional Council	Wudinna District Council
City of Prospect	Yorke Peninsula Council
Renmark Paringa Council	

2. Apologies

Barunga West Council	District Council of Peterborough
District Council of Ceduna	City of Port Adelaide Enfield
District Council of Coober Pedy	Port Augusta City Council
The Flinders Ranges Council	Municipal Council of Roxby Downs
Kangaroo Island Council	Tatiara District Council
District Council of Mount Remarkable	District Council of Yankalilla
Northern Areas Council	

3. Notices & Arrangements

The Chief Executive Officer outlined the notices and arrangements for the meeting.

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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 Annual General Meeting held 29 October 2021

Moved Berri Barmera Seconded Naracoorte Lucindale that the Ordinary General Meeting confirms the minutes of the Annual General meeting held on 29 October 2021 as a true and accurate record of the proceedings held.

Carried

5.2 Resolutions and Actions from Previous Meetings

Moved Kimba Seconded Wakefield Regional that the Ordinary General Meeting notes progress with resolutions resulting from the Annual General Meeting of 29 October 2021 and outstanding resolutions from earlier general meetings.

Carried

6. LGA Business

6.1 LGA Member Services Update

Moved Mid Murray Seconded Mount Barker that the Ordinary General Meeting notes the report.

Carried

6.2 LGA Advocacy Update

Moved Tumby Bay Seconded Berri Barmera that the Ordinary General Meeting notes the report.

Carried

6.3 Local Government Reform Update

Moved Wattle Range Seconded Burnside that the Ordinary General Meeting notes the report.

Carried

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6.4 LGA Mutual Services Update

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

Carried

6.5 LGA Procurement Update

Moved Light Regional Seconded Adelaide Plains that the Ordinary General Meeting notes the report.

Carried

6.6 LGA Climate Commitment Action Plan Update

Moved Mount Barker Seconded Holdfast Bay that the Ordinary General meeting notes the report.

Carried

7. Recommendation Reports from the SAROC Committee

7.1 Implementation of an electronic portal for issuing of permits pursuant to the Fire and Emergency Services Act 2005 (Loxton Waikerie)

Moved Loxton Waikerie Seconded Renmark Paringa that the Ordinary General Meeting requests that the Minister for Police, Emergency Services and Correctional Services instructs and funds the SA Country Fire Service to implement an online portal for application, approval and issuing of permits pursuant to the Fire and Emergency Services Act 2005, prior to the commencement of the 2022-23 fire season.

Carried

7.2 Electric Vehicles Taxes (Victor Harbor)

Moved Victor Harbor Seconded Mitcham that the Ordinary General Meeting requests the LGA to advocate for the Federal Government to remove the Luxury Car Tax on Electric Vehicles and 'fuel efficient' vehicles.

Carried

Draft

7.3 Research into the Population Status and Decline of Little Penguins in South Australia (Victor Harbor)

Moved Victor Harbor Seconded Salisbury that the Ordinary General Meeting requests the LGA to lobby the State Government to revisit the strategies and management plans around increasing the little penguin population within all Coastal Councils, to save them from extinction.

Carried

7.4 Stamp Duty on Residential Property in South Australia (Barunga West)

Moved Whyalla Seconded Wattle Range that the Ordinary General Meeting requests the LGA to call on the South Australian Government to investigate options to exempt or reduce stamp duty taxes on regional residential property purchases to incentivise regional migration and increase regional residential demand, including from first home buyers.

Carried

8. Recommendation Reports from the GAROC Committee

8.1 Review of the Planning Development and Infrastructure Act (Norwood, Payneham & St Peters) and Lack of local representation in the new Planning System, under the Planning, Development and Infrastructure Act 2016 (PDI Act) (Town of Gawler)

Moved Norwood Payneham & St Peters Seconded Gawler that the Ordinary General Meeting:

1. note that the new planning system has resulted in a loss of community voices and local knowledge in its decision-making process;
2. request the LGA to call on the State Government for an independent and comprehensive review of the Planning Development and Infrastructure Act and associated documents with respect to maintaining an effective and defensible democratic process in respect to:
    a) local participation in planning;
    b) local government representation in planning;
    c) the protection of local heritage places and historic areas;
    d) the preservation of neighbourhood character through consideration of appropriate design principles; and including
    e) undertaking an independent review of the Community Engagement Charter; and

Draft

3. request the LGA to write to other relevant parties to express concern about the current state of planning in South Australia.

Carried

8.2 Rough Sleeper/Homelessness Initiative (Town of Gawler)

Moved Gawler Seconded Salisbury that the Ordinary General Meeting requests the LGA to:

1. support and actively advocate for the provision of lockers in appropriate locations across all South Australian Local Government areas. Lockers to be made available via participating charity services, issued to people living rough or experiencing homelessness to store their belongings in a safe and dignified way;
2. ensure support for people in these situations is collectively encouraged across the entire local government sector in South Australia on an ongoing basis, and request the LGA be represented within the current governance structure of the SA Alliance to End Homelessness; and
3. support the formation and work of the SA Alliance to End Homelessness, including by committing to the principles contained in the Memorandum of Understanding by signing the MOU between the Institute of Global Homelessness and South Australian stakeholders (including the State Government).

Carried

8.3 Inclusion of Email Addresses in the Voters Roll (Adelaide)

Moved City of Adelaide Seconded Prospect that the Ordinary General Meeting requests the LGA to lobby the Minister for Local Government to propose an amendment to the Local Government Elections Act 1999 to make it a requirement that, when a person, body corporate or group is submitting an application for enrolment in respect of an area or ward in accordance with the Act, an email address must also be provided for inclusion on the voters roll.

Lost

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9. Recommendation Reports from the LGA Board of Directors

9.1 Review of Local Government Disaster Recovery Assistance Arrangements (LGA Secretariat)

Moved Naracoorte Lucindale Seconded Kimba that the Ordinary General Meeting requests that the LGA advocates that the State Government undertakes an urgent review of the Local Government Disaster Recovery Assistance Arrangements (LGDRRA) with a focus on:

1. Making the LGDRAA simpler and more definitive in terms of the support that will be provided to councils in the event of a natural disaster;
2. Significantly reducing the current thresholds for cost reimbursement to levels consistent with other State jurisdictions;
3. Ensuring that the significant internal costs borne by councils during and after a natural disaster are acknowledged and can be recovered in the funding frameworks;
4. Providing clarity on the eligibility of both the short-term and long-term costs relating to the clean-up of damaged verge trees and road clearance; and
5. Further clarity on the ability to recover direct counter disaster operations costs from Control Agencies and the merits of removing this ability so that the LGDRAA can be an all-encompassing funding framework.

Carried

10. Next Meeting

An Annual General meeting will be held on 28 October 2022 at Adelaide Oval.

11. Close

The meeting was declared closed at 12.03pm.

Minutes confirmed

.....

Chairperson

Date .....

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2022 LGA President's Ordinary General Meeting Report

I'm pleased to present the President's Report to the 2022 LGA Ordinary General Meeting.

We've had a very busy past six months, with no signs of activity slowing down any time soon.

When we last came together at our 2021 Annual General Meeting, we had a new CEO who had been in the role for a whole three weeks, and whose energy and enthusiasm were very evident.

Clinton has now well and truly settled into the role and developed an understanding of the work of councils and the many challenges and opportunities they are dealing with. We're in a strong position to continue providing valuable leadership to the sector.

The Board recently commented on the seamless operation of the Secretariat throughout this period of change, so thank you to the LGA staff for your ongoing commitment to providing a high-quality service to our members.

Supporting this service, the LGA finalised a new partnership with LG Professionals SA and we welcomed the LG Professionals staff to Local Government House just prior to Christmas.

I understand the new partnership is working well and has already achieved some great outcomes and efficiencies for the sector. One of those has been the fantastic Showcase event that took place yesterday.

Looking beyond the day-to-day work of the LGA and councils, our community continues to work through the impacts of the COVID-19 pandemic. Specifically, we are now experiencing the effects of opening up our State to the rest of the country, and the reality of living with COVID.

Since the start of the pandemic over two years ago, we have been proud of the role our sector has played in supporting communities through the uncertainty, and this work has continued this year.

Most recently, we have seen many councils working closely with the LGA and SA Health to deliver Rapid Antigen Test collection points right across our state - which also transitioned into postal voting collection points in the lead up to 19 March.

And then, if we didn't have quite enough on our plate, in February we experienced a damaging weather event. Ex-tropical cyclone Tiffany wreaked havoc in many communities, with widespread severe weather and flooding across the north and west of our state.

Many councils were affected by this extreme weather event, and we know many staff members worked around the clock as part of response and recovery efforts. Councils sought to locate vulnerable and isolated residents and worked to make roads and other public places safe for their communities.

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The LGA also worked closely with councils through the Local Government Functional Support Group to coordinate the sector's response, gather evidence of damage and cost impacts and apply for disaster recovery funding. We were thrilled that our advocacy to the State Government for extraordinary assistance was successful and pleased to learn that up to $19 million in funding will be made available to the most affected councils.

Another key focus area for the LGA early this year was our advocacy campaign leading up to the state election, under the banner of our platform *Local Voices for a Resilient South Australia*.

Throughout this campaign, we drew attention to the sector's priorities through engagement with stakeholders, regional visits, and reporting through media and social media channels. A highlight was our state election forums held with the major parties in the week leading up to polling day.

We gained interest and momentum in our calls for action in a number of key areas, including addressing shortages in housing and regional health services, and the need for increased funding for libraries and digital literacy programs, as well as jetties and coastal infrastructure.

We are excited about the opportunities that a new State Government presents for councils and communities, and we look forward to strengthening our relationships with the state's new leaders based on the solid foundation of our existing advocacy work.

We are particularly pleased to know we will have a regular seat at the cabinet table going forward and we will be keen to finalise and share the details of these arrangements in the coming weeks.

Equally, we are keen to see country cabinet sessions commence – bringing cabinet to the regions and facilitating a closer connection to our communities.

Looking toward the federal election, we've promptly moved to support ALGA's advocacy activities. As we've heard from ALGA President Linda Scott, their campaign is centred around four key themes, and we have provided case studies to highlight the importance of these for South Australia.

Our state has an especially strong story to tell around our proactive transition to a circular economy and tangible and practical benefits of transport and community infrastructure funding - and we have taken every opportunity to promote and leverage this work.

We have continued working with the Electoral Commission of South Australia in preparation for this years' council elections and we are committed to building on our previous successful awareness campaigns.

This years' campaign will have a strong focus on encouraging participation by under-represented groups including women, young people, people with disability, First Nations and culturally diverse communities, and I hope you are all busy encouraging leaders in your communities to throw their hats in the ring and run for council.

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Another key priority for the LGA and the sector is the continuing implementation of local government reforms.

We saw several reforms come into effect toward the end of 2021, including important changes to the *Local Government (Elections) Act 1999*, such as new requirements for candidates in council elections to declare where they live and whether they are a member of a political party, and a welcome change banning the use of corflute election signs on public roads.

We are now preparing for further rounds of amendments to commence later this month and later this year, including changes to reporting processes for councils' Annual Business Plans and Budgets, and the establishment of a new rates oversight scheme by the Essential Services Commission of South Australia.

It is important to remember these reforms were finalised against the background of a rate-capping agenda. Last year, our sector's advocacy resulted in amendments that provide additional oversight of councils' financial plans, while maintaining their ability to make rating decisions free from interference.

While this was a brilliant achievement, Parliament has signaled its desire to see all councils present rating information consistently and enable meaningful comparisons to be drawn. It is now incumbent upon us to make sure this new process delivers the intended outcome. A considered approach now may save us the pain of further rate-capping debates into the future.

Another key change is the commencement of the new Behavioural Management Framework. The Framework consists of new state-wide Behavioural Standards, supporting policies to be adopted by each council, and a new Behavioural Standards Panel to hear and resolve complaints.

The Panel is made up of three appointments, one nominated by the LGA, one nominated by the Minister for Local Government and a Presiding Member who is a joint nominee. Early this year the LGA carried out an extensive selection process to identify its nominees, and we were thrilled when all appointments were made from the LGA recommended nominees.

The appointment of Thilan Legierse, Adam Crichton and Rosie Jervis as the inaugural panel members will result in a fully independent, as well as highly skilled and experienced panel. The new panel will commence its formal functions after council elections in November, and these developments represent an excellent outcome for our sector.

The other significant reform process that councils have been involved in is the implementation of the *Planning, Development and Infrastructure Act 2016*, and the new e-planning system.

It has now been 12 months since the Planning and Design Code came into effect right across the state and the LGA has worked closely with councils to monitor the effectiveness of the new system and keep track of issues and potential improvements.

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We understand the State Government is open to undertaking a review of the system, and we will be advocating for the review to consider issues such as enabling councils to include more localised policy, further consideration of the impacts of infill development, an increased focus on the differing needs of regional South Australia, and additional measures to improve urban green cover.

The State Planning Commission will also undertake a review of the 30 Year Plan for Greater Adelaide this year and the LGA will be coordinating input from councils. The review will present a vital opportunity for the local government sector to have a say on future planning policies for the metropolitan area, so we encourage as many councils as possible to participate in this process.

I know there are many important strategic issues to consider during the meeting today, so thank you for your ongoing support for the LGA and for your representation and advocacy on behalf of your councils and communities.

I look forward to the discussions today. Thank you.

5.2 Resolutions and Actions from Previous Meetings

Minutes of Previous Meeting

Meeting	Annual General Meeting	28 October 2022
ECM:	782390	

Recommendation

That the Annual General Meeting notes progress with resolutions resulting from the Ordinary General Meeting of 8 April 2022 and outstanding resolutions from earlier general meetings.

Discussion

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

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

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

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

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

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Resolutions from the Ordinary General Meeting – 7 April 2022	Action Taken / Progress
8.2 Rough Sleeper/Homelessness Initiative (Town of Gawler) *(TC 773173)* That the Ordinary General Meeting requests the LGA to: 1. support and actively advocate for the provision of lockers in appropriate locations across all South Australian Local Government areas. Lockers to be made available via participating charity services, issued to people living rough or experiencing homelessness to store their belongings in a safe and dignified way; 2. ensure support for people in these situations is collectively encouraged across the entire local government sector in South Australia on an ongoing basis, and request the LGA be represented within the current governance structure of the SA Alliance to End Homelessness; and 3. support the formation and work of the SA Alliance to End Homelessness, including by committing to the principles contained in the Memorandum of Understanding by signing the MOU between the Institute of Global Homelessness and South Australian stakeholders (including the State Government).	LGA Secretariat staff have highlighted the Town of Gawler's locker provision idea at forums featuring council staff and elected members, such as those mentioned above. The LGA will also liaise with the Town of Gawler to monitor the local development of this model and look for opportunities to showcase the project's success and/or learnings at a future LGA event. The South Australian Alliance to End Homelessness (SAAEH) is currently developing a governance framework. As part of this development, the LGA has participated in two preliminary workshop meetings (held on 12 April and 4 August 2022) which were partly focused on developing the SAAEH's governance framework. Each included approximately 20-25 participants from the South Australian Housing Authority's (SAHA) homelessness service provider alliance structure, as well as other interested stakeholders from the charitable sector. At these sessions, the LGA emphasised the following points: • As the closest level of government to South Australian communities, councils are aware of the growing incidence of rough sleeping homelessness. • South Australian councils want to participate in lessening the incidence of rough sleeping homelessness through collaborative actions involving the State Government and service providers in the charitable sector. • However, South Australian councils cannot provide services they are not resourced to maintain. • In this context, a collaborative working group needs to be established which includes representatives from all relevant stakeholders, to discuss viable actions and the resources required for their fulfilment.

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	• The local government sector's role in this space is likely to be that of a facilitator – connecting service providers/charities and recording/reporting local data. In this context, the governance framework of the SAAEH is likely to provide an effective vehicle for the local government sector to: • Share local intelligence regarding the occurrence and service demands of rough sleepers. • Detail actions taken by councils to alleviate affordable housing shortages. • Advocate for State Government policy/regulatory change and/or increased funding supports. The LGA is also working closely with the SAAEH to arrange an opportunity for the LGA President to sign an updated MOU between the Institute of Global Homelessness and South Australian stakeholders, including the newly elected Malinauskas Government.

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8.1 Review of the Planning Development and Infrastructure Act (Norwood, Payneham & St Peters) and Lack of local representation in the new Planning System, under the Planning, Development and Infrastructure Act 2016 (PDI Act) (Town of Gawler) *(SPS 773046)* That the Ordinary General Meeting: 1. note that the new planning system has resulted in a loss of community voices and local knowledge in its decision-making process; 2. request the LGA to call on the State Government for an independent and comprehensive review of the Planning Development and Infrastructure Act and associated documents with respect to maintaining an effective and defensible democratic process in respect to: a) local participation in planning; b) local government representation in planning; c) the protection of local heritage places and historic areas; d) the preservation of neighbourhood character through consideration of appropriate design principles; and including e) undertaking an independent review of the Community Engagement Charter; and 3. request the LGA to write to other relevant parties to express concern about the current state of planning in South Australia.	The LGA had advocated during the State election for an Independent Review of the planning system and the new State Government included the review as an election commitment. The State Government has appointed a four-person industry panel to review South Australia's planning legislation, parts of the Planning and Design Code and the e-planning system. The panel, to be led by planning consultant John Stimson, will investigate the relatively recently implemented Planning, Development and Infrastructure Ac t and Planning and Design Code. Mr Stimson will be joined by Cate Hart, the President of the Planning Institute of Australia (SA) and a senior public servant in the Department of Environment and Water, Andrew McKeegan, the executive director of transport property in the Victorian Department of Transport and a former senior South Australian planning bureaucrat, and Lisa Teburea, former Executive Director, Public Affairs with the LGA and recently appointed Executive Group Manager Planning and Urban Policy with the ACT Government. The LGA Secretariat is developing a submission which will identify suggested changes to the PDI Act and associated regulations and will be provided to the Expert Panel as outlines in the Item of Business.

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7.4	**Stamp Duty on Residential Property in South Australia (Barunga West)** *(TC 773183)* That the Ordinary General Meeting requests the LGA to call on the South Australian Government to investigate options to exempt or reduce stamp duty taxes on regional residential property purchases to incentivise regional migration and increase regional residential demand, including from first home buyers.	The Chair of SAROC, Mayor Erika Vickery OAM, has written to the Treasurer, Hon Stephen Mullighan MP, requesting that he investigate options to exempt or reduce stamp duty taxes on regional residential property purchases to incentivise regional migration and increase regional residential demand, including from first home buyers.
7.3	**Research into the Population Status and Decline of Little Penguins in South Australia (Victor Harbor)** *(TC 773176)* That the Ordinary General Meeting requests the LGA to lobby the State Government to revisit the strategies and management plans around increasing the little penguin population within all Coastal Councils, to save them from extinction.	The LGA President has written to the Minister for Climate, Environment and Water, Hon Susan Close MP, requesting that she review the strategies and management plans applicable to increasing the little penguin population within all coastal councils, to save them from extinction.
7.2	**Electric Vehicles Taxes (Victor Harbor)** *(KR 773175)* That the Ordinary General Meeting requests the LGA to advocate for the Federal Government to remove the Luxury Car Tax on Electric Vehicles and 'fuel efficient' vehicles.	The LGA Secretariat has liaised with ALGA to inform its strategies for continuing to progress electric vehicles as an advocacy issue with the Federal Government. The LGA President has written to the Federal Government to advocate that they remove the Luxury Car Tax on Electric Vehicles and other 'fuel efficient' vehicles. The Federal Minister for Climate Change and Energy has responded to say that his government is developing a National Electric Vehicle Strategy which will consider measures to increase sales and they have already introduced an Electric Car Discount to exempt many EVs from import tariffs and fringe benefits tax. The LGA will seek to have input into development of this national strategy.

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= Completed/No further action required

7.1 Implementation of an electronic portal for issuing of permits pursuant to the Fire and Emergency Services Act 2005 (Loxton Waikerie) *(KR 773174)* That the Ordinary General Meeting requests that the Minister for Police, Emergency Services and Correctional Services instructs and funds the SA Country Fire Service to implement an online portal for application, approval and issuing of permits pursuant to the Fire and Emergency Services Act 2005, prior to the commencement of the 2022-23 fire season.	The LGA President has written to the Minister for Emergency Services, Hon Joe Szakacs MP, to advocate that he instruct and fund the SA Country Fire Service to implement an online portal for application, approval and issuing of permits pursuant to the *Fire and Emergency Services Act 2005*, prior to the commencement of the 2022-23 fire season. The Minister has responded to say he has asked the CFS to investigate sustainable options to improve this system and the LGA will continue to raise this issue as opportunities arise.
Resolutions from the Ordinary General Meeting – 30 April 2021	**Action Taken / Progress**
8.4 Seeking a comprehensive State Government review of mandatory statutory rebates and exemptions from payment of local government rates (Adelaide) *(LB 734189)* That the Ordinary General Meeting: 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.	This issue has not previously progressed due to competing advocacy priorities. Both GAROC and SAROC have included advocacy seeking a review of mandatory statutory rebates and discounts in their Annual Business Plans. GAROC has allocated $35,000 in its 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. Accordingly, this activity will be undertaken in 2022-23.

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Resolutions from the Annual General Meeting – 31 October 2019	Action Taken / Progress
8.4 Fairer Allocation of Open Space Funding (Campbelltown) *(SS 688279)* 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.	Following investigations undertaken by GAROC the LGA Board of Directors has adopted the following positions in relation to the Planning and Development Fund: a. Local government supports the Planning and Development Fund being used for the purpose it was established for: i. To improve access to public open spaces and places, and ii. To enable the planning, design and delivery of quality public space that is essential to healthy, liveable communities. b. That the State government engages with local government on the strategic direction of the Planning and Development Fund to support local government in delivering a broad range of open space needs identified in Councils' Open Space Strategies. c. The Planning and Development Fund should not be used for administrative purposes including the ongoing management of the online planning system, or public works or public policy that is not consistent with the aims and intent of the Planning and Development Fund, to improve access to public open space, and to enable the planning, design and delivery of quality public space that is essential to healthy, liveable communities. d. That the annual reporting process on the Planning and Development Fund be reinstated and expanded to include both financial inputs and outputs and to display this for each local government area e. Based on needs identified through open space strategic analysis, the funding process should explore: i. Funding that is uncoupled from the need for council contribution for strategically important open space projects based on solid analysis and evidence;

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	ii. The ability for local government to lodge applications for funding all year round; and iii. State government agencies incorporated into this process where they are required to follow the same application process as local government.
Resolutions from the Ordinary General Meeting – 12 April 2019	**Action Taken / Progress**
7.3 Jetties (Tumby Bay) *(KR 670924)* 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.	Negotiation with the State Government is ongoing. The LGA included this issue in its 2022 Local Voices for a Resilient South Australia election campaign. There was media interest in this issue throughout the election. The LGA President wrote to the Treasurer, Hon Stephen Mullighan MP, to highlight the need for funding for jetties as an immediate and practical issue whereby an injection of State funding would make a significant impact on the prosperity of local communities. The LGA's post-budget media release also expressed disappointment that the $10 million for priority jetty maintenance work was not included in the Budget. The LGA President has subsequently written to the Minister for Infrastructure and Transport, Hon Tom Koutsantonis MP, urging that the Jetties Strategic Plan be finalised and released to identify a sustainable approach to the future management and prioritisation of investment for SA jetties.

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= Completed/No further action required

Resolutions from the Annual General Meeting -- 16 November 2017	Action Taken / Progress
8.1 Community Land Management Plans (Charles Sturt) *(KR 655308)* 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.	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.

6.1 LGA Annual Report 2021-22

LGA Updates

From:	Karen Teaha, Director Media and Communications	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	28 October 2022
ECM:	782374	

Recommendation

That the Annual General Meeting receives and adopts the Local Government Association of South Australia's Annual Report for the year 2021-22.

Discussion

The LGA's 2021-2022 Annual Report, including abridged financial statements, was approved by the LGA Board of Directors on 15 September 2022 and is presented to the Annual General Meeting for adoption by member councils.

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

The consolidated audited financial statements of the LGA and controlled entities for the year ending 30 June 2022 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 2021/2022

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 28 October 2022
ECM:	782572 Attachment: 781628

Recommendation

That the Annual General Meeting receives and adopts the LGA of SA and controlled entities Financial Statements for the year 2021/22.

Discussion

The LGA Group operations were favourable to budget in the 2021/22 financial year. The LGA Group continues to maintain a strong asset base with both short and long term investments.

The LGA continues to meet its 10-year long-term financial plan forecasts posting a net surplus of $4.262 million for the LGA Group for the year ended 2021/22.

The underlying surplus for the Group is $1.776 million after excluding income gains from the book revaluation of LG House and minor asset sales of $3.086 million and $600,975 of risk incentive grant payments made from the Workers Compensation Scheme and Mutual Liability Scheme.

The attached consolidated financial statements for 2021/22 include the financial results for the following entities:

- LGA Parent Entity - Operations and Project activity - $884,256 surplus before the gain from the revaluation of LG House
- LGA Procurement - $121,168 surplus
- LGASA Mutual - $19,073 surplus
- LGA Workers Compensation Scheme - $874,730 surplus after risk incentive payments.
- LGA Mutual Liability Scheme - $712,979 deficit after risk incentive payments to members

Transactions between individual entities are eliminated in the consolidated accounts.

LGA Parent Entity Operations and Projects - $884,256 surplus ($3.960 million surplus after asset revaluation)

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

LGA Parent Operations recorded an operating surplus of $1.164 million.

The surplus is a positive financial result for the year due to staffing changes that resulted in savings from vacancies, increased returns from tenants at LG House and other operational savings. The LGA focused its efforts on the LG Reform changes and preparing for the

forthcoming local government elections. The LGA also assisted Councils through the relaxing of COVID-19 restrictions and stimulus packages that flowed from the State Government.

LGA Parent - Project Activity

The deficit in project activity is due to expenditure of previously received reserve funds for the Council Ready project which was completed during the year, as well as activity from the Research and Development Scheme. The LGA also provided grants of $3.146 million from the Community Wastewater Management Scheme which is the LGA's largest grant program.

LGA Parent Overall

The net surplus of $3.960 million is due to the operating result described above and the gain in the revaluation of the commercially leased floors at LG House of $3.060 million, which is a non-cash adjustment. The increase in the valuation is due to the strong commercial market but also the investments the LGA has made in facilities for tenants and the installation of solar power.

LGA Procurement - $121,168 surplus

LGA Procurement is reporting a surplus of $121,168 with revenue of $1.558 million and expenses of $1.387 million. In 2021/22, LGA Procurement experienced growth in Council purchasing via aggregated supply contracts and project consultancies.

Majority of growth occurred in the contracts for Bitumen, Open Spaces and Earthmoving suppliers and there continues to be a strong demand by regional councils for LGA Procurement's project consultancy services.

Over $150 million of purchases were made through LGA Procurement's managed contracts and consultancy services, saving councils approximately $15 million.

LGASA Mutual - $19,073 surplus

LGASA Mutual is the governing entity of the two Schemes with operating expenditure of $687,662 in 2021/22.

Overall, LGASA Mutual is reporting an operating surplus of $19,073 in 2021/22 compared with a deficit of $8,628 in 2020/21.

LGASA Mutual had a closing cash balance of $379,607 on 30 June 2022 compared with $325,728 at 30 June 2020.

LGA Workers Compensation Scheme - surplus $874,730

The operating result for the LGAWCS in 2021/22 was a surplus of $874,730 after the payment of $344,940 from the risk incentive grant program.

In conjunction with the Scheme's actuary, the Board determines the target range of accumulated services that the LGAWCS should hold. As closing balance of funds held were above the target range, LGASA Mutual board has agreed to provide a special distribution of $1 million to members in the 2022/23 financial year.

At the end of the year, the LGAWCS held an accumulated surplus of $18.450 million.

LGA Mutual Liability Scheme - deficit $712,979

The operating result for the LGAMLS in 2020/21 was a deficit of $712,979 after the payment of $256,035 from the risk incentive grant program.

At the end of the year, the LGAMLS held an accumulated surplus of $16.884 million which is within the target range for the scheme.

Conclusion

The Financial Statements for 2021/22 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 2022

Back to Agenda

Local Government Association of South Australia

Contents

For the Year Ended 30 June 2022

	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	47
Independent Auditor's Report	48

Back to Agenda

Local Government Association of South Australia

Board Members' Report
30 June 2022

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 2022 and the auditor's report thereon.

Board members

The names of the Directors currently in office are:

Mayor Gillian Aldridge	
Mayor Claire Boan	
Mayor Angela Evans	
Mayor Heather Holmes-Ross	(appointed 2 May 2022)
Mayor Dean Johnson	(appointed 2 March 2022)
Mayor Peter Mattey	
Mayor Clare McLaughlin	
Mayor David O'Loughlin	
Mayor Keith Parkes	
Mayor Erika Vickery	

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

Mayor Sam Telfer	(resigned 31 December 2021)
Mayor Erin Thompson	(resigned 19 March 2022)
Lord Mayor Sandy Verschoor	(appointed 28 Feburary, resigned 29 March 2022)

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

Principal activities

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

LGA

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

LGASA Mutual

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

LGAMLS

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

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.

Back to Agenda

Local Government Association of South Australia

Board Members' Report
30 June 2022

Principal activities

LGA Procurement

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

Results and review of operations for the year

The overall surplus for the Group for the financial year before special distributions and other items was $4,261,928 (2021FY deficit: $1,405,081). 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 $6,948,413 (2021FY: $525,312). The results for each of the entities before inter-entity eliminations are as follows:

LGA

The LGA is reporting an operating surplus of the $884,256 in the 2022FY (2021FY $494,703). This comprises of an operating surplus from ordinary operations of $1,164,074 (2021FY $135,234) and a surplus in project activity of $(279,818) (2021FY $359,469) . After the gain on investment property of $3,060,388 (2021FY $1,629,223) and net gain on disposal of assets of $15,287 (2021FY net loss $17,067) the Net Surplus is $3,959,931 (2021FY $2,106,859).

LGASA Mutual

In the 2022FY, LGASA Mutual is reporting an operating surplus of $19,072 compared with a $8,627 deficit in the 2021FY.

LGAMLS

The operating deficit for the 2022FY amounted to $712,979 (2021FY: deficit of $585,263) inclusive of payments to the risk incentive program of $256,035 (2021FY: $575,402). There were no special distribution to members in 2022FY or 2021FY.

LGAWCS

The operating surplus for the 2022FY amounted to $874,730 (2021FY: deficit of $183,768) inclusive of payments to the risk incentive program of $344,940 (2021FY: $856,301) and before the special distribution to members of $Nil (2021FY: $1,500,000). The net surplus for the year was $874,730 (2021FY: deficit of $1,683,768).

LGA Procurement

The operating surplus for the 2022FY was $121,168 compared to a surplus of $93,875 in the 2021FY.

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 2022

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

Chief Executive Officer: ..... Clinton Jury

Dated this 23rd day of September 2022

Back to Agenda

Local Government Association of South Australia

Statement of Surplus/(Deficit) and Other Comprehensive Income
For the Year Ended 30 June 2022

		Consolidated		Parent	
		2022	2021	2022	2021
Revenue and income from continuing operations	**Note**	**$**	**$**	**$**	**$**
Member contributions	7	**35,092,159**	33,627,722	**-**	-
Grant revenue		**2,087,458**	3,462,157	**2,172,458**	3,864,162
Subscriptions		**2,429,685**	2,370,421	**2,429,685**	2,370,421
Other revenue	7	**8,472,702**	5,737,304	**8,071,060**	5,711,355
Finance income		**944,649**	1,252,146	**575,021**	666,216
Total revenue from continuing operations		**49,026,653**	**46,449,750**	**13,248,224**	**12,612,154**
Expenses					
Employee benefits expense		**(6,808,266)**	(7,144,024)	**(5,396,801)**	(5,906,142)
Risk management, levies and other scheme expenses		**(12,398,653)**	(12,641,626)	**-**	-
Depreciation and amortisation		**(730,475)**	(728,403)	**(711,418)**	(707,991)
Grant expenditure	8	**(529,109)**	(583,360)	**(547,614)**	(583,360)
Net claims expense	9	**(10,206,031)**	(10,152,662)	**-**	-
Catastrophe insurance expense		**(9,225,644)**	(8,480,127)	**-**	-
Other expenses from ordinary activities		**(6,863,479)**	(5,769,308)	**(5,149,768)**	(4,283,837)
Finance expenses		**(1,089,606)**	(1,157,315)	**(558,367)**	(636,121)
Total Expenses		**(47,851,263)**	(46,656,825)	**(12,363,968)**	(12,117,451)
Operating surplus/(deficit)		**1,175,390**	(207,075)	**884,256**	494,703
Net gain/(loss) on sale of assets		**26,150**	(17,067)	**15,287**	(17,067)
Gain revaluation of investment property		**3,060,388**	1,629,223	**3,060,388**	1,629,223
NET SURPLUS/(DEFICIT)		**4,261,928**	1,405,081	**3,959,931**	2,106,859
Other Comprehensive Income					
Special distribution to members		**-**	(1,500,000)	**-**	-
Revaluation of operating land and buildings		**2,686,485**	620,231	**2,686,485**	620,231
Total comprehensive surplus/(deficit) for the year		**6,948,413**	525,312	**6,646,416**	2,727,090

The accompanying notes form part of these financial statements.

Back to Agenda

Local Government Association of South Australia

Statement of Financial Position

As at 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	10	**49,472,139**	44,494,919	**7,902,679**	7,060,981
Trade and other receivables	11	**17,615,990**	16,824,187	**4,328,998**	3,851,043
Financial assets	12	**17,761,396**	23,924,270	**-**	-
Prepayments		**544,286**	420,179	**411,390**	415,179
Reinsurance and other recoveries receivables	13	**6,243,218**	4,138,510	**-**	-
TOTAL CURRENT ASSETS		**91,637,029**	89,802,065	**12,643,067**	11,327,203
NON-CURRENT ASSETS					
Trade and other receivables	11	**13,056,655**	15,412,329	**13,056,655**	15,412,329
Financial assets	12	**2**	2	**3**	2
Property, plant and equipment	14	**15,602,484**	13,356,425	**15,523,575**	13,272,891
Investment properties	15	**16,927,500**	13,539,545	**16,927,500**	13,539,545
Intangible assets	16	**637,165**	777,642	**637,165**	777,642
Reinsurance and other recoveries receivables	13	**12,402,393**	12,489,334	**-**	-
TOTAL NON-CURRENT ASSETS		**58,626,199**	55,575,277	**46,144,898**	43,002,409
TOTAL ASSETS		**150,263,228**	145,377,342	**58,787,965**	54,329,612
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	17	**11,903,481**	11,179,900	**9,987,712**	9,832,150
Borrowings	19	**2,355,674**	2,277,018	**2,355,674**	2,277,018
Employee benefits	18	**835,968**	902,239	**621,759**	689,282
Unearned member contributions	20	**10,854,199**	10,324,828	**-**	-
Outstanding claims liability	21	**12,684,227**	13,340,144	**-**	-
TOTAL CURRENT LIABILITIES		**38,633,549**	38,024,129	**12,965,145**	12,798,450
NON-CURRENT LIABILITIES					
Borrowings	19	**13,056,655**	15,412,329	**13,056,655**	15,412,329
Catastrophe margin		**85,000**	85,000	**-**	-
Employee benefits	18	**225,345**	201,136	**184,693**	183,777
Outstanding claims liability	21	**26,574,138**	26,914,618	**-**	-
TOTAL NON-CURRENT LIABILITIES		**39,941,138**	42,613,083	**13,241,348**	15,596,106
TOTAL LIABILITIES		**78,574,687**	80,637,212	**26,206,493**	28,394,556
NET ASSETS		**71,688,541**	64,740,130	**32,581,472**	25,935,056
EQUITY					
Reserves	22	**27,275,355**	22,699,833	**23,863,239**	20,321,054
Retained earnings		**44,413,186**	42,040,297	**8,718,233**	5,614,002
		71,688,541	64,740,130	**32,581,472**	25,935,056
TOTAL EQUITY		**71,688,541**	64,740,130	**32,581,472**	25,935,056

The accompanying notes form part of these financial statements.

Back to Agenda

Local Government Association of South Australia

Statement of Changes in Equity

For the Year Ended 30 June 2022

2021 Consolidated	Consolidated					
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2020	43,610,568	9,629,913	7,163,854	3,810,483	20,604,250	64,214,818
Surplus/deficit for the year from ordinary activities	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 project reserve	(2,907,055)	-	2,907,055	-	2,907,055	-
Transfer (to)/from risk incentive reserve	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**

2022 Consolidated	Consolidated					
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2021	42,040,297	10,250,144	10,070,909	2,378,780	22,699,833	64,740,130
Surplus/deficit for the year from ordinary activities	4,261,928	-	-	-	-	4,261,928
Revaluation of operating land and buildings increment (decrement)	-	2,686,485	-	-	2,686,485	2,686,485
Total comprehensive surplus / (deficit) for the year	4,261,928	2,686,485	-	-	2,686,485	6,948,413
Transfer (to)/from project reserve	(855,700)	-	855,700	-	855,700	-
Transfer (to)/from risk incentive reserve	(1,033,337)	-	-	1,033,337	1,033,337	-
Balance at 30 June 2022	44,413,188	12,936,629	10,926,609	3,412,117	27,275,355	71,688,541

The accompanying notes form part of these financial statements.

Back to Agenda

Local Government Association of South Australia

Statement of Changes in Equity

For the Year Ended 30 June 2022

2021 Parent	Parent					
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	Total Equity
	$	$	$	$	$	$
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 project reserve	(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**

2022 Parent	Parent					
	Retained Earnings	Asset Revaluation Reserve	Project Reserve	Risk Incentive Reserve	Total Reserves	Total Equity
	$	$	$	$	$	$
Balance at 1 July 2021	5,614,002	10,250,144	10,070,910	-	20,321,054	25,935,056
Total profit/(loss) for the year	3,959,931	-	-	-	-	3,959,931
Revaluation increment (decrement)	-	2,686,485	-	-	2,686,485	2,686,485
Comprehensive surplus/(deficit) from ordinary activities	3,959,931	2,686,485	-	-	2,686,485	6,646,416
Transfer (to)/from project reserve	(855,700)	-	855,700	-	855,700	-
Balance at 30 June 2022	8,718,233	12,936,629	10,926,610	-	23,863,239	32,581,472

The accompanying notes form part of these financial statements.

Back to Agenda

Local Government Association of South Australia

Statement of Cash Flows

For the Year Ended 30 June 2022

	Note	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers/members (inclusive of GST)		**50,838,586**	49,500,677	**13,400,082**	10,875,322
Receipts from grants		**6,676,066**	8,701,405	**6,676,066**	9,103,410
Interest received		**944,649**	1,266,978	**575,021**	681,049
Payments to suppliers and employees (inclusive of GST)		**(40,679,692)**	(38,366,822)	**(12,562,941)**	(10,936,136)
Claims paid		**(11,202,428)**	(12,500,017)	**-**	-
Borrowing costs		**(1,089,606)**	(1,157,315)	**(558,367)**	(636,121)
Distribution back to members		**-**	(1,500,000)	**-**	-
Grant payments	1.b	**(3,945,220)**	(2,148,816)	**(3,963,725)**	(2,148,816)
Net cash provided by/(used in) operating activities	10	**1,542,355**	3,796,090	**3,566,136**	6,938,708
CASH FLOWS FROM INVESTING ACTIVITIES:					
Purchase of property, plant and equipment		**(450,990)**	(2,349,383)	**(447,420)**	(2,349,383)
Cash realised from term deposits		**6,162,874**	13,485,215	**-**	-
Net cash provided by/(used in) investing activities		**5,711,884**	11,135,832	**(447,420)**	(2,349,383)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Repayment of borrowings		**(2,277,018)**	(2,200,989)	**(2,277,018)**	(2,200,989)
Net cash provided by/(used in) financing activities		**(2,277,018)**	(2,200,989)	**(2,277,018)**	(2,200,989)
Net increase/(decrease) in cash and cash equivalents held		**4,977,221**	12,730,933	**841,698**	2,388,336
Cash and cash equivalents at beginning of year		**44,494,918**	31,763,986	**7,060,981**	4,672,645
Cash and cash equivalents at end of financial year	10	**49,472,139**	44,494,919	**7,902,679**	7,060,981

The accompanying notes form part of these financial statements.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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 2022 $	Secretariat 2021 $	Project 2022 $	Project 2021 $	Total 2022 $	Total 2021 $
Revenue from continuing operations						
Subscriptions	**2,429,685**	2,370,421	**-**	-	**2,429,685**	**2,370,421**
Grant revenue	**167,537**	60,961	**2,004,922**	3,803,201	**2,172,459**	**3,864,162**
Other revenue	**7,607,510**	5,454,968	**463,550**	256,387	**8,071,060**	**5,711,355**
Finance income	**574,725**	663,569	**295**	2,647	**575,020**	**666,216**
Total revenue from continuing operations	**10,779,457**	8,549,919	**2,468,767**	4,062,235	**13,248,224**	**12,612,154**
Expenses						
Employee benefits - operating	**(4,315,364)**	(4,375,229)	**(1,081,437)**	(1,530,913)	**(5,396,801)**	**(5,906,142)**
Grant expenditure	**-**	-	**(547,614)**	(583,360)	**(547,614)**	**(583,360)**
Depreciation	**(700,562)**	(679,038)	**(10,856)**	(28,953)	**(711,418)**	**(707,991)**
Other expenses	**(4,042,022)**	(2,725,719)	**(1,107,746)**	(1,558,118)	**(5,149,768)**	**(4,283,837)**
Impairment loss on office furniture	**-**	-	**-**	-	**-**	**-**
Finance expenses	**(557,435)**	(634,699)	**(932)**	(1,422)	**(558,367)**	**(636,121)**
Total Expenses before sale/impairment of assets	**(9,615,383)**	(8,414,685)	**(2,748,585)**	(3,702,766)	**(12,363,968)**	**(12,117,451)**
Operating Surplus/(Deficit)	**1,164,074**	135,234	**(279,818)**	359,469	**884,256**	**494,703**

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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

	2022	2021
	$	$
Community wastewater management scheme	**3,146,154**	1,074,828
Early childhood community innovation	**158,700**	-
LG research and development scheme	**448,021**	488,360
Local govt youth led COVID19 recovery	**53,211**	445,681
Other grants	**157,639**	139,947
	3,963,725	2,148,816

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

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

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

2. Summary of Significant Accounting Policies

2.a. Basis of preparation
returns through its power to direct the activities of the entity.

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

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

When controlled entities have entered or left the consolidated entity during the year, their operating results have been included/ excluded from the date control was obtained or until the date of control ceased.

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

2.b. New Accounting Standards and Interpretations

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

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

Australian Accounting Standards Board (AASB) 17 Insurance Contracts

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

The standard is not expected to be effective until the 30 June 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 it's 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:

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

2. Summary of Significant Accounting Policies

2.d. Financial instruments

- 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, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

2. Summary of Significant Accounting Policies

2.i. Unexpired Risk Liability

At each reporting date the Schemes assess whether the unearned members' contribution liability is sufficient to cover all expected future cash flows relating to future claims against current contracts. This assessment is referred to as the liability adequacy test and is performed separately for each group of contracts subject to broadly similar risks and managed together as a single portfolio.

Provision is made for unexpired risks arising from general business where the expected value of claims and expenses attributed to the unexpired periods of policies in force at the balance date exceeds the unearned members' contribution liability in relation to such policies.

If the present value of the expected future cash flows relating to future claims plus the additional risk margin to reflect the inherent uncertainty in the central estimate exceeds the unearned members' contribution liability then the unearned contribution liability is deemed to be deficient.

The entire deficiency, gross and net of reinsurance, is recognised immediately in the Statement of Surplus/(Deficit) or loss and other comprehensive income. As the Schemes do not have any intangible assets or deferred acquisition costs, the deficiency would be recorded in the statement of financial position as an unexpired risk liability.

2.j. Outwards Reinsurance

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

2.k. Claims

The liability for outstanding claims is measured as the central estimate of the present value of the expected future payments for claims incurred at the reporting date, with an additional risk margin to allow for the inherent uncertainty in the central estimate.

Claims expense and a liability for outstanding claims are recognised as losses occur. The liability for outstanding claims includes claims reported but not yet paid, claims incurred by not yet reported (IBNR) and the anticipated direct and indirect cost settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating settlement costs of not reporting claims using statistics based on past experience and trends.

