



In order to progress to conformance in the sub elements where observation/s and non-conformance/s have been identified, it suggested that **Town of Gawler** incorporates the recommendations into their Risk Evaluation action plan going forward.

CONCLUSION

We would like to thank all those involved in the Town of Gawler's Risk Evaluation. The risk evaluation process gave Council the opportunity to showcase a number of risk management, work health and safety and injury management/return to work systems that you have in place.

It is to be noted that the evaluation findings can only be provided against the evidence presented at the time and within the evaluation scope. As part of the evaluation scope, we conducted a desktop review of evidence provided and requested additional records and information based on the initial evidence provided, followed by sample testing of implementation via staff and management interviews and a site visit to the Council Depot. The timeframe provided for on-site and document review was only two days and hence the audit was completed based on a small sample size.

As indicated in the executive summary and the evaluation findings contained herein, Council has few areas to focus on during the next two years and should develop an appropriate action plan to review, monitor and complete the actions. Completion of the actions will further improve the overall effectiveness of the risk, WHS, IM/RTW systems.

In relation to the risk management systems, it is suggested that Council consider the suggestions provided in relation to the Risk Management System across the businesses. There has also been some recommendation provided in the Risk Management, Roads and Footpaths, Events and Contracts and Procurement which Council should consider and this should form part of the basis for Councils risk action plan over the coming two years.

Overall the Council has performed exceedingly well in both the WHS component and in the Injury management sections. Council has been consistently proficient in the injury management area for many years and continues to keep to a very high standard.

The WHS system- 'the safety of all persons in the workplace'- has been a particular area of ToG. Risk Management focus for a number of years and significant resources have been applied. This is particularly apparent now and is reflected in the upwards spike in results in Councils WHS audit history.

This has not happened overnight but is indicative of an organisation that has been determined to ensure the safety of its persons and that of the community it works in. Council has worked methodically and systematically to develop a system that is sustainable and adaptable. All areas and sections of Council have contributed to the existing status of the WHS system and culture.

Not to detract from the WHS results however, the outcomes should be put into perspective. The evaluation is a snap shot in time conducted over just three days and the focused was on 11 sub-elements out of a possible 55 in the PSSI.

Council should maintain its course by maintaining its system and closing out the remaining identified gaps. This will be achieved by adhering to its new WHS Improvement Plan and programs while focusing more broadly on its enterprise Risk objectives.

We would recommend that you work closely with Rob Castle (Regional Risk Coordinator) and the Strategic Risk Team from the scheme going forward to ensure that a planned and prioritised approach is undertaken, in addressing the corrective actions required. Rob can provide guidance to ToG on ways to move forward in a way that will provide the best approach for building a system in line with your resources and assist with the setting of a programmed body of work for the next two years that is achievable, addresses the issues in a systematic way and enables you to achieve the best possible rebate return in line with corrective actions completed.

Please note that action plans need to be submitted for review by the end of January 2019 to address the issues identified in the evaluation (in a systemic way). If you are unclear on how this is to be undertaken or need examples of formats and structures, Rob will be available to assist in drafting your action plan in order to meet the criteria that is required for approval of these plans and to ensure that the action plans are appropriate for closing out the identified issues in a prioritised, structured and systemic way.



Risk Management Report

The evaluation of the Town of Gawler risk management (RM) system included a review of existing documentation and meeting with employees and other workers. Comments and recommendations, including action items will provide management with some suggested ways to improve their systems, however it may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

Summary of the evaluation scope

The Risk Management Evaluation considered the presence & degree of implementation of systems relating to:

- Risk Management Systems
- Planning & Development
- Roads & Footpaths
- Event management
- Contractor and Procurement

Employees and other workers involved in the evaluation process included:

- Rebecca Howard - Team Leader
- Nathan Hall – WHS/Risk Management Officer
- Ben DeGillio -Team Leader Asset Management
- James Booker – Senior Development Assessment Planner
- Scott Twine – Development Planner
- Paul Cleghorn – Team Leader Town Services
- Dean Wilksch – Civil Coordinator

Documentation Review

The review included reviewing policies, procedures and supporting documentation within the Council's RM, and supporting organisational systems, as provided by the Auditee prior to and during the evaluation.

Additional evidence provided after the evaluation will only be accepted as evidence for this evaluation if agreed by the evaluator or the Client (i.e. LGAWCS and LGAMLS management).

Physical Verification

The Risk Management section of this evaluation was conducted at Town of Gawler's main Council office, however it involved the demonstration & interrogation of live systems to support the evidence provided prior to the evaluation.

Report Findings and Recommendations

Report findings and recommendations for each evaluation question are provided in the following table (in a summary format) and in the audit reports and tool (in more depth).

Further broader system recommendations are provided in the executive overview and conclusion.

LGAWCS and LGMLS Risk Evaluation
2018 Summary Report Template V1.1
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It should be recognised that the findings and recommendations of this report should be used for:

- Planning and continuous improvement by Council of their RM Systems

2.1.1 RM Systems Evaluation Findings

Q #	Topic Area	Question and Findings Summary
1	Risk Management Systems	<p>Has Council endorsed a Risk Management System?</p> <p>Findings: Baseline Met</p> <p>Interview conducted with Nathan Hall (Risk Coordinator) on 8th October 2018. It was noted that there is an endorsed risk management policy and framework in place. The policy and framework was adopted by the Council on 25 September 2018. Based on the documents reviewed, the Council has a system for escalation of risk, monitoring them and reviewing them. As the next review is coming up next year, It is suggested that Council consider reviewing and updating their risk management system in line with the latest version of the ISO 31000.</p>
1a	Risk Management Systems	<p>Has Council implemented a Risk Management System?</p> <p>Findings: Baseline Not Met</p> <p>Town of Gawler recently adopted a new framework and established a new strategic risk. Register which has been workshopped by the CEO and the exec team. Due to the timing of the audit, the risk management system is not fully implemented but there is a plan in place and aims to embed risk management across the organisation. There are some good practices in some parts of the organisation such as civil works where risk assessments are performed for big projects in order to make informed decisions. However it has not been consistently applied across the organisation.</p>
1b	Risk Management Systems	<p>What does Council's Risk Management System consist of?</p> <p>Findings: Baseline Not Met</p> <p>Currently the Council's risk management system consists of the policy and framework. Executives and managers have been trained and evidence sighted. However roles and responsibilities on risk management, consistent identification assessment and treatment and monitoring of the risks are currently not in place but will be put in place as already identified by the management team.</p>
1c	Risk Management Systems	<p>Does Council have a Risk Register?</p> <p>Findings: Baseline Met</p> <p>A risk workshop was conducted by the strategic risk team from the scheme and then Town of Gawler workshopped their strategic risks. These risks were then endorsed by the elected members. Going forward Town of Gawler will start working on their operational risk register.</p>
1d	Risk Management Systems	<p>Has training been identified and provided to all persons with responsibilities and accountabilities for risk management?</p> <p>Findings: Baseline Met</p> <p>Training has been conducted for both execs and elected members by the Strategic risk team from the scheme. No issues were noted.</p>
1e	Risk Management Systems	<p>Which risks has Council identified via the risk management process as the top three operational risks, in order of priority?</p> <p>Findings: Baseline Met</p> <p>It was evidenced that from strategic risks, top three key risks have been identified and actions have been taken on project risks. Currently all major projects are being risk assessed prior to decisions being taken.</p>
2	Roads and Footpaths	<p>Does Council have systems in place to authorise or permit 3rd party alterations to a public road (non-business purposes)?</p>

		<p>Findings: Baseline not met</p> <p>Interviewed Ben DeGillio Team Leader Asset Management to understand the process of permits to authorise 3rd party alterations to a public road on 8th Oct. The process and permit have been developed to ensure that the requirements of S221 of the LG Act are met which includes the requirement to provide a certificate of currency for public liability insurance.</p> <ul style="list-style-type: none"> Evidenced that the criteria for the circumstances for the use of permit is clearly mentioned in the permit The permit can be downloaded from the website and several info documents available depending on the nature of permit required Based on the info above, it is deemed that there is a documented submission process for the permits At the time of the audit, apart from a flow chart, it was not clear how the assessment is done. It appears that several people are party to the permit process but there is no clear system or structure to manage the permits. There is also no current documented process in place to manage any disputes. Hence it is deemed as sector baseline not met. Noted that trained staff is responsible for assessing permits and contingencies are in place. All record management are in TRIM
2a	Roads and Footpaths	<p>Does the authorisation process or permit consider structures and installations for their safety and suitability?</p> <p>Findings: Baseline not met</p> <p>Although there is no documented process in terms of when permit applications require approval by traffic engineers. However did note two examples of High Street and Murray Street-Carton street crossing where permit were required and approval from traffic engineer was documented in TRIM. An email was sighted regarding safety structures but there is no systematic process in place and it appeared to be rather ad-hoc in place.</p>
2b	Roads and Footpaths	<p>Does the authorisation or permit include an indemnity from the applicant to the Council?</p> <p>Findings: Baseline met</p> <p>As a part of the desktop review, it was also noted that for a sample of permits reviewed, all had an indemnity from the applicant to the Council. There is also a reporting that is done in order to manage the currency of the permits. There is a plan of having additional options on the status of the permits in order for more accurate reporting.</p> <p>Indemnities and Insurance information:</p> <p>As mentioned, Council's permit is based on the LGAMLS template document and includes the following information:</p> <ul style="list-style-type: none"> Indemnities is covered in Council's "General Conditions of Authorisation" section 7 Insurance is covered in Council's "General Conditions of Authorisation" section 8 <p>See section 221 fully signed permit. There were no exceptions noted.</p>
2c	Roads and Footpaths	<p>Does Council have an Infrastructure and Asset Management Plan that covers the management and maintenance of roads and footpaths?</p> <p>Findings: Baseline met</p> <p>Management and maintenance of roads and footpaths are covered in Council's Transport Asset Management Plan. Council's Asset Management Plan follows the NAMS Plus Framework. Maintenance costs are tracked and compared to previous</p>

		<p>years in the Asset Management Plan.</p> <p>All information is noted in their asset management software Asset Master The asset management plans contains the asset listing, condition grading done by external party Talis and issue log of actions being closed out.</p>
2d	Roads and Footpaths	<p>Does Council have an inspection and maintenance regime (or schedule) to inspect roads and footpaths?</p> <p>Findings: Baseline met</p> <p>Interviewed with Paul and Dean and noted that all foot path and roads are scheduled for work based on the audit done by Talis on their roads and footpath. Based on the grading, a detailed project plan is in place and noted that for every month work is scoped, estimate provided to Asset management team, work is completed, time sheets of workers are submitted and total costs are input against budgets and the data is then sent to assets for budget monitoring for capital works.</p>
2e	Roads and Footpaths	<p>How does Council prioritise roads during scheduling of maintenance/repair?</p> <p>Findings: Baseline met</p> <p>Although prioritisation of roads is done based on the audit findings, and the grading, it takes into account the traffic volumes, areas for vulnerable people etc. No issues noted.</p>
2f	Roads and Footpaths	<p>How does Council prioritise footpaths during scheduling of maintenance/-repair?</p> <p>Findings: Baseline met</p> <p>Council does a proactive management of footpaths based on the listing in the Asset Master. Based on the installation dates, the system spits out what is required to be fixed based on useful life and this is then given to the project manager to get the footpath fixed.</p>
2g	Roads and Footpaths	<p>If Council has Railway Interface/s, does Council fulfil its duties as a Road Manager?</p> <p>Findings: Baseline not met</p> <p>There is 1 railway agreement with ARTC from 2013 which is signed but no risk assessment has been done. There are more railways interfaces with GWA but no agreements in place and no risk assessments have been done.</p>
3	Planning and Development Administration	<p>Does Council have systems in place to guide Planning and Development activities?</p> <p>Findings: Baseline met</p> <p>Interviewed Scott and James from Planning and Development. Currently there are 5 planners, 2 policy planners and an engineer. Queries come in from customers might not know the system or want to do – show up the front desk or ring up or officer directly – duty planner – where someone is always available for those enquires – telephone – dedicated emails – application lodged – portal on website can be done electronically , and tracked online.</p> <p>Planning admin collects electronic copies and put in TRM – create workflow and allocate a group for action. They also meet three times a week to a discussion for all open jobs. Noticed evidence in DA 490/ 263/18.</p> <p>They use Authority for reporting which reports on each application timing – overdue item and finally this data go through to state government. Viewed 126876 for evidence.</p>

		<p>Criteria for applications are clearly defined Council have a range of information in place that documents the planning and development activities. The criteria for applications are clearly defined and are included – see Development application process</p> <p>Information is accessible to the public with a clear process for assessment and response including dispute resolution This information is captured in see Development application process</p> <p>Application process is accessible to the public via website It was confirmed during the evaluation that the application process is accessible to the public through a range of information sheets and application forms via Councils website.</p> <p>A defined and documented submission process Council has a defined and documented submission process that is clear to members of the public as well as documented internal procedures. In addition to the information in the information sheets and application forms available on Councils website (as mentioned above),</p> <p>Trained staff assess applications All staff supporting the planning and development processes are trained in their role (on the job) and as mentioned above Council have documented their internal processes to ensure consistency.</p> <p>Contingencies are in place for staff absence There are contingency arrangements in place for staff absence where external consultants are used.</p> <p>Record management procedures are followed Council uses TRIM for their records management and the internal procedures outline the specific process for the management of planning and development records.</p>
3a	Planning and Development Administration	<p>Are Building Surveyors, Inspectors, Planners, Planning Officers, or Planning staff that are employed or engaged by Council accredited to provide planning advice, and assess new development applications?</p> <p>Findings: Baseline met</p> <p>All building staff hold the appropriate accreditation to discharge the requirements of their job role.</p> <p>The Senior Policy Planner holds the qualification/membership requirements as prescribed under the Development Act to discharge their function; provide advice to the Council in relation to planning policy concerning a Development Plan Amendment as per S25 and s26 of the Dev act.</p>
3b	Planning and Development Administration	<p>Does Council have a process in place to manage written complaints related to development applications and completed projects?</p> <p>Findings: Baseline met</p> <p>There is information available to the public on the Council website. Applicants are usually encouraged to go via the ERD courts but if a complaint was made to the minister, it would follow the same internal complaints process.</p> <p>It was also confirmed that the Council has not till date received a minister's complaint</p>

		<p>related to planning and development. However if it did, it would follow the process as outlined in the process. Sighted example in CR17/53557.</p> <p>Consideration: It is suggested that Council consider documenting their internal procedure to capture what their process is for responding to S103 complaints. For example (reminder this is an example only): the Manager Development Planning receives the complaint (from the Minister), investigates the complaint, notifies and briefs the CEO, notifies and provides relevant information to the LGAMLS and a response is provided via the CEO. The process/procedure should also capture things like who will attend any court hearings, when does legal get involved etc.</p>
	Electives	
E2a	Event Management	<p>Does Council have systems in place for the management of all Council organised events?</p> <p>Findings: Baseline Met</p> <p>There is a detailed event management kit which prompts any event management procedures. All events are managed the same way whether it is internal or external. At the beginning of the year, Council has a plan of events which are approved by the Council. The events are based on the activation plan but there could be adhoc events held if requested. Although there is events kit in place which dictates the approach to event management, there is no documented strategy for event management.</p> <p>Recommendation: It would be recommended to get a high level strategy plan incorporating what constitutes as an event, which external events will be permitted whilst events which can be refused. Also documenting roles and responsibility of the Council and external stakeholders.</p>
E2b	Event Management	<p>Do these systems ensure consistent risk management, & compliance with legislative requirements, of all Council organised events across all areas of Council?</p> <p>Findings: Baseline Met</p> <p>The event management kit is a comprehensive kit and covers all the requirements of the sector baseline. All events are approached the same way using the same event management kit.</p>
E2c	Event Management	<p>As part of the risk management process, are all arrangements with other parties documented, including suitability of contractors, & responsibilities (indemnities & insurances) for the risks they manage?</p> <p>Findings: Baseline Met</p> <p>The event kit covers the documentation required by the contractors. There is no formal monitoring of contractors but done mainly on an adhoc basis.</p> <p>Debrief post event de brief or how they have performed observations.</p>
E2d	Event Management	<p>Has Council assessed the number of, & skills required for, Council staff & Council Volunteers working at the event?</p> <p>Findings: Baseline not Met</p> <p>Currently the contractors or staff do not have any TNA incorporated as a part of the events management process. Whilst internal staff has first aid training completed, there is no system in place to identify additional training needs. Volunteers are given</p>