Excess amounts recoverable from a Scheme member are payable and are treated as a contribution towards the settlement of a claim.

The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement, such as normal inflation. The expected future payments are discounted to present value at balance date using a risk-free rate.

Outstanding claim provisions were determined taking into account an actuarial review of the Schemes which occured in August 2022, by Cumpston Sarjeant Pty Ltd. This review was based on initial claims data to 31 March 2022 and claims data to 30 June 2022 and included in their report received in August 2022.

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 2022

2. Summary of Significant Accounting Policies

2.l. Catastrophe Margin

The Workers Compensation Scheme has recognised the likelihood of future claims in relation to asbestos related illnesses. The provision is reviewed annually and the Scheme takes guidance from the Actuary in setting the amount provided.

2.m. Special Distribution to Members

The Mutual Liability Scheme and Workers Compensation Scheme set maximum levels of accumulated funds that should be held each year. When funds exceed the maximum level, a distribution of funds is provided to member councils.

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.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

2. Summary of Significant Accounting Policies

2.q. Revenue

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.

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.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

3. Critical Accounting Estimates and Judgments

Key Actuarial Assumptions

	LGAMLS		LGAWCS	
	2022	**2021**	**2022**	**2021**
Case estimate development	**(25.00)%**	(25.00)%	-	-
Wage inflation	**4.00%**	3.00%	**4.00%**	3.00%
Superimposed inflation	**2.00%**	2.00%	**2.00%**	2.00%
Discount rate	**3.50%**	0.10%	**3.00%**	0.10%

The process used to determine actuarial assumptions

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

In the independent actuary review for 30 June for the LGMLS and LGWCS was completed on 11th August 2022, 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% (2021 -25.00%) for all accident years.

Wage inflation

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

	2022	2021
LGAMLS	4.00%	3.00%
LGAWCS	4.00%	3.00%

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

3. Critical Accounting Estimates and Judgments

Claim administration expense

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

Superimposed inflation

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

	2022	2021
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 3.50% per annum (2021 0.10%) for LGAMLS and 3.00% per annum (2021 0.10%) for LGAWCS based on current medium-term bond yields.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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

		Profit/(loss)	Total Accumulated Funds	
Variable	**Movement in variable**	**Movement by applying variable gross of reinsurance**	**Net of reinsurance**	**Total Accumulated Funds**
Wage inflation	3%	1,445,000	110,000	(110,000)
	(3%)	(1,259,000)	(94,000)	94,000
Superimposed inflation	3%	1,484,000	112,000	(113,000)
	(3%)	(1,278,000)	(96,000)	96,000
Discount rate	3%	(1,445,000)	(107,000)	106,000
	(3%)	1,777,000	132,000	(133,000)
Case - estimate development	5%	216,000	3,000	(3,000)
	(5%)	(209,000)	(3,000)	3,000

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

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%	540,000	-	(539,000)
	(3%)	(453,000)	-	453,000
Superimposed inflation	3%	553,000	-	(553,000)
	(3%)	(438,000)	-	439,000
Discount rate	3%	(1,134,000)	-	1,135,000
	(3%)	1,381,000	-	(1,381,000)

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 2022

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 which is due to expire in September 2022.

Terms and conditions of membership

Membership to LGAMLS and LGAWCS is offered to eligible bodies and renewed annually on 30 June. Payment of the annual contribution confirms continuation of membership. Termination of membership is subject to at least 90 days written notice of intention as laid out by the rules. Once a claim is accepted and indemnity granted each claim is handled individually on the circumstances peculiar to the claim.

Product features (Mutual Liability Scheme)

The Scheme operates in South Australia. Should a claim be accepted the scheme provides indemnity to the member in respect of their civil liabilities for an unlimited amount, subject to any excess for any claim incurred anywhere throughout the world.

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.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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 2022 this amounted to $21.78 million (2021: $19.63 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	
	2022	2021	2022	2021
	$	$	$	$
Financial assets				
Cash and cash equivalents	**49,472,139**	44,494,919	**7,902,679**	7,060,981
Trade and other receivables	**30,672,645**	32,236,516	**17,385,653**	15,412,329
Term deposits	**17,761,396**	23,924,270	**-**	-
Total financial assets	**97,906,180**	100,655,705	**25,288,332**	22,473,310
Financial liabilities				
Trade and other payables	**11,903,481**	11,179,900	**9,987,712**	9,832,150
Borrowings	**15,412,329**	17,689,347	**15,412,329**	17,689,347
Total financial liabilities	**27,315,810**	28,869,247	**25,400,041**	27,521,497

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 2022 (2021: 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 2022

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	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
Financial liabilities								
Trade and other payables	**(8,256,991)**	(10,516,656)	-	-	-	-	**(8,256,991)**	(10,516,656)
Borrowings	**(2,355,674)**	(2,277,018)	**(11,454,188)**	(9,922,273)	**(24,106)**	(5,490,056)	**(13,833,968)**	(17,689,347)
Total financial liabilities	**(10,612,665)**	(12,793,674)	**(11,454,188)**	(9,922,273)	**(24,106)**	(5,490,056)	**(22,090,959)**	**(28,206,003)**

Parent	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$	$	$
Financial liabilities								
Trade and other payables	**(8,256,991)**	(7,593,686)	-	-	-	-	**(8,256,991)**	(7,593,686)
Borrowings	**(2,355,674)**	(2,277,018)	**(10,265,021)**	(9,922,273)	**(2,791,634)**	(5,490,056)	**(15,412,329)**	(17,689,347)
Total financial liabilities	**(10,612,665)**	(9,870,704)	**(10,265,021)**	(9,922,273)	**(2,791,634)**	(5,490,056)	**(23,669,320)**	**(25,283,033)**

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

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	2022		2021	
	+1.00%	-1.00%	+1.00%	-1.00%
	$	$	$	$
Cash and cash equivalents	**494,721**	**(494,721)**	317,640	(317,640)
Short term deposits	**177,614**	**(177,614)**	239,271	(239,271)

6. Fair value hierarchy

Fair value hierarchy

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

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

Consolidated	**Level 2**	**Level 3**
30 June 2022	**$**	**$**
Financial Assets	**17,761,396**	-
Land and freehold buildings	-	**13,572,500**
Investment property	-	**16,927,500**

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

Parent	**Level 2**	**Level 3**
30 June 2022	**$**	**$**
Financial assets	**2**	-
Land and freehold buildings	-	**13,572,500**
Investment property	-	**16,927,500**

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

6. Fair value hierarchy

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

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 2022 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 2022

7. Revenue

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Member contributions				
- Gross earned contributions	**55,048,529**	52,078,167	**-**	-
- Rebate to members	**(19,956,370)**	(18,450,445)	**-**	-
Total member contributions	**35,092,159**	33,627,722	**-**	-
Other revenue				
- Administrative charges	**1,196,365**	1,113,543	**2,339,873**	2,240,155
- Other Revenue	**3,913,237**	2,278,473	**3,549,179**	1,855,813
- Rent	**912,192**	771,199	**1,263,926**	1,095,635
- Outgoings	**889,554**	429,436	**889,554**	503,642
- Member Service Rebates	**1,561,354**	1,144,653	**28,528**	16,110
Total other revenue	**8,472,702**	5,737,304	**8,071,060**	5,711,355

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

Member contributions

Member contributions comprise amounts charged to members of the schemes for liability protection, net of amounts returned to members as bonuses. Member contribution revenue is recognised in the Statement of Surplus/(Deficit) and other comprehensive income which has been earned. The proportion of members' contributions received or receivable not earned is recognised in the statement of financial position as an unearned member contribution liability.

Member contributions are treated as earned from the date of attachment of risk. The pattern of recognition over the period of cover is based on time, which is considered to closely approximate the pattern of risks underwritten.

Grants

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

Subscriptions

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

Other revenue

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

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

7. Revenue
Finance income

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

8. Grant expenditure

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

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
LG Research and Development Scheme	**448,021**	488,360	**448,021**	488,360
Other grants	**81,088**	95,000	**99,593**	95,000
	529,109	583,360	**547,614**	583,360

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

9. Net claims expense

The result for the year includes the following specific expenses:

Direct Business

Current period claims relate to risk borne in the current financial year. Prior period amounts relate to a reassessment of the risk borne in all previous financial years

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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

9. Net claims expense

Consolidated	2021 Current year	2021 Prior years	2021 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

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	2022	2021
Wage inflation rate	**4.00 %**	3.00 %
Superimposed inflation	**2.00 %**	2.00 %
Discount rate	**3.00 %**	0.10 %

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

10. Cash and Cash Equivalents

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Cash at bank and in hand	**9,865,986**	11,852,935	**7,902,679**	7,060,981
Short Term Deposits	**39,606,153**	32,641,984	**-**	-
	49,472,139	44,494,919	**7,902,679**	7,060,981

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

Reconciliation of result for the year to cashflows from operating activities

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Net Surplus	**4,261,928**	1,405,081	**3,959,931**	2,106,859
Cash flows excluded from profit attributable to operating activities				
adjustments for:				
- depreciation	**730,475**	728,403	**711,418**	707,991
- net gain on disposal of property, plant and equipment	**(26,150)**	17,067	**(15,287)**	17,067
- net (gain)/loss on disposal of investments	**(3,060,388)**	(1,629,222)	**(3,060,388)**	(1,629,222)
- special distributions to members	**-**	(1,500,000)	**-**	-
Changes in assets and liabilities:				
- (increase)/decrease in trade and other receivables	**(453,896)**	4,090,589	**1,877,719**	1,967,482
- (increase)/decrease in prepayments	**(124,107)**	(170,051)	**3,789**	(165,936)
- increase/(decrease) in trade and other payables	**723,581**	3,676,785	**155,561**	3,795,344
- increase/(decrease) in outstanding claims and unearned contributions	**(467,026)**	(2,973,797)	**-**	-
- increase/(decrease) in employee benefits	**(42,062)**	151,237	**(66,607)**	139,123
Cashflows from operations	**1,542,355**	3,796,092	**3,566,136**	6,938,708

11. Trade and other receivables

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
Trade receivables	**1,168,535**	1,298,236	**451,234**	329,437
Accrued Income	**2,062,854**	1,706,000	**1,522,090**	1,244,588
State Local Govt Infra Partnership Receivable	**2,355,674**	2,277,018	**2,355,674**	2,277,018
Member contribution receivable	**12,028,927**	11,542,933	**-**	-
	17,615,990	16,824,187	**4,328,998**	3,851,043

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

11. Trade and other receivables

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
NON-CURRENT				
State Local Govt Infra Partnership Receivable	**13,056,655**	15,412,329	**13,056,655**	15,412,329
	13,056,655	15,412,329	**13,056,655**	15,412,329

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 (2021: 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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

11. Trade and other receivables

the funding deed.

Member contribution receivable

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

12. Financial Assets

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
Term deposits	**17,761,396**	23,924,270	**-**	-
	17,761,396	23,924,270	**-**	-

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
NON-CURRENT				
Shares in controlled entities (at amortised cost)	**2**	2	**3**	2
	2	2	**3**	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	
	2022	2021	2022	2021
CURRENT	$	$	$	$
Reinsurance recoveries on paid claims	**2,910,977**	300,355	**-**	-
Reinsurance recoveries receivable	**3,755,057**	3,830,988	**-**	-
Discount to present value	**(401,690)**	31,501	**-**	-
Reinsurer default provision	**(21,126)**	(24,334)	**-**	-
	6,243,218	4,138,510	**-**	-

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

13. Reinsurance and other recoveries receivables

	Consolidated		Parent	
	2022	2021	2022	2021
NON CURRENT	**$**	**$**	**$**	**$**
Reinsurance recoveries on paid claims	**13,976,090**	12,466,013	-	-
Discount to present value	**(1,495,067)**	102,503	-	-
Reinsurer default provision	**(78,360)**	(79,182)	-	-
	12,402,663	12,489,334	-	-

Assets arising from reinsurance contracts were estimated for each accident year, from the payments to date and estimated outstanding claims history at 30 June 2022, 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 $99,756 (2021 $103,516) calculated at a rate of 0.63% (2021 0.63%) on the discounted value of the total reinsurance recoveries.

14. Property, plant and equipment

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

Parent	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	937,382	118,074	39,809	52,917	22,798,182
Trasnfer to Investment Property	(11,910,322)	-	-	-	-	(11,910,322)
Additions	-	2,048,584	100,104	70,569	199,405	2,418,662
Transfers	-	(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**

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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 2022						
Opening net carrying amount	10,860,445	1,967,024	258,578	70,972	199,406	13,356,425
Transfer to investment property	-	(327,566)	-	-	-	(327,566)
Additions	-	559,344	99,974	-	-	659,318
Transfers/Disposals	262,643	(178,119)	(67,295)	-	(199,406)	(182,177)
Depreciation expense	(237,073)	(260,646)	(62,797)	(29,485)	-	(590,001)
Revaluation	2,686,485	-	-	-	-	2,686,485
Closing net carrying amount	**13,572,500**	**1,760,037**	**228,460**	**41,487**	**-**	**15,602,484**

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	943,338	216,062	39,809	52,917	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/(Impairment)	1,418,759	(798,528)	-	-	-	620,231
Closing net carrying amount	**10,860,445**	**1,967,024**	**258,578**	**70,972**	**199,406**	**13,356,425**

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

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

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.

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

14. Property, plant and equipment

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Surplus/(Deficit) and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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

(a) Transfer to/from investment property

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

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

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

15. Investment Properties

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Opening Balances	**13,539,545**	-	**13,539,545**	-
Additions or/(transfers)	**327,566**	11,910,322	**327,566**	11,910,322
Gain / (loss) on revaluation of investment property	**3,060,388**	1,629,223	**3,060,388**	1,629,223
Balance at end of year	**16,927,499**	13,539,545	**16,927,499**	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)

(b) Recognition and measurement

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

At each balance date, an external independent Full Scope valuation of the building is undertaken to determine the fair value of the Investment Property. The Full Scope valuation process incorporates a site inspection with building price indices, inflation, interest rates and other factors which may impact market values. The independent valuation was conducted by Knight Frank in June 2022 for the 30 June 2022.

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.

Back to Agenda

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

16. Intangible Assets

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

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

Consolidated	Computer software $	Total $
Year ended 30 June 2022		
	777,642	**777,642**
Amortisation	**(140,477)**	**(140,477)**
Closing value at 30 June 2022	**637,165**	**637,165**

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

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.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

16. Intangible Assets

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.

17. Trade and other payables

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
GST payable	**1,062,175**	1,041,612	**-**	-
Motor vehicles lease liability	**41,976**	71,518	**41,976**	71,518
Accrued expenses and other payables	**2,542,339**	2,473,084	**1,688,745**	2,166,946
Revenue and grants received in advance	**8,256,991**	7,593,686	**8,256,991**	7,593,686
	11,903,481	11,179,900	**9,987,712**	9,832,150

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	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
Long service leave	**385,786**	421,483	**277,699**	298,724
Annual leave	**450,182**	480,756	**344,060**	390,558
	835,968	902,239	**621,759**	689,282

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
NON-CURRENT				
Long service leave	**225,345**	201,136	**184,693**	183,777
	225,345	201,136	**184,693**	183,777

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

18. Employee benefits

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 next 12 months for the Group $409,445 (2021: $429,067) and the parent, LGA $307,114 (2021: $325,651).

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	
	2022	2021	2022	2021
	$	$	$	$
CURRENT				
Other loans	**2,355,674**	2,277,018	**2,355,674**	2,277,018
	2,355,674	2,277,018	**2,355,674**	2,277,018
NON-CURRENT				
Other loans	**13,056,655**	15,412,329	**13,056,655**	15,412,329
	13,056,655	15,412,329	**13,056,655**	15,412,329

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 $10,854,199 (2020: $10,324,828) for contributions billed in advance has been recognised. These amounts offset equivalent amounts in contributions owing.

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

21. Outstanding Claims Liability

	Consolidated		Parent	
	2022	2021	2022	2021
	$	$	$	$
Central Estimate	**38,836,606**	36,252,350	-	-
Discount to present value	**(3,292,906)**	(102,384)	-	-
	35,543,700	36,149,966	-	-
	35,543,700	36,149,966	-	-
Risk margin	**3,714,665**	4,104,796	-	-
Gross outstanding claims liability	**39,258,365**	40,254,762	-	-
Gross claims incurred	**42,551,271**	40,357,146	-	-
Current	**12,684,227**	13,340,144	-	-
Non-Current	**26,574,138**	26,914,618	-	-
	39,258,365	40,254,762	-	-

Outstanding claims

A provision of $39,258,365 (2021: $40,254,762) 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

	2022	2021
	$	$
LGAMLS	**25.00 %**	25.00 %
LGAWCS	**20.00 %**	20.00 %

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

21. Outstanding Claims Liability

Reconciliation of movement in discounted outstanding claims liability

	Gross		Recoveries		Net	
	2022	2021	2022	2021	2022	2021
	$	$	$	$	$	$
Balance at 1 July	**40,254,762**	42,522,089	**(16,627,845)**	(18,055,729)	**23,626,917**	24,466,360
Current year claims incurred	**13,678,859**	14,633,929	**(2,575,778)**	(2,687,446)	**11,103,081**	11,946,483
Previous years claims incurred	**1,812,446**	(3,470,357)	**(2,709,496)**	1,717,587	**(897,050)**	(1,752,770)
Incurred claims in income statement	**15,491,305**	11,163,572	**(5,285,274)**	(969,859)	**10,206,031**	10,193,713
All claims paid during the year	**(16,487,702)**	(13,430,899)	**3,267,509**	2,397,743	**(13,220,193)**	(11,033,156)
	39,258,365	40,254,762	**(18,645,610)**	(16,627,845)	**20,612,755**	23,626,917

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 $4,486,000 (2021: $4,749,000) with an additional component of present value of expected future cash flows in relation to risk margin, net of reinsurance, to be $30,000 (2021: $30,000).

In performing this test a risk margin of 25% (2021 25%) was used to secure a 75% (2021 75%) probability of adequacy.

The probability of adequacy for the outstanding claims liability is set at a level that is appropriate and sustainable to cover the Scheme's claims obligations after having regard to the prevailing market environment and prudent industry practice.

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

23. Liability Adequacy Test

LGAWCS

The liability adequacy test identified the central estimate of the present value of future cash flows for future claims to be $11,710,000 (2021: $12,872,000) with an additional component of present value of expected future cash flows in relation to risk margin to be $1,952,000 (2021: $2,145,000).

In performing this test a risk margin of 20% (2021 20%) was used to secure a 75% (2021 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 2022 (30 June 2021:None).

25. Interests in Subsidiaries

	Principal place of business / Country of Incorporation	Percentage Controlled (%)* 2022	Percentage Controlled (%)* 2021
Subsidiaries:			
Local Government Mutual Liability Scheme (1)	Australia	-	-
Local Government Workers Compensation Scheme (1)	Australia	-	-
LGCS Pty Ltd (Trustee for LGCS Trust No.1) trading as LGA Procurement	Australia	**100**	100
LGASA Mutual Pty Ltd	Australia	**100**	100

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

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

26. Key Management Personnel Remuneration

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

	2022 $	2021 $
Short-term employee benefits	**876,682**	891,293
Long-term benefits	**14,935**	129,460
Post-employment benefits	**111,956**	278,801
	1,003,573	1,299,554

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

Local Government Association of South Australia

Notes to the Financial Statements

For the Year Ended 30 June 2022

26. Key Management Personnel Remuneration

Transactions with key management personnel and other related parties

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

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

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

27. Related Parties

Key management personnel - refer to Note 26.

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

The following entities are considered related parties:

- Local Government Finance Authority
- SA Government Financing Authority

Loans to/from related parties

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

	Opening balance $	Closing balance $	Interest income/ (expense) $	Interest receivable/ (payable) $
Loans from related parties				
2022	**(17,689,257)**	**(15,412,329)**	**(550,551)**	**(46,952)**
2021	(19,890,336)	(17,689,257)	(627,637)	(37,430)
Loans to related parties				
2022	**59,864,983**	**63,159,263**	**576,135**	**160,036**
2021	65,075,521	59,864,983	770,544	241,843

Local Government Association of South Australia

Notes to the Financial Statements
For the Year Ended 30 June 2022

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

Back to Agenda

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 46:

1. Present fairly the results of the operations of Local Government Association of South Australia as at 30 June 2022 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

Chief Executive Officer.....
Clinton Jury

Dated this 23rd day of September 2022

Back to Agenda

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 2022 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 Surplus/(Deficit) and other comprehensive income for the year ended 30 June 2022
- the Parent and Consolidated statement of financial position for the year then ended
- the Parent and Consolidated statement of changes in equity for the year then ended
- the Parent and Consolidated statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the Statement by Members of the Board

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for internal purposes to assist Local Government Association of South Australia and its members. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Local Government Association of South Australia and its members and should not be used by parties other than Local Government Association of South Australia and its members. Our opinion is not modified in respect of this matter.

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Back to Agenda

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 2022, 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.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the members of the Board for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

M. T. Lojszczyk
Partner

Adelaide
23 September 2022

Back to Agenda

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	28 October 2022	
ECM:	782367	Attachments:	777950, 778786, 779106, 782368

Recommendation

That the Annual General Meeting notes the Annual Reports for the year 2021-22 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 2021-22 Annual Reports of SAROC and GAROC have been received and approved by the LGA Board of Directors 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 2021-22 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.

2021-22 GAROC Annual Report



Table of contents

1. Introduction 4
2. Delivering GAROC's 2021-22 Annual Business Plan 5
3. Items of Business referred to the LGA Board of Directors or an LGA General Meeting .. 133
4. Details of meetings 144
5. Communications and member engagement 166

From the Chair



I am delighted to present the *2021-22 GAROC Annual Report*.

2021-22 marks the second year of the current GAROC term. I would like to thank all members, both current and former, for their dedication to the committee and to local government in South Australia.

As a strong, united voice for metropolitan councils, GAROC has continued to be a strong advocate on issues of strategic importance that are common across the metropolitan region. Our efforts have covered a broad range of issues including economic development and addressing climate change.

A priority this year has been our collective advocacy to the State Government to ensure that South Australia's planning system reflects leading practice, facilitates better design outcomes and supports local decision making.

On two occasions, GAROC was pleased to host the new Chair of the State Planning Commission, Craig Holden, and senior staff from the Attorney-General's Department. Following the 2022 State Election, the Committee also engaged early with the new Minister for Planning, Hon Nick Champion, in a wide-ranging discussion on planning issues important to our communities and how councils can engage in the update of the 30-Year Plan for Greater Adelaide to ensure community voices are reflected in future reforms and policy.

A key role for GAROC is to consider proposed Items of Business for LGA General Meetings. On behalf of the Committee, I would like to thank all those councils who brought forward suggested motions for policy development. This had led to increased local government advocacy on issues important to the metropolitan community, including renewable energy, homelessness, boundary reform, illegal dumping.

In consultation with member councils, GAROC's next Annual Business Plan has prioritised advocacy activities in economic development, planning and stormwater.

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



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 role of GAROC is to provide regional advocacy, policy initiation and review, leadership, engagement and capacity building in the GAROC Region. It supports the LGA to advance the interest of local government, by:

- supporting the activities of the LGA at a regional level;
- promoting communication between Members and between Members and the LGA;
- advocating in respect of matters which affect the GAROC Regional Grouping;
- encouraging engagement of Members within the GAROC Regional Grouping with GAROC and the LGA; and
- participating in policy development and implementation.

This Annual Report provides a summary of GAROC's activities from 1 July 2021 to 30 June 2022.



2. Delivering GAROC's 2021-22 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.

GAROC's work in 2021-22 had a strong focus on economic development priorities. GAROC has continued to support the LGA's advocacy to the Federal Government and State Government for funding, initiatives and legislative/regulatory reforms that assist councils to support businesses and communities to respond and recover from the COVID19 pandemic.

Productivity Commission's Inquiry into reform of South Australia's regulatory framework

In response to feedback from GAROC and metropolitan councils, the LGA's submission to the SA Productivity Commission's Inquiry into reform of South Australia's regulatory framework included advocacy for:

- The re-establishment of the State-Local Government Red Tape Taskforce – incorporated into a wider framework of state-wide regulatory stewardship – to investigate and consider regulatory reform options implemented by and/or enforced by the local government sector.
- Greater transparency and structured stakeholder consultation be made part of the South Australian Government's Regulatory Impact Assessment processes and practice.
- A stocktake be conducted of South Australian business regulations.
- The South Australian Government establish a state-wide business regulatory concierge service to assist small and start-up businesses navigate their regulatory compliance responsibilities.

Final reports for both the Inquiry into reform of South Australia's regulatory framework and tourism regulation review are now available on the Commission's website and the State Government has also separately published its official responses to their recommendations.

LGA analysis of the Commission's findings, recommendations and the State Government's responses were also prepared for South Australian councils.

Shovel Ready

In 2021-22, GAROC supported the LGA's Shovel Ready program, which provided information, advice and support to metropolitan councils to leverage and create State and Federal grant funding opportunities.

Shovel Ready assisted the project application and delivery planning phases of 18 metropolitan councils through the Local Government Infrastructure Partnership Program, supporting a total of $45,737,000 in project grant funding.

Economic development data tools and framework

GAROC is pleased to help support the Metropolitan Economic Development Practitioner Network to share best practice support for business and local economic development amongst the membership.

In 2021-22, through consultation with the network an opportunity emerged to help councils make the best use of the wide variety of on-line data tools they use to gain a better understanding of how their local economies are performing and to guide council decision-making and investment.

GAROC has commissioned a project to determine best practice use and cost-effective procurement of these data tools for councils' economic development purposes.

GAROC has also commissioned the development of a principles-based Economic Development Framework to assist metropolitan councils to develop and refine their own economic development plans and strategies. The framework will capture important considerations such as the economic value of vibrant, sustainable and connected communities.

Consultation with member councils is well underway and we look forward to delivering further advice on the data tools and economic development framework to councils in 2022.

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.

During 2021-22, GAROC has continued to prioritise advocacy on planning issues on behalf of metropolitan councils.

GAROC engaged early and met with the new Chair of the State Planning Commission, Craig Holden, and the new Minister for Planning, Hon Nick Champion, to highlight local government and community concerns with the planning system, the current 30-Year Plan for Greater Adelaide and a range of other planning matters.

GAROC has advocated that the State Government, the State Planning Commission and the local government sector work even closer together through collaboration to progress the issues outlined below to make the planning system work for all South Australians and improve the liveability of South Australia through co-designed policy development.

The Chair of GAROC, Mayor David O'Loughlin, also represents the LGA on the Ministers Liaison Group (MLG). The MLG comprises members of the key industry groups involved in planning and building and provides high level strategic advice on industry and sector-specific aspects of the implementation of the PDI Act.

Review of the planning system

In 2021-22, GAROC continued to support the LGA to work with all member councils to identify where improvements and enhancements to the new planning system could occur. GAROC has regularly provided this advice to the Minister, State Planning Commission and the Attorney-General's Department.

GAROC supported the LGA's advocacy that the State Government undertake an independent review of the *Planning Development and Infrastructure Act* (PDI Act) and regulations and associated documents (Practice Directions) following twelve months of operation.

Further to advocacy from the local government sector, the Labor government has committed to:

- review the planning code, in order to encourage "planning decisions that encourage a more liveable, competitive and sustainable long-term growth strategy";
- protect the character and heritage of local communities;
- ensure greater tree canopy coverage and green open space;
- provide certainty to business, industry and communities by implementing appropriate design standards;
- improve the e-planning system;
- ensure a focus on balancing growth and protection for our streets and suburbs, to ensure Adelaide remains one of the world's most livable cities;
- address urban infill and the impact this has on open space and the amenity of our suburbs, together with heritage, including Aboriginal heritage; and
- ensure 10% of developer contributions that are paid to the Planning and Development will fund councils buying land to create pocket parks and to add to the existing open space network.

Review of 30-Year Plan for Greater Adelaide

GAROC consulted with member councils to inform an Issues Paper that was provided to the Planning Commissioner as a basis for further discussion as the State Government commenced review of the 30-Year Plan for Greater Adelaide.

GAROC successfully advocated that the review takes a holistic approach, addressing opportunities for growth only if considered in the context of addressing liveability and sustainability pressures arising from development such as tree loss, additional hard surface runoff and stormwater loads, traffic and parking issues, dilution of historic character and provision of adequate employment lands proximal to additional living outcomes.

The GAROC Chair signed a joint letter from the LGA President and the Chair of SAROC to the Minister and Opposition Spokesperson outlining the importance of the 30-Year Plan for Greater Adelaide in supporting the future direction, liveability and economic growth for both metropolitan Adelaide and the State, and the need for the plan to include evidenced based investigations and suitable level of collaboration and engagement with local government and their communities.

Environment and Food Production Areas review

Environment and Food Production Areas (EFPAs) were introduced to protect vital agricultural lands surrounding metropolitan Adelaide from urban encroachment.

In 2021-22, along with a number of metropolitan councils, GAROC made a submission to the State Planning Commission's review of EFPAs and associated bulk and infill land supply reports, highlighting that the reviews and reports do not appear to be considering:

- impacts on local road and stormwater networks;
- the need for additional open space and recreation facilities;
- the reduction in average private open space associated with infill development; and
- the associated loss of trees and landscaping.

The Commission and staff from the Attorney-General's Department subsequently met with GAROC to discuss these issues. The Commission's EFPA Review Outcomes Report is available on the PlanSA portal.

Open space funding review

GAROC continued to engage with the State Planning Commission on open space and the urban tree canopy cover and sought a review of the Planning and Development Fund to ensure financial models that are more equitable and appropriate for councils experiencing higher volumes of infill development.

To support the provision and development of open space, the State Government delivers the Open Space Grant Program through the Planning and Development Fund which provides the means for open space and public realm investment across South Australia.

The fund is derived from payments in lieu of open space for development involving the division of land into less than 20 allotments and for strata and community titles. Metropolitan councils are experiencing an increase of infill developments under 20 allotments which is increasing the demand for open space. Accordingly, it is imperative to ensure that the Planning and Development Fund is operating optimally to ensure the efficient and appropriate funding and delivery of open space to South Australian communities.

In 2021-22, GAROC commissioned evidenced based research to identify how the equitable distribution of the Planning and Development Fund can be undertaken in a transparent and repeatable manner. To be delivered in the second half of 2022, the project will identify:

- models to provide funding to areas experiencing significant development pressure, including directing funds from subdivisions back to the councils where they were generated without restriction;
- opportunities for a pre-approval process for land purchases by councils, so that opportunities to buy key properties are not lost due to the timing of annual grant applications;

- possible changes to funding decisions and allocation approaches; and
- the advantages and disadvantages of the identified options.

This project is anticipated to be completed in the second half of 2022.

Private Certification System and Proposal for Audit

In November 2021, following an item of business from the City of Prospect, the GAROC Chair wrote to the Minister for Planning to request an urgent audit be undertaken of registered private certifiers (non-Government Accredited Professionals) to identify and address the numerous shortfalls that the local government sector identified with the private certification system.

The Chair of GAROC and the Planning Reform Partner subsequently met with representatives of the Accreditation Authority.

The Accreditation Authority has subsequently commenced a review of the Accreditation program which is anticipated to be undertaken during 2022.

Certificate of Occupancy

The Local Government Association of South Australia (LGA) was made aware that a request was made to the Minister to defer the reintroduction of Certificate of Occupancies (CoO) for Class 1a buildings for a further 18 months until 1 January 2024.

The request was made by the building industry as they considered that the July 2022 reintroduction of the CoO may result in delays in occupation of homes and payment of final progress payments to builders, with these delays being compounded by the increase in home approvals owing to the HomeBuilder stimulus package.

Following consultation with councils the LGA advised the Minister that delay of 18 months would appear both excessive and unnecessary and there should be consideration to implement CoO's to bring South Australia into line with other states. The LGA also suggested that should a further delay is to be considered, the LGA would suggest a delay only until 31 December 2022.

This matter was discussed at the recent Ministers Liaison Group meeting on 11 May attended by Mayor O'Loughlin and the LGA Policy Advisor. The Minister advised that he was supportive of a delay until January 2024, he also indicated that there would be no extensions beyond this time.

The LGA Secretariat will engage with the sector in relation to the development of housing occupancy requirements as they may differ between metropolitan and regional areas.

Arborist Qualifications, Standards and Methodologies

The City of Unley requested GAROC to consider an Item of Business relating to Arborist Qualifications, Standards and Methodologies under the PDI Act. Following consideration of this Item of Business the GAROC Chair wrote to the State Planning Commission requesting that this matter be considered as part of the Commissions review of regulated and significant trees. The following response was received from the Commission Chair:

As you have noted, the Commission is currently undertaking the Open Space and Trees Project (the Project) which will include both:

- *An immediate assessment of tree species subject to regulated and significant tree protections, with a view to recommending to the Minister for Planning any immediate changes which can be made (Part 1).*
- *A more comprehensive and long-term review of the Planning, Development and Infrastructure (General) Regulations 2017 as they relate to regulated and significant trees (Part 2).*

Through its work on Part 1 of the Project, the Commission has become aware of a number of matters which will likely warrant further consideration within Part 2. This will include matters such as the proper identification of tree species, as well as the qualifications, skills and experience of arborists working in the planning system, and the practices and procedures adopted by those professionals.

The Commission has requested Planning and Land Use Services to record your feedback within the register of matters to be further considered within Part 2 of the Project, which will be utilised in development of the detailed project scope.

I note it is the Commission's intention to also engage with the Local Government Association (and through them, GAROC) with respect to any proposed regulatory changes arising from Part 1 as well as Part 2 of the Project.

GAROC will continue to engage with the Commission and State Government on the matter of regulated and significant trees during 2022-23.

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.

Coastal management

Collaborative arrangements between metropolitan councils in coastal management has occurred via the Metropolitan Seaside Councils Committee (MSCC), which has been operational for more than 50 years.

In that time, it has been responsible for driving important strategic outcomes for metropolitan councils including the formation of the *Coast Protection Act (SA) 1972*, the formation of the Coast Protection Board (CPB), convening and sponsoring conferences and workshops, and supporting the initiation of the South Australian Coastal Councils Alliance (SACCA).

In partnership with metropolitan coastal councils and the Green Adelaide Board, GAROC provided $7000 funding to support an independent review of the MSCC.

Recognising the growing scale and complexity of coastal protection, conservation and adaptation in the metropolitan area, the review recommended a stronger role for the LGA in coordinating the interests of metropolitan Adelaide councils. In response, GAROC agreed to co-fund coastal councils a one-year transitional arrangement for the executive coordination of the committee to come within the LGA Secretariat.

Climate change

In 2020-21, 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 and Water, whereby the LGA hosts the coordination function of the Regional Climate Partnerships across both metropolitan and regional state government regions.

Leveraging these partnerships, in May 2022, GAROC hosted a workshop to bring metropolitan mayors together with the Regional Climate Partnership staff and the State Government to showcase local initiatives and inform future advocacy and projects. The Minister for Climate, Environment and Water, Hon Susan Close MP, attended the forum and spoke about the importance of the partnership between State and local government.

GAROC's Climate Change Action Forum built on a series of workshops held with subject matter experts in metropolitan councils. The forum identified further projects that can be developed in partnership with State and Federal Governments to progress tangible initiatives in priority areas such as climate risk management, hazard data, emissions reduction and urban development.

Food for the Earth – program outcome

In 2021-22 GAROC budgeted $50,000 for a project proposal for metropolitan councils to partner with Woolworths to support community uptake of food waste recycling.

Following its own limited trial of compostable produce bags, Woolworths confirmed it would proceed with a full statewide rollout replacing polyethylene bags with fully compostable bags in their fresh produce areas over coming weeks. This is a huge win and an excellent step forward towards a circular economy, supporting council efforts to divert food from the solid waste bins and, in time, saving councils from buying and distributing these bags to local residents.

Woolworths' in-store and on-bag signage information will encourage customers to use the bags to capture food scraps and recycle them via green bins.

In 2022, Woolworths also made the decision not to progress with the Food for the Earth Project. It was understood that with the onset of the COVID-19 pandemic and disruptions in supply chains and logistics Woolworths needs to refocus its efforts back to its core business of putting food on shelves.

Theme 4: Reform and Innovation

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

Local government reform

During 2021-22 GAROC has received updates and provided advice to support the LGA in its role in the implementation of Local Government Reform, ensuring engagement on elements such as election reforms, member behaviour standards, and strategic management plans (annual business plans and budget and long-term financial plans) and changed annual reporting requirements.

GAROC continued to support the LGA's advocacy for a review of the mandatory rate rebates that councils are compelled to provide. It made a budget commitment of $35,000 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.

Mandatory rate rebates

In 2021-22, the LGA Secretariat commenced preparation of the issues paper to inform consultation with member councils, which will be undertaken prior to commissioning a report from an economic advisory consultant in 2022-23.

Boundary Reform

Responding to a proposed Item of Business for a LGA General Meeting from the Adelaide Hills Council, GAROC invited Mr Bruce Green, Commissioner, and the Boundaries Commission team to its meeting to discuss the process for assessing requests for boundary changes.

Responding to varied reports about how the process is working, GAROC recognised that the new boundary reform process is still in its infancy, however its efficacy should be reviewed at some point. GAROC also agreed that the process would benefit from some rigour around timeframes.

GAROC recommended an Item of Business to the LGA Annual General Meeting for the sector to ask the SA Local Government Boundaries Commission to review its guideline to require a timeframe for proposals as it moves through preparation and lodgement stages, and that the LGA advocate for a review of boundary reform legislation in consultation with local government once a proposal for boundary reform has progressed through all stages of the statutory process (or within 5 years of the commencement of the legislation).

While the motion was lost at the AGM, GAROC's advocacy influenced the Commission to subsequently amended its Guidelines to enable the Commission to set timeframes for the referral of a Stage 2 proposal to the Commission, and for other elements of the Commission's processes.

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

LGA 2021 Annual General Meeting – 29 October 2021

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

- Cost and Timeframes for Adjustment to Telecommunication Pits of Road Reserves (Gawler)
- Clear and Consistent Rules for Purchased Renewable Electricity (Gawler)
- Homelessness (Port Adelaide Enfield)
- Illegal Dumping (Port Adelaide Enfield)

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

- Boundary Reform Legislation Change (Adelaide Hills)

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

- Fossil Fuel Divestment (Marion)

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

- Request for a Review of the 30-Year Plan for Greater Adelaide (Onkaparinga)
- Amending Minimum Garage Sizes (Campbelltown)
- Electronic Vehicles (Port Adelaide Enfield)
- Private Certification Audit (City of Prospect)

Proposed items of business not recommended by GAROC.

- Regular Print Media (Marion)
- Electronic Petitions (Port Adelaide Enfield)

LGA 2021 Ordinary General Meeting – 8 April 2022

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

- Review of the *Planning Development and Infrastructure Act* (Norwood, Payneham & St Peters)
- Lack of local representation in the new Planning System, under the *Planning, Development and Infrastructure Act 2016* (PDI Act) (Town of Gawler)
- Rough Sleeper/Homelessness Initiative (Town of Gawler)

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

- Tree advocacy: Arborist Qualifications/standards and methodologies (City of Unley)

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

- Inclusion of Email Addresses in the Voters Roll (Adelaide)

4. Details of meetings

During 2021-22, GAROC meetings were held on the following dates:	
• 5 July 2021	• 28 February 2022
• 6 September 2021	• 21 March 2022
• 1 November 2021	• 2 May 2022

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	6	6
Mayor Gillian Aldridge	6	5
Mayor Claire Boan	6	6
Mayor Angela Evans	6	6
Mayor Dr Heather Holmes-Ross	4	4
Mayor Karen Redman	6	4
Mayor Erin Thompson	3	3
Lord Mayor Sandy Verschoor	6	5
Mayor Jan-Claire Wisdom	6	5
Cr Geoff Eaton*	2	2
Cr Lindy Taeuber*	2	2
Acting Mayor Simon McMahon**	1	1

***GAROC Leave of Absences**

Leave of absences arose at the 28 February 2022 and 21 March 2022 meetings due to Mayor Erin Thompson and Mayor Dr Heather Holmes-Ross contesting seats in the 2022 South Australian State Election.

A nomination process and majority resolution from the Members comprising the South Regional Grouping (being the Cities of Marion, Mitcham and Onkaparinga) confirmed Cr Geoff Eaton (Onkaparinga) and Cr Lindy Taeuber (Mitcham) as Replacement Members until the election was declared.

GAROC appointed Lord Mayor Verschoor as acting Director on the LGA Board of Directors for the duration of Mayor Erin Thompson's corresponding leave of absence from the LGA Board.

In the 2022 South Australian State Election, former Mayor of Onkaparinga and GAROC committee member Ms Erin Thompson was declared as the elected candidate for Davenport on 29 March 2022.

This consequently caused a Casual Vacancy on the GAROC committee.

A nomination process and majority resolution from the Members comprising the South Regional Grouping (being the Cities of Marion, Mitcham and Onkaparinga) confirmed Acting Mayor Simon McMahon (City of Onkaparinga) was elected as a member of the GAROC Committee by the Southern Regional Grouping.

Acting Mayor McMahon fills the casual vacancy for the balance of the GAROC term ending after the LGA Annual General Meeting to be held on 28 October 2022.

Ms Thomspon's election as the Member for Davenport also caused a Casual Vacancy on the LGA Board of Directors.

GAROC appointed Mayor Heather Holmes-Ross as Director on the LGA Board of Directors for the balance of the current term ending after the 2022 LGA Annual General Meeting.

Guest Speakers	
6 September 2021	• Bruce Green (Chair), Peter Ilee and Tom Rossini, Boundaries Commission
1 November 2021	• Craig Holden (Chair), Sally Smith (Executive Director Planning and Land Use Services) & Anita Allen (Director Planning & Development) – State Planning Commission
21 March 2022	• Craig Holden (Chair) & Sally Smith (Executive Director) State Planning Commission
2 May 2022	• Minister for Planning Hon Nick Champion

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 2021-22, GAROC continued to provide 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.


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Back to Agenda

2021-22 SAROC Annual Report



From the Chair 3
1. Introduction 4
2. Delivering SAROC's 2021-22 Annual Business Plan 5
Theme 1: Economic Development 5
Theme 2: Community Development 6
Theme 3: Natural and Built Environment 7
Theme 4: Financial Sustainability and Governance 9
3. Items of Business Referred to the LGA Board of Directors or an LGA General Meeting 11
4. Details of Meetings 14
5. Communications and Member Engagement 16

From the Chair



I am honoured to present the *2021-22 SAROC Annual Report*.

The 2021/22 year has been an extremely busy time for SAROC with some significant work being undertaken in the areas of regional health and regional housing.

SAROC recognises that both issues need to be addressed with SAROC working in partnership with both the state and federal government to support the economic sustainability of the regions. These issues will remain a priority for SAROC in 2022/23. SAROC advocacy on matters including jetties and regional waste will also continue.

This year we have seen the commencement of the regional planning process. Although no Joint Regional Planning Boards were established, SAROC is looking forward to working with the State Planning Commission in 2022/23 to develop these plans across the regions to support the regional economic sustainability and liveability.

During the year SAROC invited a number of key speakers to present on matters of importance to regional councils, these presentations helped inform SAROCs decision making and we are grateful to these speakers for taking the time to attend our meetings.

I wish to thank the LGA Secretariat and the regional LGAs for their help during the year

I would also like to thank the members of SAROC for their participation and counsel and in particular I would like to acknowledge Mayors Burgess, Telfer and Barber for their contribution to SAROC.



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 2021 to 30 June 2022.



2. Delivering SAROC's 2021-22 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.

2021-22 activities

Report to Inform the Development of a Regional Housing Policy Toolkit

The SAROC Committee commissioned Leonie Boothby & Associates to develop a Regional Housing Policy Toolkit, designed to:

- consolidate advice on innovative policy options already available to regional councils seeking to facilitate residential development; and
- provide a policy reform advocacy agenda for the SAROC Committee to take to other levels of government.

In developing the toolkit, Leonie Boothby & Associates consulted with, local councils, South Australian Government agencies, Regional Development South Australia (RDSA), and other stakeholders involved in residential development.

In May 2022, SAROC received the 'Report to Inform the Development of a Regional Housing Policy Toolkit'. The report is structured into three key sections: 'Situational Analysis'; 'Local Government Regional Housing Support Framework'; and 'Local Government Sector Advocacy'.

It provides the evidence-base needed to produce the Regional Housing Policy Toolkit's two outputs:

1. An online Local Government Regional Housing Support Framework, which outlines a range of roles and actions that individual councils can take to assist in addressing identified regional housing supply challenges and barriers. This will be housed on the LGA's website and has been designed to evolve over time, as examples, tools and initiatives are identified, developed and shared by councils.
2. A Regional Housing Advocacy Agenda for the LGA and SAROC, outlining the current and forecast housing supply challenges and barriers in regional South Australia, and a series of recommendations for advocacy to other levels of government and stakeholders for further investigation, discussion, collaborative action, and policy reform.

A copy of the Leonie Boothby & Associates report is available as an attachment to the 26 May 2022 SAROC Committee agenda.

Regional Housing Roundtable

In June SAROC held a Regional Housing Roundtable, with State Government representatives and representative Mayors from each of the Regional Local Government Associations.

The purpose of the roundtable was to enable regional Mayors to speak about the impacts that housing affordability and availability is having on their communities from both a social and economic perspective, to outline some of the causes and importantly the steps they have taken to address the issue.

It also enabled the State Government agency representatives to provide advice as to how the State Government is currently responding to the regional housing crisis and provide their thoughts on other actions that could be undertaken.

Housing supply and availability will remain a key priority for SAROC in 2022/23. SAROC will continue to support the LGA's advocacy for State and Federal Government policies that develop a roadmap for increasing regional housing supply that includes better incentives for private development in regional areas and alternative funding models for affordable housing projects and associated infrastructure, including a process to secure government funds.

RDSA Collaboration

During 2021-22, the LGA Secretariat has commenced regular contributions at monthly RDSA CEO meetings, providing an additional avenue for collaborative information sharing and policy dialogue, needed for effective advocacy on behalf of the economic development functions of both regional councils and RDAs.

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.

Public Health and Community Wellbeing

SAROC has sought to assist councils and regional LGAs to build capacity and best practice in their development, review and renewal of regional public health plans and to assist regional councils and communities to respond and recover from the COVID-19 public health emergency.

It has also assisted regional councils to come together to identify common priorities among their updated Regional Public Health plans and to advocate for State Government funding to assist with implementation of key actions where necessary.

SAROC has sought to promote and share the learnings from the Community Wellbeing Alliance trials with all regional LGAs, and further promote the work of the Community Wellbeing Indicators research project commissioned by the Southern and Hills LGA.

A Community Wellbeing Alliance pilot program has been supporting some councils in the Murraylands and Riverlands LGA and Southern and Hills LGA to address specific health and wellbeing needs in the regions arising from regional public health plans and planning processes and identify opportunities to improve local government's role in supporting community wellbeing in regional communities.

The Community Wellbeing Indicators were successfully launched in April 2022 by the Chief Public Health Officer Professor Nicola Spurrier at an event held in LG House.

Regional Health Workforce Project

SAROC has continued to advocate to the Federal and State Governments for the provision of improved health services.

SAROC also supported the progression of a key action from the Rural 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.

During 2021/22 SAROC considered a comprehensive Regional Health Workforce Literature Review, prepared by the LGA, that outlines the unique challenges to accessing adequate health care and endorsed the use of a Regional Health Workforce Consultancy Brief to obtain quotes for a consultant to produce a toolkit for regional and remote councils dealing with health workforce shortages and/or challenges in attracting and retaining health professionals to live and work in their community.

SAROC will continue to support the LGA's advocacy to establish a formal role for the local government sector to shape state-wide and community-based initiatives to better address medical workforce shortages in regional areas.

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.

Overabundant Species- Little Corellas

SAROC has continued to advocate for 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.

SAROC established the 'Little Corellas habitat interventions' program following the EOI process and brought councils together to consider the outcomes and share learnings to inform future council activities. Through this program Little Corellas habitat intervention projects are taking place in Roxby Downs Council and the Rural City of Murray Bridge.

The SAROC Chair wrote to the former Minister for Environment and Water and Landscapes SA to provide details of the two projects being supported by the SAROC Little Corellas habitat interventions initiative and highlighting the benefits for a coordinated statewide little corellas management strategy

Regional Plans and the Review of the 30 Year Plan for Greater Adelaide

SAROC endorsed the Chair of SAROC, in a joint letter from the LGA President and the Chair of GAROC, writing to the Minister for Local Government and Planning and Opposition Spokesperson on Housing and Urban Development, outlining:

i. the importance of the Thirty Year Plan for Greater Adelaide and all other regional plans in supporting the future direction, liveability and economic growth for both metropolitan Adelaide and the State; and

ii. ii. the need for the State Government to provide the budget necessary for these plans to be prepared by the State Planning Commission, including enabling evidenced based investigations and collaboration and engagement with local government and their communities.

SAROC will continue to engage with the State Planning Commission during the preparation and consultation of the regional plans to facilitate the collaboration between the State Planning Commission and councils. SAROC will also continue to engage with and provide support to councils during the review of and consultation on the Regional Plans

Water Policy

SAROC continues to facilitate local government discussion relating to water policy including advocating for a national water policy.' The local government sector in South Australia performs an important role in water management and conservation. Given this, and the significant investment local government makes across various activities associated with water, SAROC has maintained an interest facilitating local government discussions relating to water policy and advocating for a national water policy.

SAROC approved a process for consultation with member councils to develop a policy position to support future advocacy regarding a national water policy.

Circular Economy and Regional Waste Management

SAROC, in conjunction with Green Industries SA and the Legatus group, held a SA Regional Waste Pathways Forum to explore the challenges and opportunities in regional waste, recycling and resource recovery and how local government, through the development of Regional Waste Management Plans can improve services offered to their communities and increase involvement in the circular economy.

This event bought together councils, regional LGAs, regional waste subsidiaries, state government and other stakeholders to hear from industry leaders about opportunities the transition towards a circular economy present to regional councils.

It was clear from all presentations, panel sessions and discussions with audience members that collaboration is key for regional councils to improve the waste and recycling services offered to the community, as well as to increase participation in the circular economy.

This includes collaboration with other councils, State Government agencies, universities and key industry players.

The LGA, through its SAROC Committee, has continued to support collaboration through advocacy and assisting its members through further developing its 'suite of resources' to support regional councils in waste management.

Regional visitor waste disposal – public awareness campaign

SAROC endorsed the development of a process for an illegal dumping/anti-litter holiday public awareness campaign, noting that the production and marketing of the campaign will be reliant on sufficient resourcing and stakeholder support.

This project responds to both an endorsed item of business from the LGA 2021 AGM, calling for a campaign on illegal dumping, as well as the increased incidence of inappropriate visitor waste disposal practices in regional and remote South Australian tourist destinations.

The LGA Secretariat is actively consulting with councils and other interested stakeholders on the development of this public awareness campaign.

Coastal Management

SAROC has supported and informed LGA sector-wide advocacy for increased State and Federal funding for councils in coastal management, conclusion of the SA jetties funding and lease negotiations, response to the Parliamentary review of the Coast Protection Board, and finalisation and implementation of the forthcoming SA Government Coastal Strategy.

SAROC has continued to support the collaborative arrangements in the sector such as the SA Coastal Councils Alliance.

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.

Jetties-asset management

SAROC has supported the LGA's advocacy for future funding of jetties and provide policy support to a research project to further understand the economic, social and historic value of jetties in South Australia.

This research will build the evidence-base and document the economic value that jetties contribute to communities through tourism and recreation activities.

Fair Rating of Electricity Generators

SAROC has supported the LGA's advocacy that the State Government remove or recompense councils for state-government mandated discounts on rates for Community housing / Electricity providers / Religious services / Public cemeteries / Educational purposes.

SAROC reaffirmed its opposition to provisions in the Electricity Corporations (Restructuring and Disposal) Act 1999, which prevent councils levying fair rates on land used for electricity generation.

To support the ongoing advocacy being progressed by the LGA, SAROC, and Legatus member councils, SAROC has requested that the LGA Secretariat, Regional LGA's support the preparation of an issues paper to inform and advocate for a review of the mandatory rate rebates that councils are compelled to provide.

Borrow Pits

SAROC has continued to advocate for appropriate consideration of council borrow pit activities within the Mining Act and relevant regulations and has continued to pursue a commitment from the State Government to work with local government on a Code of Practice the rehabilitation of future borrow pits

SAROC recognised the significant financial and resourcing risk to regional councils from SafeWork SA's reinterpretation of the Work Health and Safety Regulations 2012, to include borrow pits as a mining activity. Through the LGA Secretariat and Local Government Risk Services (LGRS) discussions with SafeWork SA were held regarding council borrow pit activities. These meetings and subsequent correspondence have confirmed that SafeWork SA now consider the Act and regulations to apply to council activities in rubble raising in regional areas for roads maintenance programs, as follows:

1. Council as the Mine operator would be required to make its own determination that an individual mine manager is competent against the criteria of 615 A (9) (a) based on facts and circumstances of the work undertaken. The required level of competency the Council requires of the 'mine manger' would need to align with the complexity of the mining operation.
2. The requirement for a mine manager to be appointed to a particular mine would only be active as and when there were operational mining or processing activities taking place at the site. This would allow for a competent works operative to be designated as the mine manager for the site they are going to work on at that point in time, alleviating the need for them to be considered as a manager of multiple sites and the council and regulator having to go through this gazettal process every time a pit is opened or closed. Practically, a mine manager that was part of a crew or otherwise could move from site to site to undertake work which we understand is the practice of Council.
3. The requirements for a safety management system (Regulation 622) and the principal mining hazard management plan (Regulation 627) are able to satisfy as you have described, ie 'be captured and addressed through Councils overarching safety management systems, and in particular the hazard management processes including hazard identification and control, rather than through separate systems and documents.' What is important is the quality, relevance and application of those systems and processes

This interpretation clarifies that the requirement for a mine manager would only be active as and when there were operational mining or processing activities taking place at the site. This would allow for a competent works operative to be designated as the mine manager for the site they are going to work on at that point in time, alleviating the need for them to be considered as a manager of multiple sites and the council and regulator having to go through this gazettal process every time a pit is opened or closed.

LGRS are preparing an education program to be rolled out as councils are informed about this outcome.

Regional Local Roads- Mapping and Priorities

SAROC facilitated coordination between regional LGAs to prepare a SA Regional Local Road Priorities report that will enable a cross regional approach to support funding applications to State and Federal Government based on an agreed priority list.

SAROC received and approved the release of the HDS Australia/Legatus Group's draft SA Regional Road Priority Project report. A working group will be established comprising representatives from the LGA Secretariat, the Department for Industry and Transport, the Local Government Transport Advisory Panel, and Regional LGA EOs to assist with reviewing the recommendations.

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

LGA 2021 Annual General Meeting

SAROC agreed to recommend items of business on the following issues for the LGA Annual General Meeting on 29 October 2021.

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

- Increasing South Australia's Influence at the National General Assembly (Wakefield)
- Regional Homelessness (and Housing Affordability) (Mount Gambier)

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

- Equitable Distribution of Federal Roads Funding to Rural Councils within South Australia (Wakefield)
- Northern Adelaide Irrigation Scheme (NAIS) Water Pricing and Connection Costs (Adelaide Plains Council)

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

- Social and Community Housing in the Murraylands (Murraylands & Riverland)

LGA 2022 Ordinary General Meeting

SAROC agreed to recommend items of business on the following issues for consideration at LGA Ordinary General Meeting to be held on 8 April 2022.

- Implementation of an electronic portal for issuing of permits pursuant to the Fire and Emergency Services Act 2005 (Loxton Waikerie)
- Electric Vehicles Taxes (Victor Harbor)
- Research into the Population Status and Decline of Little Penguins in South Australia (Victor Harbor)
- Stamp Duty on Residential Property in South Australia (Barunga West)

Other items of business

- Hoarding and Squalor in Regional SA (Southern & Hills LGA)

  Southern & Hills LGA wrote to the SAROC Chair in October 2021 to seek support for LGA advocacy to the State Government for improved leadership, coordination, and resources for evidence-based and effective responses to hoarding and squalor in regional South Australia.

  This motion was taken to the November 2021 meeting of SAROC. SAROC agreed to ask the LGA President to write to the Minister for Health and Wellbeing, seeking urgent

action regarding the resourcing and coordination of services to appropriately respond to this issue.

SAROC noted the opportunity for the LGA to coordinate activities through the SAROC and GAROC committees to work in consultation with member councils to investigate how local government actions on hoarding and squalor in South Australia can be most effectively and sustainably coordinated.

SAROC will include 'Hoarding and Squalor' as an issue in the draft 2022-23 SAROC Annual Business Plan for future consultation with member councils and Regional LGAs.

Consequently, a letter was sent to the Minster for Health and Wellbeing and copied to the Minister for Planning and Local Government, the Shadow Minister for Health and Wellbeing and the Shadow Minister for Local Government. A response was later received from the Minister for Health and Wellbeing.

The LGA secretariat have progressed this motion with the motion now included in both SAROC and GAROCs Annual Business Plans 2022-2023, along with a budget allocation of $30,000.

Furthermore, a Project Reference Group is being established and a Project Plan developed to progress this work.

- Managing offensive and unacceptable posts on social media platforms (Whyalla)

  SAROC resolved not to refer an item of business on this issue to the LGA OGM. However, SAROC welcomed this issue being brought forward by the City of Whyalla and recognised the importance of this issue.

  SAROC noted that:

  - advocacy for policy and/or legislative changes to manage offensive and unacceptable posts on social media platforms is not the most efficient and effective solution available to the local government sector;
  - the LGA has produced a 'Social Media Guide for Elected Members' that provides comprehensive support for elected members in their engagement on social media platforms;
  - the LGA offers a range of training modules for elected members and council employees, including 'Responsible Social Media Use and Defamation Law'; and
  - many councils already provide staff and elected members with access to a counselling service, should they suffer harm, or risk to their wellbeing, from social media activity.

  Based on the SAROC discussion, the LGA will consider the information packs provided to candidates for local government elections and use these to provide further information about dealing with social media. The LGA Secretariat will also revisit the 'Social Media Guide for Elected Members' to provide advice to EMs on how to respond to social media 'trolls'.

- Community Wastewater Management Systems (Legatus)

  SAROC noted an item of business received from the Legatus Group, asking SAROC to request the LGA to:

a) continue to resource assistance to member councils operating Community Wastewater Management Schemes (CWMS) to maintain or improve infrastructure and to improve operations via collaborative approaches to training, procurement, risk management, research and other activities; and
b) canvas its members councils operating CWMS to gain advice if they require assistance with decisions on remaining and or divesting from both the operations and assets of CWMS;

SAROC recognised that there may be opportunities for the LGA to support its members to maintain or improve existing infrastructure via collaborative approaches.

SAROC referred this issue to the to the LGA Board's CWMS Management Committee for advice and recommendations that may inform future consultation with LGA member councils on the type of support that may add value beyond the existing LGA programs and member services.

- ABC Southeast – weekly local news bulletins (Mount Gambier)

The City of Mount Gambier raised with SAROC its concerns regarding the loss of weekly local news bulletins on ABC Southeast.

Recognising that this issue has relevance to all regional councils and communities, SAROC endorsed that its Chair will write to the ABC to encourage them to maintain the provision of locally relevant broadcast news content in regional South Australia.

- Vocational Training and TAFE Capability in Regional Centres

SAROC considered an item of business raised by the Limestone Coast LGA (LCLGA) and agreed to include 'Vocational Training and TAFE Capability in Regional Centres' as an advocacy issue in the draft 2022-23 SAROC Annual Business Plan for future consultation with member councils and Regional LGAs.

4. Details of Meetings

During 2021-22, SAROC meeting were held on the following dates:

- 29 July 2021
- 23 September 2021
- 17 November 2021
- 2 March 2022
- 17 March 2022
- 5 May 2022
- 19 May 2022
- 26 May 2022

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	8	8
Mayor Dave Burgess	1	1
Mayor Peter Hunt	8	8
Mayor Moira Jenkins	8	8
Mayor Peter Mattey OAM	8	8
Mayor Clare McLaughlin	8	4
Mayor Bill O'Brien	8	7
Mayor Keith Parkes	8	8
Mayor Richard Sage	8	7
Mayor Sam Telfer	3	3
Mayor Travis Barber	7	4
Mayor Brett Benbow	8	5
Mayor Dean Johnson	5	5
Mayor Caroline Phillips	7	4

Following the resignation from SAROC of Mayor David Burgess (Mid Murray Council), Mayor Caroline Phillips (District Council of Karoonda East Murray) was appointed to SAROC.

Following the resignation from the LGA Board of Directors of Mayor Sam Telfer (District Council of Tumby Bay), SAROC appointed Mayor Dean Johnson (District Council of Kimba) to the office of Immediate Past President on the LGA Board of Directors for the remainder of the term of the current Board.

In May SAROC noted the resignation of Mayor Travis Barber (District Council of Streaky Bay) from the SAROC Committee and the casual vacancy that it has created. The Eyre Peninsula LGA subsequently appointed Mayor Jo-Anne Quigley (DC Lower Eyre Peninsula) to SAROC, whose first SAROC meeting will be 21 July 2022.

Guest Speakers

29 July 2021

- Regional Development South Australia Chair, Hon Rob Kerin

  Provided the committee with an update on the recent work of Regional RDA's, including updates on their priorities and primary focus on bolstering regional workforces

23 September 2021

- South Australia Housing Authority, Michael Guy and Eric Wisgard

  Provided a presentation on the agency's draft Local Affordable Housing Plan Toolkit, developed as part of the government's 10-year Our Housing Future 2020-2030 strategy. When published, the SAHA toolkit will complement the SAROC Regional Housing Policy Toolkit commissioned at its last meeting.

17 November 2021

- State Planning Commission, Chair Craig Holden, Executive Director Planning & Land Use Services Sally Smith, Director Planning Development Anita Allen

  Commenced the discussion on the regional planning program.

5 May 2022

- Leonie Boothby & Associates Pty Ltd, Leonie Boothby

  Presented the 'Report to Inform the Development of a Regional Housing Policy Toolkit'.

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.

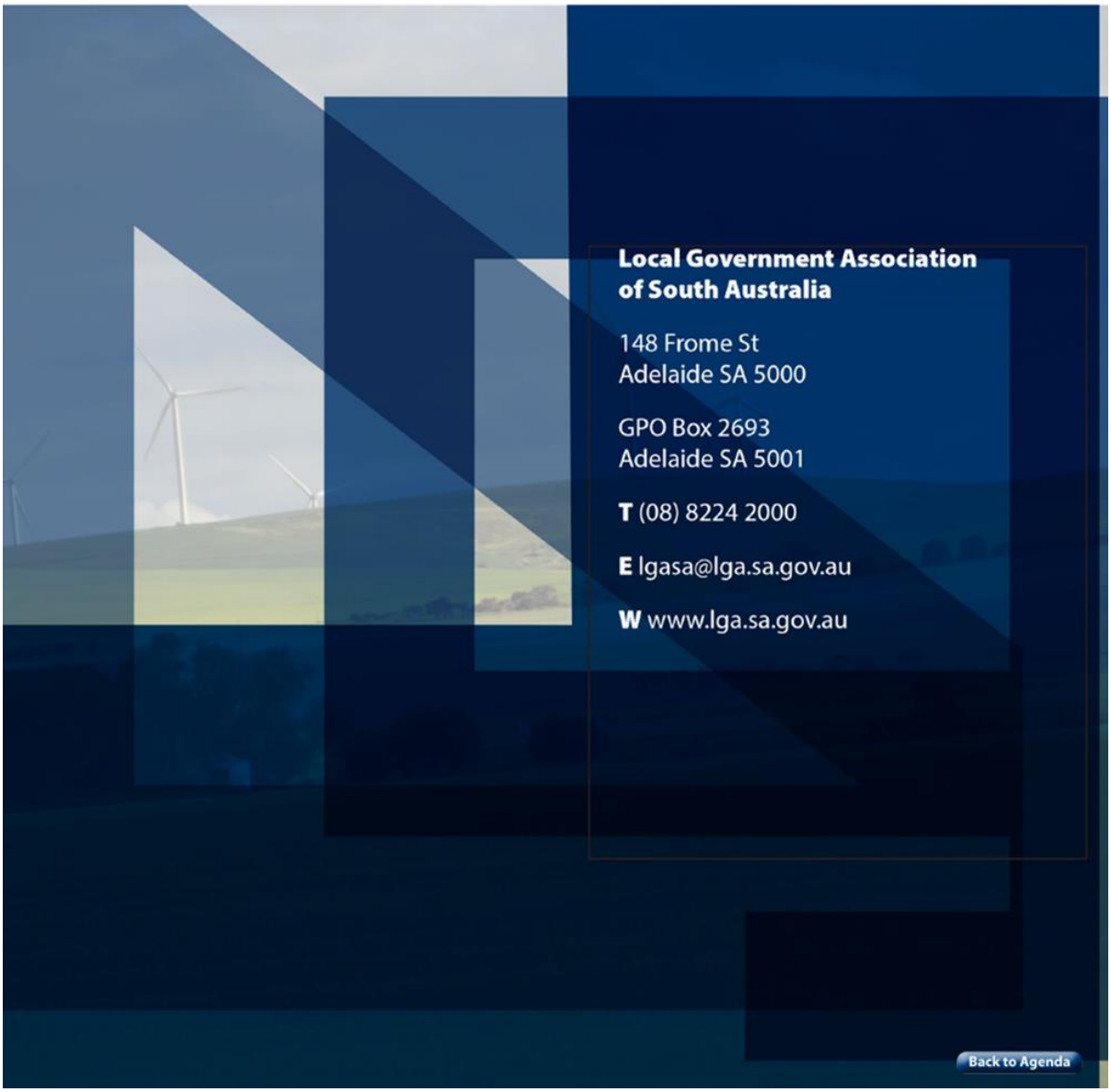
The Plan identifies the following communication goals:

- 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.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Back to Agenda

2021-2022 CEO Advisory Group Annual Report

August 2022



2021-2022

The voice of local government.

Back to Agenda

Table of contents

From the Chair **3**
Introduction **4**
Members of the CEO Advisory Group 4
CEO Advisory Group 2021-2022 activities **5**
Local Government Reform 5
Performance Monitoring and Reporting Framework 5
Cyber Security 5
State Elections 5
Emergency Management 5
Special Local Roads Program (SLRP) 6
2022 Council Elections 6
Potential LGA Services 6
Strategic Issues 6
Details of meetings **6**

From the Chair

It has been another challenging but always interesting year for the sector, and the LGA CEO Advisory Group has considered and provided advice on a range of matters of importance.

The key themes of this year have been the implementation of the local government reforms, the ever emerging and increasing risks of cyber security, performance monitoring and reporting and other strategic initiatives.

It is the goal of the Group to assist the LGA by providing advice from an executive perspective that considers both metropolitan and regional views.

It has been an honour to have been appointed as Chair for the 2020-2022 term and I thank my fellow members for their contributions and also for acting as a liaison point for other CEO's in their regions, this has assisted the LGA Board of Directors with the design and delivery of LGA services, programs and activities.

I am pleased to present this 2021-2022 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.*

Members of the CEO Advisory Group

- Ben Gower, Wattle Range Council (November 2020 – present)
- Tony Harrison, City of Marion (August 2021 – 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)

CEO Advisory Group 2021-2022 activities

Local Government Reform

The *Statutes Amendment (Local Government Review) Act 2021 (the Amendment Act)* was assented to the Governor on 17 June 2021. Throughout 2021-2022, the CEO Advisory Group continued to provide advice on the implementation of the reforms and the training programs that support them. This included advice on the rollout of LG Equip, CEO Remuneration Reviews and phases of consultation.

The feedback from the Group informed the means of continued engagement with the sector and where there was room for improvement. The Group also provided insight into council networks that could be utilised to enhance the sector's awareness of the reform implementation program.

Performance Monitoring and Reporting Framework

There have been many iterations of performance reporting and benchmarking considered by the Group since its creation in 2018. This is in response to initiatives brought forward by the then State government following; the rate capping campaign, the review of the Productivity Commission, and our own sectors quest to fund meaningful ways that we measure and improve.

The State Government's Councils in Focus website was launched in 2021 and the Group provided their feedback on the website and potential strategies for councils in managing the perceptions of the data.

In May 2022 the Group received a presentation on a platform that assists in analysing internal and external feedback data. The Group also provided feedback on the potential sector interest of a pilot program.

Cyber Security

In August 2021 and May 2022, the Group considered reports on the Local Government Cyber Security Strategy and framework that has been led by the LGITSA Network.

The Group provided feedback on the strategy and reinforced its importance for the sector and the level of engagement needed in progressing the important project.

Members of the Group also joined the pilot group for executive leadership training on cyber security preparedness conducted by KPMG.

State Elections

In August 2021, the Group considered the LGA's State Election Strategy and provided feedback on the advocacy approach. The Group helped reinforce the LGA's thinking around key priority issues for the sector and areas that needed further attention.

The feedback reinforced areas of importance and included suggested additions to the program.

Emergency Management

In November 2021 the Group provided advice on the strategic direction of the LGA's emergency management activities. The Group was able to provide insights from both a metro and regional lens and provide feedback from the community services.

In 2022 the LGA began its review of the LGFSG plan that has been consulted on with the sector.

Special Local Roads Program (SLRP)

The Group provided advice on the strategic direction on the governance review of the program and feedback informed a report to the LGA Board of Directors.

2022 Council Elections

The Group considered a report in November 2021 on an 'effective leadership proposal' pertaining to the 2022 council elections.

The group also shared with ECSA via the LGA its thoughts on the proposed scope and direction of marketing and promoting the upcoming elections. This included insights on the best way for the LGA to engage with and activate member councils to support and deliver the campaign.

Potential LGA Services

The Group provided feedback on potential LGA services from time to time to inform the LGA on the sector appetite for differing services.

The advice given helped lead the LGA's thinking on priorities for the sector and the best models for these potential programs.

Strategic Issues

The Group provided advice on an ad-hoc basis on emerging issues of strategic importance that required a fast response.

Details of meetings

During the 2021-2022 financial year, a total of 4 regular meetings were held on the following dates:

- 5 August 2021
- 4 November 2021
- 3 February 2022
- 5 May 2022

The Group also held a joint workshop with the LGA Board of Directors on 17 March 2022.

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
Mario Barone	4	4
Tony Harrison	4	2
Ben Gower	4	4
Deb Larwood	4	4
John Moyle	4	3

Michael Sedgman	4	4
David Stevenson	4	3
Paul Sutton	4	4

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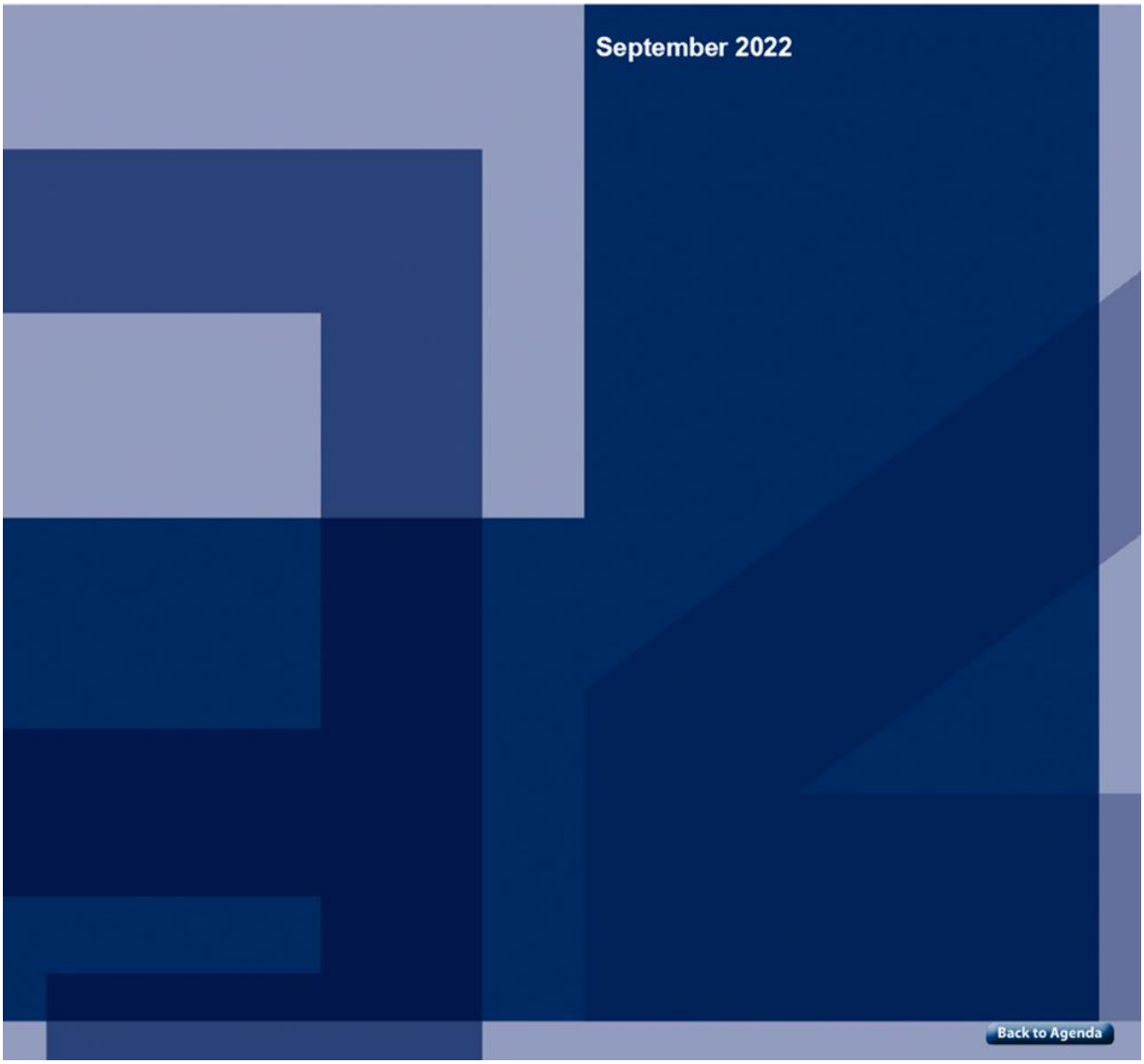
2021-2022 LGA Audit and Risk Committee Annual Report



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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 main functions of the Committee are set out in part 8 of the Terms of Reference. The Committee has discharged its responsibilities and functions under the Terms of Reference.

Although External Audit is not specifically dealt with below, the Committee is tasked with various activities relating to the appointment of and liaison with the external auditor. The current external auditor appointment is for a three year period until the completion of the 2021/22 financial statements. The external auditors are invited to attend and do attend meetings of the Committee. The Committee met with the external auditor in the absence of management this year at the time of review of the financial statements for 2021 and will do so again when reviewing the 2022 statements. The Committee is extremely happy with the level of service provided to date by the current external auditor.

This report highlights the key topics of focus in the 2021/22 financial year and summarises focus areas for the next 12 months.

The report is intended to provide information to the Board 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 Parkes for his contribution to the meetings and also wishes to record its thanks to Mayor Telfer who completed his term in December 2021.

Following each Committee meeting, I prepare a report to the Board summarising the key topics that I believe are the most relevant issues discussed during the meeting. This report is included with the Committee minutes.

The Committee also welcomes Board members to attend Audit Committee meetings or the Board referring issues to the Committee for review and feedback.

Summary of areas of focus during the year

Internal Audit Program

KPMG, LGA's internal auditors, undertook three scheduled reviews in 2021/22 covering Grant Management, Governance, and a review of the LGA's Expenditure and Liability Cycle. The Secretariat accepted the findings from these reviews and provided regular reports to the Committee on the actions being undertaken to address any findings.

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The Committee also received updates from the Secretariat on actions from all audits since 2020. The Secretariat has continued to improve its Work Health and Safety program and Cyber security and has advised the Committee that all high risk areas have now been addressed.

In June, the Committee received a report on the LGA's Cyber Security, comparing its current processes with the new Local Government Sector ICT Security Framework. The Committee noted that work by the Secretariat would continue into 2022/23 for it to achieve a "Tier 1" Maturity level, the requirements of which are detailed in the Security Framework. The Committee will receive reports on progress.

Specials Audits - Grant Programs

There was an emphasis on audits and reviews of grant projects in 2021/22 that included the Community Wastewater Management Scheme, Special Local Road Grant Program, Regional Capacity Building Program and the Research and Development Scheme.

In July 2021, the LGA received a report from the Audit General's Department on the CWMS program highlighting several actions for the LGA to address. A number of the actions are expected to be resolved as part of the mid-term contract review which is currently occurring in collaboration with the State Government. The work addressing the Auditor General's findings is being reported to each meeting of the Committee.

The Committee has encouraged the Secretariat to ensure that not only are identified issues corrected/actioned but that the learnings from these reviews are taken into account in future activities.

The Secretariat has incorporated feedback from the reviews into its project management framework and grant management framework.

Business Changes

The Committee also provided feedback on some business changes during the year.

The LGA entered into an agreement with LG Professionals Group, resulting in the outsourcing of the LGA's event and training activity. Unfortunately, the agreement was entered into prior to reference to the Committee. However, the Committee provided feedback on the strategy, contracts, and other supporting information. The Committee also noted that should revenue recognition be impacted by the agreement it will need resolved when the financial statements are prepared and audited. The Committee understands that each year an annual business plan will be developed, setting budgets, service levels and KPIs, it will be necessary for these to be monitored by the Secretariat.

The Committee receives regular updates from LGA SA Mutual on the LG Safe project that is looking to reform the "One-System" WHS review system. This was highlighted by the LGASA Mutual Board as being a high risk project due to the risk of potential injury, to reputation and to service delivery. This project is continuing into 2022/23.

Updates were also received on the Local Government Reform Implementation project which was flagged as a high risk for the LGA. The State Government timeframes for implementing the program have taken longer than expected, reducing some of the risk for the LGA. Some key reforms will continue to be rolled out in 2022/23, including ESCOSA's oversight of council's long-term financial plans and the Behaviour Panel for elected members.

Back to Agenda

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Policies, Frameworks and Reviews

The Committee continues to receive regular updates on team risk management action plans and quarterly updates on various grant projects. It also provided feedback on the Annual Business Plan and Budget for 2022/23 and the Long-Term Financial Plan.

The Committee also met with the CEO and Chair of LGASA Mutual and CEO of LGA Procurement during the year.

The policies reviewed during the year included:

- Grant Revenue Recognition Policy
- Sponsorship Policy
- Treasury Management Policy
- Records Management Destruction Policy
- Policy Framework
- Training Privacy Policy
- LGA Training Registration, Cancellation and Refund Policy
- Delegations and Matters Reserved for the Board Policy
- Appointments and Nominations to Outside Bodies Policy
- Review of Board and Committee Performance Policy
- Gifts and Benefits Policy
- LGAWCS Sector Peak WHS and RTW Policy
- LGAWCS Member Peak WHS and RTW Policy

Details of meetings

During the 2021/22 financial year a total of seven (7) Committee meetings were held on the following dates:

- 28 July 2021
- 6 September 2021
- 23 November 2021
- 16 December 2021 (*special*)
- 16 February 2022
- 13 April 2022
- 1 June 2022

Back to Agenda

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Audit and Risk Committee member attendance at meetings during the year was:

Member	Number of meetings eligible to attend	Number of meetings attended
Ms Patricia Christie (Independent Member / Chair)	7	7
Mr David Powell (Independent Member)	7	7
Ms Lisa Bishop (Independent Member)	7	7
Mayor Sam Telfer (LGA Board Member Rep until December 2021)	4	4
Major Keith Parkes (LGA Board Member Rep from January 2022)	3	3

Future work program

The focus of the Committee during 2022/23 will include:

- Oversight of the LGASA Mutual's LG Safe project which will result in changes to the Work Health and Safety compliance and assessments across the sector.
- Cyber Security and compliance with the new ICT Local Government Cyber Security Management Framework.
- Oversight of a Work Health and Safety audit and Revenue and Asset Cycle Audit.
- Continued oversight of 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.
- Policy reviews
- Reviewing and providing feedback on the Annual Business Plan and Budget.
- Oversight of the LG Professionals agreement to deliver Event and Training services to the LGA
- Progressing any items referred to the Committee by the LGA Board of Directors.

Patricia Christie

Chair, LGA Audit and Risk Committee

Back to Agenda

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Back to Agenda

6.4 LGASA Mutual Annual Report 2021-2022

LGA Business

From:	Dr Andrew Johnson, Chief Executive Officer - LGASA Mutual	
Strategy:	4 - Achieve	
Outcome:	4.1 We lead by example in the governance and operations of the LGA	
Meeting:	Annual General Meeting	28 October 2022
ECM:	782157	

Recommendation

That the Annual General Meeting receives and notes the LGASA Mutual Annual Report for the year 2021-2022.

Discussion

David Holston, Independent Chair of LGASA Mutual Pty Ltd will present the annual report on the activities of LGASA Mutual, incorporating the LGA Mutual Liability Scheme and LGA Workers Compensation Scheme.

During the year LGASA Mutual welcomed two new Directors – Joanne Denley and Clinton Jury – who have both strengthened our Board. Joanne comes to the Board as an experience Board Director with a wealth of knowledge of RTWSA and self-insurance, while Clinton replaced Matt Pinnegar as the LGA Director on the Mutual Board.

Both Schemes continues to perform very well during the year, in some turbulent times which includes a difficult global insurance market, significant reduction in investment earnings, an ever-changing regulatory environment, and some recent adverse court cases which will have flow on effects for our Schemes.

Within this environment the LGA Workers Compensation Scheme had an outstanding year. It achieved its lowest claim numbers in the Scheme's history recording 419 claims, which is an 11% reduction from the previous year. In addition, lost time injuries were down 30%. The net impact of this being a reduction in scheme claims costs by over $1.4 million.

This exceptional result is a credit to our members and the LGRS team. The focus on improving WHS practices and getting workers back to work as soon as practically possible has meant that the Board was delighted in approving a $1 million special distribution back to our members at its September 2022 meeting. This further highlights the benefit of our Mutual model where we can return the saving that we collectively make. LGASA Mutual's strong financial result also allowed the Board to provide some 40,000 rapid antigen tests, worth some $195,000, free of charge to councils, at a time when they were difficult to source.

Despite this exceptional result, we still believe that every worker should return home each day uninjured. To assist in achieving this objective the Board has committed significant funds to improve the WHS framework and systems used by councils. The LG Safe project has made its objective to provide a compliant WHS framework that is user friendly. A large amount of work has

been undertaken to consult the sector to determine their needs ahead of rolling out a simplified framework, more user-friendly documents and a greatly enhanced electronic system.

The importance of this work is further highlighted when we see in the broader WHS environment some of the recent changes to legislation; more companies and individuals being prosecuted for safety breaches; proposed industrial manslaughter legislation potentially being introduced; and we are seeing the reverse burden of proof being introduced.

During our discussions with our global reinsurers, LGASA Mutual continues to emphasise to them the great benefits of our mutual model, the consistent risk management across the sector, the value and consistency delivered through 100% council membership and the value of our long-term relationship. This has greatly assisted us to minimise the increases in our reinsurance costs, enabling us to continue to provide stable contributions to our members during challenging times. As a result, the local government Schemes priority to continue to provide Members with financial security, predictability and certainty in an uncertain risk environment has never been more relevant in today's world.

The LGA Mutual Liability Scheme has continued to provide excellent value to members during the year. The LGAMLS has assisted councils with the implementation of the Planning, Development and Infrastructure Act and Local Government reform; it continued to expand the capacity of councils through the Local Government Functional Support Group and funding of the national award-winning Council Ready program; as well as provided input into the new Behaviour Management Standards. The LGA Mutual Liability Scheme has continued to support councils with identifying and managing their strategic and operational risks as well as providing staff and elected member training.

LGASA Mutual is excited about the year ahead with the Board looking at implementing several new risk management programs. These range from a psychological health trial, a grievance mitigation model and to conduct a waste management risk assessment trial.

LGASA Mutual Board would like to extend its thanks for the hard work and dedication of the LGRS team who continue to deliver all the Scheme services and were pivotal in the delivery of another outstanding year for both Schemes.

The LGASA Mutual Board looks forward to continuing work with its members to add value to their business by providing unique cover and risk services to meet their needs.

The LGASA Mutual Pty Ltd's 2021-2022 Annual Report (including the Schemes abridged financial statements) will be available on the LGA's website prior to the meeting, and printed copies will be available at the meeting.

6.5 LGA Procurement Annual Report 2021/2022

LGA Business

From:	Robyn Cusick, Acting 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	28 October 2022
ECM:	782575	

Recommendation

That the Annual General Meeting receives and notes the LGA Procurement Annual Report for the year 2021-2022.

Discussion

LGA Procurement achieved its financial organisational plan for the 2022 financial year, returning a slightly better than budget outcome for the year.

LGA Procurement remained customer focused, delivering information and assistance to buyers and suppliers via webinars and in-person sessions.

Procurement capability for the sector was improved through targeted training and investing back into the sector through advocacy, procurement solutions and education.

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

A link to the LGA Procurement Annual Report 2021/2022 can be found here.

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, Project 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 28 October 2022
ECM:	782376 Attachment: 781905

Recommendation

That the Annual General Meeting notes the report.

Discussion

Pursuant to the MOU[1] 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 2021-22 Annual Report for the Local Government Research and Development Scheme was endorsed by the LGA Board of Directors on 15 September 2022 and includes:

- An overview of the Scheme, its operations and outcomes in 2021-22;
- Financial allocations for year ending 30 June 2022, and budget for 2022-23
- Details of projects approved 2021-22;
- Details of projects completed 2021-22;
- Details of current projects[2];
- A list of projects proposed for 2022-23
- An overview of the Schemes priorities for 2022-23.

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.

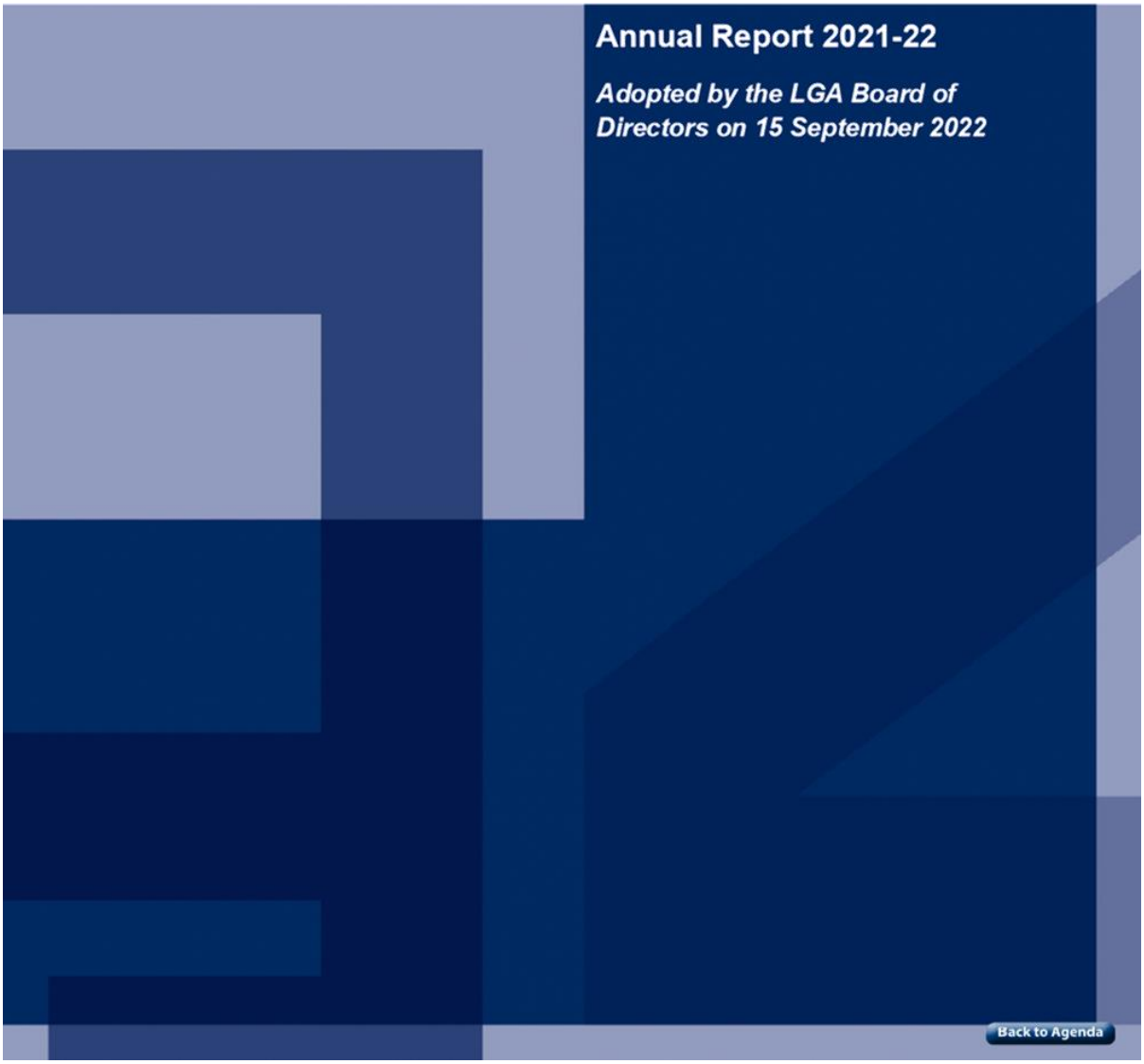
[1] The MOU was last updated in February 2020 and is available through the LGA website https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/about-the-lg-research-and-development-scheme

[2] Current projects as per 30 June 2022

Local Government Association of South Australia

The voice of local government.