		<p>roles in the events based on their skills set however no further training is given. Depending on the type of contractors, smaller contractors are given formal induction whilst smaller and low risk contractors such as students performing juggling in a show, will be inducted via the info in their signing in system. This question is deemed as a sector baseline not met as Council does not have a process in place to identify additional training needs for key event management stakeholders. There is no structured training to be able to run an event.</p> <p>Recommendation: It is recommended that a process is put in place in order to ensure training needs for Council staff/ volunteers for event management is identified and training conducted as required.</p>
E2e	Event Management	<p>Has Council considered Emergency Management provisions for events?</p> <p>Findings: Baseline Met</p> <p>Evidenced through the event management kit that that emergency management risks assessment is completed for all Council events. St John is part of every big event. After an incident three years ago, special processes have been put in place to mitigate key risks.</p>
E2f	Event Management	<p>Do Council's systems ensure consistent permitting of events by Council?</p> <p>Findings: Baseline Met</p> <p>Evidenced that the Permit process is managed by the same event management kit. All information and documented are added to the kit.</p>
E5a	Procurement, Contracts, Tenders	<p>Are policies, practices and procedures prepared and adopted for Contracts and Tenders?</p> <p>Findings: Baseline not Met</p> <p>Interviewed Rebecca Howard Team Leader and noted that at the time of the audit the policy /Procedure is out of date – Procurement policy – the document was last reviewed in 2014 and not been reviewed since then however new version created to AC was deferred due to caretaker mode for delegation changes increase in delegation along with use of local services and to strengthen their strategic alliances. As at the time of the audit, the policy was out of date, this is deemed as sector baseline not met. However it was noted that ToG has been pushing to use local services and people in their tender process.</p>
E5b	Procurement, Contracts, Tenders	<p>Are there systems in place to identify risks as part of the procurement/purchasing process?</p> <p>Findings: Baseline Not Met</p> <p>Reviewed sample for High Street Tender process and noted no risk assessments in place currently and it's not consistent. It is understood the new template will trigger procurement related risk assessments. Pre purchase risk assessments are done in plants but not necessarily all across. Also there is no systematic monitoring of non-tendered procurements such as stationary. Understand that the GL is being updated to have a better reporting system but currently this is not in place. Hence this is deemed as</p>



		sector baseline not met.
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WHS/IM Management Report

The evaluation of the Town of Gawler Council work, health and safety (WHS) management system and injury management (IM) processes, included a review of existing documentation and meeting with employees and other workers. Comments and recommendations, including action items will provide management with some suggested ways to improve their systems, however it may be appropriate to implement an alternative action and this is at the discretion of Council and the management team.

Summary of the evaluation scope

The scope of the WHS evaluation was focused on a cross section of 11 sub-elements from the PSSl. Additionally 11 provisions taken from the three RTW (IM) Procedures was reviewed. The evaluation was essentially a desk top system review with two site visits included and interviews with the below listed workers.

Employees and other workers involved in the evaluation process included:

- **Sue Tobin**
Team Leader Organisational Development
- **Nathan Hall**
WHS/Risk Management Officer
- **Bryce Norton**
Team Leader Recreation & Community
- **Amy Wormald**
Operations Supervisor- Aquatic Recreation Services
- **Tyson Swain**
Leading Worker Parks/Open Space, HSR

Documentation Review

The review included reviewing policies, procedures and supporting documentation within the Council's RM, WHS and IM systems as provided by the Auditee prior to and during the evaluation.

Additional evidence provided after the evaluation will only be accepted as evidence for this evaluation if agreed by the evaluator or the Client (i.e. LGAWCS and LGAMLS management).

Physical Verification

The evaluation was based at the main Council office with trips to the recreation/community centre and aquatic centre.

Report Findings and Recommendations

Report findings and recommendations for each evaluation question are provided in the following table and in the audit Skytrust tool.

Further broader system recommendations are provided in the executive overview and conclusion.

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It should be recognised that the findings of this report should be used for:

- Planning and continuous improvement by Council of their WHS and IM Systems
- Reviewing potential conformance levels with the RTWSA Performance Standards for Self-Insurers.

3.1.1 WHS System Evaluation Findings

Q #	Sub-Element	Sub-Element Details and Findings Summary
2	1.2.1	<p>Evidence of policies and/or procedures to support the policy statement</p> <ul style="list-style-type: none"> • TOG supplied Register(s) of Policies and Procedures which included introduction dates, implementation schedules, plus review schedule and completion dates. • The suite of policies/procedures are consistent with TOG core provisions and activities and demonstrates expansion and continuous improvement of the WHS system. The procedures reviewed by the auditor are consistent with legislative requirements and meet the provisions of the PSSI. • The platform –*Skytrust- facilitates maintenance and upkeep of documents and has in built applications for reminders and an escalation process*. • It is noted that there are documents undergoing the review process currently, <u>some being overdue</u>. • There is awareness of this however plus a reporting/escalation system* process in place. It is also noted that these documents are updated versions that include minor alterations and have previously undergone an implementation process. <p><u>The sub- element is found to be conforming.</u></p>
13	3.2.1	<p>The organisation must ensure a relevant training program is being implemented</p> <p>Council has in place an applicable procedure- 'Induction & Development' overarched by a policy 'Learning & Induction'. In addition there are other related procedures e.g. 'Study Assistance'</p> <ul style="list-style-type: none"> • Council has a 'training needs analyse- 'TNA'- that identifies all Council workers, WHS requirements, matched against individual job descriptions and positions. Corporate obligations, roles and responsibilities plus specific task have been mapped to the induction and training programme. This process was developed in line with the procedural criteria and is updated in consultation with workers, supervisors and managers. • This is consistent with supporting sub-element 2.3.1 • Responsible managers approve the WHS prerequisites and elements for individual position training (under their control). Additional applications for WHS training can be

		<p>made and assessed by managers for endorsement when required.</p> <ul style="list-style-type: none"> Long term WHS training plans are developed over one to two years basis. This is subject to Senior Management review, modification, approval and allocation of resources as applicable. This is consistent with the supporting sub-element 2.3.2 Reporting processes are in place to monitor the progress of training implementation. This occurs by management, the WHS Committee and by HSRs. Supervisors also attend selected operational courses e.g. chainsaw/polesaw training to assess appropriateness. Assessment and monitoring is undertaken by a sample set of course content and delivery by HR and WHS personnel and by attendees' evaluations of individual sessions. The training system is automated via Skytrust system which has applications for reminders and alerts for pending or overdue training and for review and evaluation components. Competencies, tickets and licences are recorded in Skytrust and are easily accessed via this system <p><u>The sub- element is found to be conforming.</u></p>
14	3.3.2	<p>3.3.2 Accountability mechanisms are being used where relevant.</p> <p>Council has appropriate references to responsibilities and accountabilities within its WHS Policy and Procedural framework</p> <p>Viewed-as evidence. 'Performance Development & Review' form-filled out for a 'casual worker'.</p> <p>It is appropriate for Council to review a casual labour hire worker, as the workers safety is a shared responsibility of PCBU's.</p> <p><i>Note: For consideration-how is the process and information shared with labour hire PCBU(s) on this process itself and the specific outcomes from the performance reviews and vice versa.</i></p> <p>➤ A range of expectations and criteria is documented in the PD&R. A WHS section is included but had a limited number of WHS requirements to meet. Some improvement to the WHS format is recommended*.</p> <p>*Note observation focus. Improvements to format- All the WHS questions had 'OK' referenced. It is recommended that the questions section for WHS is expanded or has more specific expectations e.g.-</p> <ul style="list-style-type: none"> Has knowledge of, and works to SWI/SOPs/SWMS Worker has reported in hazards /incidents- and or actively contributes to tool box meetings. In addition it is recommended that the format is expanded to give the supervisor more opportunity to apply more comprehensive WHS responses to findings. The example given has a request from worker to undertake more duties individually. It is advised that this should initiate WHS actions to accommodate. <p>Viewed-as evidence. Supervisor- 'Performance Development & Review' - had WHS references and responses.</p> <ul style="list-style-type: none"> It is again recommended that the WHS requirements could be more defined.

		<ul style="list-style-type: none"> • However -in interviews with HR it was established that WHS or any other 'performance issues' would be addressed primarily as they occurred and not specifically in this review process. Consideration should be given to obtaining the 'right balance' between 'performance management' and the expected WHS criteria in the review process. <p>Executive Management Team WHS quarterly reports-</p> <ul style="list-style-type: none"> • Includes performance of the organisation from the WHS perspective i.e. incidents, WHS plan, programs, objectives targets- progress or otherwise. Additionally monitoring of the 'calendar of WHS events', workplace inspections schedule and outcomes, plus the training programme and implementation schedule. • The reports include action close out progress, and it was notable that additional actions have been generated to address shortfalls, resource application and or facilitate changing priorities. • In interviews with HR Manager the subsequent process was outlined that includes the information and statistics (from the PDRs) being collated and presented to senior management. • Actions and responses including programs have subsequently been developed to address both positives and negatives outcomes from the PDR process, including and with particular focus on WHS. Documented reports and responses were viewed that demonstrated this occurring. • It was discerned during the audit that accountabilities are being managed on a day to day basis via the Skytrust platform. This enables notifications and escalations to take place to assist in closing out actions or other responsibilities/accountabilities. Evidence was provided of senior management direct involvement of facilitating and driving this process. <p>The observation focus is-</p> <p>When Council fully develops and implements an internal audit capability this will greatly assist in 'testing' the appropriateness and effectiveness of the accountability processes.</p> <p>This was found to be an observation</p>
18	3.7.1	<p>The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required</p> <p>Council has Emergency Management Policy and Procedure, plus affiliated procedures including 'First Aid', 'Remote and Isolated Workers'.</p> <ul style="list-style-type: none"> • Council has an endorsed 'Emergency Management Plan'(ing) document, overdue for review. However Council is engaging a provider to assist in the review/update in early 2019. • Council has a Business Continuity Emergency Plan (for external threats).This also covers external emergencies e.g. Fire, flood etc. Other contingencies include loss of key personnel, communications and data. The BCP is up for review and an external provider assigned which will include trial scenarios. Previous trials have taken place. • Council has adopted I-Responda arrangements (adopted 2016) and have trained up selected staff. Council has identified potential resources to be made available to support Emergency Services. • Council has the Emergency Planning Committee (EPC) and Emergency Control Organisations (ECO) for individual identified sites. Workplace Emergency Action Plans

		<p>(WEAPs) have been developed for all sites during 2017 from supporting Risk assessments. Training on site emergencies has been undertaken with ECOs at each site-training attendance sheets were provided.</p> <ul style="list-style-type: none"> • Wardens are appointed and trained plus dedicated First Aiders and general first aid training and trials for all staff is provided-which is reflected in the TNA and training plans. • A schedule of evacuations and or other emergency scenarios is in place for facilities and trials are undertaken- at a minimum annually. Trial reviews and corrective actions generated were provided. • Emergency contingencies are included in 'event' risk assessments and plans. Reviews are undertaken post event to monitor all arrangements including emergency responses. Hire halls and other facilities for lease have the appropriate emergency requirements dependant on risk assessments and purpose and are reviewed. • The WHS committee is updated on Emergency Management reports, issues and overall performance. • Other operational emergencies have been identified via the risk assessment process and are controlled by SOP & SWI and if identified as 'High Risk Construction Activities' within a SWMS. Chemical exposure and spill contingencies have been included in site and operational activities SWIs, and are subject to a 'review for effectiveness'. Incident and hazard reports generate investigations and reviews which includes emergency responses. <p><u>The sub- element is found to be conforming.</u></p>
19	3.8.1	<p>The organisation must ensure a hazard management process that includes identification, evaluation and control is in place</p> <p>Council has a Hazard Management Policy and Hazardous Works Policy plus a suite of supporting Procedures in place. It is noted that a number of these procedures are within due review dates, - however a staged prioritised review process is addressing this (see 1.2.1).</p> <ul style="list-style-type: none"> • Council hazard management system includes-a hazard register with recorded plant, chemicals tasks, activities undertaken plus the locations/facilities and associated hazards identified. The register has been developed in consultation with workers. WHS advisers and where applicable technical specialists. Council has undertaken required risk assessments and developed safe systems of work in consultation with the relevant work groups and stakeholders. • Pre purchase risk assessments are undertaken for plant and chemicals in consultation with work groups, see- 3.8.5 • Council conducts regular workplace inspections and generates reports and actions as required. • Council has an incident and hazard reporting and investigation system in place. • Council has relevant maintained registers in place e.g. chemicals, plant, incidents/ hazards calendar of WHS event and inspection testing schedules. • Council has an appropriate corrective action system in place that is enhanced by a platform (Skytrust) that notifies the stockholders and will escalates actions to enable 'close out' within agreed timeframes. • WHS responsibilities are assigned and monitored and reviewed to ensure accountabilities of individual position and organisation as a whole. • WHS training systems are applicable and being monitored and adapted as required-see 3.3.2 • A robust reporting and consultation regime is in place to monitor hazard management aided by an effective retention system of WHS records. <p>The observation focus is-</p> <ul style="list-style-type: none"> • Currently the safe systems of work are <u>being reviewed for effectiveness</u> on a prioritised

		<p>basis. This is not currently completed.</p> <ul style="list-style-type: none"> Currently the WCS is undertaking internal audits on procedural verification on behalf of the industry. However it is recommended that Council further develops and implements (its own) internal audit capabilities. This will enhance Council abilities in evaluating the effectiveness and appropriateness of its hazard management system. <p>This was found to be an observation</p>
19	3.8.3	<p>The organisation must ensure control measures are based on the hierarchical control process</p> <p>The hierarchy of control is an integral component and reference in the internal WHS procedures.</p> <ul style="list-style-type: none"> The HOC been utilised in Councils WHS currency documents e.g. risk assessment forms, hazard and incident reports and evaluations. In addition the WHS training induction and guidance documents reference the application of HOC. Corrective actions and development of safe systems of work have been shown to incorporate the application of the HOC <p><i>The observation focus is-</i></p> <ul style="list-style-type: none"> Council to considered applying working groups and the WHS committee as a whole to review existing systems of work by identifying the areas that have utilised low level HOC and subsequently applying higher levels and or additional layers of the HOC. It is understood the system for evaluation of existing systems of work (for effectiveness), will schedule prioritisation considering the application of the HOC options. <p>This was found to be an observation</p>
20	3.8.5	<p>The organisation must ensure program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances</p> <p>Council has appropriate procedures in place, including Hazardous Chemicals, Plant and Procurement- that includes the requirements and responsibilities for undertaking assessments in consultation, prior to the purchase and during the life cycle of plant, equipment and substances.</p> <ul style="list-style-type: none"> Managers and supervisors have specific documented roles and responsibilities within their Job Descriptions, in line with the procedures regarding the acquisition of plant, equipment and chemicals. Evidence was provided via the plant register, of records of pre purchase processes including and hire/ lease arrangements. Completed checklists were available via Skytrust and ChemAlert records. Record were available of improvements made via consultation in replacement of plant and equipment. Positive substitution was also evident in chemical choices made after RA evaluations. Processes are in place for supervisors only to purchase chemical stocks to prevent prohibited substances entering workplace. Records were viewed included an 'Acquisition Plan' for a tractor/slasher that demonstrated consultation including surveys, trials and ratings given from range of tenders. Records were provided of commissioning/hand over of new plant that included providers and manufactures input, this included- on site inductions and hand overs with manuals supplied. It was noted that manuals are supplied in both hard copy and electronic format to enable workers to access information on site via 'QR' codes. Introduction of new plant/equipment and substances is recorded on agenda and minutes