Local Government Research & Development Scheme



Background **3**
LGR&DS Advisory Committee 3
Overview of Scheme Activities **4**
Budget overview **5**
New projects approved in 2021-22 ..... **6**
LGA Research Library 7
Ongoing Allocations **7**
Regional Capacity Building Activities 2021-22 7
SAROC and GAROC activities 8
Local Government Awareness Campaign 8
Scheme Administration 8
Priorities for 2021 to 2023 ..... **9**
Appendix 1 - Financial allocations for year ending 30 June 2022 & budget for 2022-23 10
Appendix 2 - Approved Projects 2021-22 11
Appendix 3 - Completed Projects 2021- 22 12
Appendix 4 - Spotlight projects 2021-22 15
Appendix 5 - Current project 30 June 2022 18
Appendix 6 – Proposed Projects 2022-23 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 2021-22 and how the LGA is meeting its responsibilities under the MOU. The appendices contain:

1. Financial allocations for year ending 30 June 2022, and budget for 2022-23
2. Approved projects[2] for 2021-22
3. Completed projects during 2021-22 (internal and external funding rounds)
4. Spotlight projects 2021-22
5. Current projects as of 30 June 2022
6. Proposed projects in 2022-23 (external funding round)

LGR&DS Advisory Committee

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

Three scheduled Advisory Committee meetings were conducted in 2021-22 (August, December, and April) as well as two out of session meetings (September, May). As of 30 June 2022, 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 Heather Holmes-Ross, City of Mitcham (LGA Board)
- Anne Champness, Tatiara District Council (Country/Regional CEO)
- Henry Inat, Town of Gawler (Metropolitan CEO)
- Alex Hart, Manager Office of Local Government (Minister nominee)
- Professor Chris Leishman, University of South Australia (South Australian Universities)

[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 contain all projects approved for funding during 2021-22.

- Abbie Spencer, ASU (Local Government Trade Unions)
- Clinton Jury (LGA CEO)

During the 2021-22, former Mayor Erin Thompson (City of Onkaparinga) and former LGA CEO Matt Pinnegar concluded their terms on the Committee and are thanked for their service.

Overview of Scheme Activities

In 2021-22, 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, allocations to SAROC and GAROC, and strategic initiatives initiated by the LGA CEO and Board of Directors. All allocations were approved by the LGA Board of Directors and informed by advice from the Scheme's Advisory Committee.

Funding was allocated based on the principles and purposes of the scheme[3] and on the priorities identified in the 2021-22 Annual Business Plan for the Scheme. The 2021-22 Annual Business Plan was approved by the LGA Board of Directors in February 2021.

The priorities include:

1. Local Government Reform
2. Financial sustainability and cost pressures
3. Infrastructure Management
4. Community Awareness and Participation
5. Community Safety Wellbeing and Resilience
6. Local Government response and recovery to COVID-19
7. Climate, disasters and environment

As detailed in *Appendix 2*, seven projects were approved in 2021-22, with a total of $799,400[4] funding allocated through two grant rounds.

There were 18 project completions in 2021-22. 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 2021-22 including:

- The development and implementation of the of a range of policies and procedures including:
  - Eligibility Policy and Procedure
  - Delivery Policy and Procedure; and
  - Finance Procedure
- The continued development and review of the guidelines, application, and project reporting templates.
- The LGR&DS Advisory Committee also initiated an independent review of the Regional Capacity Building Allocations Program. This was followed up by an action plan which will be fully implemented by 2022-23.[5]

[3] https://www.lga.sa.gov.au/member-services/financial-sustainability/grants/research-and-publications/about-the-lg-research-and-development-scheme
[4] This included $390,000 for the LG Equip Program to support councils with the implementation of the LG reform.
[5] LGA Board of Directors 18 November 2021, p.230 https://www.lga.sa.gov.au/__data/assets/pdf_file/0024/1062609/LGA-Board-of-Directors-Board-agenda-18-November-2021.pdf

Budget overview

The financial report in *Appendix 1* outlines the financial position of the Scheme as at 30 June 2022. The report also includes the budget for 2022-23 financial year, which was approved by the LGA Board in May 2022.

Table 1 provides a summary of the Scheme's allocations for 2021-22. The total expenditure for 2021-22 was $1,998,939.

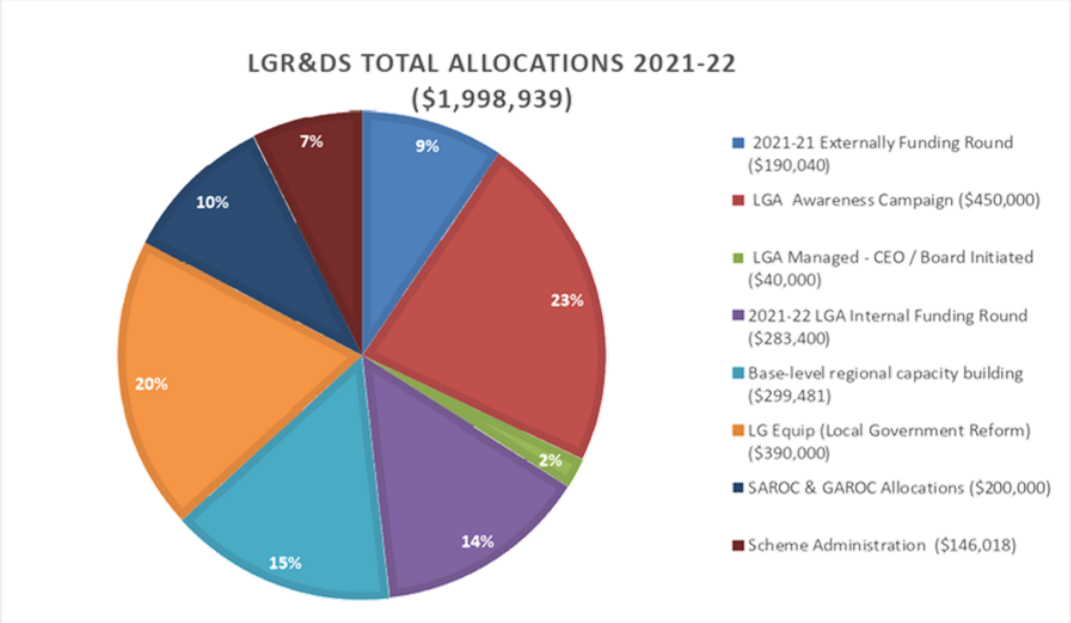
- 23% of the funding was allocated to the Local Government Awareness Campaign. This was due to a one-off additional allocation of $250,000. The allocation was proposed by the LGR&DS Advisory Committee who recommended to strategically use some of the reserve balance to benefit the sector by increasing awareness of the value of councils in the lead up to the local government elections.[6]
- 20% of the funding was allocated to the LG Equip program which role is to support councils with the implementation of local government reform.[7]
- 14% of funding was allocated to three LGA managed projects through the internal funding round.
- 9% was allocated to three externally led projects through the external funding round and through milestone payments on previously funded external projects.
- 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 2022 was $182,278 which differs from the original budget forecast of $618,814. This was due to reduction in the anticipated TER (Total Expense Ratio) funding and a strategic decision allocate some of the carry over funding to projects providing value to the local government sector.

[6] Approved by the LGA Board of Directors in January 2022, https://www.lga.sa.gov.au/__data/assets/pdf_file/0037/1089865/LGA-Board-of-Directors-Public-Agenda-20-January-2022.pdf

[7] This funding was allocated prior to the internal and external funding round allocations, but the project proposal was assessed as part of the internal funding round.

Table 1 - LGR&DS allocations in 2021-22



New projects approved in 2021-22

The 2021-22 funding had less available funding than previous years due to a reduction in the TER funding and pre-allocation to the LG Equip program. Seven projects were approved for 2021-22 with a total of $799,400 in funding allocated ($283,400 for internal grant round and $190,040 for the external grant and $390,000 for LG Equip). A detailed overview of the projects is available in *Appendix 2*.

A total of 22 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
- Community Wellbeing
- Preparation for the 2022 council elections
- Asset Management Plans
- Professional Framework Review
- Planning and design code implementation

LGA Research Library

Information regarding all projects funded by the Local Government Research and Development Scheme is available through the LGA Research Library[8]

Ongoing Allocations

In 2021-22 ongoing allocations accounted for 57% 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.

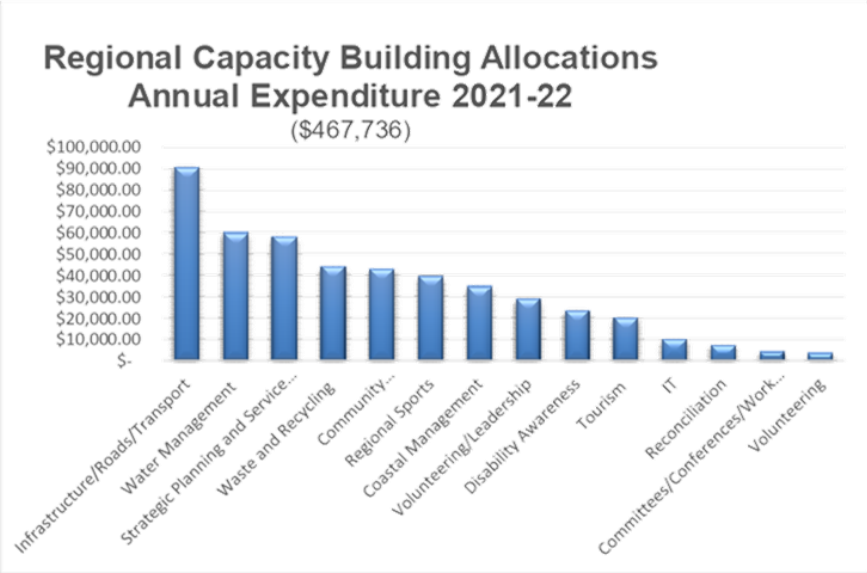
Regional Capacity Building Activities 2021-22

In 2021-22, Regional LGAs spent a total of $467,736 on a range of regional capacity building projects, activities and initiatives.

Table 2 provides an overview of how the funding was spent, demonstrating that Infrastructure, Roads and Transport ($90,536) and Water Management ($60,084) and Strategic Planning. ($57,918) were associated with the most spending. The chart also shows that the Regional LGAs have taken on the feedback from the LGR&DS Advisory Committee and ensured that the spending was in line with the regional capacity building guidelines and not spent on administration, membership fees or participation in conference etc.

The annual reports including the project outcomes have been published through the LGA Research Library, as well as by the Regional LGAs themselves.

Table 2 – Regional Capacity Building Expenditure 2021-22



[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.)

SAROC and GAROC activities

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

- Response into the productivity commission inquiry into the SA regulatory framework
- Shovel Ready –Support for council to leverage and create state and federal grant opportunities.
- Economic development tools and framework
- Planning – review of the planning system and advocating on behalf of local government to ensure that the planning system reflects leading practice and supports local decision making.
- Environmental reform
- Review of the 30-Year Plan for Greater Adelaide
- Public Health and Wellbeing
- Regional Health Workforce Project
- Overabundant Species – Little Corellas
- Coastal Management and advocacy for coastal councils
- Regional Climate Partnerships
- Waste and Recycling – public awareness campaign in regional SA
- Regional Road Mapping

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

Local Government Awareness Campaign

The awareness campaign has been run by the LGA Secretariat through the *Part of Your Everyday* campaign to promote the role, purpose and function of South Australian councils. The campaign has run in key phases over each month to highlight the diversity of council activities that benefit the community, particularly discretionary services.

The campaign's lead up in the three years to the council election year has aimed at building greater community understanding of the value of council services and laying the groundwork for the council elections campaign.

The campaign strategy has been delivered across a range of advertising and communication channels, including digital display, social media, newsletters, collateral and key influencers.

In 2021-22, a further extension to the campaign was received to develop and implement complementary communication and media activities alongside website and digital content over two financial years. Dedicated resources to support this work was secured in 2021-22 for engaging content and ensure strong alignment to the council election Enrol, Nominate and Vote campaign

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 to 2023

2021-22

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

The LGA Board of Directors[9] approved funding for four LGA-led projects totaling $295,000 in funding. The funding was provided to three new projects and additional funding for stage two of the LG Election project.

2022-23

The 2022-23 external funding included 32 applications requesting over $2,8 million worth of funding. Initially there was only $220,752 available for the external grant round. However, the LGA received favourable variations to the Scheme's revenue from increased profits from the LGFA.

Consequently, the Advisory Committee recommended that additional funding be directed to worthwhile strategic initiatives for the sector and six externally led projects totalling $394,945 were approved by the LGA Board of Directors.[10]

All funded projects are provided in *Appendix 6*.

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

- Continue to improve its grant management processes by ensuring the new policy framework is fully implemented.
- Fully implement the recommendations of the 2022 review of the regional capacity building allocation program.[11]
- Conduct a review into the impact and effectiveness of the scheme.
- Review the principles and purposes of the scheme[12].

[9] Approved by the LGA Board of Directors on 19 May 2022, https://www.lga.sa.gov.au/__data/assets/pdf_file/0021/1147008/Public-LGA-Board-of-Directors-Agenda-19-May-2022.pdf
[10] Approved by the LGA Board of Directors on 15 September 2022
[11] The action plan was adopted by the LGA Board on 18 November 2022 https://www.lga.sa.gov.au/__data/assets/pdf_file/0024/1062609/LGA-Board-of-Directors-Board-agenda-18-November-2021.pdf
[12] As per the LGR&DS Advisory Committee Terms of Reference, https://www.lga.sa.gov.au/__data/assets/pdf_file/0027/1038663/ECM_764549_v8_25-01-01-LGR-and-DS-Advisory-Committee-Terms-of-Reference-Adopted-by-LGA-Board-of-Directors-23-Septemb.pdf

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Appendix 1 - Financial allocations for year ending 30 June 2022 & budget for 2022-23

Local Government Association of SA
Local Government Research and Development Scheme

Allocations Report for Year to Date - 30 June 2022

	2022/23			2021/22	
	Budget Full Year	Forecast Full year	Comment	Actual Full Year	Budget Full Year
				$	$
Income					
LGFA TER Project funding	1,370,250	1,853,000	LGFA Forecasted increase to funding	1,281,349	1,377,500
R&D Funds Returned - LGA internal	-			104,829	-
R&D Funds Returned - External	-			29,050	-
Total Income	1,370,250	1,853,000		1,415,227	1,377,500
Project allocations					
Administration Fees	149,917	149,917		146,018	146,260
LG Equip (Reform)	0	0		390,000	390,000
LGA Managed - SAROC & GAROC	240,000	240,000		200,000	200,000
LGA Managed - Base-level regional capacity building	240,000	240,000		299,481	299,486
LGA Managed - Secretariat / Internal Projects	331,135	331,135		283,400	200,000
LGA Managed - CEO / Board Initiated	40,000	40,000		40,000	40,000
LGA Managed - Awareness Campaign	200,000	200,000		450,000	200,000
Externally Managed Projects	220,757	394,945		190,040	133,333
Total allocations LG R&D SCHEME	1,421,809	1,595,997		1,998,939	1,609,079
Net Surplus/(Deficit) LG R&D SCHEME	**(51,559)**	**257,003**		**(583,711)**	**(231,579)**
Statement of R&D Reserves					
Opening Reserve Balance	**182,278**	**182,278**		**811,989**	**849,822**
Plus Inflows	1,370,250	1,853,000		1,415,227	1,377,500
Less Outflows	(1,421,809)	(1,595,997)		(1,998,939)	(1,609,079)
Future Project Allocations (22/23 onwards)				(46,000)	-
Closing Reserve Balance	**130,719**	**439,281**		**182,278**	**618,242**

Local Government Association of South Australia

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Appendix 2 - Approved Projects 2021-22

ID	Project Title	Organisation Name	Funds Granted
2021.01	Supporting councils in the implementation of the Planning and Design Code and PDI Act	Local Government Association of SA	$50,000.00
2021.02	Local Government Reform Implementation (branded "LG Equip")	Local Government Association of SA	$390,000.00
2021.03	2022 Council Elections Project - Phase One	Local Government Association of SA	$150,000.00
2021.04	Support for councils in community wellbeing	Local Government Association of SA	$83,400.00
2021.50	Local Government Authorised Persons Professional Framework Review	Local Government Authorised Persons Association	$20,000.00
2021.66	Asset Management Plan Summary template	Institute of Public Works Engineering Australasia (IPWEA)	$7,000.00
2021.70	Local Government Cyber Security Toolkit	Local Government Information Technology SA Incorporated (LGITSA)	$99,000.00

Local Government Association of South Australia

The voice of local government.

Appendix 3 - Completed Projects 2021- 22

ID	Project Title	Organisation Name	Project Highlights	Funds Granted	Completion date
2021.70	Local Government Cyber Security Toolkit	Local Government Information Technology Incorporated SA	This project has successfully developed a Cyber Security Framework and Toolkit for the use of Local Government. The toolkit includes a framework and a suite of supporting policies and tools which caters for the different risk profiles of Local Councils.	$99,000	30/04/2022
2021.04	Review of the Regional Capacity Building Program	Local Government Association of SA	This project hired independent consultants URPS to review the Regional Capacity Building Allocation Program (RCBAP). The review recommended range of operational improvements to improve the outcomes of the grant and the LGA Secretariat action plan will be fully implemented in 2022-23.	$20,000	30/09/2021
2020.67	Best Practice Guide for Grants Management for Local Government in South Australia	City of Holdfast Bay	This project has developed a Best Practice Guide for grant attraction and administration in SA councils. The guide offers comprehensive advice regarding all aspects of grant administration and attraction in SA councils. It includes guidelines, templates, and further references for exploration of grants.	$32,000	31/12/2021
2020.66	Environmental Health Officers' response to COVID-19: A public health workforce needs assessment to ensure sustainability and future preparedness	Flinders University	This project identified the roles and responsibilities of local government Environmental Health Officers (EHOs) in response to the COVID-19 pandemic. It found that the SA environmental health workforce was used to varying degrees by local government, although notably, half the workforce believe they could have been better utilised.	$38,200	31/12/2021
2020.65	Script development for Training Course re Community Wastewater Management Schemes	Legatus (Central Region LGA)	This project has developed the script required for the production and hosting of an on-line training course. This course is specifically designed for South Australian council owned and operated Community Waste Management Schemes(CWMS).	$16,000	28/01/2022

ID	Project Title	Organisation Name	Project Highlights	Funds Granted	Completion date
2020.62	External and internal challenges facing regional population growth strategies: learning from the case of the Limestone Coast	Flinders University	This project examined the successes and opportunities for sustained population growth in the Limestone Coast. Coronavirus has increased the net-migration in the region. However, it has also exposed the fact that immigration may no longer offer a strategic solution to regional population and workforce concerns. The project highlighted the availability and affordability of housing in the regions and the understanding and management of workforce vacancies as focus areas for the Limestone Coast.	$35,089	31/02/2022
2020.59	Modelling business clusters' readiness and resilience in managing and responding to COVID-19	The University of Adelaide	This research examines the characteristics that allowed businesses to survive better, re-adapt and overcome the COVID-19 crisis. Those characteristics provide valuable information for facilitating businesses recovery.	$30,000	31/08/2021
2020.58	Strategies to increase turnout at council elections using evidence from randomised field trials	Electoral Commission SA	This project aimed to identify communication strategies turnout to increase at council elections. The project undertook controlled trials at four supplementary council elections testing the efficiencies of different voter mobilisation messages. The results of the experiment provide a number of valuable lessons about what works and what does not work in terms of stimulating South Australian electors to vote at council elections.	$32,870	30/11/2021
2020.57	RPSA Voters Roll Practice Manual - 2022 Elections	Revenue Professionals SA	This project updated the Voters Roll Practice Manual for the 2022 elections. The updated manual will provide advice on the statutory requirements of councils under the Local Government (Elections) Act 1999 and supporting regulations. The 2021 Voters Roll Practice Manual encompasses all updates to legislation since the 2018 elections.	$5,000	09/12/2021
2020.14	Public Lighting Support for SA Councils	Local Government Association of SA	This project has enabled 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.	$30,000	27/07/2021
2020.02	Support Councils in the implementation of the PDI Act and Planning and Design Code	Local Government Association of SA	This project has provided advocacy, support and advice to councils in the implementation of the Planning Reforms. This included information sessions, training, legal advice and ongoing advocacy to support amendments of benefit to the sector.	$100,000	30/06/2021
2019.68	Community Wellbeing Indicators for South Australian Local Government	Southern & Hills LGA	This project has developed a cost effective and practical tool to support small to medium sized and regional councils to monitor community wellbeing.	$50,000	30/10/2021

ID	Project Title	Organisation Name	Project Highlights	Funds Granted	Completion date
2019.65	DPTI ePlanning integration	Local Government Information Technology South Australia Inc	This project supported councils with the development and implementation of the software and procedures required from the ePlanning Portal.	$48,000	14/02/2022
2019.64	Regional youth volunteering trial	Legatus (Central Region LGA)	This project has created a range of videos which has assisted with increasing awareness and promoting volunteering among young South Australians as a pathway to employment wellbeing and development. The project supported number of regional communities in the Barossa and Mid North better understand the value they can provide through their volunteer programs. It has also enabled some youth in the region to be better equipped in handling issues amongst their peers with regards to wellbeing and issues around suicide.	$10,000	06/12/2021
2019.51	Funding the Future – A New Approach for Coastal Management in SA	Limestone Coast Local Government Association	The project has generated a contemporary Needs Analysis and Literature Review of the funding landscape for coastal management in SA as well as a discussion paper proposing a number of recommendations for SACCA and its partners to pursue.	$46,073	26/10/2021
2017.60	Community Wellbeing Alliance -two regional trials	Local Government Association of SA	The aim of this project was to enhance the health and wellbeing of regional communities, through the recruitment of Community Wellbeing Officers, working in co-operation with regional councils. Two trials where hosted by Southern and Hills LGA and Murraylands and Riverland LGA and the report are available through the schemes library.	$150,000	02/12/2021
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	31/07/2021
2016.42	Valuing Social Outcomes	Local Government Professionals Australia, SA Community Managers Network	This project has finalised the development of a Valuing Social Outcomes (VSO) Tool and supporting documentation to support councils in measuring the social value of community development/community services programs they deliver in their communities.	$50,000	31/09/2021

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Appendix 4 - Spotlight projects 2021-22

Please note that further information regarding any of these projects is available through the LGA Research Library[13]

2020.67 Best Practice Grant Guide for Local Government in South Australia

Grant recipient: City of Holdfast Bay, LG SA Grant Network

Funding granted: $32,000



The Best Practice Guide has been completed with the support to the LG SA Grant Network. The guide offers comprehensive advice regarding all aspects of grant administration and attraction in SA councils. It includes guidelines, templates, and further references for exploration of grants.

The guide has been developed through wide consultation across the sector and have been widely distributed across Local Government. The SA LG Network will ensure the guide remains relevant by continuing to review and update the guide on a regular basis.

The SA LG Grants Networks and the guide was a shortlisted for LG Professional award as a finalist for excellence in cross council collaboration.

2020.62 External and internal challenges facing regional population growth strategies: learning from the case of the Limestone Coast

Grant recipient: Flinders University
Funding granted: $35,089
This project examined the successes and opportunities for sustained population growth in the Limestone Coast.

The project report noted that the coronavirus has increased the net-migration in the region. However, it has also exposed the fact that immigration may no longer offer a strategic solution to regional population and workforce concerns.

The report highlights the availability and affordability of housing in the regions and the understanding and management of workforce vacancies as focus areas for the Limestone Coast.

[13] 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

2020.14 - Public Lighting Support for SA Councils

Grant recipient: Local Government Association of SA

Funding granted: $30,000



This project has assisted councils to successfully transition to a new regulatory framework for public lighting. The project has also identified and progressed other key issues of strategic importance for public lighting customers.

Through this project the LGA commissioned a consultant to provide a report which included information for councils regarding the new tariff agreement for public lighting.

The consultant has also held a number of meetings and briefings to provide councils with the necessary information to understand the new arrangements and execute new agreements with SAPN. A number of key priority issues for public lighting has been identified through this project. Subcommittees have since been developed to tackle these priorities.

2019.68 - Community Wellbeing Indicators for South Australian Local Government

Grant recipient: Southern & Hills LGA

Funding granted: $50,000



This project has developed a set of Indicators of Community Wellbeing for Local Government with the aim to track issues that are important to our communities, for public health, strategic planning and service provision.

This project responded directly to challenges faced by Community Wellbeing Council in finding data and feeling confident using it. The Indicators of Community Wellbeing report has been created as a updatable e-book containing 20 indicators of community wellbeing, a road map of ideas for data development for data gaps, and case studies and links to more detailed data to provide more context.

This project will be further promoted to the Local Government sector in 2022 with a launch event and seminar. These will be focused on evidence-based policy and decision-making.

2016.42 - Valuing Social Outcomes

Grant recipient: Local Professionals Australia (SA Community Managers Network)

Funding granted: $50,000



This project has led to the development of the Valuing Social Outcomes (VSO) tool and supporting documentation. The VSO tool is available through the LGA research library and can be used to support councils in measuring the social value of programs they deliver in their communities.

The VSO Tool will enable councils to quantify the social value of delivering a community program to an individual or group of individuals over a period of time. To use the tool the councils must align the aims of the program with one or more of the 39 outcomes available in the VSO Tool.

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Appendix 5 - Current project 30 June 2022

ID	Project Title	Brief Project Description	Organisation Name	Funds Granted	Start Date	Completion date	% Completed (as per last report)
2022.12	Coastal management- council coordination	This project presents the future intent for collaborative action within the local government sector to support long-term social, environmental, and economic resilience for effective coastal management and risk mitigation in South Australia. The project will work to implement a Coastal Coordinator role within the LGA to work with member councils to strengthen collaboration and increase capacity to deliver effective coastal management across SAs 34 coastal councils.	Local Government Association of SA	$60,000	01/07/2022	30/06/2023	N/A
2022.04	Jetties Research Project: the economic, social and historic value of jetties in South Australia	This project will examine the social, economic value of jetties and complete a cost benefit analysis of the value to a town's economic value through people visiting the region, walking, fishing and swimming would support advocacy.	Local Government Association of SA	$50,000	01/07/2022	16/12/2022	N/A
2022.02	Cost Impacts and Benefits of the PDI Act 2016	Assessment of the impact of the implementation new planning system (i.e the implementation of the PDI Act and P and D Code)	Local Government Association of SA	$35,000	01/09/2022	28/04/2023	N/A
2021.66	Asset Management Plan Summary template	The Asset Management Plan Summary template is aimed to complement and align to (by summarising) the content of the 'Infrastructure and Asset Management Plan' required under the Local Government Act 1999.	Institute of Public Works Engineering Australasia(IPWEA)	$7,000	01/11/2021	15/11/2022	80%
2021.50	Local Government Authorised Persons Professional Framework Review	The aim of the Local Government Authorised Persons Professional Framework is to assist Councils to attract, appoint and develop appropriate staff to fully meet the needs of the role of an authorised person, reflecting the significant changes in responsibility that have occurred through legislative review over the last 15 years.	Local Government Authorised Persons Association	$20,000	01/09/2021	15/08/2022	5%
2021.04	Support for councils in community wellbeing	This project supports the LGA's funding partnership with Wellbeing SA. A dedicated officer within the LGA will lead and coordinate a range of initiatives supporting and building the capacity of councils to invest in and strengthen community wellbeing planning and implementation.	Local Government Association	$83,400	06/12/2021	22/12/2023	12%

ID	Project Title	Brief Project Description	Organisation Name	Funds Granted	Start Date	Completion date	% Completed (as per last report)
2021.03	2022 Council Elections Project - Phase One	The primary purpose for this project is ensuring that councils are provided with the support and resources they need to prepare for the 2022 council elections (enabling local campaigns to be integrated with the state-wide campaign).	Local Government Association of SA	$300,000	01/07/2021	31/12/2022	50%
2021.02	Local Government Reform Implementation (branded "LG Equip")	LG Equip is a comprehensive and cost-effective program that will provide LGA members with all the information, resources and support they will need to successfully implement around 150 new outcomes under the proposed local government reforms. The R&D funding will be used to develop policies, guidelines and templates to enable councils to meet the requirements of the reforms. The LGA's legislation team will work closely with its legal advisors to develop these resources.	Local Government Association of SA	$390,000	01/07/2021	31/12/2021	75%
2021.01	Supporting councils in the implementation of the Planning and Design Code &PDI Act	To support councils with the implementation of the Planning and Design Code.	Local Government Association of SA	$50,000	01/07/2021	30/06/2022	80%
2020.61	Resilient South Pilot – Incorporating Climate Risk into Asset Management	This Resilient South project (Cities of Holdfast Bay, Marion, Mitcham, Onkaparinga) provides the information required for councils and asset managers to confidently commit funds and resources towards climate risk management obligations. It is delivered in four phases over four years. The timing allows project outcomes to feed into the next round of legislated Asset Management Plans and LongTerm Financial Plans.	City of Marion	$99,000.	01/11/2020	25/04/2025	17%
2020.54	Local government: Enabling resilient food systems in South Australia	The project has engaged local governments, communities and stakeholders to build the resilience of local food systems in the face of climate change risks. A local food system is a collaborative network that integrates sustainable food production, processing, distribution, consumption and waste management in order to enhance the environmental, economic and social health of an area.	The City of Holdfast Bay	$40,000	01/10/2020	30/06/2022	**90%**
2020.10				$90,000	03/08/2020	13/01/2023	20%

ID	Project Title	Brief Project Description	Organisation Name	Funds Granted	Start Date	Completion date	% Completed (as per last report)
	'Improving educational content in preparation for 2022 Elections'	Review of the 2018 Election highlighted the opportunity for continuous improvement of the educational content for supporting staff, candidates and 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				
2020.07	Strategic Management Plan Templates	(implementation of Productivity Commission recommendations) 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	26/08/2022	80%
2019.16	Asset Management Integration	A project, to be managed by the LGA Secretariat, to produce: - a sector-wide asset management and financial planning 'Maturity Assessment Report'; and - a Model Infrastructure and Asset Management Plan with model template	Local Government Association of SA	$100,000	19/09/2019	30/04/2023	30%
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	30/10/2023	30%
2018.01	Updated Procurement Resources	to assist councils to modernise their procurement practices, to provide better value for money and to reduce risk	LGA Procurement	$40,000	17/05/2018	30/06/2022	95%
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	31/12/2022	90%

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Appendix 6 – Proposed Projects 2022-23

The following LGA Managed projects were approved by the LGA Board on 19 May 2022

ID	Project Title	Brief Project Description	Funds Granted	Start date	Completion date
2022.02	Cost Impacts of the PDI Act 2016	Assessment of the impact of the implementation new planning system (ie the implementation of the PDI Act and P and D Code)	$ 35,000	01/09/2022	28/04/2023
2021.03	2022 council elections – Stage 2	The primary purpose for this project is ensuring that councils are provided with the support and resources they need to prepare for the 2022 council elections (enabling local campaigns to be integrated with the state-wide campaign). Additional funding granted to stage 2 of this project.	$ 150,000	01/07/2021	31/12/2022
2022.04	Jetties Research Project: the economic, social and historic value of jetties in South Australia	This project will examine the social, and economic value of jetties and complete a cost benefit analysis of the value to a town's economic value through people visiting the region, walking, fishing and swimming would support advocacy.	$ 50,000	01/07/2022	16/12/2022
2022.12	Coastal management- council coordination	This project presents the future intent for collaborative action within the local government sector to support long-term social, environmental, and economic resilience for effective coastal management and risk mitigation in South Australia. The project will work to implement a Coastal Coordinator role within the LGA to work with member councils to strengthen collaboration and increase capacity to deliver effective coastal management across SAs 34 coastal councils.	$ 60,000	01/07/2022	30/06/2023
		Total approved by the LGA Board of Directors	**$295,000**		

The following competitive grant round projects were approved by the LGA Board on 15 September 2022.

ID	Project Title	Organisation name	Brief Project Description	Funds Granted	Start date	Completion date
2022.61	Local Government Career Pathways & Workforce Toolkit for Regional South Australia (SA)	Torrens University Australia	This project will develop a Local Government Career Pathways & Workforce Toolkit tailored specifically to the needs of regional SA councils. The toolkit will contain a series of frameworks, strategies, and tools to assist regional councils in their quest to attract, develop and retain their workforces.	$18,000	09/01/2023	31/08/2023
2022.67	Keys to the digital world: libraries and community centres' critical roles in digital access and connection	South Australian Council of Social Service	This project will draw on SACOSS' knowledge of digital inequity and strong stakeholder networks to produce a research report that outlines the existing work libraries and community centres are doing to address barriers to participating online and provides recommendations for additional work. It will provide an evidence base that libraries, community centres, local government and other stakeholders, including SACOSS, can use to advocate for increased resourcing to support libraries and community centres to further assist community members facing digital exclusion.	$99,413	01/11/2022	03/11/2023
2022.74	Ending homelessness: a toolkit for local government	Flinders University	Ending homelessness: a toolkit for local government will provide a practical information toolkit formulated to assist local governments to be more actively involved in place-based efforts to end homelessness, particularly rough sleeping homelessness, and to do so as part of a collective with other stakeholders and other local governments where appetite/networks exist. The toolkit is comprised of a series of fact sheets outlining good practice approaches in terms of how local governments can and should be involved and the value of involvement. The project plan details the toolkit structure and focus of fact sheets.	$78,720	01/11/2022	31/08/2023
2022.79	Quality public spaces: developing placemaking indicators and benchmarks	University of South Australia	This project aims to produce practical resources on placemaking that can aid SA local governments to strategically managing public spaces to achieve better placemaking outcomes for community wellbeing. The specific objectives of the project are as follows: Participants from each of the 19 participating councils will be interviewed and surveyed to identify indicators and develop a benchmark. Its metrics will be informed by interviews and surveys as well as desk research, with potential metrics being financial (budget,	$38,000	01/11/2022	01/11/2023

			operating expenditure for promotion, energy, maintenance, cleaning etc.), HR, place activation and facility metrics.			
2022.86	Understanding and addressing the housing shortage in the Tatiara, Southern Mallee, Naracoorte Lucindale, and Coorong Local Government Areas	Tatiara District Council (in collaboration with Coorong and Naracoorte Lucindale District Council)	There is current a shortage of 60 – 80 worker's dwelling in the Tatiara, Southern Mallee, Naracoorte Lucindale and Coorong Local Government Areas (Joint Councils). This project will undertake a feasibility study into the delivery of affordable housing for appropriately identified cohorts of people across the four Councils areas. The project is designed to identify opportunities for home ownership and finance options to support this and therefore address the shortage of housing and key worker accommodation. The project will explore the requirements of South Australian Government Financing Authority (SAFA) and also the National Housing Infrastructure Facility (NHIF) to allow the Project to proceed to implementation.	$112,000	01/11/2022	30/07/2023
2022.92	Shaping Local Civic Youth Leaders	City of Onkaparinga	Shaping Local Civic Youth Leaders is a pilot program led by the City of Onkaparinga, partnering with the Local Government Youth Development Network (LGYDN) members, local youth committees and local leaders to educate, train and support young people to realise their potential in local government. It is important that young people are given the knowledge, skill and opportunities to build their confidence and understanding of how to advocate for issues that are important to them. The program will directly target around 250 young people and their relationship with local government through three activities from October 2022 to November 2023,	$48,812	31/10/2022	10/11/2023
			Total approved by LGA Board of Directors	**$394,945**		

6.7 Special Local Roads Program

LGA Updates

From:	Alyssa Bates, Grants Coordinator	
Strategy:	2 - Assist	
Outcome:	We leverage grant funding for the benefit of councils, and their communities	
Meeting:	Annual General Meeting	28 October 2022
ECM:	782370	

Recommendation

That the Annual General Meeting notes the report.

Discussion

This report provides the Annual General Meeting with an update on the Special Local Roads Program and the Local Government Transport Advisory Panel.

Background

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

Funding for SLRP is provided from:

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

In 2014, the LGA established the Local Government Transport Advisory Panel (LGTAP) to consider strategic local road funding allocations under the SLRP and make recommendations to the LGA Board of Directors, which flow to the South Australian Local Government Grants Commission and relevant State and Federal ministers for approval.

The current Local Government Transport Advisory Panel (LGTAP) includes:

- Mayor Keith Parkes (Alexandrina Council) – Chair and member of the LGA Board;
- Mr Richard Dodson (Light Regional Council) – member from a country Council;
- Mr Peter Tsokas (City of Unley) – member from a metropolitan Council;
- Mr Chris Dunn (City of Port Adelaide Enfield) – member from a metropolitan Council;
- Ms Bridget Mather (Coorong District Council) – member from a country Council;
- Mr Lea Bacon (LGA Representative);
- Mr Peter Ilee (South Australian Local Government Grants Commission) – nominee of the Minister for Planning and Local Government; and
- Mr Andrew Excell (Department of Infrastructure and Transport) – Proxy: Mike Wilde.

The LGTAP meeting minutes and agendas can be publicly accessed on the LGA website.

SLRP and LGTAP Governance Review

LGTAP is governed by the LGTAP Terms of Reference. The SLRP operates and is governed by the SLRP Policy Manual.

In late 2021-22, LGTAP commenced a review and update of the governance of the SLRP, noting a need to improve how the program was administered and to increase awareness of how the program operates. The outcome of the review included adopting new Terms of Reference for the LGTAP and undertaking a comprehensive update of the SLRP policies.

In March 2022, a refreshed Terms of Reference and an updated SLRP Policy Manual was presented to the LGA Board of Directors for adoption.

The refreshed Terms of Reference was modelled on the Terms of Reference used for other LGA Board communities, including those used for other major grants such as the Local Government Research & Development Scheme's Advisory Committee. There were no substantive changes to LGTAP's core responsibility, but it better defined the LGTAP's role and how it reports through the LGA Board of Directors. In addition, the number of council representatives was changed from two to four to allow for better succession planning.

The updated SLRP Policy Manual provided an entire re-write of the previous Guidelines, Policy and Process document to more clearly communicate the overall objectives of the SLRP, the application and the assessment process. A process update and clarification was that the LGTAP retains responsibility for evaluating the applications, seeking comment from Regional LGAs during this assessment stage.

Another significant change relates to the assessment process. Previously, the assessment was managed via the SLRP database. The re-write of the Policy Manual included a weighted assessment criteria to better align the objectives of the SLRP with the assessment process. In addition, the assessment process was moved from the SLRP database to the LGA's electronic grant management system (Smarty Grants).

Finally, the updated Policy Manual included greater detailed direction regarding managing scope changes, extensions and fund management of SLRP projects.

The current LGTAP Terms of Reference and SLRP Policy Manual, as endorsed by the LGA Board on 17 March 2022, are available on the LGA website.

2022-23 SLRP Grant Round

Each year the LGTAP calls for applications for SLRP funding from Councils.

The 2022-23 SLRP Grant round opened on Monday 4 April 2022 and closed on Friday 20 May 2022. Thirty-six applications, requesting a total of $21,122,000 of funding, were received as part of the 2022-23 SLRP Grant round.

At its meeting on 22 July 2022, the LGA Board of Directors endorsed the recommendations put forward by LGTAP, to support 29 SLRP projects with a total funding allocation of $16,212,000 to the SA Local Government Grants Commission for appropriate recommendation and subsequent formal announcement by respective State and Federal Ministers.

An overview of SLRP Grant recipients can be publicly accessed on the LGA website.

Financial and Resource Implications

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

6.8 LGA Advocacy Update

LGA Updates

From:	Lea Bacon, Acting Executive Director Public Affairs	
Strategy:	K.I 1 Leadership and advocacy	
Outcome:	1A Listen to, and represent members	
Meeting:	Annual General Meeting	28 October 2022
ECM:	781667	Attachment: 779219

Recommendation

That the Annual General Meeting notes the report.

Discussion

This report provides an update on the key advocacy activities being undertaken by the LGA on behalf of our members.

LGA Strategic Plan

The LGA's Strategic Plan 2021-2025, recognises the LGA will achieve greater influence for local government through a strategic and evidence-based approach to advocacy, partnering with state and federal government wherever possible, and by raising the profile of local government.

The LGA's advocacy seeks to help councils to provide high quality services, facilities and operations that meet the needs of communities, while driving downward pressure on rates.

The LGA's advocacy informs awareness campaigns that shine light on the role and value of local government to ensure that communities understand and value the services provided by local government.

The Strategic Plan acknowledges that success in advocacy is built upon being close to members and understanding what is important to them.

LGA Advocacy Plan

The LGA Advocacy Plan 2019-23[1] guides decision making about the prioritisation of resources, assists in identifying partnership opportunities with key stakeholders and enhances our accountability to our members.

The Advocacy Plan is reviewed each year 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 as identified through Items of Business carried at LGA General Meetings.

[1] https://www.lga.sa.gov.au/__data/assets/pdf_file/0039/859188/ECM_713038_v11_LGA-Advocacy-Plan-2019-23-revised-July-2020.pdf

The attached Advocacy Plan has been updated to reflect the political and policy landscape following the South Australian and Federal elections in 2022, the implementation of local government and planning reforms, and seeks to maintain a focus on the priority issues identified in recent election platforms.

The attached LGA Advocacy Plan 2019-23 (revised) was endorsed by the LGA Board of Directors on 15 September 2022 and is provided to member councils for noting.

2022 South Australian Election

Prior to the 2022 State Election, the LGA ran the Local Voices for a Resilient South Australia election campaign[2]. The LGA's approach was to reinforce the role of SA councils as effective partners in government, by highlighting past projects achieved through collaboration and focusing on practical actions state and local governments can take to deliver lasting benefits for our communities.

Focusing on opportunities to work in partnership with the State Government, our influenced-based approach aimed at cultivating beneficial long-term relationships which put us in a strong position to pursue our ongoing advocacy agenda.

A key LGA advocacy outcome was Labor's commitment to give local government a seat at State Cabinet. The LGA also gained interest and momentum across a number of our election asks, including in the areas of housing and health workforce shortages, funding for libraries and digital literacy programs, and commitment to finalise the jetties strategic plan.

Importantly, beyond the state election period the Local Voices platform has set the tone for the how State and local government will work together over the next term of Government through a mutually beneficial relationship - recognising opportunity to leverage influence and further opportunities over time.

State-Local Government Relations Agreement

At their meeting in May 2022, the LGA President and Minister for Local Government, Hon Geoff Brock MP, discussed the opportunity to establish a model for State-Local Government relations which will include SA Labor's pre-election commitment to provide representatives from the local government sector a quarterly audience with Cabinet.

It is understood that local government involvement in these quarterly meetings will not include observing the deliberations of Cabinet but will involve dialogue with Cabinet ministers about issues of strategic importance to the local government sector.

The LGA President has subsequently written to Minister Brock with an outline of a potential framework for a State-Local Government Relations Agreement, to inform the model currently being drafted by the Department of Premier and Cabinet (DPC).

2022 Federal Election

The LGA's state election strategy was developed in parallel with the Australian Local Government Association's (ALGA) Federal Election campaign strategy - Don't Leave Local Communities Behind![3]

The Local Voices platform focused on several issues that also align with Federal issues and ALGA's identified priorities, including in relation to housing availability and affordability, gaps in

[2] Local voices | LGA South Australia
[3] https://alga.com.au/app/uploads/alga-election-priorities_web.pdf

digital connectivity, and the need to establish climate partnerships and transition to a circular economy.

Strong advocacy from ALGA, state and territory local government associations and councils around the nation delivered the following key advocacy outcomes and commitments from the Labor Government:

Grants

In 2022-23 the Federal Financial Assistance Grants provided to all councils will increase – at a minimum – from $2.7 billion to $2.8 billion, due to the application of indexation. Beyond these allocations, the new Federal Government has committed to providing "fair increases" to Financial Assistance Grants.

Labor committed to support the Coalition's $500 million commitment to the Local Roads and Community Infrastructure Program and increase this by $250 million, pledged $200 million per year for disaster mitigation through its Disaster Ready Fund, and $400 million for expanding mobile coverage in regional Australia.

National Cabinet

Advocacy resulted in ALGA being appointed to National Cabinet for the first time, following the Morrison Government's decision to abolish the Council of Australian Governments (COAG).

2022-23 Federal Budget (October)

The LGA supported ALGA to highlight the following priorities for councils in October's Federal Budget:

- No net reduction in funding to local government: including dedicated funding programs specifically for councils, as well as competitive grants programs that councils have been eligible to apply for and successful in delivering.

- Financial Assistance Grants – most grants for 2022-23 were pre-paid to councils in 2021-22. ALGA offered to work with the Government towards establishing a quantum for "fair increases" to Financial Assistance Grants, with a view to implementing phased increases for these grants from 2023-24.

- First and last mile funding: ALGA called for $300 million per annum over four years to help address road freight first and last mile issues that are hindering national productivity. This request recognises sensible heavy vehicle reform that boosts productivity while acknowledging the capacity and financial constraints faced by council road managers.

- Reaffirming the 15 funding priorities for Australian councils in ALGA's 2022-23 pre-budget submission, including $20 million per year permanent supplementary road funding for South Australia.

The LGA and ALGA will submit full budget submissions ahead of the 2023-24 Budget, which will focus on how councils can play an increased role driving productivity, while improving the wellbeing of our communities.

SA State Budget 2022-23

In advance of the 2022-23 State Budget, the LGA President wrote to the Treasurer, Hon Stephen Mullighan MP, to highlight local government advocacy on funding for jetties and public libraries as two immediate and practical issues, whereby an injection of State funding will make a significant impact on the prosperity of local communities. It was noted that these are both issues that the LGA has been discussing with State Government and are significantly progressed with the relevant department and agencies.

The LGA prepared an analysis of the 2022-23 State Budget that was handed down on 2 June 2022[4]. The LGA welcomed the State Budget's significant investments in health services, public housing and homelessness supports, tourism industry assistance, and reforms to procurement processes designed to engage more local businesses.

The LGA, however, highlighted concerns about cuts to programs which were focused on increasing urban green cover and tree canopy in the Adelaide metropolitan area. The LGA President has subsequently written to the Minister for Climate, Environment and Water, Hon Susan Close MP, to seek further clarification on the State Government's commitment to this important issue.

The LGA's post-budget media release also expressed disappointment that the return of annual indexation to public library funding and $10 million for priority jetty maintenance work was not included in the Budget. The LGA President has subsequently written to the Minister for Infrastructure and Transport, Hon Tom Koutsantonis MP, urging that the Jetties Strategic Plan be finalised and released to identify a sustainable approach to the future management and prioritisation of investment for SA jetties.

The President wrote to the Minister for Education about the importance of library funding, as well as the role of school community libraries in regional areas in supporting education, literacy and access to online services. The Government has now committed $4M towards the Ceduna Area School Special Education Unit, thereby permitting the Ceduna School Community Library to remain on site.

Planning update

Minister for Planning

The new Minister for Planning, Hon Nick Champion MP, has attended a number of LGA activities, including attending a GAROC Committee meeting and the Regional and Metropolitan CEO Forums. The LGA President also met with the Minister on 25 July 2022 and discussed a range of issues relating to the implementation of the planning system.

Discontinuance of the ePlanning levy

The LGA has recently written to the Minister for Planning regarding the ePlannning levy that councils are required to pay to support the cost of establishing and maintaining the SA Planning Portal.

The LGA and councils have raised with previous State governments the inequity of councils being required to pay this levy.

[4] ECM_777470_v3_LGA State Budget 2022-23 Highlights and Analysis

The LGA considers that State Government agencies, the development industry and all South Australians also benefit from the ePlanning system, as they can lodge and track applications online, make payments, submit and receive information and track projects and development applications in real time.

Based on the contribution schedule outlined in the correspondence, the LGA estimates that local government is contributing approximately $1.2 million annually through the ePlanning levy.

The LGA also estimates that the State Government is also receiving in excess of $10 million annually in lodgement fees. The LGA has requested that the Minister give consideration to apportioning the lodgement fee on a 50/50 basis between the State Government and local councils to enable councils to support the State Government in delivering the planning system to all South Australians.

Review of the *Planning, Development and Infrastructure Act 2016*

The State Government has established an Expert Panel to provide advice to the State Government on matters relating to the new planning system.

To prepare the local government sector for this review, the LGA Secretariat has undertaken a review of the *Planning, Development and Infrastructure Act 2016*, supporting regulations and the Practice Directions to identify areas for improvement.

The LGA will provide a submission to the Expert Panel in the coming months.

Certificate of Occupancy

The LGA was made aware that a request was made to the Minister to defer the reintroduction of Certificate of Occupancies (CoO) for Class 1a buildings for a further 18 months, until 1 January 2024.

The request was made by the building industry, as they considered that the July 2022 reintroduction of the CoO may result in delays in occupation of homes and payment of final progress payments to builders, with these delays being compounded by the increase in home approvals owing to the HomeBuilder stimulus package.

Following consultation with councils, the LGA advised the Minister that the delay of 18 months would appear both excessive and unnecessary and there should be consideration to implement CoOs to bring South Australia into line with other states.

The Minister advised that he was supportive of a delay until January 2024. However, he also indicated that there would be no extensions beyond this time.

The LGA Secretariat will engage with the sector in relation to the development of housing occupancy requirements as they may differ between metropolitan and regional areas.

Planning and Building Staff Shortages within local government

The Minister was recently made aware that there was no longer an undergraduate planning course in South Australia, and that councils across the State were having difficulties in attracting and retaining qualified planning and building staff, particularly within the regions.

The private sector over the past 12 months has recruited a large number of experienced planners from councils, and many of these planners are now being contracted back to councils to assist them with the assessment of development applications.

The LGA has recently conducted a survey of councils, and from those who responded, it has been identified that there is a shortfall of 34 planning practitioners and 29 building practitioners.

While there is little likelihood of the undergraduate planning degree being established in the short term, there is the option of re-establishing the Certificate 4 (Planning) through TAFE or a registered training provider (RTO). This would necessitate funding from the State Government in preparing a syllabus based on the new system. Administration staff and possibly cadets could undertake this course to provide support for planning staff.

Other advocacy outcomes

Free flu vaccination program

On 29 May 2022, the State Government announced free flu vaccinations for all South Australians to relieve pressure on the state's hospitals. Initially the government only committed to reimbursing General Practitioners and pharmacists for the costs of providing these free vaccinations.

In response to LGA advocacy, SA Health has confirmed the State Government will also reimburse council vaccination clinics for the costs of administering both the National Immunisation Program funded flu vaccine and the non-funded flu vaccine. Councils were able to offer the free vaccine and invoice SA Health for all vaccines provided between 29 May and 30 June 2022.

Borrow pits

Via SAROC, the LGA has advocated for appropriate consideration of council borrow pit activities within the *Mining Act 1971* and relevant regulations.

The LGA Secretariat and Local Government Risk Services (LGRS) have held discussions with SafeWork SA regarding council borrow pit activities. These meetings and subsequent correspondence have confirmed how SafeWork SA consider the *Mining Act 1971* and regulations to apply to council activities in rubble raising in regional areas for roads maintenance programs.

New SafeWork SA interpretation clarifies that the requirement for a mine manager would only be active as and when there were operational mining or processing activities taking place at the site. This would allow for a competent works operative to be designated as the mine manager for the site they are going to work on at that point in time, alleviating the need for them to be considered as a manager of multiple sites and the council and regulator having to go through this gazettal process every time a pit is opened or closed.

LGRS are preparing an education program to be rolled out as councils are informed about this outcome.

LGA submissions[5]

ESCOSA Draft Framework and Approach – Advice to councils on Strategic Management Plans

As part of wide-ranging reforms to the *Local Government Act 1999* (the Local Government Act) the Strategic Management Plan Advice Scheme (SMP Advice Scheme) commenced on 30 April 2022.

The Essential Services Commission of SA (ESCOSA) developed a draft Framework and Approach setting out its proposals for administering the SMP Advice Scheme, seeking public submissions by 27 May 2022. The LGA received a strong and well considered response from councils on ESCOSA's proposals and provided a submission that confirms LGA and local government sector support a SMP Advice Scheme which aligns with that contemplated by the changes to section 122 and seeks to address:

[5] LGA Submissions | LGA South Australia

- high level advice to councils which highlights where material amendments made (or proposed to be made) may affect a council's long-term financial sustainability (with reference to the already identified and industry-recognised financial indicator target ranges) and/or may affect a council's ability to maintain and implement their LTFP and IAMP(s);
- high level advice to councils on the appropriateness of the council's proposed approach to funding services and infrastructure as outlined in the funding plan within the LTFP and the IAMP(s) whilst having regard to the intended sources of total revenue and whether council has considered the appropriateness of the financial contributions proposed to be made by ratepayers.

The submission reinforced that the LGA and the local government sector do not support ESCOSA developing a SMP Advice Scheme which:

- expands the scope of the Scheme;
- seeks to limit the discretion bestowed upon councils under the Local Government Act;
- replicates work performed by other agencies (such as reporting data to the Local Government Grants Commission) and/or already required by legislation (e.g., every council must already audit its accounts); and
- will place upwards pressure on rates.

The LGA also raised significant concerns with the focus on rates and the proposed comparison of council rate increases against CPI. This was a perspective shared by many council submissions as part of the consultation process.

The Essential Services Commission of SA has completed its consultation seeking input on the framework for the new Strategic Management Plan Advice Scheme, which came into effect on 30 April 2022.

Disappointingly, the framework has not picked up some of the feedback provided by the sector, with only a small number of concessions made to the scheme.

The LGA welcomes the statutory framework set out in section 122 of the Local Government Act and recognises the value in council's receiving high level advice to improve their strategic management planning processes, long-term financial sustainability, and financial decision-making.

We recognise councils work hard for their residents, including keeping rates down. The LGA remains open and willing to work with ESCOSA on the details of how the scheme will run, including proposed costs to the sector.

The LGA is continuing to look at options to further engage and will seek to ensure the objectives of the scheme are kept focused on supporting councils with strategic management planning processes which can give confidence to communities on council operations. We have also discussed these matters with the State Government through the Minister for Local Government.

To support those councils in the first year of the schedule, the LGA is facilitating a Community of Practice.

ESCOSA's final advice for councils in year one of the four-year schedule is due to be made available in late February 2023. The LGA will keep members updated on this work as it continues.

Regional housing – advocacy and toolkit

Via SAROC, the LGA has developed advocacy for State and Federal Government policies that develop a roadmap for increasing regional housing supply that includes better incentives for private development in regional areas and alternative funding models for affordable housing projects and associated infrastructure, including a process to secure government funds.

At its meeting on 26 May 2022, SAROC received a final report from Leonie Boothby & Associates, which informed advocacy positions. The research advice is also informing the development of an online Local Government Regional Housing Support Framework (toolkit) – for individual councils to refer to when considering local interventions.

On 27 June 2022, SAROC held a Regional Housing Roundtable with senior State Government representatives from the Department for Trade and Investment, Renewal SA, PIRSA, SA Housing Authority, and the Department for Treasury and Finance.

At the roundtable, councils discussed the impacts that housing affordability and availability is having on communities from both a social and economic perspective and outlined both the causes and steps they have taken to address the issue.

SAROC has identified advocacy on policy reforms needed to:

- improve the financial incentives for regional housing developments;
- increase state and federal government funding for the expansion of essential services infrastructure; and
- establish case management resources to support the development of regionally specific business cases – needed to prove the financial viability of regional housing developments.

SAROC has written to the State and Federal Government (and Opposition) in the following terms:

Letter to the Premier and the Minister for Local Government to request support for State Government leadership in a coordinated response, and efforts across State and local government, including:

a. acknowledging in Cabinet that this issue has critical implications for many ministers and their portfolios;

b. development of a roadmap for increasing regional housing supply that includes better incentives for private development in regional areas and alternative funding models for affordable housing projects and associated infrastructure, including a process to secure government funds; and

c. establishing collaborative Regional Housing Crisis Task Force (or similar) featuring suitable representation from State Government agencies and the local government sector, and sufficient staff resourcing to progress associated follow-up work.

Letter to the Australian Government's Minister for Housing, requesting:

a. information about the Government's proposed National Housing Supply and Affordability Council;

b. information about the criteria which will be used to determine the locations for the Government's proposed 20,000 new social housing dwellings and 10,000 affordable homes for frontline workers;

c. the Government consider a new program that seeks to address the shortage of affordable rental housing by offering financial incentives for property developers, not-for-profit organisations, and community housing providers; and

d. the Government consider lowering the development project value threshold for access to the National Housing Infrastructure Facility, given the smaller scale of viable residential developments in regional South Australia.

Letter to the State Minister for Housing and Urban Development requesting:

a. that he advises whether there are any resource or policy barriers which explain why Renewal SA is not currently engaging in any regional residential projects, at a time when severe housing shortages are being experienced throughout regional South Australia;

b. consideration be given to Renewal SA making available suitably qualified case management staff, based in regional areas, to conduct regional data analysis and regional housing business case development; and

c. consideration be given to the establishment of a Regional Development Housing Infrastructure Fund to finance the installation or expansion of essential services infrastructure systems, given the significant barrier to regional residential development infrastructure costs present; and

Letters to the Treasurers of both the Australian Government and South Australian Government requesting that they consider targeted tax incentives for regional first homebuyers and investors (including employers) to incentivise investment in regional residential developments.

Food Standards Australia New Zealand (FSANZ)

Following detailed consultation with member councils, the LGA made a submission regarding a Proposal for Food Safety Management Tools. SA councils have sought changes to the regulatory landscape in food standards for many years and the LGA has welcomed the proposals that progress a nationally consistent risk-based regulation system.

The LGA submission highlighted that the proposed reforms rely heavily on the systems, resources and guidance materials being available in time for implementation, as well as additional resources being in place to assist councils to communicate these proposals to their local food businesses and communities.

Review of the Disability Inclusion Act 2018 (SA)

With input from member councils and the Local Government Disability Advisory Group, the LGA provided a response to the Department of Human Services' Discussion Paper on a review of the *Disability Inclusion Act 2018*.

The LGA submission acknowledged that the Act is an important part of South Australia's legislative scheme. While local government's consensus view is that the legislation has been well received and no changes are required at this time, the submission provided additional feedback to improve collaborations on the promotion, engagement and support for implementing disability access and inclusion planning.

A key recommendation made in the submission was for the LGA and DHS to work together to explore additional grant opportunities / funding from state and federal governments to enable councils to support the implementation of the *Disability Inclusion Act 2018* (SA) and Australia's Disability Strategy 2021-31, and to deliver access and inclusion initiatives in local communities.

Research

Regional Health Workforce

SAROC has commissioned Dr Kristine Peters (Principal Consultant, KPPM Strategy) to develop a Regional Health Workforce Toolkit. Once completed, the toolkit will provide advice to councils experiencing health workforce shortages about actions they can take to attract (and retain) health professionals to live and work in their communities.

To inform this work, the LGA Secretariat has undertaken research and consultation with regional councils to investigate the key barriers preventing the recruitment of a sustainable health workforce, with a focus on general practitioners (GPs), and has explored successful actions previously taken by councils.

This work will inform future LGA advocacy, targeted at shaping state-wide and community-based initiatives which address health workforce shortages in regional areas.

Immunisation

The LGA has engaged a consultant to undertake evidence-based research and consult with councils to determine what the costs are to councils in providing immunisation programs. The findings will be used to support councils in making sound financial decisions and will further inform the LGA's advocacy that the State Government invest an additional $2.4 million to provide ongoing, sustainable and equitable funding.

Partnerships

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

Wellbeing SA Public Health Partnership Agreement

In 2021, the LGA entered into a new agreement with Wellbeing SA to become a Public Health Partnership Authority. The agreement between the two organisations recognises the shared interest in progressing strategies to deliver better health and wellbeing outcomes through effective action in wellbeing and prevention.

The project will link councils with State Government-led initiatives, showcase impactful work by councils, identify the need for training or other resources, and amplify councils' voices to influence future policy development.

A new Senior Project Officer Wellbeing has started with the LGA, and she will lead the implementation of the agreement over the next two years.

Early priorities identified include walking campaigns and working with councils on promoting nature-based activities, urban greening, and mental health.

Local Government Early Childhood Community Innovation Grants

The Department for Education has partnered with the LGA to provide South Australian councils with the opportunity to apply for a one-off competitive grant of up $15,000 for individual councils and up to $30,000 for collaborations between councils and/or community organisations.

These grants provide an opportunity for councils and local communities to respond directly to the Australian Early Development Census (AEDC) results by considering initiatives that will support the needs of children (ages 0-5) and their families.

There were 18 applications for this grant program, with a total of $180,000 allocated to the twelve successful projects which include projects as diverse as the City of Campbelltown developing a children's policy to a Little Creators STEM Workshop being delivered by the District Council of Loxton Waikerie. Councils have two years to deliver projects and the program provides a useful way to promote the AEDC data through councils and share learnings across the sector.

Heavy Vehicles Partnership Program

The two-year secondment of an officer from the Department of Infrastructure and Transport (DIT) has now concluded, culminating with the release of the Road Manager Guideline, adding to the wealth of resources available to councils on the LGA website.

Through the partnership with DIT, the officer was able to work closely with councils supporting them in their responsibilities as road managers, and the program received positive feedback from councils, industry, ALGA and other stakeholders. The future of this work is being discussed with DIT.

Regional Climate Partnerships Coordinator

The LGA is continuing its partnership with Green Adelaide and the Department for 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. The central Coordinator role, based at the LGA, has provided strength in collaboration, efficiencies, and clear direction for the local government sector. Activities such as the GAROC Climate Change Action Forum, hosted on 28 May 2022, have supported the work of the program. The Forum was attended by the newly appointed Deputy Premier, Hon Susan Close MP, who spoke passionately about the importance of state/local government partnerships, together with twelve mayors, and senior State Government agency representatives.

Items of Business

The LGA has undertaken the following actions to progress 'advocacy' related items of business carried by member councils at the Ordinary General Meeting in April 2022.

Implementation of an electronic portal for issuing of permits pursuant to the Fire and Emergency Services Act 2005 (District Council of Loxton Waikerie)

The LGA President has written to the Minister for Emergency Services, Hon Joe Szakacs MP, to advocate that he instruct and fund the SA Country Fire Service to implement an online portal for application, approval and issuing of permits pursuant to the *Fire and Emergency Services Act 2005*, prior to the commencement of the 2022-23 fire season. The Minister has responded to say he has asked the CFS to investigate sustainable options to improve this system.

Electric Vehicles Taxes (City of Victor Harbor)

The LGA Secretariat has liaised with ALGA to inform its strategies for continuing to progress electric vehicles as an advocacy issue with the Federal Government.

The LGA President has written to the Federal Government to advocate that they remove the Luxury Car Tax on Electric Vehicles and other 'fuel efficient' vehicles. The Federal Minister for Climate Change and Energy has responded to say that his government is developing a National Electric Vehicle Strategy which will consider measures to increase sales and they have already introduced an Electric Car Discount to exempt many EVs from import tariffs and fringe benefits tax.

Research into the Population Status and Decline of Little Penguins in South Australia

The LGA President has written to the Minister for Climate, Environment and Water, Hon Susan Close MP, requesting that she review the strategies and management plans applicable to increasing the Little Penguin population within all coastal councils, to save them from extinction.

Stamp Duty on Regional Residential Property in South Australia (Barunga West Council)

The Chair of SAROC, Mayor Erika Vickery OAM, has written to the Treasurer, Hon Stephen Mullighan MP, requesting that he investigate options to exempt or reduce stamp duty taxes on regional residential property purchases to incentivise regional migration and increase regional residential demand, including from first home buyers.

Rough Sleeper/Homelessness Initiative (Town of Gawler)

In December 2021, the LGA was approached by the South Australian Alliance to End Homelessness (SAAEH), a state-wide collective of community and business representatives committed to ending rough sleeping homelessness.

As anticipated in this item of business, the LGA is currently working with SAAEH to:

- ensure that the LGA is represented within the governance structure of the SA Alliance to End Homelessness; and
- sign an updated MOU between the Institute of Global Homelessness and South Australian stakeholders (including the newly elected Malinauskas Government).

The LGA also co-hosted a local government forum on rough sleeping homelessness, targeted at mayors and CEOs on 4 August 2022, which detailed the international success of the Advance to Zero methodology, and explored how this methodology may be expanded beyond the inner-city Adelaide area.

The LGA is also liaising with Homelessness Alliance service providers and associated councils on their experiences in developing and implementing pilot projects using the Advance to Zero methodology.

Review of Local Government Disaster Recovery Assistance Arrangements (LGA Secretariat)

The LGA President has written to the Treasurer, Hon Stephen Mullighan MP, seeking support for a review of the Local Government Disaster Recovery Assistance Arrangements (LGDRAA), with a view to addressing the need to:

- make the LGDRAA simpler and more definitive in terms of the support provided to councils in the event of a natural disaster;
- significantly reduce the current thresholds for cost reimbursement to levels consistent with other state jurisdictions;
- ensure that the significant internal costs borne by councils during and after a natural disaster are acknowledged and can be recovered in the funding frameworks;
- provide clarity on the eligibility of both the short-term and long-term costs relating to the clean-ups of damaged verge trees and road clearance; and
- provide further clarity on the ability of councils to recover direct counter disaster operations costs from Control Agencies, and the merits of removing this ability so that the LGDRAA can be an all-encompassing funding framework.

The LGA has not yet received a response on this issue.

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.

Local Government Association of South Australia

The voice of local government.

LGA Advocacy Plan 2019 – 2023



Introduction

The object of the LGA is to achieve public value through the promotion and advancement of the interests of local government. From an advocacy perspective, the focus of the LGA is 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. 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 extensions to the Local Roads and Community Infrastructure Fund.

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 being pursued 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 focused 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 guides decision making about the prioritisation of resources, assists in identifying partnership opportunities with key stakeholders and enhances 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.

Aims - what successful advocacy looks like

Commitments / Relationships / Reputation

Commitments

Elicit genuine and specific commitments from State and Federal government that are relevant to local government's priorities and community outcomes.

Commitments can take the form of:

- funding for councils via targeted contributions and competitive grants – leveraging allocations from existing programs, as well as maintaining and building on existing commitments;
- legislation and regulations that enable local government services and consider implications (cost, appropriate support) for councils; and
- development of Government strategies and policies that reflect insights and experience of local government, including a 'seat at the table' with representation on relevant groups.

Relationships

Set the tone for how local government will work as a partner in government through mutually beneficial intergovernmental relations - recognising opportunity to leverage influence and further opportunities over time through ongoing advocacy.

Reputation

LGA advocacy creates the opportunity to progress and influence local government's brand and reputation with key decision makers and influencers:

- Government, ministers, Opposition and department agencies – build on the trust and credibility of the sector, reset conflicts and change the conversation on points of difference.
- Peak bodies and other key influencers – identify opportunities to align and build a coalition of support on common areas of interest

Principles - an influence-based approach

The LGA adopts an influence-based approach to advocacy and acknowledges that the most influential way to garner support or 'change the mind' of State Government decision making (our advocacy goal) is to:

- convey urgency and inspire action on priorities, with a focus on the meaningful and practical measures State and local government can pursue;
- acknowledge and build on our common ground, highlight shared achievements and demonstrate a credible track record to be built upon;
- adopt a tone that is positive, credible and likeable, while not glossing over points of difference or opportunities that may be missed;
- leverage local government as a respectful, reliable partner that is trusted by the governments, department agencies and the community;
- focus on areas of strength and relevance for the local government sector; and
- support positions with a small number of cohesive, compelling reasons, back with targeted examples and case studies from member councils.

2022-23 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 2022-23, the LGA will dedicate most of its advocacy focus and resources towards the following priority issues.

- 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.**

- establishing a **State-Local Government Relations Agreement** that provides a framework for ensuring State Government action responds to local needs and considers local solutions.

- informing the State Government's independent review of the **Planning Development and Infrastructure Act** and associated documents

- engaging with the State Planning Commission to enable close collaboration and evidenced based investigations during the review of the **Regional Plans** and the review of the **Thirty-Year Plan for Greater Adelaide.**

- developing a roadmap with state and federal governments for increasing **regional housing** supply that includes better incentives for private development in regional areas and alternative funding models for affordable housing projects and associated infrastructure, including a process to secure government funds.

- establishing a formal role for the local government sector to shape state-wide and community-based initiatives to better address **medical workforce shortages** in regional areas.

- achieving access to 50 per cent of council contributions to the Green Industry Fund (through solid waste levy payments) for local government in the form of grants for waste initiatives, trials and programs to support achievement of the State Government's waste targets or the transition to a **circular economy**.

- informing and encouraging a **review of mandatory rebates**, discounts and exemptions resulting in councils' discretion to determine rating structures which produce the best outcomes for all community members.

- securing the future funding of **South Australian libraries**, including restoring CPI to the Government's funding contribution, allocating funds to digital inclusion programs, funding a

dedicated grants program to drive innovation and reform, and finalising new arrangements for Schools Community Libraries.

- increasing state and federal government grant funding for **coastal adaptation** initiatives.
- improving **stormwater management** by securing increased funding in the Stormwater Management Fund and informing a stormwater reform process in partnership with the Stormwater Management Authority
- releasing the South Australian **Jetties Strategic Plan** that includes a $10 million State Government investment in priority jetty maintenance and upgrades
- securing additional State Government investment to provide ongoing sustainable and equitable funding for councils to deliver **immunisation services**.
- 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.
- establishing a **State-Local Government Climate Change Partnership** that provides long term certainty for the Regional Climate Partnership Sector Agreements, commits to practical action on adaptation and mitigation, and embeds South Australia's leadership on climate change at the national level.
- Lobbying for State Government leadership to provide ongoing operational support to ensure an effective response to **hoarding and squalor** in South Australia.
- Promoting the need for the Australian Government together with States and Territories to commit to a **national plan to end homelessness** by 2030 which addresses all the drivers of homelessness.
- informing the forthcoming legislated review of the **Dog and Cat Management** Act 1995.
- Negotiating the **implementation of local government reforms** and liaising with relevant State Government bodies to limit resource impacts and costs to council arising from the reforms including lobbying for further change where unintended consequences of reforms are identified.
- Liaising with State Government and key stakeholders to support councils to meet statutory strategic management planning requirements, enhance financial management capability and advocating for change in relation to **strategic management plan oversight arrangements**.
- Negotiating with the Legislative Review Committee to **reform by-law making arrangements** and so reduce the number of council by-laws disallowed by Parliament.

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	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. 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. 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.	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. 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.	Pursue opportunities to request an increase in State Government funding and resources to successfully implement meaningful local government reform. 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. Liaise with relevant ministers and members of parliament to inform discussions and build support for required Ministerial approval.	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
State- Local Government Relations Agreement	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. 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.	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.	Continue to outline the benefits of a formal partnership in correspondence with the Premier and senior Government Ministers. Proactively identify and pursue opportunities to work collaboratively with the State Government, through its departments and agencies. Develop proposals and seek to enter into agreements for grants and programs that deliver interdependent value for the state government, councils and their communities.	LGA Board

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	Support ALGA in developing a Federal advocacy campaign and promote the use of the campaign in SA. Build third party support from individuals and organisations that would benefit from increased local investment. Use member communications to encourage councils to acknowledge the financial contribution of the Federal Government toward local projects. Explore opportunities to identify projects and services being delivered by councils that support the priorities and objectives of the Federal Government.	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
Review of statutory fees, charges and mandatory rebates.	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. 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. 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.	Commitment and action from the State Government to • 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. 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.	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. 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. 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.	LGA Board GAROC SAROC

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	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). 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.	Permanent reinstatement of South Australia's supplementary local roads funding – beyond 2021.	Develop an options appraisal and issues paper to support future advocacy. Develop and implement an advocacy campaign at the federal level and leverage ALGA support where required. Support councils to undertake advocacy activities locally. Coordinate a delegation of members to Canberra to engage with representatives and decision makers.	LGA Board
State funding of regional roads – road safety	Local government recognises the importance of State Government investment in the strategic road network for economic and social prosperity. 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	Increased State Government funds for the maintenance and upgrade of safe and high-quality regional roads.	Incorporate this issue within the LGA's State Budget Submissions Coordinate advocacy with other peak body associations. Develop and implement actions from the LGASA Guide to Local Government Road Safety Actions and Strategies.	SAROC

Issue	Position	Outcome sought	Key actions	Lead body
	providing financial assistance to the sector in discharging these duties.		Support engagement with member councils and liaise with state and federal government agencies to inform their respective Road Safety Strategies and Action Plans.	
Heavy Vehicle National Law – reform implementation	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. In May 2021, infrastructure and transport ministers approved a two-year HVNL Safety and Productivity Program to implement reform outcomes from the HVNL review.	Ensure that the new Heavy Vehicle National Law appropriately considers and reflects the role of local government and implications for councils.	Continue to engage with member councils to ensure that LGA advocacy is evidence based and reflects operational considerations. Undertake advocacy on relevant elements of the reform implementation.	LGA Board
Electric Vehicles Fleet Incentives	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. 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.	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. State Government to assist councils convert to an electric vehicle fleet by providing incentives.	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.	LGA Board

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.	Establish an LGA steering committee of member councils to inform and guide future advocacy. Develop an Issues Paper to clearly articulate the issues, gaps and options for future funding and lease or other arrangements. Seek to meet with and inform stakeholders as appropriate.	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.	Identify and map priority blackspot areas in South Australia Identify funding opportunities for councils' submissions. Incorporate funding requests in State and Federal Budget submissions.	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

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.	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. 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.	Continue to pursue opportunities for advocacy arising from the Federal and state government response to the COVID-19 pandemic. 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. 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.	LGA GAROC

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	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. 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.	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.	
Dog and Cat Management issues	In 2022, 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. 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.	That cat management laws be consistent across local government jurisdictions whilst recognising resource limitations and operational realities of regional councils in administering the Act. That State Government through the Dog and Cat Management Board leads legislative reform including community consultation on cat management issues including registration and containment.	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 reforms on registration and containment and the powers of council authorised officers.	LGA Board SAROC

Issue	Position	Outcome sought	Key actions	Lead body
Family and Domestic Violence training, education and development	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. 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.	As large employers, councils can influence and change workplace cultures to promote gender equity and the safety of women.	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. 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.	LGA Board

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	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. 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.	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.	Continue to host member forums and workshops that facilitate the exchange of information between councils and AGD and the State Planning Commission. Represent the views of local government on the Minister's Liaison Group. Provide regular briefings to key stakeholders and engage with industry groups to seek a range of perspectives. Make submissions on all key documents during the implementation of the new system. Make public statements that highlight the key issues of councils and communities.	LGA Board GAROC

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.	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. 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.	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.	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. Councils to be engaged at the design stage of State Government infrastructure projects to ensure good urban	Engage with the State Government and State Planning Commission on the preparation of Design Standards for infrastructure in the public realm. Undertake forums and workshops with council staff on draft Design Standards to seek feedback. Provide submissions and influence outcomes through GAROC on draft Design	GAROC

Issue	Position	Outcome sought	Key actions	Lead body
		design and coordinated, holistic placemaking that supports better outcomes as infill development occurs. 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.	Standards developed with input from councils. Engage with metropolitan councils and undertake research to develop an LGA policy position on the preferred financial model within the Planning and Development Fund.	
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	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. 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.	State Government commitments that support councils, including: • 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	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. Consult with member councils to determine climate change risk and management priorities. Review and update the "Managing the Risks of Climate Change" statements in the LGA Policy Manual based on recent science, evidence and practice. Increase awareness of the role and value of councils in managing climate risks through the LGA's ongoing awareness campaigns and	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
		• Greater support for the Electric Vehicle Strategy. Greater Commonwealth Government funding and action on climate change, including funded schemes and incentives to support the uptake of electric vehicles. –	stakeholder engagement actions. Advocate for greater support for councils to address climate change via the local government members on the Premier's Climate Change Council. Ensure all relevant LGA Advocacy submissions address climate change impact. 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. Maintain a high level of engagement with and participation in the Adaptation Practitioners Network. Continue to develop and maintain a productive working relationship with the Department for Water and Environment and Green Adelaide to ensure that the	

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	The LGA's Waste Action Plan identifies local, state and federal actions required to: • stabilise the waste industry • ensure the ongoing commercial viability of recycling services; and establish a circular economy as a means of achieving sustainability in waste management.	That the State Government commits: 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. a guaranteed minimum level of reinvestment of the Solid Waste Levy in the waste, recycling and resource recovery sector; to ongoing research and development in collaboration with local government and other stakeholders into alternative waste technologies and strategies such as organics	Continue to outline the impacts of the increased levy on councils and ratepayers, via the LGA public awareness campaign. Provide regular briefings to state and federal members of Parliament to build support for local government's position. 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). Seek opportunities to continue to advocate for the stated outcomes. Make public statements that highlight the key issues of councils and communities.	LGA Board GAROC SAROC

Issue	Position	Outcome sought	Key actions	Lead body
		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 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. 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.	Develop a partnership proposal and negotiate with Green Industries SA on a renewed Service Level Agreement with the LGA.	
Wine Bottles – Container Deposit Scheme	Local government recognises its statutory obligation of managing municipal waste and its vital role in waste resource recovery. Councils continue to promote improved waste management practices in accordance with the waste hierarchy and work with	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,	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.	LGA Board

Issue	Position	Outcome sought	Key actions	Lead body
	residents and businesses to further limit the creation of waste. Currently wine bottles are not included in SA's Container Deposit Scheme. The LGA gas 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.	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.		
Overabundant Species – Little Corellas	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.	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.	Advocate for and provide input to the SA Strategy for the Management of Little Corellas.	SAROC
Coastal Management	The task of protecting and maintaining South Australia's coastal assets is beyond the funding capacity of coastal councils. 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.	Equitable funding from Federal and State Government for coastal management works across South Australia.	Include coastal management issues in submissions to Government, including budget submissions. Support the work of the South Australian Coastal Councils Alliance in researching issues and funding models and advocating for change.	LGA Board SAROC GAROC

Issue	Position	Outcome sought	Key actions	Lead body
National Water Policy	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. 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.	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

6.9 LGA Members Services Update

LGA Updates

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 28 October 2022
ECM:	782397

Recommendation

That the Annual General Meeting notes the report.

Discussion

The LGA's Annual Report 2021-22 provides a summary of many of the Member Services team's activities during the year, covering:

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

Please refer to the Annual Report for information about those activities. This Member Services update discusses the following additional member services provided during 2021-22:

- supporting councils to implement the Local Government Cyber Security Framework;
- piloting a People and Culture support service for regional councils;
- providing governance support to councils;
- facilitating the Public Lighting Working Group.

Local Government Cyber Security Framework

The LGA has worked closely with Local Government Information Technology South Australia (LGITSA) and Local Government Risk Services to commence an awareness and training program to improve cyber security within the sector.

With the assistance of funding through the Local Government Research and Development Scheme, LGITSA developed a Local Government Cyber Security Framework and Toolkit for councils, which was released in April 2022. The LGA has worked with councils to raise awareness of the framework and toolkit and has commenced a cyber security executive training program, delivered through the Australian Cyber Security Centre. This training program will continue to be rolled out in 2022-23.

People and Culture Pilot Program

Following a competitive tender process, the LGA has engaged Bespoke HR to assist the LGA with the development of a new People and Culture service for councils. The service commenced as a pilot program with the following five regional councils participating:

- City of Port Lincoln
- District Council of Robe
- Coorong District Council
- Yorke Peninsula District Council
- Loxton-Waikerie

The services provided through the pilot program include:

- Helpdesk calls (HR support calls, unlimited low-level <15 minutes)
- People and Culture Audit (self-assessment and report debrief)
- Employee Survey (optional)
- LG Monthly Coaching Calls
- 5 hours towards other products/services

The outcomes of the pilot program are currently being evaluated and plans to extend the program to other councils are being developed.

A supporting HR Library service, which was developed by LGA's legal partners Norman Waterhouse Lawyers, will also be available for purchase in late 2022 and will provide councils with a comprehensive suite of HR template policies and procedures.

Governance support

The LGA's Governance Team provides assistance to councils through the promotion of best practice standards of governance, research, analysis and development of policies, guidance materials and procedures. This includes the provision of telephone/email assistance to council officers and council members on operational and legislative compliance matters. During 2021-22, the Team has been primarily focused on preparing and delivering information to member councils to support their implementation of the Local Government Reforms (discussed further in the LGA's Annual Report 2021-22). This work has included:

- Caretaker Guidelines and Model Policy
- Annual Reporting Guidelines
- Confidentiality Guideline
- Access to Council and Committee Meetings and Documents Guideline and Model Policy
- Local Government Election Sign guidance materials
- Website explanatory text for more than 100 provisions which commenced during the period
- Zoom Update sessions to support the commencement of provisions
- Consultation processes supporting the development of the Model Behavioural Management Policy and Model Behavioural Support Policy and participation in work to establish the Behavioural Standards Panel and associated resources
- Support to councils following the commencement of the Strategic Management Plan Oversight Scheme (more detail on this work is provided in the Advocacy Update), including the coordination of a Community of Practice for first tranche councils

The Governance Team has also delivered the following outcomes to members:

- Updated resources following changes to COVID-19 Notices
- The first three of a series of 13 Asset Management Information Papers aimed at enhancing asset management capacity and capability in the sector
- In conjunction with the SA Local Government Financial Management Group, updated Model Financial Statements
- Updated Better Practice Model – Financial Internal Controls
- Liaison with the Office of Local Government to ensure council/sector wide perspectives are used to inform legislative/policy processes

- Ongoing maintenance of the Delegations Framework
- Liaison/advocacy with the Legislative Review Committee in relation to council by-laws
- Support to the Nominations Committee, particularly in relation to the appointment of members to:
    - Stormwater Management Authority
    - Libraries Board of SA
    - SA Flood Warning Consultative Committee
    - Power Line Environment Committee
    - LG Transport Advisory Panel
    - CWMS Management Committee

Public lighting Working Group

The LGA continues to facilitate the Public Lighting Working Group, which brings together Councils, SA Power Networks and DIT, to share information and find ways of effectively working together on public lighting activities.

The focus of the Public Lighting Working Group in 2021-22 was:

- Main road lighting – pursuing opportunities for councils to transfer council-owned lights on main roads to the State Government, where there is a benefit.
- Asset management planning – developing guidelines to assist councils with public lighting asset management.
- Decorative lighting LED changeovers – discussing ways to improve collaboration on trials and approvals of new luminaires between stakeholders.
- Smart lighting – discussing governance and potential benefits to councils from smart lighting.

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

Financial and Resource Implications

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

6.10 Local Government Financial Indicators 2022

LGA Business

From:	Nathan Petrus, Executive Director Member Services	
Key Initiative:	K.I 3 Best practice and continuous improvement	
Strategy:	3B Benchmark, innovate and research	
Meeting:	Annual General Meeting	
ECM:	781644	Attachment: 781643

Recommendation

That the Annual General Meeting notes the report regarding Local Government Financial Indicators.

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 2022* (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 2020-21 and demonstrates the ongoing progress in both the financial performance and financial position of the sector as a whole.

In 2020-21:

- the sector's adjusted **operating surplus ratio was 3.8 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 $98 million;
- the sector's **net financial liabilities ratio was 35 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 $880 million at 30 June 2021 is also very low when put in the context of infrastructure and other physical assets valued at over $26 billion; and
- the sector's **asset renewal funding ratio was 95 per cent**. While most councils are renewing and replacing their assets in either a satisfactory or optimal way, there are some councils that could improve on the capital spending needed to cost-effectively maintain desired and affordable service levels from their assets.

In summary, the evidence shows that South Australian local government is living within its means, has a low level of indebtedness, and generally is managing its assets satisfactorily.

The LGA Secretariat is currently working on expanding the Financial Indicators report to respond to the advice from the SA Productivity Commission's final report relating to the preparation of a broader 'State of the Sector' report, to be released in 2023.

SA Local Government Sector



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 2020-21.

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 2020-21:-

- the sector's adjusted **operating surplus ratio was 3.8 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 $98 million;
- the sector's adjusted **net financial liabilities ratio was 35 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 $880 million at 30 June 2021 is also very low when put in the context of infrastructure and other physical assets valued at over $26 billion. It is comparable to a family living in a $500,000 house having a mortgage of around $16,500 and no other debts; and
- the sector's **asset renewal funding ratio was 95 per cent**. While most councils are renewing and replacing their assets in either a satisfactory or optimal way, there are some councils that could improve on the capital spending needed to cost-effectively maintain desired and affordable service levels from their assets.

2. Efficiency of local government

The local government sector in South Australia has an aspiration to be the most efficient sector of government. Sustaining good financial and asset management practices and seeking to continually enhance them are critical success factors for councils as they seek to improve the services they provide to their local communities.

South Australian councils collectively manage an annual budget in excess of $2.5 billion and maintain infrastructure and other physical assets worth over $26.7 billion.

Taxation revenue raised by councils (from general and other rates on property) was $1,841 million in 2020-21. Together with other own-source funding (mainly user and statutory charges), approximately 86 per cent of local government operating revenue is from its own sources. The remaining revenue comes from grants from 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 grants from other levels of government in the nation, and relies on an ongoing extension of the Supplementary Local Roads Program to ensure a fair share of federal government grant funding.

Cost shifting from State to local government continues to apply pressure to council budgets. Key cost shifting pressures include mandatory rate rebates required to be provided to Housing SA properties transferred to community housing providers, and a shortfall in the reimbursement of council costs incurred in collecting the State's Regional Landscapes (RL) levy.

Within this context, South Australian councils are doing a lot with a little and often providing an increased range or level of services to a high standard.

In 2019, the South Australian Productivity Commission undertook an Inquiry into Local Government Costs and Efficiency. The Inquiry found that '*compared with each other, most councils achieved high levels of relative efficiency*'.

3. Local government financial sustainability

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

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

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

A key objective for local government is the achievement and maintenance of the financial sustainability of South Australian councils, both collectively and individually. A council's long-term financial performance and position is sustainable where planned long-term service and infrastructure levels and standards are met without unplanned increases in rates or disruptive cuts to services.

Financial Sustainability Program

Under its Financial Sustainability Program from 2006 to 2017, the LGA:-

- prepared and updated a comprehensive series of information papers;
- implemented projects to assist councils with financial and asset management reforms;
- undertook training and briefing programs to further assist councils;
- attracted Federal Government funding to further the financial sustainability reforms that were undertaken by South Australian councils; and
- entered into an alliance with the Institute of Public Works Engineering Australia (IPWEA) to adopt internationally recognised approaches for preparing asset management policies and plans.

More information about the Program and resources for councils can be found on the LGA's Financial Sustainability Program webpage www.lga.sa.gov.au/FSP

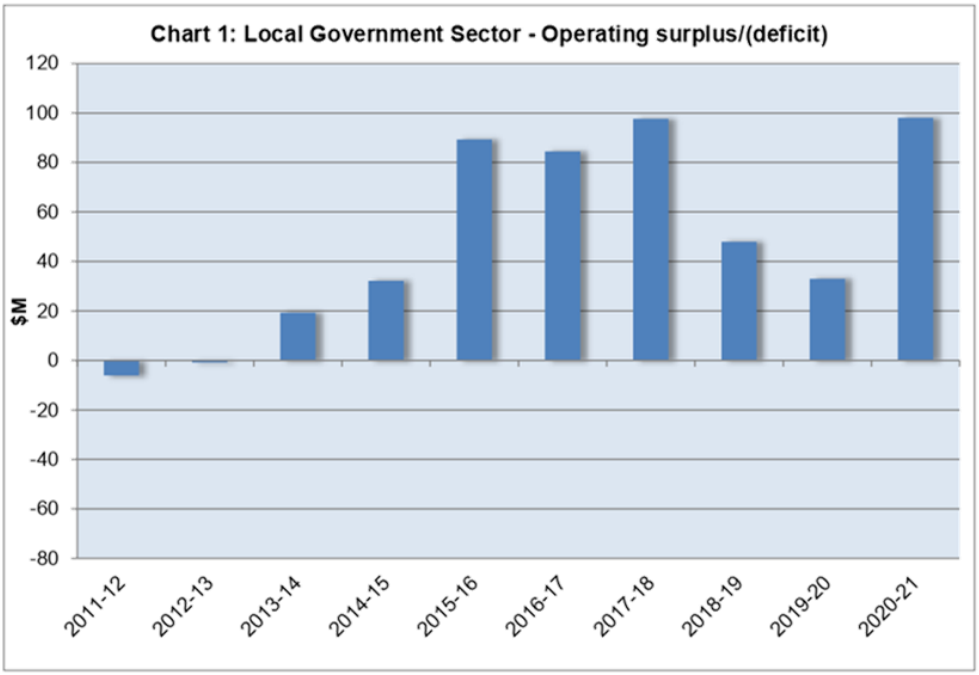
4. Measuring Financial Performance

The most critical measure of local government financial performance is the annual operating result which measures the difference between day-to-day income and expenses for a financial year.