		<p>of WHS committee and tool box meetings for assessment and general discussion or process and application.</p> <ul style="list-style-type: none"> • A local 'Pool internal audit' process is conducted prior to opening season that has strong focus on chemical holding, storage and application. • A WCS Procedural audit was conducted this year on the Plant Procedure to test the effectiveness of the procedural implementation. The result were generally positive with only minor improvements recommended. • It is being considered if other areas would benefit from this internal process to check implementation of procedural requirements across the organisation e.g. Hazardous Chemicals Procedure. <p>This sub-element was found to be a conformance.</p>
21	3.8.6	<p>The organisation must ensure program(s) are in place to meet the organisation's duty of care for all persons in the workplace</p> <p>There are generally three components to this sub element-</p> <ul style="list-style-type: none"> ▪ Visitors/public ▪ Volunteers/work experience ▪ Contract workers. <p>Visitors</p> <ul style="list-style-type: none"> • Members of the public or other visitors to council officers or depots have appropriate arrangements in place that include-sign in logs, inductions, emergency personnel, systems and equipment, and if required appropriate PPE and assigned officers. • Where members of the public access and use Council owned and run facilities there a wide range of WHS procedures to ensure their safety and welfare. This includes appropriately trained Council personnel and specific wardens and first aiders, emergency arrangements, systems and equipment. • Field operational systems of work include provisions for the safety of the public, included in a wide range of procedures, processes, equipment and training. Work experience personnel are subject to the same provisions as other new workers. • Hire halls and facilities have all been risk assesses and have appropriated safety and emergency arrangements in place including inspection and maintenance. <p>Volunteer Workers</p> <p>Council has in place Policies and Procedures for volunteer management. This includes a registration and skills matching process, inductions, training and supervisory arrangements as required. Police checks and other clearances are required prior to engagement dependant on the roles. Applicable safe systems of work and training are applied to volunteers as to other Council workers.</p> <p>Contract Workers</p> <p>Council has specific Procedure in place with other supporting and related Policies and Procedures.</p> <ul style="list-style-type: none"> • Council has registration process for Contractors via the 'Barossa Procurement' group that includes registers of pre-qualified contractors i.e. that have insurances, qualifications, competencies, tickets/ licences and general WHS systems of work reviewed and approved for use. • Council has an online general induction process in place and once approved contract superintendents conduct site induction <u>for all contractors</u>. Council monitors the works and sites of its contractors and has efficient reporting and records system. • Contract arrangements include reference to the workers, systems of work, plant and equipment to be used, the standard of work to be achieved, the legislative obligations to be met, the responsibilities of the various PCBUs, and specifically, how the contractor is expected to comply with organisational procedures

		<ul style="list-style-type: none"> The council monitors and assesses the contractor and contract arrangements to ensure appropriate systems of work are in place including WHS. Determinations are made to address shortfalls via a range of actions including regular meetings. An endorsement process is in place to rate performance and promote continuous improvement. Council has tested its own internal system by conducting targeted reviews on contractor management. The arrangements and records are maintained by the Skytrust platform that has application to notify Council stakeholders on record updates e.g. insurance, licenses, monitoring due to take place or any other associated contractor requirements. <p>Note: It is important that Council includes in its contract requirements the establishment of the 'principle contractor' where applicable "as under WHS legislation this carries with it a range of mandatory responsibilities and accountabilities. SA WHS- Regs 2012.S- 293. P- 188</p> <p>This sub-element was found to be a conformance.</p>
23	3.9.1	<p>The organisation must ensure that the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s)</p> <p>Council has a Workplace Inspection Procedure and other supporting relevant procedures-e.g. Plant, Confined Spaces, Asbestos, that contain inspection and testing requirements, including competencies to undertake these activities.</p> <ul style="list-style-type: none"> Documented arrangements and contracts are in place to engage competent persons to undertake various inspection and tests. These arrangements include reporting results, outcomes and recommendations The Council reviews the contracted suppliers of services- licences, competency and training records, plus insurances and systems of work. This is line with Councils contract management systems (see above 3.8.6) Council maintains records for its own workers engaged in inspection and testing via its TNA and training programs (see 3.2.1) i.e. defined competencies required plus records retention of training, courses, competencies and qualifications Assessing the internal system includes alternating the inspections teams around to include other work groups, supervisors and HSRs Additionally inspections and testing is verified by including a 'sample set' in the general workplace inspections. This will include- slings, extinguishers and other fire equipment plus lighting, emergency showers and signage Skytrust is utilised to initiate alerts prior to notify inspections are due and will escalate if not undertaken within schedule timelines Responsibilities/accountabilities are assigned to relevant workers to receive and act upon results provided and are subject to Skytrust notifications Council indicated that they would include the Workplace Inspections Procedure, in the proposed internal audit schedule <p>This sub-element was found to be a conformance.</p>
27	4.1.1	<p>The organisation ensures planned objectives, targets and performance indicators for key elements of program(s) are maintained and monitored</p> <p>T.O.G. has an applicable procedure- 'Plan and Programme Development' that documents process for developing objectives, targets and performance indicators plus monitoring and improvement strategies.</p> <ul style="list-style-type: none"> T.O.G. has had a succession of developed long term WHS Plans and Programs that has incorporated Objectives, Targets and Key Performance Indicators. Accountabilities and responsibilities plus time lines have been assigned, monitored and advanced. The Plan and Programs including the objectives targets and PI are available to staff via electronic format and hard copies.

		<ul style="list-style-type: none"> • A quarterly reporting process to management is in place that monitors the progress of the WHS Plan and supporting actions. The WHS Committee additionally reviews the progress of the WHS Plan. • Consultation when developing and implementing new WHS Plans has taken place with stakeholders and records retained. Subsequent consultation has taken place with specific work groups that are involved with the programs and actions as the plan is progressed. • The WHS Plan and Programs is maintained and updated quarterly or as priorities/direction has changed or as plan actions are progressed. KPIs and targets have been correspondingly progressed and upgraded as required on regular basis. Additional corrective actions have been generated to address short falls. <p>The observation focus is-</p> <ul style="list-style-type: none"> ➤ Recommendation that T.O.G. further develops its internal auditing system. This will add value to the monitoring process to enable improved evaluation to the effectiveness of the system and therefore its current performance ➤ It is recognised that LG RS has supplied internal auditing capacity to the sector in the short term but, the focus and timing of the internal audits is not always within Councils control <p>This was found to be an observation</p>
29	5.3.1	<p>The organisation ensures the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices</p> <p>Councils WHS system review is overarched and directed by a documented process that analyses outcomes against legislative and PSSI requirements. This includes defined responsibilities, accountabilities, objectives and timelines.</p> <ul style="list-style-type: none"> • Council maintains, a range of compliant WHS and associated legislative supporting Policies and Procedures. In addition Approved Codes of Practice, Australian Standards, and Industry Guidelines are referenced and aligned with the Councils Policies and Procedures where relevant • Council is member of the WCS, MLS and Asset mutual schemes in which Council actively engages in order to more effectively navigate the Councils legislative and risk mitigation strategies • Council has a range of industry subscriptions and membership that notifies and publishes legislative changes. Council has subscription with SIA Global that advises Council on updates or changes to identified areas relevant to Councils WHS/Risk profile. Subsequently the Council departments and work groups are provided with copies of, or access to, legislative and other documents relevant to their areas of responsibility • Responsibilities/accountabilities are assigned to specific roles to ensure that monitoring and reporting functions are communicated to the appropriate management group(s), committees and other relevant internal and external stakeholders. • Council has demonstrated within its WHS Plan and Programs plus its overall risk management commitment that it responds to legislative and industry variations/fluctuations and that, the resultant changes are undertaken as a result of the management reviews <p>The observation focus is-</p> <ul style="list-style-type: none"> ➤ Although council initiates WHS focused internal reviews and has conducted reactive WHS audits it is recommended that a formal internal audit programme is initiated and implemented. This will add value to the monitoring and reporting information made available to the management group and assist in making informed legislative compliant decisions ➤ It is noted that WCS conducts (internal) procedural audits (that TOG has participated in)



		on behalf of the LG industry, but the focus and timing is not under the direct control of Council This was found to be an observation
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3.2.1 IM System Evaluation Findings

Q #	Sub-Element	Sub-Element Details and Findings Summary
1	1.2.1	<p>Documented job descriptions for all injury management / RTW personnel and where relevant management, supervisors and employees.</p> <p>Job Descriptions supplied -Two principle roles for ICC and IRC- Team Leader & Org; Development Payroll/HR Officer.</p> <p>Reference is also documented in other supervisory roles for WHS & RTW (IM) general responsibilities.</p> <p>There are currently plans to train up the WHS/Risk Officer to act as contingency in addition.</p> <p>The CEO is also nominated to undertake and be responsible for the roles and has undertaken training as part of BCP arrangements.</p> <p>Conformance.</p>
1	1.2.2	<p>Ensuring injury management personnel are competent to administer their role in a reasonable manner.</p> <p>Training certificates were made available for the referenced staff. The principle roles have attended training within the three year period. This is included in TNA and training schedules.</p> <p>Managers /supervisor training schedule is recorded and included in the training arrangements. Currently approx. 80% of managers/supervisors have undertaken the specific training required of them. The remainder are scheduled to attend in the next available sessions. This 20% that are outstanding is due to staff turn overs and restructures plus availability of training session.</p> <p>Conformance.</p>
1	1.2.3	<p>Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.</p> <p>The allocated of resources is applicable to the requirements but will benefit from having an additional back up i.e. the WHS/Risk Officer.</p> <p>Clams history reflects the 24hr time frames undertaking.</p> <p>Monitoring of the performance of RTW system is via WHS Committee and Senior Management reporting statistics plus ongoing engagement with WCS claims and rehabilitation sections. WCS Claims and Rehab information and performance is forwarded to Councils throughout the year overall annual report provided.</p> <p>The Members Centre is updated in real time and contains Council claims and statistics that are able to be accessed by Council nominated officers. This enables information in monitoring of Council performance and to verify that current applicable resource allocations are effective. In addition (as in this process) the RTW system is a component of the WCS bi-annual Evaluations.</p>

		<p>Council is also able to monitor the performance of the WCS and address as required via interaction and communication processes.</p> <p>Note: The RTW Procedures will be subject to the WCS Procedural Validation process from 2019.</p> <p>Conformance.</p>
1	1.2.4	<p>Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers.</p> <p>ICC and IRC have their own workstations and access to private rooms plus private phones are available for interviews and secure calls.</p> <p>As above- hand written entries in claim documents 'hard copy' are stored via Councils confidential records management arrangements and marked 'confidential' and physically secured- scanned copies are also made and secured into designated electronic folders. Electronic records and files are password protected in line with Councils IT security protocols.</p> <p>Transition has taken place with focus on Council utilising electronically secure records whenever possible.</p> <p>Conformance.</p>
1	1.2.5	<p>A Scheme Member is required to appoint a Return to Work Coordinator (IRC) and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.</p> <p>A correct number of trained positions are allocated and in place- contingency arrangements are also in place with appropriately trained staff.</p> <p>80% of managers/team leaders and supervisors have also attended required training and could also step up into the role in emergency situations.</p>
2	1.6.1	<p>How to report a work related injury</p> <p>Section 1.1 to Section 1.4. of the WHS Workplace Return to Work Procedure deals with reporting a work place injury. Location access in TOG intranet site WHS Policies and Procedures.</p> <p>Conformance.</p>
2	1.6.2	<p>The process for lodging a claim for compensation</p> <p>Section 1.5 to Section 2.5 of the WHS Workplace Return to Work Procedure deals with completing and lodging a claim for compensation. Location access in TOG intranet site WHS Policies and Procedures.</p> <p>Conformance.</p>
3	2.8.5	<p>Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.</p> <p>Suitable Employment Procedure</p> <p>As Per suitable employment procedure section 1 part 5-6</p>



		<p>Location access in TOG Intranet WHS Policies and Procedures or HR</p> <p>1.2 Suitable Employment Procedure</p> <p>Conformance.</p>
3	2.8.6	<p>Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with LGAWCS.</p> <p>Re-Employment Procedure.</p> <p>Reference in numerous sections including page 2 and in flow chart page 4- also Page 7- Page 8.</p> <p>Note: TOG- Procedure Unchanged from LGWCS model document except for TOG references, letterhead and document control.</p> <p>Conformance.</p>
4	4.1.1	<p>Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified.</p> <p>Re-Employment Procedure.</p> <p>Reference in numerous sections including page 2 and in flow chart page 4- also Page 7- Page 8.</p> <p>Note: T.O.G. - Procedure Unchanged from LGWCS model document, except for T.O.G. references, letterhead and document control.</p> <p>Conformance.</p>
4	4.1.3	<p>The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.</p> <p>Service standards are located on notice boards and are available on Council's intranet. Viewed by Auditor.</p> <p>Conformance.</p>

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Legislative Council—No 63

As introduced and read a first time, 24 October 2018

South Australia

**Local Government (Ratepayer Protection and
Related Measures) Amendment Bill 2018**

A BILL FOR

An Act to amend the *Local Government Act 1999*.

Local Government (Ratepayer Protection and Related Measures) Amendment Bill 2018
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-

Local Government (Ratepayer Protection and Related Measures) Amendment Bill 2018
Preliminary—Part 1

The Parliament of South Australia enacts as follows:

Part 1—Preliminary

1—Short title

This Act may be cited as the *Local Government (Ratepayer Protection and Related Measures) Amendment Act 2018*.

5 **2—Commencement**

- (1) Subject to this section, this Act will come into operation on the day on which it is assented to by the Governor.
- (2) Sections 4, 5, 8 and 22 to 24 (inclusive) will come into operation 3 months after the day on which this Act is assented to by the Governor.

10 **3—Amendment provisions**

In this Act, a provision under a heading referring to the amendment of a specified Act amends the Act so specified.

Part 2—Amendment of *Local Government Act 1999*

4—Amendment of section 4—Interpretation

15 Section 4(1), definition of *Commission*—delete the definition and substitute:

Commission or *Local Government Commission* means the South Australian Local Government Grants Commission established under the *South Australian Local Government Grants Commission Act 1992*;

5—Insertion of section 8A

20 After section 8 insert:

8A—Annual review of performance of councils

- (1) The Local Government Commission must prepare and publish a document to be called the *Annual Review of SA Council Performance* setting out—
 - 25 (a) quantitative performance indicators relating to the delivery of services to the community by councils; and
 - (b) requirements relating to the keeping and provision of information by councils which can be used for cross-council performance comparisons.
- 30 (2) Without limiting subsection (1), the quantitative performance indicators will be based on the following:
 - (a) quality and cost standards for services;
 - (b) equity of service delivery;
 - (c) timeliness of service delivery;

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 Part 2—Amendment of *Local Government Act 1999*

- (d) complaint handling processes (including the timeliness of dealing with and resolving complaints);
- (e) any other indicators considered relevant by the Commission.
- 5 (3) The Commission may from time to time alter the *Annual Review of SA Council Performance* document, or substitute a new *Annual Review of SA Council Performance* document.
- 10 (4) However, before publishing, altering or substituting the *Annual Review of SA Council Performance* document, the Commission must consult with the LGA on the document or alteration and consider any submission made by the LGA within a period (of between 3 and 6 weeks) specified by the Commission.
- (5) A council must provide an annual report to the Commission by a date determined by the Commission that—
- 15 (a) sets out the information required by the Commission in the manner and form required by the Commission; and
- (b) complies with any other requirements of the Commission.
- 20 (6) If, in the opinion of the Commission, the performance indicators provided by a council raise significant concern about the performance of the council, the Commission may refer the matter to the chief executive of the designated administrative unit.
- (7) On a referral under this section, the chief executive of the designated administrative unit must inquire into and provide a report to the Minister on the performance of the council, having regard to the performance indicators provided by the council.
- 25 (8) A report under subsection (7) must be published on a website determined by the chief executive of the designated administrative unit at the same time as it is provided to the Minister.
- (9) In this section—
- designated administrative unit* means—
- 30 (a) the administrative unit of the Public Service known as the *Office of the South Australian Productivity Commission*; or
- (b) if the administrative unit referred to in paragraph (a) ceases to exist—the administrative unit of the Public Service that is responsible for assisting a Minister in the administration of this Act.
- 35

6—Amendment of section 50—Public consultation policies

Section 50(4)—after paragraph (a) insert:

- (ab) the prominent publication on Internet platforms (such as social media) of notification of—
- 40 (i) the fact of publication of the notice under paragraph (a); and
- (ii) the website address at which the notice is available for inspection; and

Local Government (Ratepayer Protection and Related Measures) Amendment Bill 2018
 Amendment of *Local Government Act 1999*—Part 2

7—Amendment of section 56—General election to be held in special case

(1) Section 56—after subsection (1) insert:

(1a) If the prescribed number of members of a council, other than an exempt council, pass a resolution of no confidence (however described) in the principal member of the council, the chief executive officer of the council must, by notice in the Gazette, declare that the council is a council to which this Division applies.