Historically, the aggregate level of local government's annual operating deficit reduced steadily from 2000-01 (when expenses exceeded income by $75 million) until 2007-08 (when the operating deficit was eliminated). Subsequently, an approximate 'break-even' operating result was recorded for five years up until 2012-13. Since then, there has been improvement in the financial performance of councils, with an operating surplus of $98 million reported in 2020-21.

A total of 51 councils recorded an operating surplus in 2020-21 (compared with only 16 councils in 2000-01).

Chart 1 provides aggregate data for the last decade (from 2011-12 until 2020-21) covering the sector's operating surplus/(deficit). The data has been adjusted to remove the distortion otherwise caused by the irregular timing of receipt of Federal financial assistance grants (FAGs) received in some years.

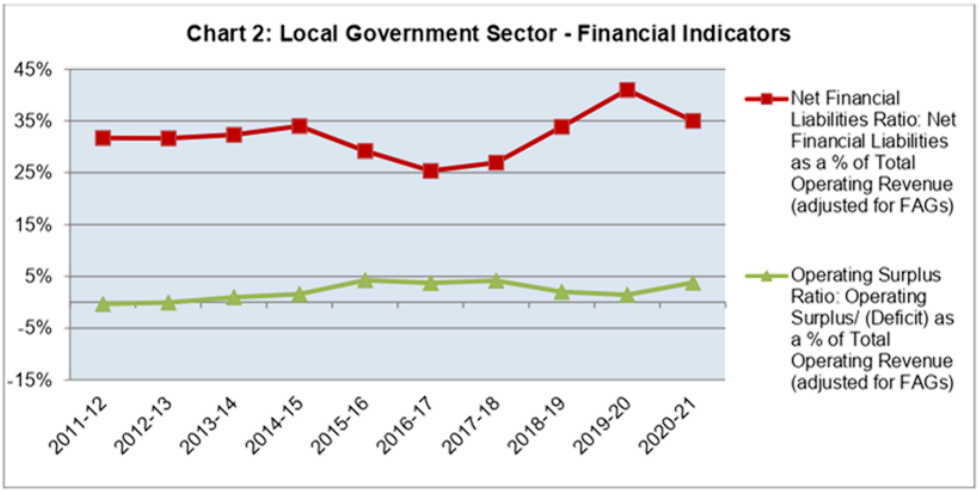


5. Financial Indicators

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

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

Chart 2 below provides aggregate data for the last decade (from 2011-12 until 2020-21) for these two indicators. Again, the data has been adjusted to remove the distortion otherwise caused by the irregular timing of receipt of Federal financial assistance grants (FAGs) in some years.



Indicator 1: Operating Surplus Ratio

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

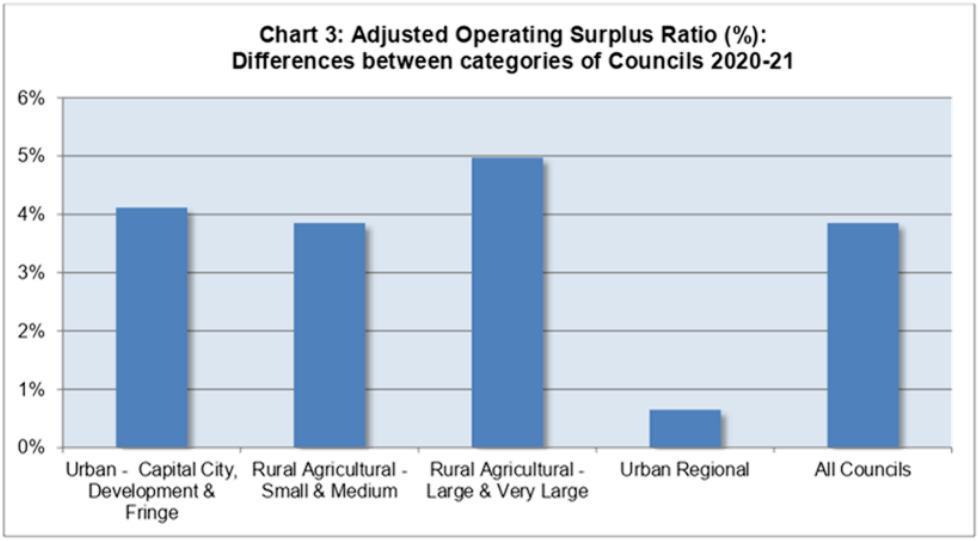
Guidance material provided to councils under the LGA's Financial Sustainability Program suggests that councils generally should seek to achieve, on average over time, a target range for an operating surplus ratio of between 0 per cent and 10 per cent.

As shown in **Chart 2** above, the local government sector's operating surplus ratio in 2020-21 was 3.8 per cent. This result compares with an operating surplus ratio of negative 0.3 per cent in 2011-12.

Historically, this ratio has been as low as negative 8.3 per cent in 2000-01 and recent performance represents a significant improvement in the financial sustainability of councils over the last two decades.

The local government sector's operating surplus ratio has consistently been within the target range for the last nine (9) years.

Chart 3 below shows the differences in the operating surplus ratios between categories of councils recorded in 2020-21.



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.

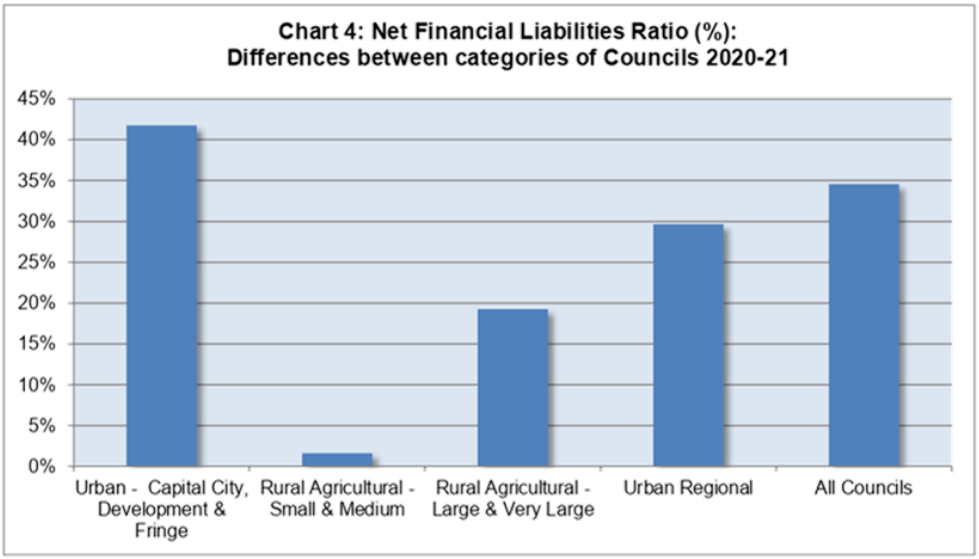
At 30 June 2021, the level of net financial liabilities was around $880 million. This is very low when put in the context of local government infrastructure and other physical assets valued at over $26 billion.

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 2020-21 was 35 per cent. The ratio has consistently landed between 25 to 45 percent (ie. around the middle of the suggested target range) over the decade.

Chart 4 below shows the differences in the net financial liabilities ratios between categories of councils recorded in 2020-21. 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.

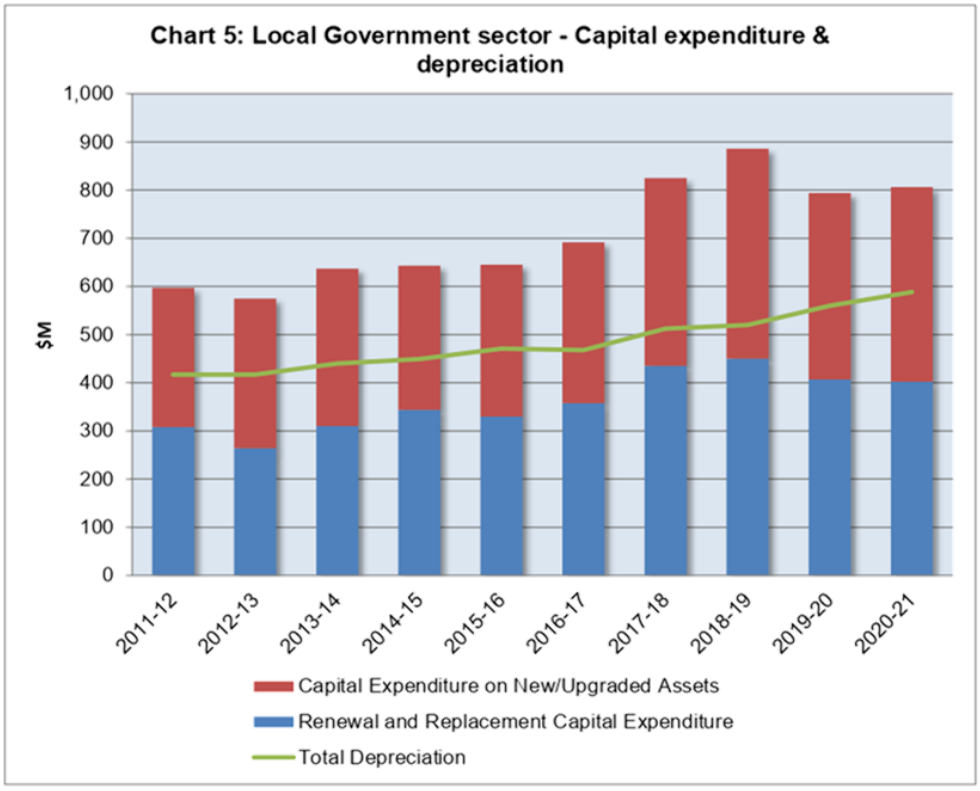
Of course, where a council is not achieving an underlying operating surplus, or trending towards doing so in the medium term, then generally any capital expenditure on upgrading or expanding infrastructure needs to be modest and targeted, because it normally will lead to additional maintenance and depreciation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

Capital Investment Expenditure

Overall, capital expenditure in 2020-21 was $806 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.



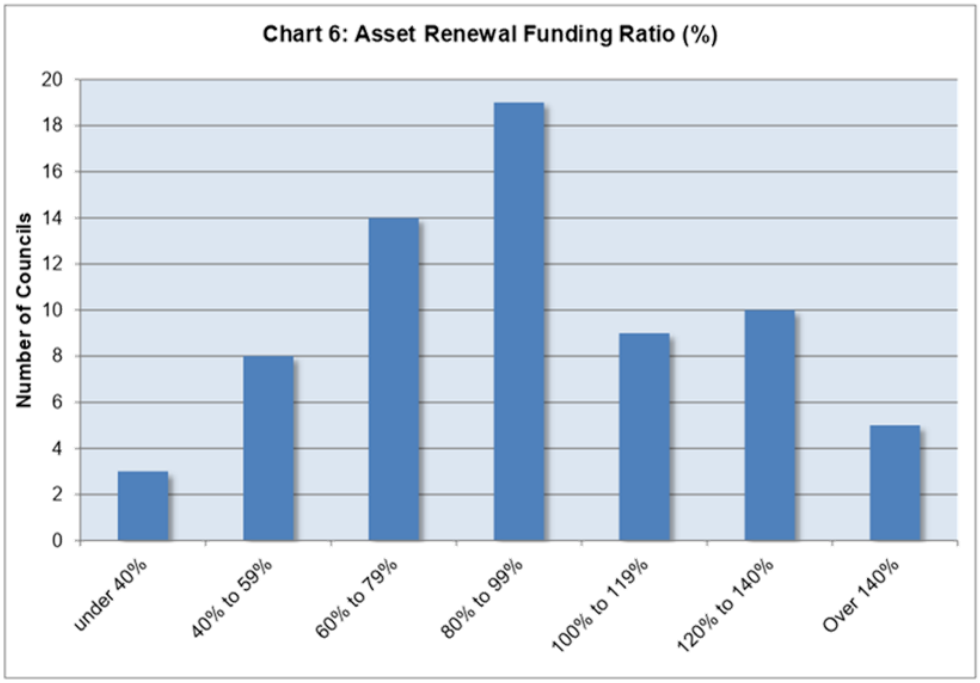
Indicator 3: Asset Renewal Funding Ratio

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).

Chart 6 below provides summary information for the asset renewal funding ratio in 2020-21, 63 per cent of councils had a ratio higher than 80 per cent.



A note on the differing financial performance of councils

This report demonstrates the significant improvement in the financial performance and financial position of the sector as a whole. However, it needs to be emphasised that the current financial condition of individual councils varies substantially.

6.11 SAROC and GAROC Terms of Reference

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 28 October 2022
ECM:	782372 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.

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LGA SAROC Terms of Reference

Effective 8 January 2020

Back to Agenda

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SAROC Terms of Reference

Received Ministerial approval on 8 January 2020 and re-ratified Members at the AGM held 29 October 2021

1. Establishment

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

2. Terms of Reference

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

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

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

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

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

2.4.2. With approval of the Minister.

2.5. The term:

SAROC Region means the combined local government area of each Member listed in the Schedule.

SAROC Regional Grouping means all of the Members of the Regional Groupings of Members as identified in the Schedule.

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

3. Status

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

4. SAROC

4.1. Role

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

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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).

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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 though the Chief Executive, to access any information or discuss matters with staff of the LGA Office.

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

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

11. Administration

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

11.2. An administrator is ineligible to be a member of SAROC.

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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

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Murraylands & Riverland	Loxton Waikerie Mid Murray Karoonda East Murray Coorong District Southern Mallee Berri Barmera Renmark Paringa Murray Bridge
Spencer Gulf Cities	Port Augusta Port Pirie Whyalla

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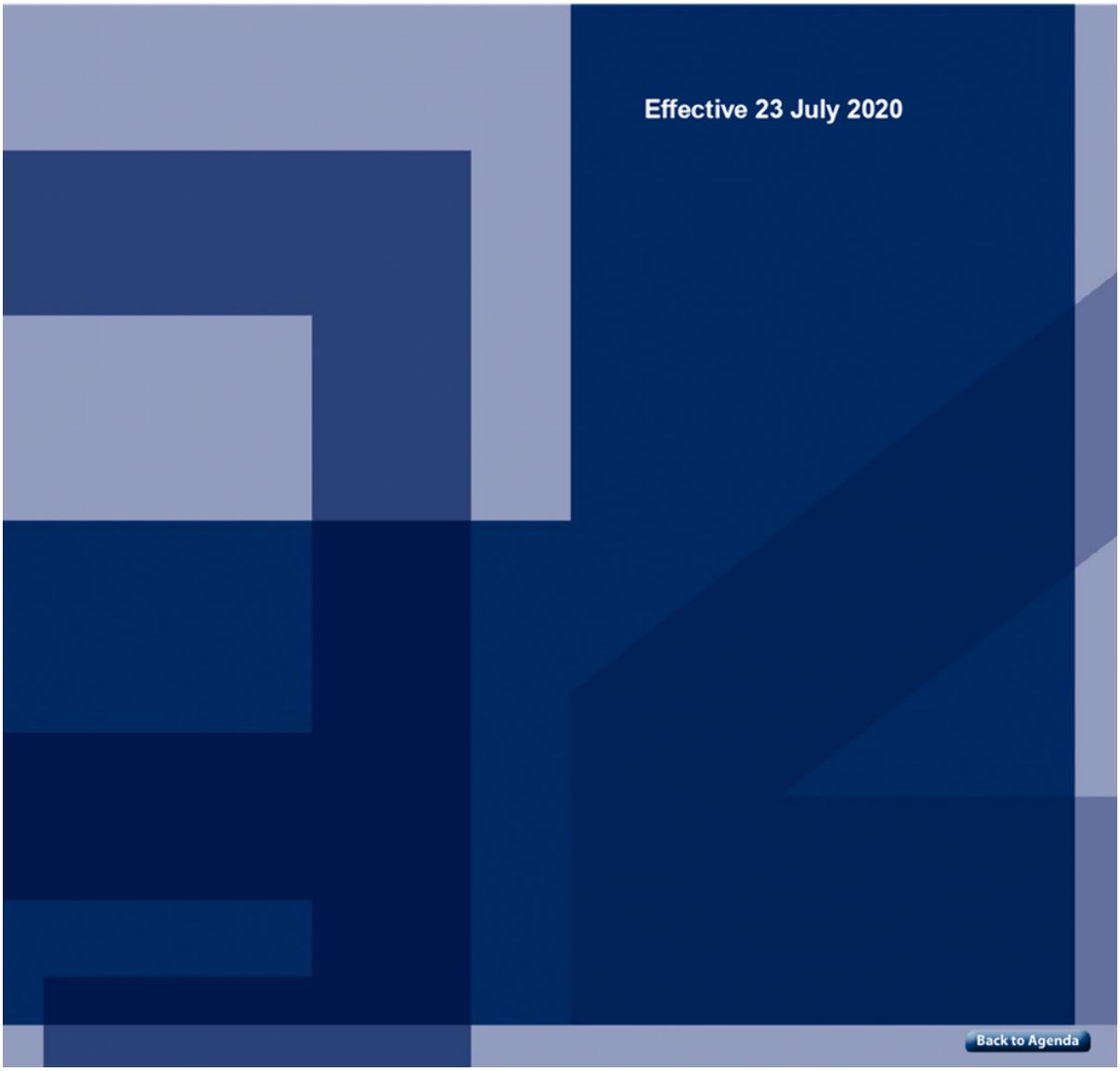
LGA GAROC Terms of Reference



Local Government Association of South Australia

The voice of local government.

Local Government Association of South Australia

GAROC Terms of Reference

Adopted by the LGA Board on 23 July 2020 and re-ratified by Members at the AGM held 29 October 2021

1. Establishment

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

2. Terms of Reference

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

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

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

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

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

2.4.2. With approval of the Minister.

2.5. The term:

GAROC Region means the combined local government area of each Member listed in the Schedule and the City of Adelaide.

GAROC Regional Grouping means all of the Members of the Regional Groupings of Members as identified in the Schedule and, for the purposes of Clause 6 of these Terms of Reference and Clause 28.6 of the Constitution, includes the City of Adelaide.

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

3. Status

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

4. GAROC

4.1. Role

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

4.2. Membership

4.2.1. Each Regional Grouping of Members listed in the schedule to these Terms of Reference will elect in accordance with clause 4.3 and 4.4 from the Members of the Regional Grouping of Members, 2 Council Members of Members in the Regional Grouping of Members as members of GAROC provided that each person elected is from a different Member.

4.2.2. In addition to the members of GAROC elected in accordance with clause 4.2.1, the Lord Mayor of the City of Adelaide will be a standing member of GAROC.

4.3. Nominations for election to GAROC

4.3.1. The members of GAROC will be elected biennially.

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

4.3.3. Each Member of the GAROC Regional Grouping may nominate a candidate for membership of GAROC, provided that:

(a) a person nominated as a member of GAROC must be a representative of a member on the relevant Regional Grouping of Members; and

(b) only a Council Member can be nominated to GAROC.

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

4.4. Election to GAROC

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

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

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

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

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

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

(b) the ballot papers shall:

(i) list the candidates for election;

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

(iii) be accompanied by an envelope marked "Ballot Paper" and a second envelope marked "Returning Officer";

(c) each Member shall determine by resolution the candidate or candidates (as relevant) it wishes to elect;

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

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

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

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

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

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

(h) in respect of an election for the purposes of clause 4.2.1, the 2 candidates from a Regional Grouping of Members with the most votes shall be deemed elected in respect of that Regional Grouping of Members and the Chief Executive shall declare the candidates elected at the Annual General Meeting; and

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

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

4.4.7. The Chief Executive may, in his or her discretion, delegate any of his or her powers, functions or duties to an Executive Officer of a Regional Grouping of Members who shall act accordingly for the conduct of elections for the purpose of clause 4.2.1 in respect of the Regional Grouping of Members relevant to that Executive Officer.

4.5. Term of office

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

4.6. Duties

4.6.1. Each member of GAROC must:

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

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

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

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

4.7. Absences and casual vacancies

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

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

(a) dies;

(b) resigns from GAROC;

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

(d) ceases to be a Council Member;

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

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

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

5. Responsibilities

5.1. Board of Directors

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

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

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

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

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

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

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

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

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

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

5.2. GAROC

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

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

5.3. Chief Executive

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

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

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

6. Functions of GAROC

6.1. LGA Object

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

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

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

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

6.1.2. GAROC will assist in the achievement of the LGA's object by:

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

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

(c) advocating in respect of matters which affect the GAROC Regional Grouping;

(d) encouraging engagement of Members within the GAROC Regional Grouping with GAROC and the LGA; and

(e) participating in policy development and implementation.

6.2. Consideration and referral of Member items of business

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

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

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

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

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

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

6.3. Proposals for policy development

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

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

6.4. Election to Board of Directors

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

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

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

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

6.5. Strategic and annual business planning

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

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

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

6.6. Other functions

GAROC will undertake any other functions:

6.6.1. of GAROC set out in the Constitution; and

6.6.2. delegated by the Board of Directors to GAROC.

7. Budget

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

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

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

8. Committees

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

9. Meetings of GAROC

9.1. Resolution of the Board of Directors

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

9.2. Frequency of meetings and venue

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

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

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

9.3. Chairperson

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

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

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

9.4. Decision making

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

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

9.5. Meeting procedure

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

9.6. Attendance

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

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

9.7. Minutes

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

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

9.8. Quorum

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

9.9. Performance assessment

GAROC will assess its performance against:

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

9.9.2. these Terms of Reference annually.

9.10. Reporting

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

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

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

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

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

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

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

10. Access to information

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

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

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

11. Administration

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

11.2. An administrator is ineligible to be a member of GAROC.

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.

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Schedule: List of Regional Groupings of Members within the GAROC Regional Grouping

Regional Grouping of Members	Members
North	Gawler Playford Salisbury Tea Tree Gully
West	Charles Sturt Holdfast Bay Port Adelaide Enfield West Torrens
South	Marion Mitcham Onkaparinga
East	Adelaide Hills Burnside Campbelltown Norwood Payneham & St Peters Prospect Unley Walkerville

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Back to Agenda

7.1 Landscapes Board Levy (City of Victor Harbor)

Recommendation Reports from the SAROC Committee

Submitted by:	City of Victor Harbor	
Approved by:	SAROC Committee	
Meeting	Annual General Meeting	28 October 2022
ECM:	781945	Attachment: 780051

Recommendation

That the Annual General Meeting requests the Local Government Association to request the State Government review the manner which they collect the Landscape levy from local communities. With the desired outcome being one in which Revenue SA collect the levy directly in alignment with the Emergency Services levy.

SAROC Committee's Comments

The matter raised in the Item of Business proposed by the City of Victor Harbor is of importance to the LGA and to the local government sector and is in alignment with the following LGA Policy:

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

SAROC amended the recommendation to suggest that the desired outcome should be one where Revenue SA collects the Landscape levy on behalf of the Landscape Board in the same way they collect the Emergency Services Levy.

SAROC considered that imposing this requirement on the Landscape Board would result in a significant administrative and financial burden and recognises that the State Government has an existing established agency who should be able to collect and distribute the Landscape levy.

LGA Officer's Comments

(Officer: Stephen Smith, Policy Advisor)

Local government collecting the Landscapes levy and the previous NRM levy has been a key advocacy platform for the LGA for many years. The LGA sought the deletion of those sections of the *Landscapes South Australia Act 2019*, that placed a mandatory requirement on councils to collect the Landscape levy on behalf of the regional landscape boards during debate on the Bill in 2019. The Labor opposition and most cross bench parties supported the LGA position, the Greens supported the Liberal Government to pass the legislation.

The LGA's long held position is that all spheres of government should be responsible for collecting their own revenue and have autonomy in how it is collected.

There are several areas of concern for Councils in collecting the Landscape levy, including:

- Community members mistaking the state government levy for increased council revenue.

- Where the Landscape levy remains unpaid by the landholder, the financial burden is on the Council as they are required to pay the full total of the levy to the Landscape Board.
- The hidden administrative costs to councils in collecting the levy on behalf of the State, particularly in relation to non-payment and rebates that are not recovered.
- The cost of the levy and the administrative arrangements for Landscape Boards has changed significantly since councils began collecting the levy in 2004.
- The Green Adelaide Board is solely appointed by the Minister. Local government is being required to collect a levy for a government operated and managed boards.

Sections 71 of the Landscapes SA Act provide a mechanism to enable Landscape Boards to collect the Regional Landscape levy, without the requirement for Councils to be involved.

Given that the Act has been in operation since 2019 it would be appropriate for a review of the levy collection process to be undertaken to determine the financial cost imposts on local government and to develop a more appropriate levy collection process.

Financial and Resource Implications

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

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LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	City of Victor Harbor
The body the item is being referred to *Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.*	SAROC
Subject of the proposed item of business	**Landscapes Board Levy**
Proposed motion for the General Meeting	That the Annual General Meeting requests the Local Government Association to request that the State Government review the manner in which they collect the Landscapes levy from local communities. With the desired outcome being one in which they collect the revenue for their own levy directly
Supporting information *Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.*	Over the years the State Government has continued to shift a number of regulatory costs and burdens onto Local Government. One of the most ridiculous of these is requiring councils to collect a State Government tax on their behalf. The objection is not that we shouldn't be raising money to help with environmental projects, but rather that if councils are raising this money then arguably they are best positioned to spend it on projects that see real environmental impacts on the ground. Rather than the current situation that sees the sector collect the revenue (including the administration fee we are allowed to charge), then pass it to the State, who distributes it to the Boards who then spend what is left of the money raised. The layers between raising the money and spending it for environmental outcomes siphon off money that could otherwise have more of a real impact. If the state government wishes to raise money then they should bear the responsibility for it themselves. If they want councils to raise it, then let the sector spend it
LGA Policy Manual *Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?*	(please click here to view the LGA Policy Manual) No
LGA Strategic Plan reference	(please click here to view the 2021-25 LGA Strategic Plan) Strategy 1 – Advocate

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	Achieve greater influence for local government 1.2 *Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities*
Council Contact Officer submitting form	Kyla Walker kwalker@victor.sa.gov.au 8551 0573
Council Meeting minute reference and date of meeting	Monday, 25 July 2022 OC3002022
Date submitted to LGA	29 July 2022

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to LGA Latest News in respect to deadlines for upcoming General Meetings.

7.2 EPA Solid Waste Levy (City of Mount Gambier)

Recommendation Reports from the SAROC Committee

Submitted by:	City of Mount Gambier	
Approved by:	SAROC Committee	
Meeting	Annual General Meeting	28 October 2022
ECM:	782380	Attachment: 780042

Recommendation

That the Annual General Meeting requests the LGA to call for the Deputy Premier the Hon Susan Close, as Minister for Climate, Environment and Water, to provide the LGA with a detailed explanation of how the Solid Waste Levy funds collected by waste depot licence holders are allocated both in terms of general revenue and the Green Industry Fund and calls for an equitable distribution of funds between regional and metropolitan councils.

SAROC Committee's Comments

In considering this item of business, SAROC recognised the impact matters relating to the Solid Waste Levy (SWL) have on strategic local government endeavours relating to waste, recycling, resource recovery and the transition towards a more circular economy.

In approving this item of business, SAROC acknowledged the significant advocacy[1] and assist endeavours undertaken by the LGA in this space and the alignment between this item of business and existing LGA Waste & Resource Recovery policy positions[2]:

> **4.2.2 Solid Waste Levy**
>
> Local government recognises the use of fees, charges and levies as legitimate tools for waste management, but the level at which the solid waste levy is currently set is too high. Local government shall continue to lobby for an independent inquiry to determine the optimal level for the solid waste levy with regard to community benefits.
>
> **4.2.6 EPA Waste Reform Agenda**
>
> Local government acknowledges that the waste and resource recovery sector is highly regulated and recognises its role in this framework. Local government shall continue to lobby against further legislative and regulatory changes that result in councils incurring an even greater expense in providing waste management services.

LGA Officer's Comments

(Officer: Brianna McGee, Senior Policy Officer)

The proposed item of business from the City of Mount Gambier calling for a detailed explanation of how the SWL is allocated, aligns and progresses LGA advocacy seeking greater transparency and hypothecation to councils of the SWL.

[1] For example: LGA Submissions:< https://www.lga.sa.gov.au/news-and-events/news/submissions >.
[2] https://www.lga.sa.gov.au/about/overview-of-the-lga/corporate-documents/lga-policy-manual/environment-and-natural-resources/4.2-waste-and-resource-recovery

A substantial amount of the cost of managing and processing waste and recycling is borne by councils and their ratepayers. This is particularly problematic in regional and rural areas where low volume and the tyranny of distance significantly reduces the viability of recycling operations.

Greater hypothecation and transparency of the SWL has been a key focus for LGA advocacy over many years.[3] LGA advocacy on this issue intensified in 2018 following policy and market shifts (triggered by insecure end markets for recyclables) and continued following unprecedented increases to the SWL in 2020 resulting in councils experiencing significant increases in waste management costs.

A 2019/20, Environment, Resources and Development Committee Parliamentary inquiry into the Recycling Industry[4] found that:

- Unexpected increases in the SWL has created challenges for councils and industry.
- There is a lack of transparency and accountability around (long-term) decision making for expenditure of the SWL.
- Regional councils have been disproportionately affected by policy and legislative changes to the SWL, even with assistance towards transport costs from state government.

LGA advocacy around transparency of the SWL has, and will continue to, focus on;

- the expenditure of funds from the Green Industry Fund being reinvested into councils and the waste, recycling, and resource recovery sector to support the transition towards a more circular economy (as opposed to more general climate change or environmental endeavours); and
- the SWL is clearly articulated in advance and there are no unexpected increases to ensure market stability.

Greater transparency regarding expenditure associated with the SWL and the Green Industry Fund, beyond information in state government budget papers and the parliamentary estimates committee process, as articulated by the City of Mount Gambier in its proposed item of business, is beneficial for councils and their communities.

Funds raised through the Solid Waste Levy

Section 17 of *Green Industries SA Act 2004* (SA) provides that at least 50% of the money paid by waste depot licence holders by way of the SWL[5] goes to the Green Industry Fund. Additionally, it is understood that 5% is paid to the Environmental Protection Fund and 45% is directed to the SA Environmental Protection Authority (EPA) to deliver its regulatory and administrative functions.[6]

As of 30 June 2022, the balance of the Green Industry Fund was nearly $70million.[7] It is estimated that the Green Industry Fund is projected to increase to *"…$75.5million, then to $97.7million, then $114.5million and by 2025-26, to $142.5 million."*[8]

Evidence (***attached***) provided by the City of Mount Gambier highlights that as a waste depot licence holder, *"the City of Mount Gambier has collected approximately $8.1 million for the EPA Solid Waste Levy over the past five years."*

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[3] For example, through regular briefings to Members of Parliament, LGA submissions and the LGA Bin Tax campaign.
[4] House of Assembly Environment, Resources and Development Committee, Parliament of South Australia, *An Inquiry into the Recycling Industry* (4th Report, 21 July 2020) < https://www.parliament.sa.gov.au/en/Committees/Committees-Detail >.
[5] Solid waste levy is provided for under s113 of the *Environment Protection Act 1993* (SA).
[6] Parliament of Australia, Senate Standing Committees on Environment and Communications, *Waste and Recycling Industry in Australia* (26 June 2018) Chapter 4: Waste Levies, page 64 at 4.97, <https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/WasteandRecycling/Report >.
[7] State Government Budget, Budget Paper 4, Volume 2, page 195.
[8] South Australia, *Estimates Committee A*, House of Assembly, 23 June 2022, 310 (Susan Close, Deputy Premier, Minister for Climate, Environment and Water) < https://hansardsearch.parliament.sa.gov.au/search/calendar >.

Green Industries has provided approximately $13 million in grants for waste management to councils from the Green Industry Fund over the last six years.[9] Over the same time period, it is estimated that metropolitan councils paid around $150 million dollars in the SWL.[10]

Green Industries SA can apply the funds in the Green Industry Fund in accordance with its business plan or as authorised by the Minister for the purposes of the *Green Industries SA Act 2004* (SA).[11] Additionally, the Minister can utilise funds in the Green Industry Fund for climate change initiatives and for managing waste and debris arising from an emergency or disaster.[12]

Financial and Resource Implications

This specific activity is not currently anticipated in the LGA's work program but can be delivered within existing LGA resources.

[9] Government of South Australia, Auditor General's Department, *Management of Kerbside Waste Services* (Report 5 of 2022) pg 14.
[10] Ibid.
[11] *Green Industries SA Act 2004* (SA) s 17(5)(a).
[12] Ibid s17(5)(b).

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LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	City of Mount Gambier
The body the item is being referred to *Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.*	SAROC
Subject of the proposed item of business	**EPA Solid Waste Levy**
Proposed motion for the General Meeting	That the Annual / Ordinary General Meeting requests the LGA to call for the Deputy Premier the Hon Susan Close, as Minister for Climate, Environment and Water, to provide the LGA with a detailed explanation of how the Solid Waste Levy funds collected by waste depot licence holders are allocated both in terms of general revenue and the Green Industries fund and calls for an equitable distribution of funds between regional and metropolitan Councils.
Supporting information *Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.*	In accordance with Part 3 Green Industry Fund – Section 17 (3)(a) of the Green Industries SA Act 2004: *'50 percent, or such greater percentage as may be prescribed, of the amount paid by waste depot licence holders by way of levy under section 13 of the Environment Protection Act 1993 in respect of solid waste received at the depots'* Part 3 Green Industry Fund - Section 17 (4) states that: *'The Minister must, at least annually, review the adequacy of the amount paid into the Fund under subsection (3)(a)'* A substantial amount of the cost of processing waste and recycling is born by local councils and their ratepayers. This is particularly problematic in regional and rural areas where volume and the tyranny of distance significantly reduces the viability of recycling operations. As a Waste Depot licence holder, the City of Mount Gambier has collected approximately $8.1 million for the EPA Solid Waste Levy over the past 5 years. Increasing costs associated with waste management and the level of investment required to modernise and progress with contemporary, innovative practice requires significant investment therefore it is the view of this Council that all revenue that is raised from waste should be reinvested in waste initiatives. It is on this basis that Council seek clarity around the application of the EPA Solid Waste Levy distribution.

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LGA Policy Manual *Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?*	Nil changes, however relates to LGA Policy: 4.2.2 Solid Waste Levy 4.2.6 EPA Reform Agenda
LGA Strategic Plan reference	Strategy 3 - Advance 3.2 New partnerships and services help Councils innovate and prepare for the future
Council Contact Officer submitting form	Barbara Cernovskis bcernovskis@mountgambier.sa.gov.au 8721 2587 or 0417 488 064
Council Meeting minute reference and date of meeting	21 June 2022 - Item 22.3, Resolution 2022/69 (page 12) https://cdn.mountgambier.sa.gov.au/agendas-minutes/Minutes-Council-Meeting-21-June-2022-Website-PDF.pdf
Date submitted to LGA	1 August 2022

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to LGA Latest News in respect to deadlines for upcoming General Meetings.

7.3 Energy Positive and Carbon Neutral Development (City of Victor Harbor)

Recommendation Reports from the SAROC Committee

Submitted by:	City of Victor Harbor	
Approved by:	SAROC Committee	
Meeting	Annual General Meeting	28 October 2022
ECM:	781047	Attachment: 780050

Recommendation

That the Annual General Meeting request the LGA to write to the Expert Panel on Planning and to the Minister for Planning seeking an amendment to the Planning, Development and Infrastructure Act 2016 which would enable the State Planning Commission and/or Councils to amend the Planning and Design Code to enable more energy efficient and sustainable development.

SAROC Committee's Comments

The matter raised in the Item of Business proposed by the City of Victor Harbor is of importance to the LGA and to the local government sector and is in alignment with the following LGA Policy:

> *6.2.6 Principles of Good Design*
>
> *Local government recognises that planning decisions should be made cognisant of good design principles. Local government shall continue to collaborate with state government in the development of quality design principles, along with lobbying against design requirements that are not in the best interests of the local community.*

SAROC supported the recommendation from the City of Victor Harbor, noting that the recommendation was not seeking to mandate additional provisions which may result increased development costs but enabled the State Planning Commission and councils to identify and enable alternative forms of development and building materials which would allow for more energy efficient and sustainable building forms.

LGA Officer's Comments

(Officer: Stephen Smith, Policy Advisor)

The City of Victor Harbor has raised a valid concern that the current Planning and Design Code does not have clear policy outcomes that promote more energy efficient and carbon neutral buildings apart from minimal standards of insulation and shading and tree planting.

The current Building Code has standards for energy efficiency which must be met for both dwellings and commercial buildings and upcoming amendments to the National Construction Code will see a requirement for new constructions to increase from a 6 star to 7 star rating. The move to 7-star construction for new buildings in the National Construction Code is being delivered in accordance with a 2019 national agreement 'Trajectory for Low Energy Buildings'.

In addition to new buildings there is currently work underway to address the issue of energy efficiency within existing buildings. The existing building trajectory is part of a broader national plan that aims to achieve zero-energy and carbon-ready commercial and residential buildings in Australia

Land use planning can play an important role in climate change mitigation and adaptation. The *Planning Development and Infrastructure Act 2016* requires the Minister for Planning to prepare a specific state planning policy relating to climate change (see attached). The Policy identifies the specific policies and principles that should be applied with respect to minimising adverse effects of decisions made under the Act on the climate and promoting development that is resilient to climate change. A key action for government is to strengthen these policies for climate smart development through the planning system.

The Department for Environment and Water is undertaking a project to review existing and under development work across jurisdictions on land use planning measures for climate change adaptation, risk mitigation, and managing emissions. The stocktake aims to identify best practice measures that could inform future improvements across planning instruments and their implementation under the South Australian planning system.

The research and analysis will consider policies and programs and options to improve the Act and the Planning and Design Code.

The motion from the City of Victor Harbor provides support from the local government sector for the need for this work to be undertaken and embedded within the Planning and Design Code.

The motion will also enable the issue to be raised with the Expert Panel and to seek that energy positive and carbon neutral development policies are included in the Planning and Design Code therefore allowing new development to be assessed against these provisions.

Financial and Resource Implications

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

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LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	City of Victor Harbor
The body the item is being referred to *Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.*	SAROC
Subject of the proposed item of business	**Energy Positive and Carbon Neutral Development**
Proposed motion for the General Meeting	That the Annual General Meeting requests the LGA to submit to the Government of South Australia a proposal to amend the Planning and Development Infrastructure Act 2016 to enable Councils to plan for more energy efficient and sustainable development.
Supporting information *Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.*	Councils are at the forefront of practical action to address climate change. The new Planning and Design Code legislation is silent on the matter of promoting more energy efficient and carbon neutral buildings, save for minimum standards of insulation and shading. There are no specific provisions in the Code that require structures to be energy positive or carbon neutral. Carbon neutral development is not a consideration in the Planning and Design Code at this point in time. The Building Code of Australia, which is called up by the *Planning, Development and Infrastructure Act* to control and manage building work, also does not mandate any new buildings to be energy positive or carbon neutral. The Building Code does, however, have minimum standards for energy efficiency, which must be met for both dwellings and commercial buildings. Once the minimum energy efficiency requirements of Volume 1 Part J of the Building Code have been achieved the developer/owner is under no obligation to achieve any further energy efficiency features. If a Council wanted to require or encourage minimum levels of energy self-sufficiency, from the points of view of practically addressing energy use issues, or minimising disruption due to outages such as that caused by bushfire damage to HV lines, neither the Planning and Design Code nor the Building Code have requirements to address such matters. In short, in Council's capacity as a regulatory development authority, there is not much it can do other than to apply the low bar minimum that currently exists within the planning/building statutory framework.

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	The LGA should be able to advocate for changes to building and design codes to enable Councils to understand how they might realistically be achieved, and then providing information to its community on the same. Councils should become a leader in the energy efficiency space by raising the bar for their own developments. To facilitate Councils moving this way, to provide the tools, and minimise frustration along the way, the Design Codes need to be amended. The LGA would also need to assist with discussions with Construction Industry.
LGA Policy Manual *Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?*	(please click here to view the LGA Policy Manual) No as its captured under Clause 6.1 – The Planning System Clause 6.6.1 – Planning Legislation and Policy
LGA Strategic Plan reference	(please click here to view the 2021-25 LGA Strategic Plan) *Choose one Strategy and one outcome reference only* *Strategy 1 – Advocate* *Achieve greater influence for local government* *1.2 – Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities*
Council Contact Officer submitting form	Kyla Walker kwalker@victor.sa.gov.au 8551 0573
Council Meeting minute reference and date of meeting	Monday, 25 July 2022 OC3002022
Date submitted to LGA	29 July 2022

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to LGA Latest News in respect to deadlines for upcoming General Meetings.

8.1 Mental Health and Wellbeing (Town of Gawler)

Recommendation Reports from the GAROC Committee

Submitted by:	Town of Gawler	
Approved by:	GAROC Committee	
Meeting	Annual General Meeting	28 October 2022
ECM:	782527	Attachment: 780359

Recommendation

That the Annual General Meeting requests that:

1. **the LGA support and actively advocate that the State Government addresses the lack of mental health outcomes and suicide prevention through providing information, connecting people with improved support agencies, and undertaking studies and further research to inform advocacy on related service needs in South Australia; and**
2. **notes that if the item of business is approved by the LGA members at the Annual General meeting the LGA Secretariat will undertake the following actions:**
    a. **write to the Minister for Health and Wellbeing, and the Shadow Minister for Health and Wellbeing, outlining this advocacy position and requesting increased funding opportunities for local government, noting that improved collaboration is required with Local Health Networks including in regional public health planning;**
    b. **write to the CEOs of each Local Health Network, expressing a need for stronger collaboration with local government in the regional public health planning process, particularly around wellbeing as a primary prevention strategy to address mental health and suicide prevention activities/services;**
    c. **write to the CEOs of the Country Primary Health Network and the Adelaide Primary Health Network, expressing a need for stronger collaboration with local government in the regional public health planning process, particularly regarding wellbeing as a primary prevention strategy to address mental health and suicide prevention activities/services; and**
    d. **liaise with the Australian Local Government Association (ALGA) to ensure that there is consistent messaging from the sector on this issue.**

GAROC Committee's Comments

In recommending this item of business, GAROC Committee members acknowledged the difficulty in accessing mental health services; but recognised that local government's role is not in direct service delivery, but instead as an advocate, leader, and enabler. It was recognised that stronger partnerships with the LHNs was needed to pursue these issues.

LGA Officer's Comments

(Officer: Belinda Tassone, Senior Policy Officer)

In proposing this item of business, the Town of Gawler suggests that three State Government actions are required to support better mental health outcomes and suicide prevention:

- the provision of information;
- connecting people with improved support agencies; and
- undertaking studies and further research.

The Town of Gawler's supporting evidence indicates that better partnerships and collaborations are required with State Government to help address the key challenges identified through their regional public health planning process. In addition, Council asserts that these challenges are not isolated to the Gawler region.

The following discussion provides background to the mental health and wellbeing challenges experienced in South Australia, including the relative roles of the three tiers of government in this complex and multifaceted policy area.

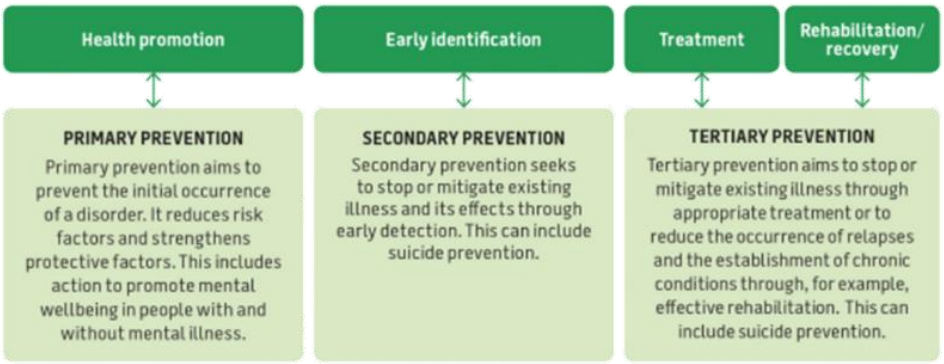
Background

Mental health occurs on a spectrum from mental wellbeing to mental ill health (including mental illnesses). Mental health is a key driver of economic participation and productivity in Australia, and in June 2020, the Productivity Commission identified that improved population mental health can assist in reducing costs to the economy over the long-term.[1]

According to Wellbeing SA:

> *Mental ill health affects almost half of the Australian population at some point in their lifetime, and one in five people in any one year. The most common mental illnesses are depression, anxiety and substance use disorders. Seventy-five per cent of people who develop a mental illness do so before the age of 25 years.*
>
> *Suicide is also a significant health and social policy issue. It is the leading cause of death for people aged 15 to 44 years and the third leading cause of death for people aged 45 to 55 years.*[2]

Action on mental wellbeing and mental ill health has been described by VicHealth to exist on a continuum[3] as depicted below.



[1] Productivity Commission, Mental Health: Productivity Commission Inquiry Report, Volume 1, No. 95, 30 June 2020, p. iv, https://www.pc.gov.au/inquiries/completed/mental-health/report/mental-health-volume1.pdf
[2] Wellbeing SA, Strategic Plan 2020-2025: Supporting your state of wellbeing, p. 16, https://www.wellbeingsa.sa.gov.au/assets/images/20090.1-WellbeingSA-StrategicPlan-2020update-WEB.pdf
[3] VicHealth, 'Promoting healthier, happier lives for more Victorians', Submission to the Royal Commission into Victoria's Mental Health System, July 2019, p. 5, https://www.vichealth.vic.gov.au/-/media/ResearchandEvidence/VicHealth-submission-to-theRCVMHS.pdf?la=en&hash=4624401DAEAA1F046504E1F7F0F8A168B7418DAC

The work of councils varies but is predominately in the primary prevention space with a focus on maintaining and improving mental wellbeing to prevent illness occurring in the first place.

The opposite end of the continuum is aligned more closely with the actions of the Federal Government through the Medicare system – responsible for expenditures associated with public hospital services, services provided by GPs, medical specialists, some allied health, and Primary Health Networks (PHNs). The latter are funded to coordinate and assess the health services and health needs of a local area and support community health centres, GPs, specialists and other health professionals.

In addition, the State Government, through Local Health Networks (LHNs), are responsible for the planning, funding and delivery of clinical health services – alongside private providers – and the State Government also coordinates the planning and provision of broader health services, in collaboration with other primary health care providers. There are 10 LHNs across South Australia.

Underpinning this work are various federal and state government plans and strategies related to improving mental health and suicide prevention. These are noted in Appendix 1.

The role of local government

As noted in the Town of Gawler's item of business, public health and wellbeing is a shared responsibility within the *South Australian Public Health Act 2011* (the Act), the statutory framework that councils use to drive public health and wellbeing outcomes.

Councils play an important role in primary prevention/wellbeing and support action through early intervention activities, which include:

- Building community resilience through creating safe, equitable and respectful public environments, including sporting clubs, libraries and community centres, parks and playgrounds.
- Providing opportunities for participation and social connections through programs and services that support residents (including Culturally and Linguistically Diverse and First Nations) across all life stages (early years, youth and ageing well programs), and supporting community groups, volunteer networks, men's/women's' sheds, sporting clubs and events/festivals.

The systems and actions of local government are effective in reaching and supporting diverse local communities, and with increased resources, can build on the existing expertise and systems to achieve mental health and wellbeing outcomes that are place-based and locally relevant.

However, in the absence of the following criteria, South Australian councils often lack the capacity to effectively carry out this work:

- a significant community health system;
- formal structures that enable local partnerships to support sector integration and provide 'backbone functions'[4] as is the case in Victoria with Primary Care Partnerships;
- a health promotion workforce in SA – as noted in a report prepared by the Australian Health Promotion Association for Wellbeing SA in April 2022;[5] and

[4] Backbone functions refers to an organisation providing critical support and coordination.
[5] Australian Health Promotion Association, 'An evidence-informed review to support the development of the South Australian Health Promotion Workforce Strategy', a report prepared for Wellbeing SA, https://www.healthpromotion.org.au/images/docs/SA_HP_Workforce_Strategy_Report_web.pdf.

- adequate funding.

Further advocacy in this area is important to support the work of councils.

Regional public health planning

The Act requires councils to develop Regional Public Health Plans (RPHPs), which have regard to issues identified in the State Public Health Plan (SPHP) and which respond to local health and wellbeing needs and priorities using a social determinants of health framework.[6]

The *State Public Health Plan 2019-2024* noted that in the previous planning cycle, councils highlighted mental health and wellbeing as important and that action included building networks, providing opportunities for participation, providing suitable facilities, and ensuring access to services. It noted that suicide prevention is identified as a high priority by many councils, particularly in many regional areas and noted that a lack of access to mental health services and support was a great concern.[7]

The Town of Gawler's supporting evidence reinforces those findings, noting the lack of mental health services, both clinical and non-clinical, in their region. This problem will likely continue to be exacerbated by the wider societal issues associated with housing shortages and the on-going effects of the pandemic, climate change, and cost of living pressures.

Many councils, through their RPHPs, identify actions or strategies relating to the development of mental health promotion and suicide prevention activities.

However, as identified by the Town of Gawler, these plans often note that good governance and collaboration between councils, service providers, non-government organisations and State Government is important to facilitate change and improvements in health and wellbeing outcomes. Such collaboration and good governance arrangements are often lacking.

Of relevance, when a draft RPHP is developed, under subsection 51(11) of the Act: "A council must… give a copy of it to … any incorporated hospital established under the Health Care Act 2008 that operates a facility within the region".

This mechanism is not currently well managed or understood, and therefore, there is an opportunity to advocate to strengthen existing relationships between LHNs and councils, using this legislative mechanism to enhance collaborative action and provide a formal conduit for councils to provide input into mental health service planning needs in their communities.

Suicide Prevention Networks

In recent years, some councils have taken the leadership role for local suicide prevention networks (SPNs) and local suicide prevention action – including local capacity building and community campaigns.

Many councils are key facilitators, partners, funders and advocates for the development and implementation of local SPNs in their regions, and often work closely together with the State Government and the non-government sector.

There is an opportunity to advocate to the State Government to assist councils to be more formally involved in the development and management of SPNs. At present, a council's involvement in their local SPN varies depending on available resources, ability to provide wraparound services and level of interest in the community. Creating more formalised structures to support councils and their

[6] A social view of health recognises that health and wellbeing is influenced by the natural, built, social and economic environments in which people are born, grow, live, work, and age, including the health systems.
[7] SA Health, State Public Health Plan 2019-2024, p. 20.

communities in addressing issues relating to mental health promotion and suicide prevention will assist in addressing service gaps and opportunities for collaboration.

There are over 40 operational SPNs in South Australia, with many aligning to local government boundaries. It is acknowledged that there is a state level commitment in the current *SA Suicide Prevention Plan 2017-2021* to establish a SPN in each local government region across the State. In this light, there is an opportunity for the LGA to advocate for more formalised structures to be included in the next iteration of the Suicide Prevention Plan.

ALGA's 2022 National General Assembly Motions

It is worth noting that at the 2022 ALGA National General Assembly, there were four motions aligned to this item of business (refer Appendix 2).

In response to the passage of these motions, ALGA will write to Hon Mark Butler MP, Minister for Health and Aged Care, and Hon Emma McBride MP, Assistant Minister for Mental Health, Rural and Regional Health.

It is recommended that the LGA Secretariat liaise with ALGA to co-ordinate the content of ministerial correspondence, particularly regarding further research into mental health promotion and suicide prevention activities; recognising that local government is an efficient partner in government and provides value for money by contributing significant in-kind resources that extends the benefits of federal and state government funding.

Next steps

Local government has a key role in place-based health and wellbeing planning and initiatives, with a strong focus on primary prevention and health promotion.

However, the local government sector cannot address the range of challenges associated with mental health and suicide prevention alone.

In considering the Town of Gawler's item of business, the GAROC Committee has given regard to the resources and capacity needed to support and advocate to the State Government on this issue. An opportunity therefore exists for the LGA to advocate for improved services and further research, noting the specific actions requested in the proposed item of business.

It is suggested that correspondence to the Minster for Health and Wellbeing and the CEOs of the LHNs and PHNs would be appropriate to initiate a dialogue between these key stakeholders and local government.

This motion also presents an opportunity to work with ALGA to reinforce their messaging at the state level.

Financial and Resource Implications

Any activity beyond preparing correspondence for the State Government, LHNs and PHNs, will require significant staff resources and/or funding that is not currently anticipated in the LGA/GAROC budget.

Appendix 1

- *Australia's Long Term National Health Plan*
- *National Preventative Health Strategy 2021-2030.*
- *Wellbeing SA Strategic Plan 2020-2025* recognises: "Mental health and wellbeing and suicide prevention" as a key priority focus area and commits to "foster and coordinate the partnerships required to build resilient and connected communities and work to improve South Australian's mental health and wellbeing."
- *South Australian Mental Health Strategic Plan 2017-2022* developed by the SA Mental Health Commission, calls for a 'whole of government' and 'whole of community' approach to mental health and policy reform including promotion, prevention and early intervention as well as supports and improved governance arrangements.
- *State Public Health Plan 2019-2024* identifies action relating to mental health and suicide prevention under the 'Promote' priority area.
- Wellbeing SA is supporting the development of the next Suicide Prevention Plan, with a Consultation Feedback Report, released in September 2021, observing that there was a strong call for building stronger communities - by addressing the determinants of social, cultural and economic disadvantage and sense of belonging, and strengthening services – through workforce training, better responses and reducing the crisis care model.

Appendix 2

Motion 39 Isaac Regional Council QLD

This National General Assembly calls on the Australian Government to ensure federal funding and federal programs for mental health and related services are fit for purpose place-based models in small and medium-sized regional, rural, and remote areas of Australia.

Carried

ALGA Comment

This resolution is generally consistent with ALGA's policy and advocacy approaches seeking improved health services in rural and regional Australia.

Recommendation

Agree to write to Hon Mark Butler MP, Minister for Health and Aged Care, and the Hon Emma McBride MP, Assistant Minister for Rural and Regional Health, supporting this proposal from the NGA.

Motion number 39.1 Brimbank City Council VIC

This National General Assembly calls on the Australian Government to:

1. Substantially increase recurrent mental health expenditure, in average annual real per capita spending, from 1.3 percent to 2.5 percent; and
2. Increase funding, accessibility, and services for the Commonwealth Better Access initiative to extend access to mental health professionals and care to more people.

ALGA Comment

This motion was not debated separately, but is generally consistent with ALGA's policy and advocacy approaches seeking improved health services.

Recommendation

Agree to write to Hon Mark Butler MP, Minister for Health and Aged Care and the Hon Emma McBride MP, Assistant Minister for Rural and Regional Health, supporting this proposal from the NGA.

Motion number 40 Maribyrnong City VIC

This National General Assembly calls on the Australian Government to:

1. Establish a dedicated and ongoing Community Resilience and Fairness Response Package to ensure our most vulnerable community members are protected from the worst of the impacts of a prolonged pandemic, particularly the youth;
2. Increase funding for mental health support services, local learning and job preparation programs, and initiatives designed to reduce unemployment; and
3. Invest in and grow local manufacturing.

Motion is Carried

ALGA Comment

This resolution is generally consistent with ALGA's policy and advocacy approaches seeking improved health services.

Recommendation

Agree to write to the Hon Mark Butler MP, Minister for Health and Aged Care and the Hon Emma McBride MP, Assistant Minister for Rural and Regional Health, supporting this proposal from the NGA.

Motion number 86

South Burnett Regional Council QLD This National General Assembly calls on the Australian Government to support rural and regional communities with increased funding and facilities to meet the growing needs of youth with mental health issues, including early intervention programs and ensuring equity of access to services.

ALGA Comment

This motion was not debated separately. This is consistent with ALGA policy and advocacy approaches to community infrastructure and youth service.

Recommendation

Agree to include it in the ministerial correspondence to the Hon Mark Butler MP, Minister for Health and Aged Care and Hon Emma McBride MP, Assistance Minister for Mental Health and Suicide Prevention.

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LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	Town of Gawler
The body the item is being referred to *Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.*	GAROC
Subject of the proposed item of business	**To seek State Government support to address the lack of mental health outcomes and suicide prevention through providing information, connecting people with improved support agencies, and undertaking studies and further research to inform advocacy on related service needs in South Australia.**
Proposed motion for the General Meeting	That the Annual / Ordinary General Meeting requests the LGA: • *To support and actively advocate that the State Government addresses the lack of mental health outcomes and suicide prevention through providing information, connecting people with improved support agencies, and undertaking studies and further research to inform advocacy on related service needs in South Australia.*
Supporting information *Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.*	The South Australian Public Health Act 2011 (Public Health Act) and the South Australian State Public Health Plan 2019-2024 acknowledge the important role of local governments in public health and require that each council develop a public health plan. The establishment of regional public health plans that cover multiple council areas are encouraged to support the collaboration of councils and stakeholders to improve regional outcomes. The Town of Gawler along with its regional partners The Barossa, Light Regional and Adelaide Plains Councils have undertaken a review of their Regional Public Health Plan, "*Barossa, Light and Lower Northern Region Regional Public Health Plan (DRAFT)*". The plan has been prepared by the councils of Adelaide Plains, Barossa, Town of Gawler and Light Regional in consultation with community and stakeholders. It is the second regional plan that the councils have prepared together. Public Health is a shared responsibility. Councils, community, public health services, agencies and governments all contribute to community wellbeing. Councils support public health outcomes through the provision of open space and recreation infrastructure, immunisation programs, environmental health regulation, community programs,

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	libraries and community centres, home aged care support, development and planning services that enable inclusive buildings and environments. The extent of what councils can achieve can be increased by partnership support from State and Federal Governments and through the efforts of local services and community groups. Councils also work with public health service providers or agencies to share their education resources with communities and by referring community members to their services. The plan establishes three regional lighthouse projects and governance arrangements to address top regional challenges for public health in the Barossa, Light and Lower Northern Region. One of the key regional public health challenges is: • Improving mental health and reducing psychological stress (and suicide prevention) People in the community need support to manage their high levels of psychological stress and mental health. A partnership with the state would go a long way to address this need. A high rate of people are clients of community mental health services and the rate of suicide in the region is higher than Greater Adelaide. Adult men in particular are reporting mental health problems. Although stress and mental health is a greater issue for adults regionally, Gawler has a high rate of clients to the Child and Adolescent Mental Health Service. We suspect this is the case across SA, not just our region so having advocacy at the LGA level would really assist all our communities to making a difference in this space. Although the plan acknowledges that each council will continue to deliver its own ongoing services, programs and plans to address its unique situation. A regional collaboration is the cornerstone that will support the success of the regional plan. Good governance and collaboration between the state government, councils and partners will aim to deliver the plan and its regional projects, not only in our region but across SA.
LGA Policy Manual *Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?*	The item supports the implementation of existing Policy: Statement Number 1.1.6 'Service provisions' - *Local government supports the achievement of cost savings and efficiencies through regionalisation and shared services, and shall continue to work with state government, its regional counterparts and other stakeholders to identify ways to streamline the way services are provided.* *and;* Statement Number 1.1.7 'State-Wide Strategies' - *Local government recognises its responsibilities to give due weight to the plans and strategies of other spheres of government, while continuing to be a key partner in their development. Local government shall continue to seek full and meaningful engagement with other spheres in the interests of consistency and alignment.*

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LGA Strategic Plan reference	*Strategy 4 – Advance - Facilitate continuous improvement in local government.* *3.2 New partnerships and services help councils innovate and prepare for the future.*
Council Contact Officer submitting form	Jack Darzanos Jack.darzanos@gawler.sa.gov.au (08) 8522 9257
Council Meeting minute reference and date of meeting	RESOLUTION 2022:07:COU251 26 July 2022
Date submitted to LGA	28 July 2022

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to LGA Latest News in respect to deadlines for upcoming General Meetings.

8.2 Responding to the Climate Emergency (Town of Gawler)

Recommendation Reports from the GAROC Committee

Submitted by:	Town of Gawler	
Approved by:	GAROC Committee	
Meeting	Annual General Meeting	28 October 2022
ECM:	782268	Attachments: 780356

Recommendation

That the Annual General Meeting:

1. **requests the LGA to:**
   a) **update its Climate Policy Statements to acknowledge the State Government's declaration of a Climate Emergency;**
   b) **commit to supporting the State Government in responding to the Climate Emergency; and**
   c) **commit to engaging with the State Government on developing a collaborative reform agenda towards:**
      i. **Enabling councils and their communities to better access renewable energy, carbon offsets and technologies to reduce emissions (mitigation); and**
      ii. **Improving disaster resilience and climate adaptation planning and response to extreme events (adaptation); and**
2. **notes that if the Item of Business is approved by LGA members at the Annual General Meeting,**
   a. **Part a) of the item to recognise the State Government's declaration of a Climate Emergency will be enacted through an amendment to the Climate Change statements in the LGA Policy Manual; and**
   b. **Parts b) and c) of the item will see the LGA continuing to support and engage with the State Government on climate change issues, with the current level of resourcing available and directed from the LGA Secretariat.**

GAROC Committee's Comments

In recommending this Item of Business, the GAROC Committee acknowledged the importance of reviewing the LGA Policy Manual's climate change statements and supported consideration of this additional Item of Business relating to that review.

LGA Officer's Comments

(Officer: Katherine Russell, Manager Policy Projects)

Policy Manual Review

The LGA Policy Manual is a compendium of policies that are reviewed as required and endorsed at Annual and Ordinary General Meetings.

These policies represent the broad directions for leadership and advocacy for the local government sector as a whole and guide the LGA's responses to policy issues through submissions, position papers, media and stakeholder relations.

The Policy Manual Review which has been undertaken addresses only the climate change statements in the Policy Manual, reflective of the importance of these statements and the fast-moving nature of climate change science and policy.

The current LGA Policy on Climate Change, reviewed as part of LGA Policy Manual in 2018, reflects the science and the political and social views at the time. Since then, Government polices around the nation, and indeed globally, have struggled to keep up with ever-increasing scientific evidence that our climate is changing at a faster rate than previously predicted (IPCC report AR6).

On 31 May 2022 the State Government declared a climate emergency reaffirming the urgent need to decarbonise the South Australian economy and shift to renewable sources of energy.

In mid-June this year, the Federal Labor government submitted its enhanced nationally determined contribution (NDC) to the UN Framework Convention on Climate Change secretariat, formalising a 43% emission reduction target by 2030.

The LGA Policy Manual Review sought feedback from councils, so the LGA now has a snapshot its member councils' likely response on certain issues relating to this topic. The AGM is considering a separate report on this topic at this meeting.

Previous Items of Business seeking declaration of a climate emergency

The Town of Gawler has previously submitted proposed Items of Business seeking an LGA declaration of a climate emergency which were not approved.

In 2020, the LGA Annual General Meeting considered an Item of Business to declare a climate emergency as well as develop a Climate Emergency Action Plan. That motion was lost.

In 2021, the LGA Board of Directors at its meeting on 18 March 2021 considered an Item of Business seeking the LGA declare a climate emergency, as well as develop a Climate Emergency Action Plan and develop a model policy for councils. The Board did not approve the Item to be included in the agenda of the LGA Ordinary General Meeting of 20 April 2021. It was noted that the exact same motion was voted on in the LGA AGM of 29 October 2020 and that the other components of the motion reflected existing LGA policy and actions.

This Item of Business from the Town of Gawler differs from those submitted earlier as it is about recognition of the State Government's declaration of a climate emergency, rather than seeking for the LGA to declare a climate emergency.

Current item of business

The current Item of Business is addressed in three parts below.

1. ***Seeks acknowledgement in the LGA Policy Manual that the State Government has declared a Climate Emergency.***

The proposed changes to the Policy Manual as a result of the Policy Manual Review do not propose declaration by the LGA of a climate emergency, but acknowledge the position of the State Government. This part of the Item of Business seeks acknowledgement by the LGA of the State Government declaration.

While the changes proposed in the Policy Manual Review which were considered by the LGA Board on 22 July 2022 recognise the need for urgent action, support the State Government targets, and call for strong leadership at all levels of government, they do not acknowledge the State Government declaration of a climate emergency.

Specifically, it is proposed to further amend the Policy Manual, including an additional reference to the State Government declaration (highlighted in yellow) which was not considered by the LGA Board of Directors to state as follows:

> 4.4 Managing the Risks of Climate Change
>
> Local government acknowledges that human-induced climate change is occurring and that urgent, ambitious, and immediate action is required at all levels of government to address the climate crisis by reducing emissions, and adapting to the impacts that are now unavoidable.
>
> The LGA acknowledges the State Government declaration of a climate emergency and supports its ambition to achieve a 50% reduction in emissions by 2030 and net zero emissions by 2050.
>
> The LGA supports its member councils to take the meaningful and immediate actions required, and calls for strong leadership and coordination at all levels of government for ongoing, effective and adequately funded Commonwealth and State Government climate change policies and programs.

If the Item of Business is approved at this Annual General Meeting, the LGA will further update its Policy Manual to recognise the State Government's declaration of a Climate Emergency.

2. ***Seeks the LGA to commit to supporting the State Government in responding to the Climate Emergency.***

The proposed changes to the Policy Manual as a result of the Policy Manual Review state that the LGA supports the State Government's targets (see above) and supports partnership with all levels of government. Consultation through this process revealed that some councils would like the State Government to set more ambitious targets for emissions reduction and others sought greater clarification of the impacts on local government.

The LGA prioritises its relationship with the State Government and encourages partnerships at every opportunity. This was reflected at the GAROC Climate Change Action Forum in May 2022 which highlighted the important relationship between State and local government and was the focus of the address to the forum by the Deputy Premier, Hon Susan Close. It was recognised by the Deputy Premier that the State Government cannot successfully progress its emissions reduction targets without the support of local government and the LGA.

The Regional Climate Partnerships (RCPs) Grant Agreement between Green Adelaide/Department for Environment and Water (DEW), which funds the role of the RCP Central Coordinator, is an example of the existing successful partnership between State and local government.

The LGA is also working with the state government to align opportunities from the Federal Government, such as the $200M Disaster Readiness Fund. This year, the LGA also funded the preparation of a grant application to the Federal Government's Coastal and Estuarine Risk Mitigation Program (no decision has yet been made), with DEW as one of the key partners.

Accordingly, it is appropriate that the second part of the Item of Business is recommended for approval by the AGM as it acknowledges the importance of the relationship with the State Government.

3. ***Commit to engaging with the State Government on developing a collaborative reform agenda towards:***

   (a) Enabling councils and their communities to better access renewable energy, carbon offsets and technologies to reduce emissions (mitigation); and

   (b) Improving disaster resilience and climate adaptation planning and response to extreme events (adaptation).

The proposed changes to the Policy Manual as a result of the Policy Manual Review support mitigation actions (such as renewable energy, carbon offsets and technologies to reduce emissions) and adaptation actions (such as improving disaster resilience, climate adaptation planning and response to extreme events).

Specifically, the AGM is considering at this meeting a report which proposes to amend the Policy Manual to state:

> 4.4.6 Energy Reduction and Storage
>
> Local government provides leadership in the community through proactive actions to reduce energy use and associated greenhouse gas emissions. Continual improvement in technologies mean that councils should undertake regular audits of facilities and practices that are energy intensive, seek to reduce energy usage as far as practicable through installation of energy reduction and storage technologies, and contribute to associated policy development and reform where appropriate.
>
> 4.4.7 Greenhouse Gas Reduction Mechanisms
>
> Local government supports that voluntary carbon markets, including renewable energy, carbon offsets, and other low carbon products and services, be supported through clarified carbon accounting and legislation to ensure zero carbon outcomes are cost effective.

These proposed amendments recognise the importance of mitigation and adaptation activities, which it seeks to progress with support of partners within local government and with the State Government.

The LGA Secretariat is working through a range of measures to respond to climate change and the LGA Policy Manual provides clear mandate for LGA advocacy and policy activities as opportunities arise. For example, there are many advocacy opportunities through the LGA Secretariat's ongoing work on urban greening, stormwater, waste, native vegetation, vegetation management around powerlines, urban planning and procurement.

The LGA Secretariat provides significant financial support to the RCP Central Coordinator who is the only dedicated resource on climate change activities, supporting development of a network of regional, cross-sectoral groups working to strengthen the climate resilience of their communities. This role is not tasked with undertaking advocacy work on behalf of the LGA but is available to provide technical advice as required.

The LGA Secretariat has been working with the Local Government Mutual Liability Scheme to progress a potential project on risk assessments for councils, as well as having made application to the Federal grant program on coastal adaptation, referred to above. The LGA is also working with coastal councils to progress the appointment of a Coastal Coordinator to support the LGA Secretariat.

The LGA Secretariat will continue to explore opportunities to bring together the work of its members and the State government to inform the climate change reform agenda at the local, state and federal levels of government for the benefit of the SA community.

The third part of the Item of Business is recommended for approval by the AGM as it supports work the LGA is already undertaking.

Summary

It is recommended that this Item of Business is approved by the AGM as it is acknowledging actions from the State Government and recognises an existing important partnership with State Government, as well as progressing work which is already underway.

Financial and Resource Implications

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

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LGA General Meeting – Proposed Item of Business

The purpose of this form is to request consideration by SAROC, GAROC or the Board of Directors of an item of business to be included on the agenda of an LGA General Meeting - refer Clause 16.3.1 of the LGA Constitution. Prior to submitting a proposed Item of Business, please refer to the Considering Proposed Items of Business for LGA General Meetings Guidelines.

Council Name	Town of Gawler
The body the item is being referred to *Proposals may only be submitted to the ROC of which council is a member, or to the LGA Board of Directors.*	GAROC
Subject of the proposed item of business	**Responding to the Climate Emergency**

Proposed motion for the General Meeting	That the Annual / Ordinary General Meeting requests the LGA to:
	• Update its Climate Policy Statements to acknowledge the State Government's declaration of a Climate Emergency.
	• Commit to supporting the State Government in responding to the Climate Emergency.
	• Commit to engaging with the State Government on developing a collaborative reform agenda towards:
	  ○ Enabling councils and their communities to better access renewable energy, carbon offsets and technologies to reduce emissions (mitigation).
	  ○ Improving disaster resilience and climate adaptation planning and response to extreme events (adaptation).

Supporting information *Provide a summary of the issue(s), relevant background information, description of the impact on the sector and evidence that this is an item of strategic importance to local government.*	At the 2021 LGA Ordinary General Meeting, the Town of Gawler proposed the following Climate Emergency Motion that was narrowly defeated: *That Council endorse the following Motion on Notice for the LGA OGM to be held in April 2021:* *Declare a Climate Emergency* 1. *That the SA LGA recognizes the climate crisis and declares that there is a Climate Emergency;* 2. *That the SA LGA develops an LGA Climate Emergency Action Plan (CEAP) in partnership with its member councils (in relation to its operations and its leadership role);* 3. *That the SA LGA CEAP primarily focuses on mitigation through the reduction of GHG emissions but it also focuses on adaptation and climate safety for local communities;* 4. *The SA LGA develop a model CEAP in partnership with interested member councils for use by member councils throughout the state; and* 5. *Any work to be undertaken by the SA LGA should complement, add*

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	value to, and build upon what is already happening, and not duplicate the work of the Climate Emergency Australia (Local Government) Network. Since that time, Australia has experienced more unprecedented natural disasters with extensive flooding across large regions of New South Wales and Queensland, and continued extreme dry conditions across South West- Western Australia. The Scientific community is warning that these events are consistent with climate change and that such risks of extreme heat and dry conditions, as well as more extreme storm and flooding events will continue to increase. The recently elected State Government has quickly moved to declare a **Climate Emergency** and there is strong bipartisan commitment in South Australia to continue to lead in taking action and to transition to a renewables-based economy. South Australia already has a Climate Change Action Plan 2021-25, but what is lacking is a reform agenda to address the barriers that councils and their communities face when seeking to take action. Examples include but are not limited to: • Whilst South Australia is moving towards generating 100% renewable electricity at lower cost compared to fossil fuel generation, ordinary consumers are unable to purchase renewable electricity with legal certainty or at a fair price. • Whilst carbon offsets are a popular solution to reduce emissions, Australia does not have market-based Greenhouse Gas (GHG) accounting to legally support end user offset claims and double counting remains a concern. • An article by the RAA published 19 June 2022, advised that a survey of drivers showed 62% would consider an EV as their next car purchase – a significant increase compared to the 42% of RAA members who made the same claim in a survey held in May 2020. This latest survey of more than 1500 RAA members also found 74% were concerned about rising fuel prices and many were seeking alternative transport to cut their fuel bills. South Australian drivers are interested in driving electric vehicles but the higher purchase cost and slow rollout of charging infrastructure are barriers to the Electric Vehicle (EV) transition. https://daily.raa.com.au/media-resources/record-petrol-price-drives-surge-in-ev-interest/ • Continued climate adaptation, resilience and disaster preparedness is required across South Australian communities to better prepare and respond to climate change and extreme events. This will also require a nationally coordinated and funded response to be a step ahead of changing conditions.

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	Managing the Risks of Climate Change through the review of the LGA Policy Statements on Climate Change should include acknowledging the State Government's Climate Emergency Declaration and incorporate LGA support for the Government's Climate Emergency Declaration and response in the LGA Climate Policy Statements and new policy proposals. It should be noted that Climate Change Policy is continuously evolving and the LGA and Councils have the opportunity to play a key role for the benefit of councils and their communities.
LGA Policy Manual *Does this item require a change to the LGA Policy Manual (new policy or amendment to existing policy)?*	The item supports the implementation of existing Policy: Statement Number 4.4.1 'Partnerships' - *Local government accepts that negative impacts from climate change are inevitable, and that building resilience to these impacts is a joint responsibility. Councils shall continue to be key partners in delivering a strategic response to climate risks, recognising obligations of other parties.* *and;* Statement Number 4.4.2 'Funding and Strategic Investment' – *Building resilience to climate impacts will require significant funding and investment, both now and into the future. Councils shall continue to provide equitable levels of funding and investment, recognising it is incumbent on federal and state governments to subsidise the majority of expenditure required.* *and;* Statement Number 4.4.7 'Greenhouse Gas Reduction Mechanisms' - *There were significant environmental benefits to the carbon pricing scheme that was in effect from 2012-14 without causing detrimental effects on the economy. Local government supports the reintroduction of carbon pricing as an equitable means of reducing carbon emissions.* *and;* Statement Number 4.4.9 'Electric Vehicles' - *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 and that 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.*
LGA Strategic Plan reference	*Strategy 1: Advocate - Achieve greater influence for local government* *1.2 Governments rely on our proactive contribution to policy and legislation that impacts councils, leading to better outcomes for communities*

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Council Contact Officer submitting form	Tim Kelly Tim.kelly@gawler.sa.gov.au (08) 8522 0143
Council Meeting minute reference and date of meeting	**RESOLUTION 2022:07:COU251** 26 July 2022
Date submitted to LGA	28 July 2022

Please return Word version of completed form to lgasa@lga.sa.gov.au.
Refer to LGA Latest News in respect to deadlines for upcoming General Meetings.

9.1 LGA Policy Manual on Climate Change Endorsement

Recommendation Report from the LGA Board of Directors

Submitted by:	LGA Secretariat	
Approved by:	LGA Board of Directors	
Meeting	Annual General Meeting	28 October 2022
ECM:	782384	Attachment: 778828

Recommendation

That the Annual General Meeting:

1. **notes the report on a review of the LGA Policy Manual on Climate Change;**

2. **endorses the revised LGA Policy Manual statements on Climate Change to take effect from 28 October 2022 as follows:**

   '4.4 Managing the Risks of Climate Change:

   Local government acknowledges that human-induced climate change is occurring and that urgent, ambitious, and immediate action is required at all levels of government to address the climate crisis by reducing emissions, and adapting to the impacts that are now unavoidable.

   The LGA supports the State Government's ambition to achieve a 50% reduction in emissions by 2030 and net zero emissions by 2050.

   The LGA supports its member councils to take the meaningful and immediate actions required, and calls for strong leadership and coordination at all levels of government for ongoing, effective and adequately funded Commonwealth and State Government climate change policies and programs.';

   '4.4.1 Partnerships: Local government accepts that negative impacts from climate change are inevitable, and recognises that building resilience to these impacts is a responsibility shared by everyone. Councils shall continue to be key partners in delivering a strategic response to climate risks.';

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

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

   '4.4.4 Decision Making: Local government understands that decisions made by councils must take account of all currently available climate data. Local government supports improved availability and regionally relevant data to be

provided through state government, so that councils can expand their knowledge base (such as sustainable development, tree management, coastal management, bushfire management, flood mitigation and other climate hazards) to ensure they are 'best informed to make well rounded decisions.' (LGMLS);

'4.4.5 Consultation and Engagement; Tackling the impacts of climate change will require community involvement and effort, in partnership with government-led policy and services. Councils should not solely rely on expert input, science and data when making decisions relating to climate change, but should also consider the outcomes of stakeholder and public consultation for better informed decision making and to raise awareness within the community.';

'4.4.6 Energy Reduction and Storage; Local government provides leadership in the community through proactive actions to reduce energy use and associated greenhouse gas emissions. Continual improvement in technologies mean that councils should undertake regular audits of facilities and practices that are energy intensive, seek to reduce energy usage as far as practicable through installation of energy reduction and storage technologies, and contribute to associated policy development and reform where appropriate.';

'4.4.7 Greenhouse Gas Reduction Mechanisms; Local government supports that voluntary carbon markets, including renewable energy, carbon offsets, and other low carbon products and services, be supported through clarified carbon accounting and legislation to ensure zero carbon outcomes are cost effective.';

'4.4.8 Integrity; Local government supports the Glasgow Climate Pact (2021), the Paris Agreement (2016), and the Kyoto Protocol (2005) for the reduction of global greenhouse gas emissions and shall contribute towards the commitments made by the Federal Government to achieve national carbon emission reduction targets, and Net Zero Carbon by 2050.'; and

'4.4.9 Zero or Low-emission Vehicles; Local government recognises the need for widespread transition to zero emission transport and the role of emerging technologies to facilitate this and reduce negative impacts such as toxic emissions, engine noise and greenhouse gas emissions. Therefore, as road authorities, infrastructure providers, fleet managers and representatives of their local communities, councils should support and encourage the use of zero or low emission vehicles through their planning, policies, investment and procurement activities.'

LGA Board of Directors' Comments

The LGA Board of Directors considered a report on the proposed review of the LGA Policy Manual climate change statements at its meeting on 22 July 2022 and supported the proposed changes being considered at the Annual General Meeting, recognised the importance of updating the Policy Manual and the particular importance of the statements on climate change.

LGA Officer's Comments

(Officer: Katherine Russell, Manager Policy Projects)

Background

The role of the LGA is to promote and advance the interests of local government by advocating to achieve greater influence for local government in matters affecting councils and communities. With

climate change affecting all councils and their communities, clear and unifying policy statements provide the LGA and the sector with a mandate to advocate on behalf of the sector and drive further development of policies, programs and projects aimed at supporting the reduction in emissions and helping to adapt to the impacts of climate change that are now unavoidable.

The LGA Policy Manual is a compendium of policies that are reviewed as required and endorsed at Annual and Ordinary General Meetings (AGMs) and (OGMs). These policies represent the broad directions for leadership and advocacy for the local government sector as a whole. It guides the LGA's responses to policy issues through submissions, position papers, media and stakeholder relations.

This review only addresses the climate change statements in the Policy Manual, reflective of the importance of these statements and the fast-moving nature of climate change science and policy.

Review of the Policy Manual

The last comprehensive review of the Policy Manual was endorsed at the LGA AGM in 2018 although the Manual is updated as required if policies are endorsed at the AGM or OGM on an ad hoc basis.

The LGA Climate Commitment Action Plan 2021-2023 includes an action to 'review and update the 'Managing the Risks of Climate Change' statements in the LGA Policy Manual based on recent science, evidence and practice".

The current LGA Policy on Climate Change, reviewed as part of LGA Policy Manual in 2018, reflects the science and the political and social views at the time. Since then, Government polices around the nation, and indeed globally, have struggled to keep up with ever-increasing scientific evidence that our climate is changing at a faster rate than previously predicted (IPCC report AR6).

On 31 May 2022 the State Government declared a climate emergency reaffirming the urgent need to decarbonise the South Australian economy and shift to renewable sources of energy.

In mid-June this year, the Federal Labor government submitted its enhanced nationally determined contribution (NDC) to the UN Framework Convention on Climate Change secretariat, formalising a 43% emission reduction target by 2030.

The LGA has an opportunity to review its Climate Change policy to bring it in line with current scientific evidence and the current policy context at the Federal and State Government level. This will assist the LGA's advocacy activities on this important issue and meet the LGA's responsibilities of its Climate Commitment Action Plan.

Proposed amendments

The current primary statement at 4.4 Managing the Risks of Climate Change states as follows:

> 'Local government acknowledges that climate change poses a serious risk to local communities and ecosystems. All levels of government are urged to take action that will help address the effects of climate change in local communities.'

It is proposed to amend the primary statement to:

> 'Local government acknowledges that human-induced climate change is occurring and that urgent, ambitious, and immediate action is required at all levels of government to address the climate crisis by reducing emissions, and adapting to the impacts that are now unavoidable.
>
> The LGA supports the State Government's ambition to achieve a 50% reduction in emissions by 2030 and net zero emissions by 2050.

The LGA supports its member councils to take the meaningful and immediate actions required, and calls for strong leadership and coordination at all levels of government for ongoing, effective and adequately funded Commonwealth and State Government climate change policies and programs.'

The primary statement is supported by secondary policy statements in the Policy Manual addressing:

- 4.4.1 Partnerships;
- 4.4.2 Funding and Strategic Investment;
- 4.4.3 Embedding Climate Change Considerations;
- 4.4.4 Decision Making;
- 4.4.5 Consultation and Engagement;
- 4.4.6 Energy Reduction and Storage;
- 4.4.7 Greenhouse Gas Reduction Mechanisms;
- 4.4.8 Integrity; and
- 4.4.9 Electric Vehicles.

The proposed changes to the primary statements following consultation are explained in the attached consultation report

Principles to guide the review

In reviewing the LGA Policy Manual, a set of principles has been developed to help guide the revision of policy statements for consultation and endorsement by the LGA. According to these principles, LGA policy statements should:

- **be well-defined** - provide a clear and concise statement that reflects the LGA's leadership position within its sphere of influence;
- **acknowledge** the impacts that the policy issue has on the environment, communities, and the economy;
- **convey urgency** – recognising the need for both immediate action and consideration of long-term impacts;
- **inspire action** – be ambitious and realistic, with a focus on the meaningful and practical measures local, state, and federal government can pursue;
- **prioritise** – demonstrate the level of priority that the LGA and its member councils place on the specific policy issue;
- **be relevant -** appropriately balance the various positions, declarations, and range of activities within the LGA membership; and
- **reflect** – the State government strategies and policies, and articulate the need for an integrated, collaborative approach with local government as a partner in government.

Engagement Process

The Policy Manual forms the position of the LGA on relevant issues. As such, it is important that the LGA's member councils inform any amendment to the Policy Manual. To facilitate this engagement, an Issues Paper was prepared outlining the background, context and rationale for a review of the Policy Manual 's climate change statements.

The Issues Paper was distributed to councils via:

- Latest News dated 29 April 2022;
- CEO Update dated 5 May 2022; and
- Other subject matter newsletters distributed amongst council staff.

Councils were able to submit feedback as an endorsed motion from the council or from council officers. Most submissions were received via a survey which formed part of the Issues Paper. A consultation report has been prepared to explain the proposed changes to the Policy Manual and to summarise the council feedback received. The consultation report is attached.

Submissions received

Although only 12 submissions were received, those received were thoughtful and well-considered, providing useful guidance to the LGA Board of Directors. The responses were wide-ranging and span many perspectives on this complex issue. In that context, amendments proposed seek to address the concerns of the local government sector as a whole. The Policy Manual does not prevent individual councils from taking either or a more progressive or conservative approach to these issues.

Recommended changes to the Policy Manual

As per the principles above, the recommended approach is that policies need to be high-level so as not to become out of date when the State and Federal Governments change their polices, not be too extreme in either direction so as to alienate councils with opposing views, and not too detailed as to be unworkable as a policy to guide activity. Some councils have recommended advocacy activities for the LGA to be involved in, which is reasonable in the context of existing activities, but the LGA is not sufficiently resourced to advocate on all advocacy issues proposed.

Next Steps

If the proposed amendments to the Policy Manual are approved, the changes can be made soon after the Annual General Meeting and will be made available on the LGA website.

Elsewhere on the agenda, the Annual General Meeting will also be considering a separate Recommendation Report from GAROC on 'Responding to the Climate Emergency', an Item of Business proposed by the Town of Gawler which requests:

a) an additional amendment to the Policy Manual to acknowledge the State Government's declaration of a Climate Emergency;
b) the LGA commit to supporting the State Government in responding to the Climate Emergency; and
c) the LGA commit to engaging with the State Government on developing a collaborative reform agenda towards:
    i. Enabling councils and their communities to better access renewable energy, carbon offsets and technologies to reduce emissions (mitigation); and
    ii. Improving disaster resilience and climate adaptation planning and response to extreme events (adaptation).

If the 'Responding to the Climate Emergency' item of business is approved by members at the Annual General Meeting the LGA will further update its Policy Manual to recognise the State Government's declaration of a Climate Emergency.

Financial and Resource Implications

The proposed amendments to the Policy Manual can be undertaken within existing resources. LGA advocacy on the issues associated with the Policy Manual will be undertaken as the opportunity arises.

Consultation Report: Review of the LGA Policy Manual on Climate Change

4.4 Managing the Risks of Climate Change		Consultation feedback	LGA response
Current Statement	Local government acknowledges that climate change poses a serious risk to local communities and ecosystems. All levels of government are urged to take action that will help address the effects of climate change in local communities.	A range of responses were received, with some councils arguing the need for more ambitious targets for reaching net zero emissions, such as by 2050, and others not supporting the amendment at all.	The amendment was proposed to reflect recent science, evidence and practice. In light of consultation received, the LGA considers this is a reasonable approach for the local government sector. Individual councils may wish to advocate for more ambitious targets.
Suggested Amendment	Local government acknowledges that human-induced climate change is occurring and that urgent, ambitious, and immediate action is required at all levels of government to address the climate crisis by reducing emissions, and adapting to the impacts that are now unavoidable. The LGA supports the State Government's ambition to achieve a 50% reduction in emissions by 2030 and net zero emissions by 2050. The LGA supports its member councils to take the meaningful and immediate actions required, and calls for strong leadership and coordination at all levels of government for ongoing, effective and adequately funded Commonwealth and State Government climate change policies and programs.		
4.4.1 Partnerships		**Consultation feedback**	**LGA response**
Current Statement	Local government accepts that negative impacts from climate change are inevitable, and that building resilience to these impacts is a joint responsibility. Councils shall continue to be key partners in delivering a strategic response to climate risks, recognising obligations of other parties.	Some councils suggested more proactive language is used and sought clarity over 'obligations of other parties'.	While the LGA consultation proposed no change, it recognises in light of feedback that greater clarity is required. These additional changes are shown in yellow.
Suggested Amendment	Local government accepts that negative impacts from climate change are inevitable, and recognises that building resilience to these impacts is a responsibility shared by everyone. Councils shall continue to be key partners in delivering a strategic response to climate risks.		