(2) Section 56(2)—after "subsection (1)" wherever occurring insert in each case:

or (1a)

(3) Section 56(3)—before the definition of *prescribed number* insert:

exempt council means a council constituted on the basis that the principal member is to be chosen by the members of the council;

8—Amendment of section 62—General duties

(1) Section 62—after subsection (2) insert:

(2a) If a prescribed authority determines that a complaint lodged with the prescribed authority by a member of a council alleging that another member of the council has contravened or failed to comply with the code of conduct under section 63 is a frivolous or vexatious complaint, the member that made the complaint is guilty of a breach of this subsection.

(2b) Subject to subsection (2c), a member of a council must not undertake overseas travel that is or will be funded in whole or in part by the council, unless the council has, prior to the commencement of the travel, passed a resolution approving the travel.

(2c) It is not a breach of subsection (2b) if a member of a council undertakes overseas travel of a kind referred to in that subsection without prior approval in accordance with subsection (2b) if—

(a) as a result of exceptional circumstances, it was not reasonably practicable for the travel to be approved in accordance with subsection (2b); and

(b) the travel is approved by resolution of the council passed within 7 days of conclusion of the travel.

(2d) If a member of a council undertakes overseas travel that is or will be funded in whole or in part by the council, the member must ensure that a report prepared by the member setting out the actual cost of the travel and the outcomes achieved by the undertaking of the travel is submitted to the council for consideration at a meeting of the council occurring within 2 months of the conclusion of the travel.

Local Government (Ratepayer Protection and Related Measures) Amendment Bill 2018
 Part 2—Amendment of *Local Government Act 1999*

- (2e) If the period of 7 days referred to in subsection (2c) or 2 months referred to in subsection (2d) would, but for this subsection, expire in a particular case during an election period for a general election, that period will be extended by force of this subsection so as to expire 7 days or 2 months (as the case requires) from the conclusion of the election period.
- (2) Section 62—after subsection (7) insert:
- (8) In this section—
- cost of the travel* includes accommodation costs and other costs and expenses associated with the travel;
- election period*, for a general election, means the period commencing on the day of the close of nominations for the election and expiring at the conclusion of the election;
- prescribed authority*—each of the following is a prescribed authority:
- (a) the Local Government Commission;
 - (b) the Ombudsman;
 - (c) the Independent Commissioner Against Corruption;
 - (d) the Office of Public Integrity;
 - (e) the Minister;
 - (f) a council;
 - (g) a chief executive officer of a council.

9—Insertion of sections 79A to 79C

After section 79 insert:

- 79A—Publication of credit card expenditure**
- (1) A council must, within 14 days after the end of each month, publish in a prominent location on its website the following details in relation to each credit card provided by the council for use by a member of the council:
- (a) the name of each member entitled to use the credit card;
 - (b) a statement of expenses for the month incurred using the credit card.
- (2) Any details published under subsection (1) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.
- (3) A council must ensure that a link to the website address at which the details published under subsection (1) are available for inspection is prominently published on Internet platforms (such as social media).

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79B—Publication of travel by members

- (1) A council must, within 14 days after the end of each month, publish in a prominent location on its website information as to the particulars (including the cost) of any travel beyond the limits of South Australia undertaken by a member of the council during the month that was, or will be, funded in whole or in part by the council, and for the purposes of this section, *cost of travel*—
- (a) includes accommodation costs and other costs and expenses associated with the travel; but
- (b) does not include land based travel costs.
- (2) Any details published under subsection (1) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.
- (3) A council must ensure that a link to the website address at which the details published under subsection (1) are available for inspection is prominently published on Internet platforms (such as social media).
- (4) In this section—
- land based travel costs* means costs of travel attributable to transportation by road, rail or other means of transport on land.

79C—Publication of certain gifts funded by council

- (1) A council must, within 14 days after the end of each month, publish in a prominent location on its website information as to the particulars (including the cost) of any gift provided to a member of the council during the month that was, or will be, funded in whole or in part by the council.
- (2) Any details published under subsection (1) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.
- (3) A council must ensure that a link to the website address at which the details published under subsection (1) are available for inspection is prominently published on Internet platforms (such as social media).

10—Amendment of section 90—Meetings to be held in public except in special circumstances

- (1) Section 90(3)(b)—delete paragraph (b)
- (2) Section 90(3)(d)—delete paragraph (d) and substitute:
- (d) commercial information of a confidential nature (not being a trade secret) the disclosure of which—
- (i) might reasonably be expected to prejudice the future supply of such information to the council; and
- (ii) would, on balance, be contrary to the public interest;

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(3) Section 90(7)—after paragraph (c) insert:

; and

(d) the name of each member who voted on the resolution in relation to the making of the order and whether the member voted in favour of or against that resolution.

(4) Section 90—after subsection (7) insert:

(7aa) If a resolution is passed at a meeting while an order is in force under subsection (2), a note must be made in the minutes specifying—

(a) the fact that the resolution was passed; and

(b) the name of each member who voted on the resolution and whether the member voted in favour of or against that resolution.

11—Amendment of section 91—Minutes and release of documents

Section 91(8)—after paragraph (c) insert:

; or

(d) to prevent the disclosure of a note made in minutes for the purposes of section 90(7)(d) or (7aa).

12—Amendment of section 95—Conduct at meetings

Section 95—after its present contents (now to be designated as subsection (1)) insert:

(2) A member of a council or council committee must not, while at a meeting of the council or council committee—

(a) behave in an improper or disorderly manner; or

(b) cause an interruption or interrupt another member who is speaking.

(3) Subsection (2)(b) does not apply to a member who is—

(a) objecting to words used by a member who is speaking; or

(b) calling attention to a point of order; or

(c) calling attention to want of a quorum.

(4) If the presiding member considers that a member may have acted in contravention of subsection (2), the member must be allowed to make a personal explanation.

(5) If the presiding member considers that a contravention of subsection (2) has occurred, the presiding member may—

(a) censure the member; or

(b) suspend the member for a part, or for the remainder, of the meeting.

(6) A member must not enter a meeting in contravention of a suspension under subsection (5).

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13—Insertion of section 95A

After section 95 insert:

95A—Petitions

- 5 (1) A council must not refuse to receive a petition submitted to the council on the basis that the petition does not comply with a requirement of the regulations, unless the council is satisfied that the failure to comply with the requirement was calculated to mislead the council.
- 10 (2) A council must, within 60 days of receipt of a petition to the council, ensure that—
 - (a) the petition is considered at a meeting of the council; and
 - (b) a response to the petition is provided to the petitioner listed first in the petition.

14—Insertion of sections 99A and 99B

15 After section 99 insert:

99A—Remuneration of chief executive officer

- 20 (1) Subject to any relevant Act or industrial instrument, the remuneration of a chief executive officer must only be comprised of 1 or more of the following:
 - (a) salary and superannuation contributions;
 - (b) a vehicle (or vehicle allowance);
 - 25 (c) information and communications technology (ICT) equipment reasonably required for the performance of the chief executive officer's functions (or an allowance for reasonably required ICT equipment).
- 30 (2) Nothing in this section affects a chief executive officer's entitlement to recreation leave, sick leave, long service leave or other leave (or to any payment in lieu of such leave).
- 35 (3) This section only applies to the remuneration of a chief executive officer appointed, or reappointed following the completion of a term of office, after the commencement of this section.

99B—Publication of employment contract of chief executive officer

- 35 (1) A council must, within 14 days after entering into or renewing a contract of employment with a chief executive officer, publish the contract in a prominent location on its website .
- (2) A contract published under subsection (1) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.

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- (3) A council must ensure that a link to the website address at which a contract published under subsection (1) is available for inspection is prominently published on Internet platforms (such as social media).
- (4) This section applies to a contract of employment with a chief executive officer whether the contract was entered into before or after the commencement of this section.

15—Amendment of section 105—Register of remuneration, salaries and benefits

Section 105(3) and (4)—delete subsections (3) and (4) and substitute:

- (3) The chief executive officer must ensure that the Register of Salaries is published in a prominent location on the council's website.

16—Insertion of sections 105A and 105B

After section 105 insert:

105A—Publication of credit card expenditure

- (1) A council must, within 14 days after the end of each month, publish in a prominent location on its website the following details in relation to each credit card provided by the council for use by an employee of the council:
- (a) the title of the position of each employee entitled to use the credit card;
 - (b) a statement of expenses for the month incurred using the credit card.
- (2) Any details published under subsection (1) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.
- (3) A council must ensure that a link to the website address at which the details published under subsection (1) are available for inspection is prominently published on Internet platforms (such as social media).

105B—Publication of certain gifts funded by council

- (1) A council must, within 14 days after the end of each month, publish in a prominent location on its website the following details in relation to each gift provided to an employee of the council during the month that was, or will be, funded in whole or in part by the council—
- (a) the title of the position of the employee to whom the gift was given;
 - (b) a description (including the cost) of the gift.
- (2) Any details published under subsection (1) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.

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- (3) A council must ensure that a link to the website address at which the details published under subsection (1) are available for inspection is prominently published on Internet platforms (such as social media).

17—Amendment of section 109—General duty

5 Section 109—after subsection (2) insert:

- (3) Subject to subsection (4), an employee of a council must not undertake overseas travel that is or will be funded in whole or in part by the council, unless the council has, prior to the commencement of the travel, passed a resolution approving the travel.
- 10 (4) It is not a breach of subsection (3) if an employee of a council undertakes overseas travel of a kind referred to in that subsection without prior approval in accordance with subsection (3) if—
- (a) as a result of exceptional circumstances, it was not reasonably practicable for the travel to be approved in accordance with subsection (3); and
- 15 (b) the travel is approved by resolution of the council passed within 7 days of conclusion of the travel.
- (5) If an employee of a council undertakes overseas travel that is or will be funded in whole or in part by the council, the employee must ensure that a report prepared by the employee setting out the actual cost of the travel and the outcomes achieved by the undertaking of the travel is submitted to the council for consideration at a meeting of the council occurring within 2 months of the conclusion of the travel.
- 20 (6) If the period of 7 days referred to in subsection (4) or 2 months referred to in subsection (5) would, but for this subsection, expire in a particular case during an election period for a general election, that period will be extended by force of this subsection so as to expire 7 days or 2 months (as the case requires) from the conclusion of the election period.
- 25 (7) In this section—
- cost of the travel* includes accommodation costs and other costs and expenses associated with the travel;
- election period*, for a general election, means the period commencing on the day of the close of nominations for the election and expiring
- 30 at the conclusion of the election.
- 35

18—Amendment of section 115—Form and content of returns

- (1) Section 115(1)—delete "A" and substitute:

Subject to subsection (1a), a

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(2) Section 115—after subsection (1) insert:

- (1a) A return must include information as to the particulars (including the cost) of any travel beyond the limits of South Australia undertaken by the person submitting the return during the return period that is, or is to be, funded in whole or in part by the council, and for the purposes of this paragraph *cost of travel* includes accommodation costs and other costs and expenses associated with the travel.

19—Insertion of Chapter 7 Part 4 Division 2A

Chapter 7 Part 4—after Division 2 insert:

Division 2A—Travel by employees

119A—Travel by employees

(1) A council must—

- (a) within 14 days after the end of each month, publish in a prominent location on its website information as to the particulars (including the cost) of any travel beyond the limits of South Australia undertaken by an employee of the council during the month that was, or will be, funded in whole or in part by the council; and
- (b) within 3 months after the end of each financial year, publish in a prominent location on its website information as to the particulars (including the cost) of any travel beyond the limits of South Australia undertaken by an employee of the council (other than a person to whom Division 2 applies) during the financial year that was, or will be, funded in whole or in part by the council.

(2) Any details published under subsection (1)—

- (a) must not disclose the name of the employee who undertook the travel, but must instead refer to the title of the position of the employee; and
- (b) must remain available on the website for inspection by members of the public for a period of 5 years from the date of publication.

(3) A council must ensure that a link to the website address at which the details published under subsection (1) are available for inspection is prominently published on Internet platforms (such as social media).

(4) In this section—

costs of travel—

- (a) includes accommodation costs and other costs and expenses associated with the travel; but
- (b) does not include land based travel costs;

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land based travel costs means costs of travel attributable to transportation by road, rail or other means of transport on land.

20—Amendment of section 123—Annual business plans and budgets

- (1) Section 123(2)—after paragraph (b) insert:
- 5 (ba) identify activities or works relating to the maintenance, replacement or development of infrastructure outlined in 1 or more of the 3 preceding annual business plans or budgets adopted by the council that have not been substantially completed in accordance with the relevant plan or budget; and
- 10 (2) Section 123(2)—after paragraph (e) insert:
- (ea) include estimates of the revenue and expenses, and the financial position, of the council over the 3 financial years following the financial year to which the annual business plan relates; and
- (3) Section 123(2)—after paragraph (f) insert:
- 15 (fa) if the council proposes—
- (i) to provide a service or facility in the financial year that it has not provided previously the total cost of which (calculated based on the period over which the council estimates the service or facility will be provided) will be \$500 000 or more (a *new service*); or
- 20 (ii) to undertake (or commence undertaking) a project in the financial year the total cost of which will be \$1 million or more (a *new project*),
- set out, for each new service or new project—
- 25 (iii) details of the new service or new project in a prominent position in the annual business plan; and
- (iv) an estimate on the impact of the new service or new project on ratepayers, including—
- 30 (A) the amount of revenue required to be raised from rates under Chapter 10 to fund the new service or new project; and
- (B) if relevant, whether that amount will be recovered—
- 35 • from ratepayers as a whole equally; or
- in a greater or lesser proportion from different classes of ratepayers; and

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- (4) Section 123(4)—before paragraph (a) insert:
- (aaa) the prominent publication, at least 21 days before the publication of the notice under paragraph (a), on Internet platforms (such as social media) of notification of the fact that the council is preparing its draft annual business plan and calling for members of the community to submit proposals on activities or projects that should be included in the annual business plan for the financial year;
 - (aa) the council to ensure that any proposals submitted are considered at a meeting contemplated by paragraph (a)(i);
- (5) Section 123—after subsection (11) insert:
- (11a) A council must, within 14 days after adopting an annual business plan and a budget, also ensure that a report is published in a prominent location on its website setting out a detailed response to each proposal of a kind referred to in subsection (4)(aaa) submitted by a member of the community.
 - (11b) The council must ensure that a link to the website address at which the report published under subsection (11a) is available for inspection is prominently published on Internet platforms (such as social media).
- (6) Section 123(13)—after "required by" insert:
 subsection (13a) and
- (7) Section 123—after subsection (13) insert:
- (13a) The chief executive officer of a council must provide a report to the council as soon as is reasonably practicable after a designated event occurs setting out the details of the designated event.
 - (13b) A council must, within 30 days after receiving a report provided by its chief executive officer under subsection (13a), publish the report in a prominent location on its website.
 - (13c) The council must ensure that a link to the website address at which the report published under subsection (13b) is available for inspection is prominently published on Internet platforms (such as social media).
- (8) Section 123—after subsection (14) insert:
- (15) In this section—
designated event—a designated event occurs if the council has incurred expenses during a financial year in respect of a new service or new project (both within the meaning of section 123(2)(fa)) that exceed 110% of the amount allocated in the council's annual business plan or budget for the new service or new project (as the case requires) for that financial year.

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21—Amendment of section 126—Audit committee

Section 126(2)—delete subsection (2) and substitute:

- 5 (2) The membership of an audit committee may only be comprised of persons selected from a list of persons established by the Auditor-General for the purposes of this section.
- (3) The list of persons established by the Auditor-General—
- (a) must not include a member or employee of the council; and
- (b) must comply with any other requirements prescribed by the regulations.
- 10 (3a) Nothing in this section is to be taken to prevent—
- (a) an employee of a council from attending a meeting of the council's audit committee if appropriate; or
- (b) a person (on the list established by the Auditor-General) from being appointed as a member of the audit committee of more than 1 council.
- 15

22—Amendment of section 264—Complaint lodged in District Court

- (1) Section 264(1)—delete "A" and substitute:
Subject to this section, a
- (2) Section 264(1)—after paragraph (b) insert:
; or
- (c) the Local Government Commission or a person authorised in writing
by the Commission.
- (3) Section 264—after subsection (2) insert:
(2a) A complaint alleging a contravention or failure to comply with
section 62(2b) or (2d) may only be lodged by the Local Government
Commission or a person authorised in writing by the Commission.

23—Amendment of section 265—Hearing by District Court

Section 265(2)(a)—after "Corruption" insert:
 , the Local Government Commission

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24—Insertion of Chapter 13 Part 1A

Chapter 13—after Part 1 insert:

Part 1A—Conduct—complaints to Local Government Commission

5 **269A—Preliminary**

In this Part—

designated behaviour, in relation to a member of a council, means a failure by the member to observe a prescribed provision of the code of conduct for members under section 63;

10 *prescribed provision* of the code of conduct for members means—

- (a) if the regulations prescribe provisions, or a class or classes of provisions, of the code of conduct for the purposes of this Part—the provisions so prescribed; or
- 15 (b) if no provisions are prescribed under paragraph (a)—each provision of the code of conduct is a prescribed provision.

269B—Local Government Commission may deal with certain complaints relating to members' code of conduct

- (1) The Local Government Commission may—
 - 20 (a) investigate and take action in relation to designated behaviour of members of councils; and
 - (b) receive and deal with complaints in relation to designated behaviour of members of councils.
- (2) In connection with subsection (1)—
 - 25 (a) any person may make a complaint to the Commission about designated behaviour of a member of a council; and
 - (b) the Commission may, on its own initiative or on receipt of a complaint, inquire into and investigate designated behaviour of a member of a council (in accordance with section 16 of the *South Australian Local Government Grants Commission Act 1992*).
 - 30
- (3) Nothing in this section prevents—
 - (a) a person from making a complaint to the Ombudsman; or
 - (b) the Ombudsman from carrying out an investigation, in accordance with section 263A or the *Ombudsman Act 1972*.

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- 5 (4) Nothing in this section affects the operation of the *Independent Commissioner Against Corruption Act 2012*, including the obligation to comply with any relevant directions and guidelines issued by the Independent Commissioner Against Corruption under that Act in relation to the reporting of a matter that could raise a potential issue of corruption or serious misconduct or maladministration in public administration.

269C—Action that Local Government Commission may take

- 10 (1) The Local Government Commission may, after inquiring into and investigating designated behaviour of a member of a council—
- 15 (a) reprimand the member (including by means of a public statement); or
- (b) require the member to attend a specified course of training or instruction, to issue an apology in a particular form or to take other steps; or
- 20 (c) require the member to reimburse the council a specified amount; or
- (d) if the Commission considers that the designated behaviour of the member involved a serious failure to observe a prescribed provision of the code of conduct for members—
- (i) suspend the member from any office under this Act for a period determined by the Commission; or
- (ii) disqualify the member from any office under this Act.
- 25 (2) If the Commission disqualifies a member from an office under this Act under subsection (1)(d)(ii)—
- (a) the office immediately becomes vacant; and
- (b) the Commission may also prohibit the member from becoming a member of a council, a council committee or a subsidiary of a council for a period not exceeding 5 years.
- 30 (3) If a member of a council fails to comply with a requirement made by the Commission under subsection (1)(a) to (c), the member will be taken to have failed to comply with Chapter 5 Part 4 and a complaint will be lodged (by or on behalf of the Commission) against the member with SACAT.
- 35

269D—Delegation

- 40 (1) The Local Government Commission may delegate to a person (including a person for the time being performing particular duties or holding or acting in a particular position) a function or power under this Part.
- (2) A delegation—
- (a) must be by instrument in writing; and

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- (b) may be absolute or conditional; and
- (c) does not derogate from the power of the delegator to act in a matter; and
- (d) is revocable at will.

- 5 (3) A delegated function or power may, if the instrument of delegation so provides, be further delegated in accordance with that instrument.

25—Amendment of Schedule 3—Register of Interests—Form of returns

Schedule 3, clause 2(2)—after paragraph (c) insert:

- 10 (ca) particulars (including the cost) of any travel beyond the limits of South Australia undertaken by the member during the return period that is, or is to be, funded in whole or in part by the council, and for the purposes of this paragraph *cost of travel*—
- (i) includes accommodation costs and other costs and expenses associated with the travel; but
 - 15 (ii) does not include land based travel (as defined in section 79B(4));

26—Review of *Local Government Act 1999* and *Local Government (Elections) Act 1999*

- 20 (1) The Local Government Commission must, as soon as practicable after section 24 of this Act comes into operation, conduct a comprehensive review of the *Local Government Act 1999* (as amended by this Act) and the *Local Government (Elections) Act 1999* to be undertaken and submit a report on the results of the review to the Minister.
- (2) Without limiting subsection (1), the review must consider the following:
- 25 (a) the scheme for reviews and complaints under Chapter 13 of the Act, including amendments that would achieve efficient and effective processes in relation to complaints relating to council members and employees;
- (b) rebates on and exemptions from rates under Chapter 10 of the Act;
- (c) amendments required to ensure diversity of representation on councils;
- 30 (d) the codes of conduct for members and employees;
- (e) matters connected with the establishment of a register of State-owned land under the care, control and management of councils;
- (f) the introduction of compulsory voting in council elections;
- (g) amendments that could be made with a view to the simplification of the Act;
- 35 (h) efficiencies that may be achieved from cross-council collaboration, including by identifying legislative barriers to such collaboration.
- (3) The review and the report must be completed within 12 months of the day on which section 24 of this Act comes into operation.
- 40 (4) The Minister must cause a copy of the report submitted under subsection (1) to be laid before both Houses of Parliament within 6 sitting days after receiving the report.

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(5) In this section—

Minister means the Minister to whom the administration of the *Local Government Act 1999* is committed.

Schedule 1—Transitional provision

5 **1—Transitional provision**

- (1) The requirement under section 126(2) of the *Local Government Act 1999* (as in force immediately after the commencement of section 21 this Act) that the membership of an audit committee of a council may only be comprised of persons selected from a list of persons established by the Auditor-General does not apply until the beginning of the financial year immediately following the year in which that commencement occurs (the *designated day*).
- 10 (2) A person who, on the designated day—
- (a) holds office as a member of an audit committee of a council; and
 - (b) is not on the list of persons established by the Auditor-General,
- 15 ceases to hold office as a member of the audit committee.



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Summary Comments

- The LGA has consulted with councils on a local government agenda and is supportive of reforms that will improve local government and deliver real and lasting benefits to ratepayers.
- Local government reform is most effective when it is based on sector-driven best practice models, rather than legislative compliance. However, local government requires support from the Parliament to progress legislative change that gives councils the regulatory tools they need to achieve best practice.
- Some of the reform proposals in the Bill are consistent with the LGA's key reform themes, and also consistent with contemporary governance and reporting practices that have been voluntarily adopted by some councils.
- However, some of the proposed reforms have been described by the LGA as excessive and create unfair and inequitable levels of scrutiny on local government compared to state and federal government.
- The costs to councils, and ratepayers, in complying with the proposed additional reporting requirements need to be carefully considered and weighed up against any benefits to the community.
- A formal position from the LGA can only be provided following extensive consultation with member councils, and a decision of the LGA Board.



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Clause by Clause Analysis

Clause	Explanation	LGA Comment	Council Comments
1 – Short Title	If passed, this Act will be called the Local Government (Ratepayer Protection and Related Measures) Amendment Act 2018	Nil	Nil
2 – Commencement	The Act will come into operation on the day on which it is assented to by the Governor. Sections of the Act related to performance measures, general duties and a new Local Government Commission would commence three months after assent.	There may be several aspects of these reforms that would benefit from a delayed commencement as it will take time for the State Government and councils to establish the mechanisms needed for efficient and effective operation.	Concur with LGA comments
3 – Amendment provisions	Technical drafting matter	Nil	Nil

Clause	Explanation	LGA Comment	Council Comments
4 – Amendment of section 4 – Interpretation	New definition that established the Local Government Grants Commission as the 'Commission' or 'Local Government Commission'	<p>Feedback from members is sought about the proposed expansion of the role of the Local Government Grants Commission.</p> <p>The potential advantages of this proposal are that the Grants Commission already holds significant data about councils, and the centralisation of state government roles related to local government within a single commission. The appointment of the Chair must be jointly appointed by the LGA and the Minister, and the LGA makes nominations to the Minister for the appointment of one member.</p>	As noted by the LGA, there are practical benefits of the SA LG Grants Commission being utilised in this regard
5 – Insertion of section 8A – Annual review of performance of councils	A new Local Government Commission would be responsible for preparing and publishing an Annual Review of SA Council Performance document outlining a series of quantitative indicators for measuring and comparing the performance of councils.	Aspects of this proposal are consistent with the LGA's local government reform agenda.	Council already voluntarily benchmarks its financial performance / position with other Councils, utilising the data available from the Grants Commission. Whilst the Council supports sector-wide benchmarking, as also noted by the LGA, this is subject to the number, complexity and comparability of indicators and the availability of data

Clause	Explanation	LGA Comment	Council Comments
	<p>Performance indicators can only be published or altered following consultation with the LGA.</p> <p>Councils would be required to provide to the Commission an annual report on performance against the published indicators, in a form determined by the Commission.</p> <p>The Commission would have a discretionary power to refer a matter of concern about a council to the SA Productivity Commission for further review and ask that a report be prepared for the Minister.</p>	<p>Previous feedback from councils generally supports a program of sector-wide benchmarking, subject to the number, complexity and comparability of indicators, and the availability of data.</p> <p>Feedback is sought from councils about the basis for indicators outlined in the Bill at s.8A(2).</p> <p>The Bill refers to concerns about individual council performance being referred to the Productivity Commission for review. Should the Productivity Commission have a role in reviewing individual councils, or should this role be limited to sector-wide issues or trends?</p> <p>How would the role of the Productivity Commission interact with the existing (broad) remit of the Auditor General to call in matters related to council expenditure for review?</p>	

Clause	Explanation	LGA Comment	Council Comments
6 – Amendment of section 50 – Public consultation policies	Insertion of a new requirement for council public consultation policies to mandate the use of 'internet platforms' (social media) as a consultation and engagement tool.	Promoting consultation opportunities on social media has become common practice for many councils. There would be a number of policy issues to work through in terms of definitions of 'prominent location', choice of social media channels, and the required frequency of posts to provide clarity on how to comply with this proposed requirement.	Clarity required regarding the definition and expectation of 'prominent publication'
7 – Amendment of section 56 – General election to be held in special case	If a council passes a resolution of no confidence in the principal member of the council, a general election for all positions on the council must be called. This provision does not apply to a principal members that is elected from within the council.	This provision intends to create an additional remedy for councils that are not operating effectively. A high bar would need to be set to reduce risk of misuse of this provision – should the prescribed number be more than half plus one of the total number of members? The costs to ratepayers of conducting a general election needs to be carefully considered. Is this clause still required if a Local Government Commission (or another body) is empowered to suspend or disqualify an individual elected member following an investigation?	Concur with the LGA comments, noting that the cost of a Council election is \$105k. As noted by the LGA, this clause could be redundant if the Local Government Commission was empowered to suspend or disqualify an individual elected member following an investigation (per proposed Clause 269C)

Clause	Explanation	LGA Comment	Council Comments
8 – Amendment of section 62 – General duties	<p>It would become a breach of general duties to make a frivolous or vexatious code of conduct complaint against another member.</p> <p>All overseas travel taken by members that is funded by the council must be approved by a resolution of the council prior to the commencement of travel (unless special circumstances apply). A report on the costs and outcomes of overseas travel undertaken by a council member must be submitted to the council within two months of the conclusion of the travel (with special provisions applying to an election period).</p>	<p>Previous feedback from councils in relation to the code of conduct suggests that a stronger deterrent is needed against frivolous or vexatious complaints.</p> <p>The LGA understands that it is standard practice in most councils that overseas travel taken by members would be approved by the council in advance and that a report on the costs and outcomes of the travel would be prepared for consideration by the council.</p>	Concur with LGA comments

Clause	Explanation	LGA Comment	Council Comment
9 – Insertion of sections 79 A to 79 C 79A Publication of credit card expenditure	<p>Within 14 days of the end of each month, councils would be required to publish on their website details of each credit card provided by the council for use by council members, including the name of members entitled to use the cards, and a statement of expenses for the month.</p> <p>Each monthly report must remain on the council website for a period of five years.</p> <p>A link to the website must be published on 'internet platforms' (social media).</p>	<p>It is understood that some councils have voluntarily adopted a processes of publishing information about credit card expenditure.</p> <p>However, making this a mandatory requirement and requiring publication across social media would impose a requirement on local government that is not imposed on federal or state government.</p> <p>Reporting requirements must not be onerous – it may be appropriate to provide high level summaries of expenditure in different categories, rather than publication of individual purchases.</p> <p>The resources required to ensure monthly reporting of council members and staff credit cards, travel, gifts etc will increase corporate costs and divert funds from services and infrastructure.</p>	<p>Not supported. Clarity required regarding a 'prominent location' on website. As noted by the LGA, this disclosure requirement will only add new legislative compliance measures for staff, thereby diverting staff resources from existing core services.</p> <p>Council already has considerable controls over the availability and use of corporate credit cards. It is expected that the disclosure of credit card transaction details on social media will invariably attract ill-informed and deliberate, misleading and vexatious comments from social media trolls.</p>

Clause	Explanation	LGA Comment	Council Comment
		<p>Councils would be required to carefully monitor and regulate social media responses to the publication of information to manage potential bullying, harassment and defamation. This consideration applies to all matters where publication of information about individuals across social media would be required.</p> <p>Feedback is sought from councils about whether this measure is reasonable and the potential policy and definitional issues that may arise if implemented.</p>	
9 – Insertion of sections 79 A and 79 C 79B Publication of travel by members	<p>Within 14 days of the end of each month, councils would be required to publish a report on any interstate travel undertaken by council members that is funded wholly or in part by the council.</p> <p>This report must include accommodation costs and other costs and expenses associated with the travel, excluding 'land based travel costs'.</p>	<p>It is understood that some councils have voluntarily adopted a processes of publishing information about travel taken by council members and employees. However, making this a mandatory requirement and requiring publication across social media would impose a requirement on local government that is not imposed on federal or state government.</p>	<p>Not supported. Whilst it is acknowledged that travel by Elected Members beyond the State boundary is very limited, this measure will simply increase the cost of legislative compliance</p>