4.4.2 Funding and Strategic Investment		Consultation feedback	LGA Comments
Current Statement	Building resilience to climate impacts will require significant funding and investment, both now and into the future. Councils shall continue to provide equitable levels of funding and investment, recognising it is incumbent on federal and state governments to subsidise the majority of expenditure required.	Most councils supported the proposed amendment but there was a suggestion to recognise the need for long-term financial planning	Given that most councils supported this statement, it is proposed that the current wording will remain.
Suggested Amendment	No Change		
4.4.3 Embedding Climate Considerations		**Consultation feedback**	**LGA Comments**
Current Statement	Climate risk and vulnerability assessments are vital in identifying climate impacts and determining appropriate actions. Councils shall ensure assessments are conducted with full consideration of available relevant information as part of all council strategic and operational planning processes across all functions and services.	There was feedback on the need to be responsive to new data, the responsibility of the State government to lead data collection and the need for the LGA to advocate on development and planning policy.	Given that most councils supported this statement, it is proposed that the current proposed wording will remain. The LGA recognises the role of the State government in data collection and the importance of recognising climate considerations in planning policy but is wary of being overly prescriptive on advocacy issues which may quickly date the policy change.
Suggested Amendment	No Change		

4.4.4 Decision Making		Consultation feedback	LGA Comments
Current Statement	Local government understands that decisions made by councils must take account of all currently available climate data. Councils shall expand their knowledge base (such as development, tree management, coastal management) to ensure they are 'best informed to make well rounded decisions' (LGMLS).	Some councils suggested the need to improve local government capability in this area, the need for explicit reference to flood and fire risk mapping by the State Government and the need for regular updates on state and federal policies.	The proposed amendment responded to the need identified by local government for greater standardization and availability of up-to-date and regionally relevant data related to climate change impacts and predictions. Examples include advocacy submissions to the Coast Protection Broad in relation to better information and planning on coastal hazards and risks, as well as a report on "Installation of Sea-level gauge at O'Sullivan Beach (Adelaide Plains)". This statement also touches upon Policy Position 5.2.4 Data: Local government recognises that creating the technological capabilities that are required to support future/ diversified economies is key to sustainable economic development. Councils, through the LGA, will continue to lobby and promote 'smart infrastructure' and 'digital economy' opportunities to ensure investment attractiveness is 'future proofed'. In response to feedback, it is suggested, that the statement be amended to include flood and fire data but that the call for regular updates is not required. These additional changes are shown in yellow.
Suggested Amendment	Local government understands that decisions made by councils must take account of all currently available climate data. Local government supports improved availability and regionally relevant data to be provided through state government, so that councils can expand their knowledge base (such as sustainable development, tree management, coastal management, bushfire management, flood mitigation and other climate hazards) to ensure they are 'best informed to make well rounded decisions.' (LGMLS).		

4.4.5 Consultation and Engagement		Consultation feedback	LGA Comments
Current Statement	Tackling the impacts of climate change will require a societal shift in values. Councils should not solely rely on scientific / expert input, science and data when making decisions relating to climate change, but will also place emphasis on the outcomes of stakeholder and public consultation.	Some feedback expressed concern about the reliance on community input and sought greater leadership from the State Government on education.	The proposed statement recognises the need for community behaviour change being at the core of mitigating climate change, as well as increasing awareness, through engagement, as an important tool in building resilience amongst the community and adapting to a changing climate. It is proposed to amend the suggested statement slightly to better explain community input as a factor when considering climate action. This additional change is shown in yellow.
Suggested Amendment	Tackling the impacts of climate change will require community involvement and effort, in partnership with government-led policy and services. Councils should not solely rely on expert input, science and data when making decisions relating to climate change, but should also consider the outcomes of stakeholder and public consultation for better informed decision making and to raise awareness within the community.		
4.4.6 Energy Reduction and Storage		**Consultation feedback**	**LGA Comments**
Current Statement	Reduction and storage technology costs have dramatically decreased resulting in short pay-back periods. Councils should undertake audits of facilities and practices that are energy intensive, and seek to reduce energy usage through installation of energy reduction and storage technologies.	Council feedback sought greater recognition of council role to contribute to associated policy development and reform	The proposed statement addressed the increase in councils pursuing meaningful change in reducing carbon emission across the sector. Recent support for improved advocacy regarding Carbon Neutral definitions and Green Power legislation, as well as many Councils pursuing Net Zero Emission strategies and plans. In recognition of feedback from councils, it is proposed to amend the statement to include reference to the role of the LGA to contribute to associated policy development and reform. Local government has limited capacity to influence energy infrastructure, such as battery storage. This additional change is shown in yellow.
Suggested Amendment	Local government provides leadership in the community through proactive actions to reduce energy use and associated greenhouse gas emissions. Continual improvement in technologies mean that councils should undertake regular audits of facilities and practices that are energy intensive, seek to reduce energy usage as far as practicable through installation of energy reduction and storage technologies, and contribute to associated policy development and reform where appropriate.		

4.4.7 Greenhouse Gas Reduction Mechanisms		Consultation feedback	LGA Comments
Current Statement	There were significant environmental benefits to the carbon pricing scheme that was in effect from 2012-14 without causing detrimental effects on the economy. Local government supports the reintroduction of carbon pricing as an equitable means of reducing carbon emissions.	Some councils argued for the retention of this statement.	See comments above. Voluntary Carbon pricing mechanisms in place and it was proposed to remove this statement. In light of consultation feedback, it is proposed to amend this statement to reflect the contemporary and developing carbon market within Australia (highlighted in yellow).
Suggested Amendment	Local government supports that voluntary carbon markets, including renewable energy, carbon offsets, and other low carbon products and services, be supported through clarified carbon accounting and legislation to ensure zero carbon outcomes are cost effective.		
4.4.8 Integrity		**Consultation feedback**	**LGA Comments**
Current Statement	Local Government supports the Paris Agreement (2016) and the Kyoto Protocol (2005) for the reduction of global greenhouse gas emissions and shall contribute towards the commitments made by the Federal Government to achieve national carbon emission reduction targets.	Council feedback indicated general support for the proposed amendment.	Australia was a signatory to the Glasgow Climate Pact (2021) following the COP26 Climate Change conference in November 2021. The package of decisions consists of a range of agreed items, including strengthened efforts to build resilience to climate change, to curb greenhouse gas emissions and to provide the necessary finance for both. Given that most councils supported this amendment, it is proposed that the suggested wording will remain. The LGA considers this is a reasonable approach for the local government sector. Individual councils may wish to advocate for more ambitious targets.
Suggested Amendment	Local government supports the Glasgow Climate Pact (2021), the Paris Agreement (2016), and the Kyoto Protocol (2005) for the reduction of global greenhouse gas emissions and shall contribute towards the commitments made by the Federal Government to achieve national carbon emission reduction targets, and Net Zero Carbon by 2050		

4.4.9 Zero or Low-emission Vehicles		Consultation feedback	LGA Comments
Current Statement	Local government recognizes that electric vehicles provide for potential zero emission transport and reduce negative impacts such as toxic emissions, engine noise and greenhouse gas emissions and that 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.	A range of views were received. The Coorong District Council supported the amended secondary policy statements but requested that references to electric vehicles be changed to 'zero/low emissions vehicles' and include references to other fuel types such as hydrogen vehicles. Other councils also sought greater recognition of the importance of active transport as an alternative.	The proposed amendment was a recently endorsed statement. A minor amendment for improved readability was proposed. In light of consultation feedback, it is proposed to rename this statement and include reference to the importance of all alternative fuels for the provision of low or zero emission transport. It is not proposed to include active transport which is a separate topic and is already included in LGA policy development such as the Guide to Road Safety. The additional proposed changes are shown in yellow.
Suggested Amendment	Local government recognises the need for widespread transition to zero emission transport and the role of emerging technologies to facilitate this and reduce negative impacts such as toxic emissions, engine noise and greenhouse gas emissions. Therefore, as road authorities, infrastructure providers, fleet managers and representatives of their local communities, councils should support and encourage the use of zero or low emission vehicles through their planning, policies, investment and procurement activities.		

Consultation summary: Review of the LGA Policy Manual on Climate Change

Summaries of submissions received are provided below:

1. ***City of Adelaide*** – council support for amended primary statement and the secondary statements.

   The Council response addressed:

   - the need for increased urgency of actions required;
   - endorsement of the State Government's emissions reduction target,
   - the call for State and Commonwealth funding appropriately highlights the increasing cost burden of climate action and adaptation for local governments;
   - In reference to the secondary statement on **decision-making**, support for increased emphasis on the need for good data;
   - In reference to the secondary statement about **consultation**, acknowledging the role of community alongside government;
   - In reference to the secondary statement about **energy reduction**, increased recognition of the leadership role of local government in reducing emissions; and
   - In reference to the secondary statement about **integrity**, support for inclusion of the Glasgow Climate Pact.

2. ***Adelaide Hills Council*** – council officer support for amended primary statement and secondary statements.

3. ***City of Burnside*** – council support for amended primary statement except for the need for a more urgent emissions target, and support for the secondary statements except for the statements on decision-making, energy reduction and electric vehicles.

   The Council response addressed:

   - The Intergovernmental Panel on Climate Change (IPCC) report 'Climate Change 2022: Mitigation of Climate Change' which identifies that stronger policies are required to limit global warming below 3 degrees;
   - The need for the LGA to advocate for a national commitment to at least match the State commitment for 2030 and support a call for more ambitions targets for reaching net zero (e.g., by 2040);
   - In reference to the secondary statement around **decision-making**, the need for explicit reference to flood and fire risk mapping by the State Government and the need to build capacity in the local government sector;
   - In reference to the secondary statement about **energy generation**, the need to broaden the statement to include energy for council facilities and a move towards electrification, as well as amending legislation to address double-counting in carbon accounting;

- In reference to the secondary statement about **integrity**, the need for a more ambitious target for reaching net zero (by 2040); and
- In reference to the secondary statement about **electric vehicles**, the need to reduce the cost of electric vehicles and improve charging infrastructure.

4. ***Campbelltown City Council*** – council opposition to amended primary statement, support for secondary statements except the secondary statement on consultation, removal of the statement on greenhouse gas emissions and the statement on electric vehicles.

The Council response addressed:

- The **primary statement** should clarify that any actions taken should be evidence-based, allowing for improvement and adaptation as new information arises, and also considers that as the revision statement is currently worded, it reads as if LGA is only calling for all levels of government to adapt on a corporate level suggesting the following amendment:

  'Local government acknowledges that human-induced climate change is occurring and that urgent, ambitious, and evidence-based action is required at all levels of government to address the climate crisis by reducing emissions, and putting in place the necessary processes and infrastructure to enable Community-wide adaptation of any unavoidable impacts.'

- The need to call for higher national emissions reduction by 2030 and suggests the following:

  'The LGA supports the State Government's ambition to achieve a 50% reduction in emissions by 2030 and net zero emissions by 2050, and calls for similar ambitious emissions reduction targets to be consider at a national level.'

- In reference to the secondary statement about **partnerships**, the Council supports the statement but queries the meaning of 'recognising obligation of other parties' and suggests the following:

  'Local government accepts that negative impacts from climate change are inevitable, and recognises that building resilience to these impacts is a responsibility shared by everyone. Councils shall continue to be key partners in delivering a strategic response to climate risks.'

- In reference to the secondary statement about **embedding climate considerations**, the Council supports the statement noting that climate science evolves quickly as new information arises, so climate risk needs to be assessed regularly, and suggests the following:

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

- In reference to the secondary statement about **decision-making**, the Council notes the LGA's acknowledgement of the need for immediate and ambitious action by all levels of government (including state and federal), it is expected that there should be drastic policy and systemic change and suggests the following:

  'Local government understands that decisions made by councils must take account of all currently available climate data. Local government supports improved availability and regionally relevant data to be provided through state government, so that councils can expand their knowledge base (such as sustainable development, tree management, coastal management, bush fire management, flood mitigation and other climate hazards) to ensure they are best informed to make well rounded decisions (LGMLS). Local government also calls for regular updates on state and federal policies and issues that may impact councils' climate mitigation and adaptation response.'

- In reference to the secondary statement about **consultation**, the Council supports the first sentence of the proposed change in statement, but strongly disagrees with the second sentence which it says reads as if all decisions are to be made based on stakeholder inputs before informing relevant stakeholders of the relevant topics, as raising awareness within the community is only meant to be a product of the public consultation. It suggests the following:

  'Tackling the impacts of climate change will require community involvement and effort, in partnership with government-led policy and services. Councils should strive to partner with the community, aiming to build a climate resiliency by raising awareness and allowing for open communication through stakeholder and public consultations. Where appropriate, decisions relating to climate change should be made in consideration of community and expert input, financial & economical stability, as well as available data to ensure any decisions made would be well-informed and tailored for local conditions.'

- In reference to the secondary statement about **greenhouse gas reductions**, the Council does not support the proposal to remove this statement and noted that removing this section is in direct conflict of part two of the overarching policy statement. It believes that greenhouse gas reduction is a necessary and important part of mitigating climate change and should not be removed. Understanding that the removal of this statement may be due to the 2012-2014 carbon pricing being presently irrelevant, it suggests updating the statement to:

  'Local government supports that voluntary carbon markets, including renewable energy, carbon offsets, and other low carbon products and services, be supported through clarified carbon accounting and legislation to ensure zero carbon outcomes are cost effective.'

- In reference to the secondary statement about **electric vehicles**, the Council does not support the proposed amendment, stating that it believes the statement should be broadened to hydrogen-powered vehicles, as well as other forms of sustainable transport such as cycling and walking, suggesting the statement reads:

> 'Local government recognises the need for widespread transition to zero emission transport and acknowledges the increasingly important role of electric vehicles, active transport, and other emerging technologies to help us do so. Therefore, as road authorities, infrastructure providers, fleet managers and representatives of their local communities, councils should support and encourage the use and uptake of sustainable transport through their planning, policies, infrastructure providence, investment and procurement activities.'

5. ***City of Charles Sturt*** – council support for amended primary statement and for some of the secondary statements.

The Council response addressed:

- Need for more urgent language, such as 'encourages' councils rather than 'supports' councils to take action in the primary statement;
- Support for the secondary statement on **partnerships**, but believes the language is dismissive and should be more proactive to encourage councils to work with their communities, adding words, 'we recognise the obligations of other parties to adapt and mitigate climate change impacts in a collaborative manner';
- Support for the secondary statement on **funding**, but noted the need for long-term financial planning;
- Lack of support for the secondary statement on **embedding climate change considerations**, seeking inclusion of the words 'encourage state-led collaboration with all levels of government to achieve climate change targets and better understand climate change risks through hazard data';
- Support for the secondary statement on **decision-making**, as it strengthens the role of State Government to provide overarching data (which it is currently working towards) and will encourage all councils to utilise this data for the purposes of future planning and financial considerations;
- Support for the secondary statement on **consultation** although suggesting increased emphasis on the role of State government in leading education to support behavioural change;
- Support for the secondary statement on **energy reduction**, although seeking for this work to be ongoing;
- Lack of support for removal of the secondary statement about **greenhouse gas emissions** as it is still relevant. Suggests following rewording:

'Local government continues to support carbon pricing as an equitable means of reducing carbon emissions and recognises the need to prepare for the transition to a low carbon economy. Local government should work with partners to pursue sector-based initiatives that will assist with this transition towards net zero targets'.

- Support for the secondary statement about **integrity,** noting support for more urgent targets to net zero; and
- Support for the secondary statement about **electric vehicles**, noting the need to refer also to active transport and the need to include walking and cycling in planning policies.

6. ***Coorong District Council*** – council opposition to amended statement but support for amended secondary statements.

The Council response addressed:

- Lack of clarity on potential implications for regional councils and communities;
- Lack of acknowledgement of regional differences and potential non-alignment with the National Farmers Federation Climate Change Position;
- The declaration of a climate emergency is viewed as less relevant compared to definitive action within individual council capacity and support by State and Commonwealth Governments;
- Support for the draft suggested amendments to the secondary LGA Climate Change policy statements with amendment to the secondary statement about **electric vehicles** to be re-titled 'Zero / Low emissions vehicles' and include references to other fuel types such as hydrogen and broad range of vehicle types utilised by the local government sector; and
- The need for LGA policies and actions to address the climate change to be consistent with National Farmers Federation Climate Change Position and are fully examined to ensure that the policy levers of Government work cohesively to achieve national objectives, while minimising the risk of unintended or perverse outcomes.

7. ***District Council of Grant*** – council support for amended primary statement.

8. ***Regional Council of Goyder*** – council support for amended primary statement with the exception of the first paragraph.

9. ***City of Marion*** – council support for amended primary statement and for some of the secondary statements.

The Council response addressed:

- The importance of ambitious targets for emissions reduction, especially with new State and Federal Governments.
- In reference to the secondary statement about **partnerships**, the importance of collaboration across governments and the role of the Regional Climate Partnerships as a key mechanism to address support this.
- In reference to the secondary statement about **funding**, the Council values continued funding from State and Federal government to support local action on climate change.
- In reference to the secondary statement about **embedding climate considerations**, the Council did not support this statement and noted the important role of urban planning and development assessment in embedding climate considerations and suggested the statement be reworded to reflect the role the LGA can play in advocating for stronger climate outcomes in development and planning policy.
- In reference to the secondary statement about **decision-making**, the Council supported the statement and noted the importance of the State government's role in data collection.
- In reference to the secondary statement about **consultation**, the Council supported the statement and noted the need for community education to build resilience to the impacts of climate change.
- In reference to the secondary statement about **energy reduction**, the Council supported the statement and noted the role for the LGA to continue to contribute to policy development and reform in the renewable energy development and storage space.
- In reference to the secondary statement about **greenhouse gas reductions**, the Council does not support the proposed removal of the statement as carbon pricing is an equitable means of reducing carbon emissions.
- In reference to the secondary statement about **integrity**, the Council does not support the proposed change, suggesting that the LGA could have a role in advocating towards greater integrity around the carbon offset market and seeking specific reference to global targets that limit warming to 1.5 degrees and including additional statements related to transparency and fairness in relation to carbon accounting.
- In reference to the secondary statement about **electric vehicles**, the Council did not support this statement, noting that this statement should be broader than just electric vehicles but also applying to all forms of sustainable transport, such as walking, cycling and public transport that will all require significant infrastructure investments and supportive planning contexts at all levels of government. The Council believes the LGA can play a role in coordinating efforts and advocating for sustainable transport outcomes on behalf of the sector. It suggests renaming the statement to 'Sustainable Transport' with some additional wording to reflect the need for a broader conversation and advocacy about mobility that encompasses not just EVs but also other modes of transport such as walking, cycling and public transport.

10. City of Playford - administration support for amendments proposed.

11. Town of Gawler - council support for amended primary statement and for some of the secondary statements.

The Council response addressed:

- The need for a more urgent net zero emissions target, noting that South Australia will play an increasing role as a major renewable electricity supplier to the East Australia Grid;
- A lack of support for the secondary statement about **funding**, including reference to funding for regional climate partnerships;
- In reference to the secondary statement about **decision-making**, noting the needs for the local government sector need to build knowledge of areas such as mitigation policy, carbon accounting, renewables accounting, current risks and pitfalls and prevention of double counting. It is suggested that the statement is edited to include:

  'Local government understands that decisions made by councils must take account of all currently available climate data and policy.

  ADAPTATION - Local government supports improved availability and regionally relevant data to be provided through state government, so that Councils can expand their knowledge base (such as development, tree management, coastal management, climate hazards) to ensure they are best informed to make well rounded decisions (LGMLS).

  MITIGATION - Local government supports councils to participate in low carbon markets for renewable electricity, carbon offsets and other low carbon products and services. This includes up to date briefings on policy and issues that create risks to cost, certainty and reputation for councils and their communities) to ensure they are best informed to make well rounded decisions (LGMLS).'

  A suggested addition to the paragraph on climate adaptation:

  'The State Government must play a key role in in providing data that is to be collected across regions and the state, (such as spatial data and services in heat mapping, canopy cover, LIDAR, accurate bushfire statistics including cause analysis, flooding frequency data to underpin sound decision making.'

- Support for the secondary statement about **consultation**, suggesting inclusion of words 'to raise awareness within the community'.
- Support for the secondary statement on **energy reduction**, but suggesting an amendment:

'Local government provides leadership in the community through proactive actions to reduce energy use and associated greenhouse gas emissions. Continual improvement in technologies mean that councils should undertake regular audits of facilities and practices that are energy intensive, contribute to associated policy development and reform and seek to reduce energy usage as far as practicable through installation of energy reduction and storage technologies.'

- No support for the removal of the secondary statement on **greenhouse gas emissions**, suggesting an amendment to:

  'As the Australian Government has not progressed carbon pricing or emissions trading, it is important to ensure that voluntary carbon markets including renewable electricity, carbon offsets and other low carbon products and services are supported and clarified in accounting and legislation. This is critical for Local Government and their communities for achieving zero carbon outcomes that are cost effective'.

- Support for the secondary statement on **integrity** suggesting an additional paragraph:

  'Domestic and international schemes used by councils and communities, need to be audited and confirmed ensuring a level of integrity. This includes reforms to underpin Australia's voluntary carbon markets with a legislated economy wide market-based greenhouse gas and renewables accounting framework to ensure clarity, equity, fairness and integrity for all participants.'

- Support for the secondary statement on electric vehicles.

12. City of West Torrens - council support for amended primary statement and for all of the secondary statements.

The Council response addressed:

- The need for clarity around what does 'supporting the State Government's ambition' actually mean in terms of commitment and cost and while the LGA's ambition is supported, it should not be at any cost. There needs to be a balanced approach which considers the effects on ratepayers and the wider community to achieve this very ambitious target. The pressure on infrastructure and services provided by local governments needs to be recognised by state and federal governments through appropriate funding mechanisms.
- Support for the no changes proposed to the secondary statements on **partnerships, funding** and **embedding climate change considerations.**
- Support for the proposed secondary statement on **decision-making**, noting the importance of use of Urban Heat Mapping and tree canopy data, which has recently been updated on a metropolitan-wide scale, as an example of how this model can work successfully at the broader scale and help to leverage greater outcomes for our community at a reduced cost.

- Support for the proposed secondary statement on **energy reduction and storage**, noting the importance of the demonstrated leadership role of councils and the activities the Council already undertakes to reduce emissions.
- Support for the proposed removal of the secondary statement on **greenhouse gas reduction emissions** as no longer relevant.
- Support for the proposed amendment of the secondary statement on **integrity** to reflect recent changes.
- Support for the proposed amendment of the secondary statement on **electric vehicles** but urges support for alternative zero emission energy/fuel initiatives.

9.2 Housing Supply, Affordability and Homelessness

Recommendation Reports from the LGA Board of Directors

Submitted by:	LGA Secretariat	
Approved by:	LGA Board of Directors	
Meeting	Annual General Meeting	28 October 2022
ECM:	782364	

Recommendation

That the Annual General Meeting requests that the LGA calls on the State Government to:

1. **acknowledge the statewide housing crisis in South Australia;**
2. **establish a Regional Housing Crisis Taskforce, which features suitable representation from State Government agencies and the local government sector, to develop a roadmap for increasing regional housing supply;**
3. **host a South Australian housing summit to inform the development a whole-of-government response to the statewide housing supply, affordability and homelessness issues, including:**
    a. **supply of worker housing in regional South Australia;**
    b. **support community driven efforts to identify people experiencing homelessness by name;**
    c. **investigate how homelessness support services can be most effectively and sustainably coordinated; and**
    d. **increase funding to expand the stock of social and community housing;**
4. **support local government's calls, made at ALGA's 2022 National General Assembly, that the Australian Government:**
    a. **host a national affordable housing summit to identify the regional, state, and national issues to be addressed to deliver housing solutions to communities through local, state, and federal government in a whole-of-government response to be tailored for respective community needs;**
    b. **fund further national housing research, specific to understanding housing affordability, housing supply and demand, and housing accessibility across rural and regional Australia;**
    c. **develop and implement a collaborative program, involving all levels of government, to address housing concerns in rural and regional Australia; and**
    d. **commit to implementing a funding stream, specific to rural and regional local governments, allowing them to undertake LGA-specific housing research; and to prepare and implement LGA-specific housing plans (aligning to the relevant State Housing and Homelessness Strategies prepared under the NHHA); and**

5. **delivers its election commitment to hold quarterly cabinet meetings with the local government sector and use this important engagement to discuss these housing challenges and opportunities with the Local Government Association of South Australia.**

LGA Board of Director's Comments

The LGA Board of Directors agreed with a proposal from the LGA Secretariat for an Item of Business to further progress the research and advocacy activities that have been undertaken (with support of the SAROC and GAROC committees) in response to previous Items of Business carried at LGA General Meetings regarding regional housing, affordability and homelessness.

In supporting and recommending this Item of Business, the LGA Board of Directors noted the opportunity to continue to take a proactive approach to advocacy on this issue and partnering with state and federal government wherever possible to ensure that Governments rely on our contribution to policy leading to better outcomes for communities.

The Board has also asked the LGA Secretariat to gather further evidence regarding the housing supply crisis from affected regional and metropolitan communities.

LGA Officer's Comments

(Officer: Lea Bacon, Acting Executive Director Public Affairs)

SAROC Regional Housing Toolkit

For many years, pockets of regional South Australia have experienced housing shortages, limiting opportunities for economic development, employment and population growth.

However, coinciding with the COVID-19 pandemic, communities have experienced worker housing shortages spread throughout regional South Australia.

Part of the reason for this is that whereas housing shortages had previously been geographically confined to a small number of locations which featured major private sector investment projects, substantial investments are now forecast for every South Australian region.

To put this into context, in its October 2021 Regional Blueprint, Regional Development South Australia (RDSA) forecasts a five-year $36.35 billion investment pipeline across regional South Australia.

This significant pipeline of investment may be put at risk if workers cannot be housed.

The SAROC Committee at its meeting held on 29 July 2021 endorsed the use of a Regional Housing Consultancy Brief to tender for a consultant to produce a policy toolkit resource for regional councils encountering housing supply shortages, which features both policy tools designed to assist individual councils and an advocacy agenda for the LGA/SAROC to pursue on behalf of regional councils.

Following a 'Request for Quote' process, Leonie Boothby & Associates Pty Ltd were selected for this project, and SAROC received a 'Report to Inform the Development of a Regional Housing Policy Toolkit' from Leonie Boothby & Associates at its 26 May 2022 meeting (the report is attached to the SAROC agenda on the LGA's website[1]).

[1] https://www.lga.sa.gov.au/__data/assets/pdf_file/0018/1151631/SAROC-Committee-Agenda-26-May-2022.pdf

Stakeholders included in the report's consultation process were regional council staff (chief executives, planners, and economic development practitioners), representatives of State Government agencies, the Planning Institute of Australia SA (PIA), planning consultants, the Urban Development Institute of Australia SA (UDIA), Master Builders South Australia (MBASA), and the Housing Industry Association SA (HIA).

The Leonie Boothby & Associates report provides much of the evidence base needed to produce the Regional Housing Policy Toolkit's two outputs (still to be finalised):

1. An online framework, which outlines a range of roles and actions that individual councils can take to assist in addressing identified regional housing supply barriers in their locations.
2. An advocacy agenda, outlining a series of recommendations for advocacy to other levels of government and stakeholders for further investigation, discussion, collaborative action, and policy reform.

Regarding the online framework, the Leonie Boothby & Associates report provided the following key insights:

- The value to councils of establishing and updating local and/or regional housing supply and demand audits, and guidance on how to develop these audits through various publicly available and subscription-based data sets, for the purposes of presenting these audits as a prospectus for potential investors, and as evidence of market failure to other levels of government.
- Financial supports (loans, grants and equity finance) potentially available for residential infrastructure projects through the National Housing Finance and Investment Corporation's (NHFIC) National Housing Infrastructure Facility.
- Options to encourage housing diversity.
- SA case study examples of rates rebates provided to reduce developer financial risk or encourage employer investment in regional housing (Renmark Paringa Council and Southern Mallee District Council).
- SA case study example of the significantly subsidised sale of council-owned land for residential development (District Council of Karoonda East Murray).
- Innovative SA case study example which combined contributions and inputs from many stakeholders, including various government capital grants, and the provision of council-owned land to build worker housing (Unity Housing Project – Yorke and Mid North).

Regarding the development of an advocacy agenda, the Leonie Boothby & Associates report offered 47 separate recommendations for SAROC consideration.

The most prominent of these recommendations were incorporated into a SAROC Discussion Paper, 'Regional Housing Policy Advocacy', which highlighted the background context and next step recommendations under the following solution themes:

- Increased Investment in Public Housing
- Regional Plans
- Connection between Data and Effective Case Management
- Financing / Incentivising Regional Development
- Funding for Essential Services Infrastructure

Based upon this discussion paper, the SAROC Chair, Mayor Erika Vickery OAM, wrote to several state and federal government ministers requesting consideration of several policy reforms, as well

as further information about policy commitments of the newly elected Albanese Government. These advocacy requests are summarised below.

'Asks' of the State Government

1. Because the challenges associated with regional housing supply cut across the three tiers of government, as well as multiple portfolios, solutions to removing the barriers to regional residential development will require whole-of-government engagement and cross-government responses.

   This acknowledgment underpinned the LGA State Election Platform's request that the new State Government:

   > *"Commit to working in partnership with councils to develop a roadmap for increasing regional housing supply that includes better incentives for private development in regional areas and alternative funding models for affordable housing projects and associated infrastructure, including a process to secure government funds."*[2]

   At this critical juncture, therefore, the SAROC Chair requested of the Premier that a Regional Housing Crisis Taskforce be established, which features suitable representation from State Government agencies and the local government sector, in addition to sufficient staff resourcing to progress associated follow-up work.

2. The SAROC Chair also requested:

   a. that consideration be given to Renewal SA making available suitably qualified case management staff, based in regional areas, to conduct regional data analysis and regional housing business case development.

   b. advice on whether there are any resource or policy barriers which explain why Renewal SA is not currently engaging in any regional residential projects, at a time when severe housing shortages are being experienced throughout regional South Australia.

   c. that the State Government consider establishing grant funding support for the installation or expansion of essential services infrastructure systems through a Regional Development Housing Infrastructure Fund.

   d. that financial incentives be considered which may incentivise investment in regional South Australian housing, including exempting or reducing stamp duty taxes on regional residential property purchases, including from first home buyers.

'Asks' of the Federal Government

1. SAROC is interested to learn how the National Housing Supply and Affordability Council will operate, and specifically how regional SA councils can most effectively inform its deliberations through providing evidence of the causes of regional SA housing shortages, case study examples of effective localised council housing interventions, and proposed policy solutions.

2. Regarding the construction of social and affordable homes through the Housing Australia Future Fund, SAROC is interested to learn about the criteria which will be used to determine the locations of the proposed 20,000 new social housing dwellings and the 10,000 affordable homes for frontline workers, to be built during the fund's first 5 years.

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[2] LGA, *Local Voices for a resilient South Australia*, p. 10, https://www.lga.sa.gov.au/__data/assets/pdf_file/0020/1084241/LGA_State_Election_Platform_Web.pdf

3. SAROC requests that the Australian Government consider designing a new program that seeks to address the shortage of affordable rental housing in regional SA by offering financial incentives for property developers, not-for-profit organisations, and community housing providers.
4. SAROC requests that the Australian Government consider lowering the development project value threshold for access to the National Housing Infrastructure Facility, given the smaller scale of viable residential developments in regional South Australia.
5. SAROC requests that the Australian Government investigate whether the expansion of the eligibility for the remote area housing benefit Fringe Benefit Tax exemption will increase the supply of regional SA worker housing.

Housing Affordability and Homelessness – LGA / ALGA Resolutions

The following passages list the resolutions carried at LGA and ALGA meetings over the past 12 months regarding both housing affordability and homelessness, and detail the actions taken (where applicable).

LGA Annual General Meeting, October 2021

Homelessness (City of Port Adelaide Enfield)

Moved Port Adelaide Enfield. Seconded Salisbury. That the Annual General Meeting requests the LGA to:

1. *support the Everybody's Home Campaign which calls on the Australian Government together with States and Territories to commit to a national plan to end homelessness by 2030 which addresses all the drivers of homelessness;*
2. *call on the South Australian Government to support community driven efforts to identify people experiencing homelessness by name; and*
3. *support these efforts through joint advocacy and investigate how homelessness support services can be most effectively and sustainably coordinated.*

LGA Action:

The LGA signed the Everybody's Home Campaign and supported ALGA's advocacy for local government inclusion in a reformed National Housing and Homelessness Agreement, including at an October 2021 local government consultation forum, which formed part of the Productivity Commission's ongoing Housing and Homeless Agreement Review.[3]

This advocacy contributed to the Albanese Government – prior to its election – committing to the development of a National Housing and Homelessness Plan, which will include the states, territories, local government, and other key stakeholders, and be targeted at addressing the nation's severe housing crisis.

This motion was also the catalyst for collaborative work between the LGA and the South Australian Alliance to End Homelessness (SAAEH), an emerging state-wide collective of homelessness service providers, charitable organisations, government agencies, and business representatives committed to ending rough sleeping homelessness.

The SAAEH are working in partnership with the South Australian Housing Authority (SAHA) to achieve one of the objectives in the SAHA 'Strategic Plan 2020-2025',[4] to achieve 'Functional Zero' for rough sleepers.[5]

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[3] See: https://www.pc.gov.au/inquiries/current/housing-homelessness/issues
[4] SA Housing Authority, *SA Housing Authority Strategic Plan 2020-2025*, p. 14, https://www.housing.sa.gov.au/__data/assets/pdf_file/0020/219062/SA-Housing-Authority-Strategic-Plan-2020-to-2025.pdf
[5] 'Functional Zero' for rough sleepers is achieved when a community's average monthly housing placement rate is more than the number of people sleeping rough.

The role of the SAAEH is envisaged to facilitate the transformation of the homelessness and social housing sectors in South Australia by enabling the integration of the supports and services provided through the Advance to Zero methodology to achieve and sustain Functional Zero for rough sleepers. The City of Adelaide employed the Advance to Zero methodology in the Adelaide Zero Project to address rough sleeping in the Adelaide CBD.

Part of this methodology includes the production and maintenance of a quality, real-time 'By-Name List' used to identify and digitally record the individual service needs of individuals sleeping rough, efficiently connect people with the services they need, and thereby address some of the causes of rough sleeping homelessness.

The SAAEH is working with SAHA to roll out the Advance to Zero methodology, through localised pilot projects, administered through SAHA's homelessness service provider alliance structure.

As part of this collaborative work, LGA representatives attended a Local Government Homelessness Forum at the City of Adelaide on 5 July 2022, featuring council community service staff and representatives of SAHA's homelessness service provider alliance structure.

At this forum council staff reinforced the variance evident in the depth, quality and maturity of social welfare services available to rough sleepers in different communities, including across the metropolitan Adelaide area.

Staff also reinforced the effective working relationships between councils and SAHA's homelessness service provider alliance structure, as well as the investment some councils were making in this space (e.g., the City of Port Adelaide Enfield has recently employed a staff member for a 12-month period to work on homelessness alleviation).

The LGA also co-hosted a Rough Sleeper Homelessness Forum with the SAAEH on 4 August 2022, targeted at elected members and council CEOs, which detailed the international success of the Advance to Zero methodology, and explored how a quality, real-time 'By-Name List' may be expanded beyond the inner-city Adelaide area.

The LGA will continue to collaborate with the SAAEH to explore resourcing options for this initiative and liaise with member councils who are actively partnering with SAHA's homelessness service providers on localised projects. Opportunities to showcase the project successes and/or learnings at future LGA events will also be actively explored.

Regional Homelessness (and Housing Affordability) (City of Mount Gambier)

Moved Mount Gambier. Seconded Wattle Range. That the Annual General Meeting requests the LGA to write to: the Prime Minister, The Hon Scott Morrison MP; The Hon Michael Sukkar MP, Minister for Homelessness, Social and Community Housing; the Premier of South Australia, The Hon Steven Marshall MP; and The Hon Michelle Lensink MLC, Minister for Human Services advocating for increased funding to expand the stock of social and community housing in regional South Australia, with copies sent to regional Federal and State Members of Parliament.

LGA Action:

Given the anticipation of a Federal Election soon after the LGA's 2022 AGM, and in the interests of maintaining clear advocacy positions, the requested ministerial correspondence was not sent prior to the 2022 state and federal elections.

However, advocacy for increased housing supply featured prominently in both ALGA's 2022 Federal Election Platform, *Don't Leave Local Communities Behind*, as well as the LGA's 2022 State Election Platform, *Local Voices for a resilient South Australia*.

Partly as a result of ALGA's policy advocacy, the Albanese Government brought several policies into office targeted at increasing the supply of social and affordable housing, including:

- The establishment of a National Housing Supply and Affordability Council (including local government representation).
- The establishment of a $10 billion Housing Australia Future Fund, expected to finance the construction of 30,000 social and affordable homes over its first 5 years.
- The development of a National Housing and Homelessness Plan, in conjunction with states, territories, local government, and other key stakeholders.
- The introduction of a Help to Buy scheme, assisting 10,000 people per year purchase their home through a shared equity model.
- The introduction of a Regional First Home Buyer Support Scheme, assisting 10,000 people per year purchase their first home in regional Australia.

The Malinauskas Government also announced in its first budget (State Budget 2022-23) a $177.5 million Public Housing Improvement Program, which features the construction of 400 new public housing dwellings (including 150 in regional SA), major maintenance works on 350 untenanted public housing dwellings, and maintenance work on a further 3,000.

The SAROC Chair, Mayor Erika Vickery OAM, has also written to the Australian Government's Minister for Housing and Homelessness, Hon Julie Collins MP (dated 25 August 2022), requesting information about the criteria which will be used to determine the locations of the Albanese Government's proposed 20,000 new social housing dwellings and 10,000 affordable homes for frontline workers, to be built during the Housing Australia Future Fund's first 5 years.

LGA Ordinary General Meeting, April 2022

Rough Sleeper / Homelessness Initiative (Town of Gawler)

Moved Gawler. Seconded Salisbury. That the Ordinary General Meeting requests the LGA to:

1. *support and actively advocate for the provision of lockers in appropriate locations across all South Australian Local Government areas. Lockers to be made available via participating charity services, issued to people living rough or experiencing homelessness to store their belongings in a safe and dignified way;*
2. *ensure support for people in these situations is collectively encouraged across the entire local government sector in South Australia on an ongoing basis, and request the LGA be represented within the current governance structure of the SA Alliance to End Homelessness; and*
3. *support the formation and work of the SA Alliance to End Homelessness, including by committing to the principles contained in the Memorandum of Understanding by signing the MOU between the Institute of Global Homelessness and South Australian stakeholders (including the State Government).*

LGA Action:

LGA Secretariat staff have highlighted the Town of Gawler's locker provision idea at forums featuring council staff and elected members, such as those mentioned above.

The LGA will also liaise with the Town of Gawler to monitor the local development of this model and look for opportunities to showcase the project's success and/or learnings at a future LGA event.

The SAAEH is currently developing a governance framework.

As part of this development, the LGA has participated in two preliminary workshop meetings (held on 12 April and 4 August 2022) which were partly focused on developing the SAAEH's governance

framework. Each included approximately 20-25 participants from SAHA's homelessness service provider alliance structure, as well as other interested stakeholders from the charitable sector.

At these sessions, the LGA emphasised the following points:

- As the closest level of government to South Australian communities, councils are aware of the growing incidence of rough sleeping homelessness.
- South Australian councils want to participate in lessening the incidence of rough sleeping homelessness through collaborative actions involving the State Government and service providers in the charitable sector.
- However, South Australian councils cannot provide services they are not resourced to maintain.
- In this context, a collaborative working group needs to be established which includes representatives from all relevant stakeholders, to discuss viable actions and the resources required for their fulfilment.
- The local government sector's role in this space is likely to be that of a facilitator – connecting service providers/charities and recording/reporting local data.

In this context, the governance framework of the SAAEH is likely to provide an effective vehicle for the local government sector to:

- Share local intelligence regarding the occurrence and service demands of rough sleepers.
- Detail actions taken by councils to alleviate affordable housing shortages.
- Advocate for State Government policy/regulatory change and/or increased funding supports.

The LGA is also working closely with the SAAEH to arrange an opportunity for the LGA President to sign an updated MOU between the Institute of Global Homelessness and South Australian stakeholders, including the newly elected Malinauskas Government.

Stamp Duty on Residential Property in South Australia (Barunga West Council)

Moved Whyalla. Seconded Wattle Range. That the Ordinary General Meeting requests the LGA to call on the South Australian Government to investigate options to exempt or reduce stamp duty taxes on regional residential property purchases to incentivise regional migration and increase regional residential demand, including from first home buyers.

LGA Action:

This policy option was included for investigation in correspondence sent from the Chair of SAROC, Mayor Erika Vickery OAM, to the Treasurer, Hon Stephen Mullighan MP (dated 25 August 2022).

ALGA National General Assembly, June 2022

The ALGA 2022 National General Assembly deliberated upon several motions relating to housing affordability and homelessness. These are listed below.

Motion 32 Whitsunday Regional Council QLD

This National General Assembly calls on the Australian Government to host a national affordable housing summit to identify the regional, state, and national issues to be addressed to deliver housing solutions to communities through local, state, and federal government in a whole-of-government response to be tailored for respective community needs.

Carried

Motion 33 City of Mount Gambier SA

This National General Assembly calls on the Australian Government to:

1. Fund further national housing research, specific to understanding housing affordability, housing supply and demand, and housing accessibility across rural and regional Australia;
2. Develop and implement a collaborative program, involving all levels of government, to address housing concerns in rural and regional Australia; and
3. Commit to implementing a funding stream, specific to rural and regional local governments, allowing them to undertake LGA-specific housing research; and to prepare and implement LGA-specific housing plans (aligning to the relevant State Housing and Homelessness Strategies prepared under the NHHA).

Carried

Motion 34 North Sydney Council NSW

This National General Assembly calls on the Australian Government to establish a Royal Commission into housing affordability.

That the terms of reference include consideration of the impacts of historical low housing affordability on productivity, intergenerational equity, public health including mental health, educational opportunities and equity.

Lost

One other motion, relating to housing affordability was not debated on the floor of the 2022 National General Assembly – due to time constraints – and was instead considered at the ALGA Board meeting, held in July 2022.

Motion 94 Broken Hill City Council NSW

This National General Assembly calls on the Australian Government to create a regional mining city tax incentive to equalise the current remote area Fringe Benefit Tax concessions from 50% to 100% to enable all employees residing in mining cities and remote mining communities across Australia access to the same allowances as their employers.

The tax incentive will assist to drive regional relocation, to smooth out the volatility of housing prices with the aim to address the regional housing affordability crisis across Australia (especially in regional areas affected by the boom-bust cycle of mining industries).

That a trial program be run, with the five mining Cities that make up the Australian Mining Cities Alliance, being Broken Hill City Council (NSW), Isaac Regional Council (QLD), Mount Isa City Council (QLD), City of Karratha (WA) and City of Kalgoorlie Boulder (WA), with the view to prove the theory in practice and value of the tax incentive for broader application.

Carried

ALGA has written to the Hon Julie Collins MP, Minister for Housing and Homelessness, requesting that she investigate the issues and proposals included in the motions carried above.

Housing summit

The LGA's GAROC committee has noted the importance of housing, homelessness and housing affordability issues in both metropolitan and regional South Australia.

At its meeting on 4 July 2022, GAROC requested the LGA Secretariat outline options and recommendations to the LGA Board of Directors for a housing summit, which would involve input from all three levels of government to consider South Australian housing affordability issues.

In line with LGA/SAROC's current advocacy that the State Government commit to working in partnership with councils to develop a roadmap for increasing regional housing supply, it is recommended that the 'housing summit' in South Australia is led by the State Government.

A state-led summit, with support and co-design from the local government sector and other key stakeholders and industry associations would provide the leadership and legitimacy required to enable whole-of-government engagement and cross-government and stakeholder responses.

It is anticipated that a South Australian housing summit would put South Australia in a proactive position to inform any potential forthcoming national affordable housing summit as requested by delegates at the ALGA 2022 National General Assembly.

Financial and Resource Implications

This activity is now anticipated in the LGA's work program. However, depending on the level of further investigations and advocacy to support local governments position additional resources maybe required.

Notification of Appointment of Substitute Council Delegate for one meeting only

Pursuant to Clause 12 of the LGA Constitution a Delegate must be a council member of the Ordinary Member appointing him or her, both when appointed and at the General Meeting when acting as delegate.

The purpose of this form is to notify the LGA of a temporary delegate if a council's registered voting delegate is unable to vote at an LGA General Meeting.

For the LGA General Meeting of	*(meeting date)*
Council Name	
Council Appointed Delegate on Voting Register	Mayor / Chairperson / Councillor *(insert full name)*
Substitute Council Delegate (appointed for the above meeting date only and lapses after that meeting has occurred)	Mayor / Chairperson / Councillor *(insert full name)*
Name and Signature of **Chief Executive Officer**	*(insert name)* *(signature)*
Date	

Please return completed form to lgasa@lga.sa.gov.au.

For a permanent change to a council's appointed voting delegate please submit the *Notification of Appointment of Council Delegate* form available on the LGA website.