Clause	Explanation	LGA Comment	Council Comment
	<p>Each monthly report must remain on the council website for a period of five years.</p> <p>A link to this report must be provided on 'internet platforms' (social media).</p>	<p>Feedback is sought from councils about whether this measure is reasonable and the potential policy and definitional issues that may arise if implemented.</p>	
<p>9 – Insertion of sections 79 A and 79 C</p> <p>79C Publication of certain gifts funded by councils</p>	<p>Within 14 days of the end of each month, councils must publish on their website details of any gifts provided to council members that were wholly or partly funded by the council.</p> <p>Each monthly report must remain on the council website for a period of 5 years.</p> <p>A link to this report must be provided on 'internet platforms' (social media).</p>	<p>Council members and employees are already required to maintain a gifts and benefits register.</p> <p>It is understood that there is no requirement across state of federal government for a register of publically funded gifts to be maintained and published on social media.</p> <p>Feedback is sought from councils about whether this measure is reasonable and the potential policy and definitional issues that may arise if implemented.</p>	<p>Not supported, noting that it is already a legislative requirement to maintain a publically available Gifts & Benefits register</p>

Clause	Explanation	LGA Comment	Council Comment
10- Amendment of section 90 – Meetings to be held in public except in special circumstances	<p>This provision proposes changes to the reasons that a council could go into confidence to discuss information of a commercial nature. S.90(b) and (d) would be deleted and replaced with one clause.</p> <p>This provision also introduces a requirement for the name of each member who voted in favour or opposed a motion to go into confidence.</p>	<p>The LGA has provided feedback that this reform is considered to be unnecessary. Feedback from councils is required about the operational impact of this amendment.</p> <p>For example, the potential impacts on Unsolicited Bids policies and procedures needs to be considered.</p> <p>The LGA requested that this Bill be used as an opportunity to address council concerns with changes to Informal Gatherings introduced in 2016 (a separate, but related issue). This issue has not yet been contemplated in the Bill.</p>	Not supported. As Council is aware, there are legitimate instances where the application of existing Section 90(3)(b) of the Act are appropriate.
11- Amendment of section 91 – Minutes and release of documents	Consequential to clause 10.	Refer to Clause 10.	Refer to Clause 10

Clause	Explanation	LGA Comment	Council Comment
12 – Amendment of section 95 – conduct at meetings	<p>The Presiding Member of a council would be empowered to censure a member or suspend a member for a part, or for the remainder of a meeting if a member is behaving in an improper or disorderly manner or causing interruption.</p> <p>The member must be allowed to make a personal explanation before the Presiding Member considers that this section has been contravened.</p>	<p>Consultation undertaken by the LGA on the Code of Conduct in 2017 suggested that members are strongly in favour of additional measures to manage the behaviour and conduct of members at council meetings.</p> <p>This provision is broadly consistent with the LGA's code of conduct reform proposal.</p>	Council supports provisions to manage the behaviour and conduct of members at Council meetings
13 – Insertion of 95A – Petitions	<p>This provision limits the circumstances in which a petition can be refused to be received by a council.</p> <p>A council must, within 60 days of receiving a petition, ensure that the petition is considered by the council, and that a response is provided to the person listed first on the petition.</p>	<p>This proposal initially required a council to respond to each petitioner individually. Due to the practical issues that would create, the proposal has been amended to require a response to the lead petitioner only.</p> <p>Councils may choose to provide additional responses.</p>	A response to the lead petitioner is appropriate and consistent with Council's previous practice
14 – Insertion of sections 99A and 99B 99A Remuneration by CEO	<p>Subject to any relevant Act or industrial instrument, a CEO remuneration package could only be comprised of base salary, super, vehicle and ICT.</p> <p>This provision only applies to the appointment or reappointment of a CEO and would not alter existing contracts during the term of that contract.</p>	<p>The LGA has provided feedback that this proposal is unnecessary, excessive and may conflict with employment laws.</p> <p>Legal advice is being sought to confirm whether this clause is ultra vires.</p> <p>This provision does not apply to CEOs in state or federal government.</p>	As noted by the LGA, the proposed clause is unnecessary and does not apply to State or Federal Government

Clause	Explanation	LGA Comment	Council Comments
14 – Insertion of sections 99A and 99B 99B Publication of employment contract of CEO	<p>Within 14 days of entering into or renewing a contract of employment with a CEO, the council must publish the contract on its website in a 'prominent location'.</p> <p>A contract published under this section must remain on the website for a period of five years.</p> <p>A link to the contract must be provided on 'internet platforms' (social media).</p> <p>This provision would apply to any contract entered into before or after the commencement of this Act.</p>	<p>The LGA has provided feedback that this proposal is unnecessary, excessive and may conflict with employment laws.</p> <p>Legal advice is being sought to confirm whether this clause is ultra vires.</p> <p>This provision does not apply to CEOs in state or federal government.</p> <p>Refer to previous comments about social media risk management.</p>	As noted by the LGA, the proposed clause is unnecessary and does not apply to State or Federal Government
15 – Amendment of section 105 – register of remuneration, salaries and benefits	A council CEO must ensure that the council register of salaries is published in a prominent location on the council's website.	Publication of the council's register of salaries online is encouraged in the LGA's model policy.	Supported, but clarity required pertaining to ' <i>a prominent location on the Council's website</i> ' as this can be construed and interpreted differently.
16 – Insertion of section 105A and 105B – 105A Publication of credit card expenditure	Within 14 days of the end of each month, councils would be required to publish on its website details of each credit card provided by the council for use by council employees, including the job title of employees entitled to use the cars, and a statement of expenses for the month.	Refer to comments on Clause 9.	Refer to Comments on Clause 9



The voice of local government.

Clause	Explanation	LGA Comment	Council Comment
	<p>Each monthly report must remain on the council website for a period of five years.</p> <p>A link to the website must be published on 'internet platforms' (social media).</p>		
<p>16 – Insertion of section 105A and 105B –</p> <p>105B Publication of certain gifts funded by council</p>	<p>Within 14 days of the end of each month, councils must publish on their website details of any gifts provided to council employees that were wholly or partly funded by the council.</p> <p>This report must include the job title of the person receiving the gift and a description of the gift, including costs.</p> <p>Each monthly report must remain on the council website for a period of five years.</p> <p>A link to this report must be provided on 'internet platforms' (social media).</p>	Refer to comments on Clause 9.	Refer to Comments on Clause 9

Clause	Explanation	LGA Comment	Council Comment
17 Amendment of section 109 – General Duty	<p>All overseas travel taken by council employees that is funded by the council must be approved by a resolution of the council prior to the commencement of travel (unless special circumstances apply).</p> <p>A report on the costs and outcomes of overseas travel undertaken by a council member must be submitted to the council within two months of the conclusion of the travel (with special provisions applying to an election period).</p>	Refer to comments on Clause 8 regarding overseas travel.	Refer to Comments on Clause 8
18 – Amendment of section 115 Form and content of returns	This clause inserts a provision requiring that a return under this division would be required to include information about any interstate travel undertaken during the return period.	This appears to be duplication of reporting. Details of travel undertaken would be published under Clauses 9 and 19.	Concur with LGA comments

Clause	Explanation	LGA Comment	Council Comment
19 – Insertion of Chapter 7 Part 4 Division 2A – Travel by employees	<p>Within 14 days of the end of each month, councils would be required to publish a report on any interstate travel undertaken by council employees that is funded wholly or in part by the council.</p> <p>Within three months after the end of the financial year, the council would be required to publish a report on all travel undertaken by employees that was funded in whole or in part by the council during the financial year.</p> <p>This report must include accommodation costs and other costs and expenses associated with the travel, excluding 'land based travel costs'.</p> <p>Each monthly report must remain on the council website for a period of five years.</p> <p>A link to this report must be provided on 'internet platforms' (social media).</p>	<p>Refer to comments on Clause 9.</p> <p>It is not clear why there should be a requirement for both monthly and annual reporting of travel undertaken by council employees as this is a duplication of reporting requirements.</p>	Concur with LGA comments

Clause	Explanation	LGA Comment	Council Comment
20 – Amendment of section 123 – Annual business plans and budget	<p>An Annual Business Plan and budget would be required to:</p> <ul style="list-style-type: none"> • Identity any infrastructure projects from previous years that have not been completed to plan or budget. • Include forward estimated over the following three financial years. • Provide additional details of how new services (exceeding \$500k) and new projects (exceeding \$1m) will be funded, and the impact on council rates. <p>In preparing a draft Annual Business Plan, councils would be required to publish a notice on 'internet platforms' (social media) calling for proposals from the community about projects that should be included in the plan. A report on the outcomes of this consultation must be provided to council. Following the adoption of the Annual Business Plan, councils would be required, within 14 days, to publish a response to each proposal submitted by the community.</p>	<p>Elements of this proposal align with the LGA's reform agenda in terms of providing more information about the sources of funding for council services and projects.</p> <p>Feedback is sought about the practical impacts of the introduction of an additional consultation step to be undertaken before a draft Annual Business Plan is released. It is understood that a number of councils have existing processes in place to seek feedback from the community prior to drafting their Annual Business Plan – are there better ways of doing this than the process outlined in the Bill?</p> <p>Regular monitoring and reporting on expenditure against budget is already undertaken by councils through quarterly and mid-year budget review processes, which are a requirement under the Local Government (Finance Management) Regulations 2011.</p>	<p>Not supported. The proposed new clauses to Section 123 of the Act will create a large administrative burden on Finance staff and will only further add to the complexities and timelines of developing the annual budget. The Council already has extensive financial reporting disclosure practices in place, as evidenced by the Monthly Finance Reports, Quarterly Budget Reviews, Annual Financial Statements, and Long Term Financial Plans tabled to Council. The Audit Committee also provides appropriate oversight and review in this regard.</p>

Clause	Explanation	LGA Comment	Council Comment
	A CEO would be required to provide a report to council on any new project or service that exceeds the allocated expenditure during the financial year by more than 10%. This report must be published on the council website and social media within 30 days of the report being submitted to council by the CEO.		
21 – Amendment of section 126 – Audit Committee	<p>The membership of a council Audit Committee would be limited to independent members chosen from a list of people prepared by the Auditor General.</p> <p>Council members and staff would be excluded from being members of a council Audit Committee.</p>	<p>There are legitimate concerns about costs and availability of independent Audit Committee members, particularly in regional areas. There may be an alternative proposal where the Chair and the majority of members must be independent and drawn from a list endorsed by the Auditor General, with the remaining positions available to elected members. There are significant benefits to maintaining a direct link between elected members (councils) and their Audit committees.</p> <p>If this proposal was to be implemented, the Act may need to allow councils to seek exemptions on the basis of costs and/or difficulty in attracting members.</p>	<p>Not supported, on the basis of the existing structure of an Audit Committee is appropriate. The proposed legislation will only increase the costs of an Audit Committee for a Council. Cannot understand the rationale of not having an Elected Member representation on the Audit Committee</p>

Clause	Explanation	LGA Comment	Council Comment
22- Amendment of section 264 – Complaint Lodged in District Court	This provision would empower the proposed Local Government Commission to lodge a complaint to the District Court (needs to be amended to SACAT).	This section of the Act has been updated to refer to SACAT. The Bill will need to be amended as such.	Concur with LGA comments
23 – Amendment of section 265 – Hearing by District Court	This provision would empower the proposed Local Government Commission to investigate or further investigate a complaint that has been lodged with the District Court (needs to be amended to SACAT).	This section of the Act has been updated to refer to SACAT. The Bill will need to be amended as such.	Concur with LGA comments
24 – Insertion of Chapter 13 Part 1A – Conduct – complaints to Local Government Commission	<p>This section established a role for a new Local Government Commission to receive and investigate complaints about elected member behaviour and conduct.</p> <p>Following an investigation, the Commission may take action including a suspending or disqualifying a member, or requiring a member to reimburse the council's costs.</p> <p>The powers of the Commission under this section may be delegated to another person.</p>	<p>Feedback is sought from members about the introduction of a Local Government Commission with a broad remit to receive and investigate complaints about member behaviour.</p> <p>The LGA has provided feedback that the responsibilities of the Commission and Ombudsman need to be clearly defined to avoid duplication of effort.</p> <p>The introduction of penalties for breaches of the Code of Conduct was strongly supported by LGA members during consultation in 2017.</p>	Concur with LGA comments. Council supports the Local Government Commission having a broad remit to receive and investigate complaints about Elected Member behaviour

Clause	Explanation	LGA Comment	Council Comment
25 – Amendment of Schedule 3 – Register of Interest – Form of returns	Consequential to clause 18 regarding the inclusion of travel expenses being included in the Register of Interests.	Refer to comments on Clause 18.	Refer to Comments on Clause 18
26 – Review of Local Government Act 1999 and Local Government (Elections) Act 1999	<p>This clause outlines a number of additional matters that would be reviewed by the Local Government Commission within 12 months of this Act coming into operation. The Commission would be required to provide a report to the Minister making recommendations for further legislated change. Matters for further review include:</p> <ul style="list-style-type: none"> • The scheme for reviews of local government acts, decisions and operations • Rate rebates and exemptions • Diversity of representation on council • Codes of conduct for members and employees • Establishing a register of state-owned land in the care and control of councils • Compulsory voting in local government elections • Amendments that would simplify the Act • Cross-council collaboration 	<p>The LGA supports working with the Government and the Parliament to investigate additional options for local government reforms.</p> <p>This is an ambitious agenda to achieve in 12 months, particularly with the current level of resourcing within the Office of Local Government and Local Government Grants Commission.</p> <p>Feedback is sought on additional matters that should be further reviewed.</p> <p>LGA policy does not support compulsory voting in local government elections.</p>	<p>Council supports working with the Government for Local Government reform that is practicable and achievable. It is imperative that this involves further consultation with the sector. Consistent with the LGA, Council does not support compulsory voting in Local Government elections.</p>



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6 November 2018

Mayor Karen Redman
Town of Gawler
PO Box 130
GAWLER SA 5118

Dear Mayor Redman

RE: Completion of Balance Date Audit – Financial Year Ended 30 June 2018

We have recently completed our external audit of your Council for the financial year ended 30 June 2018.

We issued our 2018 Audit Completion Report to the Council on the 8 October 2018. This report contained key accounting and audit matters raised during the audit, a summary of misstatements and matters to be addressed in future financial years. I met with your Council's Audit Committee on 10 October 2018 where the matter raised in our Audit Completion Report were discussed.

Since our meeting with Council's Audit Committee we have issued an unqualified Auditor's Report on the annual Financial Statements and Council's Internal Controls per Section 129 of the *Local Government Act 1999* (the Act) for the financial year ended 30 June 2018.

I would like to thank the Council and the Administration for the assistance they provided to my audit staff during the course of our audit of the Council this financial year. If any additional information is required on any of the audit matters raised above, please feel free to contact me on the details provided below.

Yours sincerely

DEAN NEWBERY & PARTNERS

A handwritten signature in black ink, appearing to read 'Samantha Creten', written over a horizontal line.

Samantha Creten
Partner

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C. Council's Audit Committee
C. Council's Chief Executive Officer

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Certification of Auditor's Independence

I confirm that, for the audit of the financial statements of the Town of Gawler for the year ended 30 June 2018, 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*.

A handwritten signature in black ink, appearing to read 'S. Creten', written over a horizontal line.

SAMANTHA CRETEN

Partner

DEAN NEWBERY & PARTNERS

CHARTERED ACCOUNTANTS

Dated this 6th day of November 2018

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INDEPENDENT ASSURANCE REPORT ON THE INTERNAL CONTROLS OF THE TOWN OF GAWLER

We have audited the Internal Controls of the Town of Gawler (Council) under the requirements of *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council 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 2017 to 30 June 2018 have been conducted properly and in accordance with law.

The Council's Responsibility for the Internal Controls

The Council 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, the acquisition and disposal of property, and incurring of liabilities have been conducted properly and in accordance with law.

Auditor's Responsibility

Our responsibility is to express an opinion on the Council's compliance with *Section 129(1)(b) of the Local Government Act 1999* in relation only to the Internal Controls established by the Council to ensure that financial transactions relating to the receipt, expenditure and investment of money, acquisition and disposal of property and incurring of liabilities, based on our procedures have been conducted properly and in accordance with law. Our engagement has been conducted in accordance with applicable Australian Standards on Assurance Engagements ASAE 3100 *Compliance Engagements*, issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in all material respects, the Council 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 2017 to 30 June 2018. ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures included obtaining an understanding of controls in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities, evaluating management's assessment of these controls, assessing the risk that a material weakness exists, and testing and evaluating the design of controls on a sample basis based on the assessed risks.

Limitation on Use

This report has been prepared for the members of the Council in accordance with *Section 129(1)(b) 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 Council, or for any purpose other than that for which it was prepared.

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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 internal 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.

Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the Council has complied, in all material respects, with *Section 129(1)(b) of the Local Government Act 1999* in relation to Internal Controls established by the Council relating 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 Council have been conducted properly and in accordance with law for the period 1 July 2017 to 30 June 2018.

**DEAN NEWBERY & PARTNERS
CHARTERED ACCOUNTANTS**



**SAMANTHA CRETEN
PARTNER**

Signed on the 6th day of November 2018
at 214 Melbourne Street, North Adelaide, South Australia, 5006



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INDEPENDENT AUDITOR'S REPORT

To the members of the Town of Gawler

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report, being a general purpose financial report, of the Town of Gawler (the Council), which comprises the Certification of Financial Statements on the annual statements giving a true and fair view of the financial position and performance, the Statement of Comprehensive Income, the Statement of Financial Position, the Statements of Changes in Equity, the Statement of Cash Flows for the year then ended 30 June 2018 and the notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial report of the Council is in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulation 2011*, including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2018 and of its performance and cash flows for the year then ended; and
- (ii) that the financial records kept by the Council are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as 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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Chief Executive Officer for the Financial Report

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*. This responsibility includes determining that the basis of preparation described in Note 1 is appropriate to meet the need of the members. The Chief Executive Officer's responsibility also includes designing, implementing and maintaining internal controls relevant to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive Officer is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern

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basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

The Chief Executive Officer of the Council is responsible for overseeing the Council's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that the 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 financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks 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, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council'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 the management'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 Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease 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.

DEAN NEWBERRY & PARTNERS
CHARTERED ACCOUNTANTS



SAMANTHA CRETEN
PARTNER

Signed on the 6th day of November 2018,
at 214 Melbourne Street, North Adelaide

Town of Gawler





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8 October 2018

Mayor Karen Redman
Town of Gawler
PO Box 130
GAWLER SA 5118

Dear Mayor Redman

**RE: External Audit Completion Report
Financial Year Ended 30 June 2018**

Our audit team has completed the field work of the external audit of the Town of Gawler (the Council). The purpose of this report is to provide the Council's Elected Members, Audit Committee and Administration a summary of the significant matters that have arisen from our Balance Date audit of the Council for the financial year ended 30 June 2018.

We are pleased to advise that subject to finalisation of the outstanding matters outlined in Section 1 of this report, our 2018 Audit Reports will be signed without reference to any qualification.

This report has been prepared to comply with Australian Auditing Standard (ASA) 260 *Communication with Those Charged with Governance* and ASA 265 *Communicating Deficiencies in Internal Controls to Those Charged with Governance and Management*.

I would like to thank the Administration for the support provided to myself and my audit team throughout the year.

If you require further information on any of the information above, please feel free to contact me on 8267 4777 or sam@deannewbery.com.au

Yours sincerely
DEAN NEWBERY & PARTNERS

A handwritten signature in black ink, appearing to read "Samantha Creten".

Samantha Creten
Partner

C. Chief Executive Officer
C. Chairperson, Audit Committee



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Disclaimer

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1. Scope and Status of the Audit

Audit Scope

All audit procedures have been designed and carried out by our audit staff to provide us with reasonable assurance that the financial report, as a whole, is free from material misstatement.

Two audit opinions will be issued per the requirements under Section 129 of the *Local Government Act 1999* which states:

- (1) The auditor of a council must undertake an audit of –
 - (a) the council's financial statements within a reasonable time after the statements are referred to the auditor for the audit (and, in any event, unless there is good reason for a longer period, within 2 months after the referral), and
 - (b) the controls exercised by the council during the relevant financial year in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities.
- (3) The auditor must provide to the council –
 - (a) an audit opinion with respect to the financial statements; and
 - (b) 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.

The Council is responsible for implementing and maintaining an adequate system of internal controls, in accordance with Section 125 of the Act in relation to Internal Controls to ensure 'that appropriate policies, practices and procedures of internal controls are implemented and maintained in order to assist the council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets, and to secure (as far as possible) the accuracy and reliability of council records'.

As outlined in the Audit Report to be provided to Council, the responsibility 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 *Local Government (Financial Management) Regulations 2011*, rests with Council's Chief Executive Officer. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Due to the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance with Section 125 of the Act in relation to the Internal Controls specified above, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with Section 125 of the Act in relation to the Internal Controls specified above are undertaken on a test basis.

1. Scope and Status of the Audit (Cont.)

Fraud and Litigation

As part of our audit we have discussed with the Administration's management staff;

- The safeguards in place in relation to the prevention and detection of fraud
- The existence of any fraud
- The existence of any litigation and claims.

We have not become aware of any matter which should be brought to the Council or Audit Committee's attention.

Outstanding Matters

Our audit field work for the financial year ended 30 June 2018 has been completed. Before our 2018 Independent Auditor's Reports are signed-off/issued to the Council, the following outstanding matters require addressing:

- Completion of audit procedures relating to ASA 560 *Subsequent Events* to be performed up to the date of signing the Audit Report.
- Receipt of the Annual Financial Statements, certified by the Mayor and Chief Executive Officer of the Council, as required.
- Receipt of the signed Management Representation Letter.

Independence

In accordance with our professional ethical requirements, we confirm that, for the audit of the entity for the financial year ended 30 June 2018, all members of our audit team have maintained their 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 and in accordance with *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*,

Audit Status

All requested audit adjustments have been processed and disclosures within the financial report appropriately modified based on audit testing completed. All requested information has been provided by the Administration during the course of the audit.

Subject to all matters being appropriately completed as outlined above, we anticipate to be issuing an unqualified audit opinion on both the financial statements (Section 129(1)(a) audit opinion) and the Council's internal controls (Section 129(1)(b) audit opinion).

2. Key Accounting and Audit Matters Raised During the Audit

We have set out below the key accounting and audit matters that have arisen during the audit.

No.	Audit Matter	Comment
1	Asset Valuations	<p>Asset valuations were found to be supported by appropriate evidence to substantiate movements recorded and changes applied to assumptions and estimates.</p> <p>Council engaged external asset management consultants AssetVal Pty Ltd to undertake a valuation of Council owned Building assets as at 30 June 2018. Council also engaged Steve Walker from Asset Engineering Pty Ltd to assist with a review of Infrastructure asset unit rate updates which were all updated as at 30 June 2018.</p> <p>As a result of valuations conducted, asset depreciation expense estimated for FY2019 is estimated to increase by \$400K for Buildings and \$300K for Infrastructure assets. Disclosures have been included in Note 7 of the Financial Statements highlighting the valuations completed and estimated impact on future depreciation expenses.</p> <p>We note that Infrastructure asset unit rates have had a significant increase as a result of two key assumption/estimate changes:</p> <ul style="list-style-type: none"> - Increased project management costs allocation estimates based on a review of actual costs incurred on projects (increased to 9.4% versus 5% previously). - Increase in supplier/contractor rates and materials. Council has experienced an increase of up to 7.5% in some instances.
2	Gawler East Developer Contributions	<p>A review of the arrangement surrounding the receipt and payment of developer contributions to the South Australian State Government was reviewed to ensure that liabilities relating to the obligation to remit part proceeds from Developer Contributions was recognised. As at 30 June 2018, a total of \$92,574.53 was recognised as an accrued expense in Note 8 of the Financial Statements as a non-current payable given it is not due to be paid until July 2019.</p>

3. Summary of Misstatements

There remain no misstatements that have not been adjusted by the Administration that have been identified during the course of our audit or that in our assessment, require to be reported to Council's Audit Committee or Elected Members.

Any misstatements, either individually or in aggregate, that are considered to be immaterial, have not been reported and regarded as being minor in the context of the financial report as a whole.

All requested audit adjustment have been processed and disclosures within the financial report appropriately modified based on audit testing completed.

Subject to all matters being appropriately completed as outlined in Section 1 of this report, we anticipate to be issuing an unqualified audit opinion on both the financial statements (Section 129(1)(a) audit opinion) and the Council's internal controls (Section 129(1)(b) audit opinion).

Materiality

An item is considered material to the financial statements if, through its omission or non-disclosure, the financial statements would no longer show a true and fair view. Materiality is set at the outset of planning to ensure that an appropriate level of audit work is planned. It is then used throughout the audit process in order to assess the impact of any item on the financial statements. Any identified errors or differences greater than 5% of materiality will be recorded on a schedule of potential misstatements. These are assessed individually and in aggregate, discussed with you and, if you do not adjust, as signed off by you in your letter of representation to us, confirming your view that they are immaterial to the financial statements an item of low value may be judged material by its nature. An item of higher value may be judged not material if it does not distort the truth and fairness of the financial statements.

4. Matters to be Addressed in Future Financial Years

As a result of the audit work recently completed, the following audit matters are recommended to be addressed by the Administration;

No.	Audit Matter	Comment
1	Budgeted Depreciation	As a result of valuations completed as at 30 June 2018, we recommend that at the next revision of Council's budget, the forecasted asset depreciation expense is updated to reflect the expected increase in depreciation expense as disclosed in Note 7 of the FY2018 Financial Statements.
2	Building Useful Lives	As a result of the FY2018 asset valuation process, Council's Administration are undertaking a further assessment of all estimated remaining useful lives relating to Building assets. Any change to the estimated useful life should be undertaken with an effective date as of 1 July 2018 to ensure that the calculated depreciation expense and asset valuation data is based on the most recent and reliable information.
3	Capitalised Salaries and Wages	We note that as part of the asset valuation process for Infrastructure assets during FY2018 that a review of capitalised salaries and wages methodology was conducted. We recommend further work is undertaken in FY2019 to evaluate whether key assumptions and estimates relating to specific individuals is reliable for ongoing capitalisation of salaries and wages as part of capital works programs undertaken in FY2019.
4	External Borrowings	<p>We note that in the last 3 financial years, Council's external borrowings have significantly increased to fund large capital works programs and acquisitions. Council's external borrowings have increased by \$5.960m in the two financial years presented in the FY2018 Financial Statements with the Net Financial Liabilities Ratio increasing from 50% in FY2016 to 77% in FY2018.</p> <p>Given that Council is expected to undertake further borrowings in FY2019 and that as at 30 June 2018 borrowings are actually \$1.3m higher than budgeted due to higher debtors and movements in working capital different to that forecasted in Council's FY2018 budget, we recommend that Council's next budget revision and update to the LTFP factors in the revised forecasted borrowing costs and working capital position so that forecasted cash flows are based on up-to-date carry forward information available.</p>



Local Government Finance Authority of South Australia

A Guide to the Responsible Use of Debt



Introduction

Councils that found themselves with the requirement for significant levels of debt in the 1980s and early 1990's when interest rates were at historic highs, felt under pressure to minimise borrowings. The legacy of those times has been a factor in councils being averse to borrowing, even when interest rates are at historic lows. Yet the effective use of debt has meant that communities have been able to enjoy a wide range of services, from improved transport networks to CWMS schemes to recreational facilities, which have been paid for over time through structured borrowings, prudent rate increases and reasonable user charges.

The South Australian Local Government sector as a whole has very low levels of debt. If the sector's debt was represented by an individual's debt on their home loan, it would equate to something like \$14,000 worth of debt on a \$500,000 property. The LGFA applies stringent credit criteria to assess the ability of a council to meet its repayment requirements for any borrowings. Recently, applying those criteria on a state-wide basis, the LGFA calculated that the sector could comfortably borrow an extra \$1 - 1.5 Billion to provide further benefits for local communities.

This paper has been written by the LGFA to give a better understanding about the responsible use of debt by the South Australian Local Government sector. The paper has been prepared for mayors, chairs, councillors and council management teams and sets out to answer some of the questions commonly asked by councils during our visitation program.

This paper looks at the following topics:

- The history of the LGFA
- Council debt versus individual's debt
- Long-term debt
- Interest rate risk
- LGFA's different debt products including the pro's and con's of each and advice on the appropriate use of each product
- Questions and answers to some common questions asked by councils during our visitation program
- Case studies on debt financing

Debt is a renewable resource and like any modern corporation it should form part of every councils overall funding mix.

Councils should not be afraid of debt, they should embrace its' responsible use.

The LGFA Story

Back in 1981-82 the concept for a specialist financial body to service South Australian councils and prescribed local government bodies evolved primarily from the difficulties many councils experienced in accessing loan funds from traditional financial institutions.

Would the pooling of council's cash assets (investing) and debenture loan (borrowing) requirements generate a more competitive result for members? The answer, it was felt, was a resounding yes!

The wheels started to turn....in collaboration with our sister organisations Council Purchasing Authority Pty Ltd (CPA) and the Local Government Association of SA (LGA) an officer's taskforce was formed to investigate the concept of a centralised investment and lending organisation.

Encouraged by the results of the initial investigation, the LGA appointed a working party in 1983 consisting of elected members to further examine the proposal. Very positive results led to the endorsement, in principle, of the establishment of the Authority at the next Annual General Meeting of the LGA.

Financial viability and legal aspects were investigated and resolved as the working party developed the proposal in concert with State Treasury, the Department of Local Government and external consultants.

Progress was rapid. A draft Bill was prepared. A survey of financial transactions by councils was undertaken. Then following meetings with the Minister of Local Government, Cabinet endorsed the establishment of the Local Government Finance Authority of South Australia.

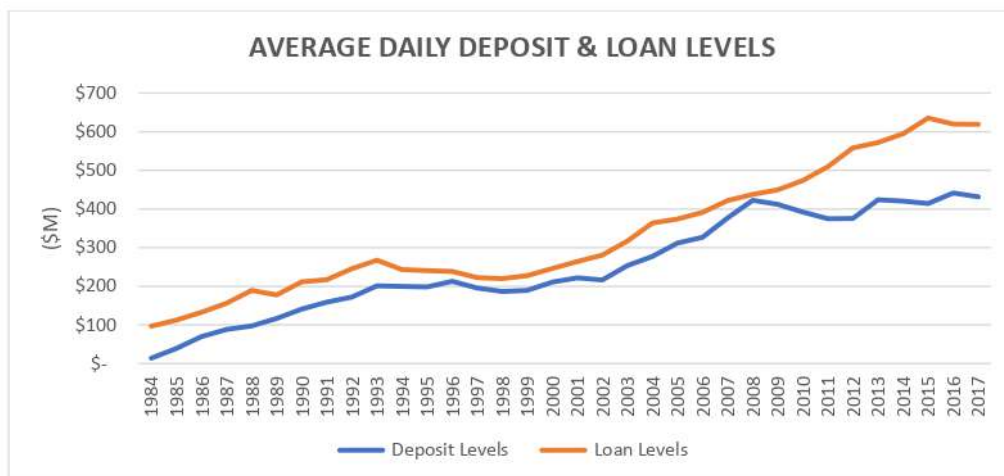
Having bipartisan support, the Local Government Finance Authority Act of 1983 was passed in December 1983, proclaimed on Australia Day 1984 and we opened for business March 1984.

Every South Australian council is automatically a member of LGFA but there is no compulsion for councils to use our service, however, from the very start of business we have received consistent loyal support and backing from all South Australian councils.

Due to the success of our first full year's profit in 1985, the Board decided that supporting members should be rewarded by the declaration of a bonus payment of \$100,000. Every year since then, councils have enjoyed bonuses with the total paid now exceeding \$39 million.

Member councils also benefit from LGFA's financial success via our tax equivalent payment made to local government research and development.

LGFA estimates that South Australian councils have reaped the benefits of direct savings in excess of \$300 million since LGFA's inception, due primarily to our existence in the market place and lower margins achieved.



Members

All local authorities are automatically members of the Finance Authority but use of the Authority for investment and loans is entirely voluntary.

Guarantee

In accordance with Section 24 of the Local Government Finance Authority Act, 1983 all the liabilities of the Authority (including monies accepted on deposit from the local authorities) are guaranteed by the Treasurer of South Australia.

Income Tax Equivalents

LGFA makes payments equivalent to company income tax. The equivalent liability is calculated/applied on an accounting profits basis and the amounts are paid into an account established with the State Treasurer entitled the "Local Government Taxation Equivalents Fund". The funds are then available for local government development purposes as recommended by the Local Government Association of South Australia and agreed to by the Minister.

Bonus

The bonus payment is a mechanism which enables the Authority to share its success with member councils and prescribed local government bodies.

Since its introduction in 1985, an amount of \$39.7 million has been paid, up to the year ended 30 June 2017. This combined with previous special allocations for local government purposes of \$2.8 million will result in overall payments benefiting the local government community of \$42.5 million.

In line with past practice, the bonus payment has been calculated to relate to average deposit and loan levels held with the Authority during the course of the financial year.

The more a council uses our financial services, the LARGER their bonus will be.



Use of Debt

Councils are infrastructure intensive organisations. For some councils the issues are largely the renewal of existing infrastructure; for some councils the issues are largely the provision of infrastructure to meet the demands of a growing population and for other councils the issues are largely the need to improve and upgrade infrastructure that does not meet the needs of a modern community. South Australian councils prepare long term financial and asset management plans. These plans indicate to councils their need for funds to acquire, upgrade and renew their infrastructure. The prudent use of debt can allow councils to expand their plans to acquire, upgrade and renew their infrastructure and provide their communities with the services they need for modern living.

Council Debt versus Individuals Debt:

Councils have a significant advantage over individuals and private corporations in both access to debt and in servicing the debt. Councils taxing powers to raise rates provide them with a high level of certainty in their incomes. The fact that the LGFA secures loans over the general revenue of councils indicates the importance of that power to tax. Another important advantage is that a council is considered to have an unlimited life as an organisation; it will remain an 'on-going' entity. Private corporations, while hoping to remain 'on-going', face many challenges to achieve a continued existence. Their revenues, and therefore capacity to service debt, are closely tied to the products and services they provide continuing to be required by customers and to their remaining competitive in the market place. Individuals have an even bigger challenge to acquire and service debt. First, they probably need some evidence of the capacity to 'save' as a surrogate for debt-servicing. Then they need to have an income of sufficient size to borrow funds. And that income needs to be on-going for at least the period of the loan. Finally, as individuals approach retiring age, or retire, their capacity to service debt declines markedly or completely.

Interestingly, there are very few corporations in existence that have no or low debt policies. Well managed corporations will be continually scanning the environment in which they operate and their growth or expansion plans will include the use of profits, debt and equity as funding mechanisms. Councils should be no different. While they do not have access to equity funding (although they may have access to grants) councils should plan the use of their own cash resources and the prudent use of debt to fund their infrastructure plans and requirements. Corporations choose the most cost-effective way of funding their operating activities at that particular point in time. Looking at a council as a corporation (and some in the State are very large corporations) there is no reason councils shouldn't take the same approach. Borrowing for either cashflow or specific infrastructure projects is a normal operating activity and the local government sector should develop the same attitude.

Long-Term Infrastructure and Long-Term Debt:

Councils are encouraged to have treasury management policies and to consider borrowings as an organisational response to the need for funds for capital projects, without specifically borrowing for a particular project. However, it would be wrong to suggest that the life of the assets that councils acquire should not be a consideration in the term of any borrowings, whether fixed interest or floating rate interest borrowings. The perceived wisdom is that borrowing for long lived assets should be long-term borrowings. While the term of the borrowing and the life of the asset may not match precisely, the spreading of the interest payments in some proportion to the life of assets means that those who benefit from the asset are paying the costs through their rates or user charges.

Interest Rate Risk:

Interest rate risk is the potential loss in an investment or borrowing decision resulting from movements in interest rates. For example, investing surplus funds at a fixed interest rate when the next movement in interest rates is up or borrowing at a fixed interest rate when the next movement in interest rates is down.

It is not possible to avoid interest rate risk. Trying to anticipate interest rate movements is purely speculative and should not be practised by councils. The best that can be done is to pursue an investment or borrowing policy that attempts to minimise the adverse effect of movements in interest rates. If looking primarily at the interest rate risk associated with a council borrowing funds, interest rate risk can be managed by having a balanced portfolio of fixed and variable interest rate debt so that the adverse impact of movements in interest rates are minimised and that in the medium to long-term a Council's interest rate expense is optimised.



Loan Products

The LGFA has a number of standard borrowing products that are used by South Australian councils and prescribed local government bodies. All borrowings to councils by LGFA are secured by a debenture charge over the council's general revenue and in the case of regional subsidiaries the loan is secured by a lending agreement between the parties. So, unlike a residential mortgage where security is taken over the asset, being the house, LGFA takes security by placing a charge on a council's general revenue. This charge protects the LGFA against the possible default by a council and ensures we can provide low-cost finance to the sector.

Borrowing by SA councils usually occurs in the following forms:

Fixed Rate Credit Foncier Borrowings
Fixed Credit Foncier borrowings are a loan with equal repayments (usually semi-annual) comprising principal and interest, over the life of the loan and where all the principal is repaid over the life of the loan. The repayment schedule is agreed on inception of the loan and fixed for the duration of the loan. The loan amount is drawn in one payment.
Pro's: <ul style="list-style-type: none"> • The interest rate is fixed for the life of the loan, therefore protecting against interest rate rises in the market • Repayments can be factored into a council's long term financial plan • Generally longer-term loans that meet the need to fund longer lived assets
Con's <ul style="list-style-type: none"> • Prepayment can result in a market adjustment (break charge) • Not suitable for progressive payments during the construction phase of a project

Fixed Rate Interest Only Borrowings
Fixed Rate Interest Only Borrowings are loans where only interest is paid over the life of the loan. The repayment schedule is agreed on inception of the loan and fixed for the duration of the loan. At the end of the loan the principal is repaid in a lump sum, although it may be re-financed.
Pro's: <ul style="list-style-type: none"> • The interest rate is fixed for the life of the loan • Repayments can be factored into a council's long term financial plan • Interest only nature reduces cashflow requirements • Generally longer-term loans that meet the need to fund longer lived assets
Con's <ul style="list-style-type: none"> • Prepayment often results in a market adjustment (break charge) • Cannot be used progressively during the construction phase of a project • The principal needs to be refinanced at maturity

Like a Bank, LGFA offers other variations of Fixed Rate lending such as Split Term and Low Start options.

- **Split Term Fixed Rate Credit Foncier Borrowings:**
Is a loan where a residual or balloon repayment is required to be repaid or refinanced at maturity, as the periodic repayments do not fully repay the principal amount during the term of the loan
- **Low Start Fixed Rate Credit Foncier Borrowings:**
Is a loan where the initial payments (which may be zero) do not fully cover the principal and interest. The repayment schedule is structured to have increasing repayments so that loan is repaid in full by the end of the loan term

Pro's and Con's are the same as other fixed rate borrowings as previously described.

Convertible Cash Advance Debenture Facilities (CCAD)
These are very flexible facilities that can be used as a floating rate facility or fixed for varied periods on an interest only basis. South Australian councils predominately use these facilities on a floating rate, come and go basis meaning the principal can be drawn down or repaid with 24 hours notice.
Pro's: <ul style="list-style-type: none"> • Council rate and other income can be used to paydown the principal and reduce the total interest obligation of the council. • The facility only needs one set of documentation and can still be converted to fixed rate (on an interest only basis) if required. • Offers flexibility for council management and staff without the need for new documentation.
Con's: <ul style="list-style-type: none"> • Is floating rate in nature therefore interest rates and costs can rise due to changes in market pricing. • Because it doesn't have a fixed repayment schedule, repayments need to be carefully factored into budgets and long-term financial plans.

Q & A

Q Why does a council need debt?

- A Using debt, is an effective way to provide services and infrastructure without the need for dramatic rises in council rates and to spread the cost of the assets over the ratepayers who will benefit from the assets.

Q How long will it take to pay off the debt?

- A This is entirely at the discretion of a council, subject to the nature of the borrowing. Council should have a treasury management policy and this policy should guide the council, along with its long-term financial plan to determine a suitable borrowing term.

Q You recommend that we take out interest only debt, what happens if interest rates rise dramatically over the life of the loan?

- A Councils have the option of taking out variable or fixed interest rate interest only loans. Fixed interest rate interest only loans will not be impacted by changing interest rates. In considering variable interest rate interest only loans it should be noted that Councils rates are generally tied to inflation. If interest rates have risen dramatically over a 10 or 15-year term it is likely that inflation has also risen dramatically over the same time period meaning that:
- Councils rate income would have also increased over the time period; and
 - The debt in real dollar terms will be a lot lower due to the high inflationary environment during the loan term.

Q How will the debt repayment strategy affect the overall financial position of Council in the (a) short term or (b) long term?

- A Debt repayment strategies can dramatically effect a council's ability to provide other services and infrastructure for their community. If a council has an aggressive debt repayment strategy it means the cashflow requirements of the repayments will be higher.

Q Is the proposed debt to be used to meet ongoing financial running costs of Council or to provide additional infrastructure?

- A Debt can be used to finance the day to day operations of the council. The LGFA have a product called the Convertible Cash Advance Debenture (CCAD) which is used by most councils as a come and go facility, meaning it's utilised on a frequent basis with rate and other income being used to reduce the councils debt position (and therefore interest charge) when possible.

Councils should not shoe box borrowing for running costs or a particular infrastructure project and instead should aim to use some borrowings in their overall financing mix.

A better indication on the long-term viability of a council is its operating surplus / deficit. Councils that are continually financing operating deficits by borrowing are not a viable proposition.



Q Why do we need debt if we have a long term financial plan and an asset replacement plan?

- A All councils should have a long term financial plan and an asset replacement plan and the commitments within this plan should drive required rate income and potential borrowing needs. In a State where we are competing for scarce resources it is difficult to see how a council can fund all its long-term commitments by just raising rate income.

Q What happens to our repayments if interest rates rise?

- A It depends on the type of borrowing the council has engaged in. If the borrowing is a fixed rate borrowing then rising interest rates will not affect your repayments or the amount of interest you are charged. However, if the council is borrowing on a floating rate basis then the interest rate will increase in line with market pricing.

Q Does a council need a net financial liability ratio trigger?

- A Net financial liability ratio when looked at in isolation is not the best way to determine the long-term viability of a council. Some South Australian councils have borrowed relatively high levels of debt to finance Community Waste Water Management Systems (CWMS) but are strong viable councils. If structured correctly these assets earn income that is used to run the operation and service the debt associated with the asset.

If a council has borrowed to finance a number of income earning assets such as CWMS then net debt to income ratios could be higher than 100%. However, if a council is running operating losses, is borrowing to fund these losses and has a higher net debt to income ratio they are likely not a viable long-term proposition.

**Q Should a council borrow on a fixed or floating basis?**

- A Each council should have a treasury management policy which will provide guidance to the Council and to council officers. Generally, the treasury management policy will set targets for the ratio between fixed and variable interest rate loans and this will guide the council in assessing the basis on which a specific borrowing will be made.

Case Studies

Case Study 1:

District Council of the Copper Coast

Community Wastewater Management System Moonta, Moonta Bay and Port Hughes



The District Council of the Copper Coast recognises that the safe disposal of sewage and household wastewater is necessary to safeguard the health of the community and protect the environment. By transporting the waste (through a drainage network) to a central location, the waste can be correctly treated and disposed of in an environmentally friendly way.

Due to the size and cost (\$25 million) of the full sewer gravity scheme, council initially planned the construction over five years commencing in 2012 and was completed in 2016.

The project includes the townships of Moonta Bay, Port Hughes and Moonta covering approximately 3,500 residencies plus commercial projects. The magnitude of this project is such that it includes 50km of gravity drain, 13km of pumping main, 2500 new house connections, existing pump station upgrades and 15 new pump stations. The project also includes a new wastewater treatment plant enabling water reuse throughout the community.

The council costed the project through its long term financial plan and due to the support of the Local Government Finance Authority, loan funds were secured to ensure the project success, along with the implementation of a separate rate for the residents to benefit from the system over the five-year period of construction. As the majority of this infrastructure will be around for 50 plus years before any major upgrading is required, it is very well suited to a debt funding financing model.



*Due to the support of the
Local Government Finance Authority
loan funds were secured to
ensure the project success*

Case Study 2:**Northern Adelaide Waste
Management Authority (NAWMA)
Materials Recovery Facility**

Prescribed Body Members
City of Salisbury
City of Playford, and
Town of Gawler



The NAWMA Materials Recovery Facility (MRF) is a recycling plant delivering local outcomes of global importance with significant environmental, economic and social benefits for current and future generations. The MRF is a credit to the NAWMA technical working group, board and constituent councils of Salisbury, Playford and Gawler. The 30,000 tonnes per/annum recycling plant represents not only excellence in environmental leadership, but testament to councils working collaboratively as a regional waste management subsidiary to deliver economies of scale and efficiencies in service and infrastructure delivery.

One of only two large scale MRF's operating in SA, and the only one owned and operated by local government, the MRF is a state of the art facility for sorting household recycling bins. Balancing innovation and technology with localised employment opportunities, the MRF is meeting its' key performance criteria for diverting approximately 2500 tonnes per month from landfill, while realising a multimillion dollar revenue stream from the sale of quality sorted paper, glass, plastic, steel and aluminium into local and international markets.

NAWMA's key performance criteria is to reduce the amount of material being sent to landfill, while our strategic intent is governed by principles of circular economy, advanced manufacturing and secondary remanufacturing, under a lens of innovation. Long gone are the days of viewing these types of facilities as a waste management tool, rather, NAWMA's MRF is a leader in resource recovery infrastructure of state significant importance.

Implementing a strategy direction of vertical integration, the NAWMA board and management set about delivering a vision of running South Australia's newest and most technologically advanced MRF. The planning commenced in 2013, and after various iterations of design, specification and location, the development application was approved in July 2017. The culmination was an investment of \$8.05 million by the constituent councils.

Most notably, the plant has been designed to future proof NAWMA, and more broadly, South Australia. A single shift five workday operation dutifully processes the current 30,000 tonnes per annum delivered by NAWMA constituent and client councils, and rural and regional council customers. However, the operation has capacity to run 24/7, and could process up to 90,000 tonnes per annum if required.

The result of this project has been transformational for NAWMA, and the constituent councils, but also more broadly for the northern precinct and South Australia in general. The development of this state of the art facility has doubled the recyclables processing capacity in South Australia, resulting in more yellow top bin recyclables being processed locally and supporting the South Australian recycling industry.

Operationally, the MRF has sorted approximately 25,000 tonnes in its first ten months of operation, producing high quality finished goods such as paper, plastics, glass, aluminium and steel, which are marketed locally in Australia and internationally. Pointing to the success of the design, construction and operation of the MRF. Housed inside a large purpose-modified industrial building of some 3800 sqm, the MRF is a combination of trommels, magnets, eddy-currents, ballistic separators, and manual picking stations, fed by almost half a kilometre of conveyor belts. It is an entirely impressive plant, that is fronted by NAWMA's corporate administration office, boardroom and environmental education centre.

Economically, the MRF provides a significant revenue stream for NAWMA's constituent councils, while reducing exposure to the often-fickle commercial recycling industry. Most importantly, the MRF provided nineteen full time jobs in northern Adelaide at the same time as Holden was closing. The generation of full time employment in advanced manufacturing at such a historic moment in South Australian manufacturing was not lost on Minister Hunter when he officially opened the facility on 06 October 2017.

In terms of tonnes per hour, and a "basket of goods" revenue stream, the MRF is a business leader for NAWMA. It drives the way we communicate with our community and councils, as everything we do is prefaced with how to get more material into the MRF and out of landfill. NAWMA's "cost of doing business" is far less in the MRF than it is in our landfill stream, and therefore it is an economic leader as well as an environmental one. The new state of the art MRF has proven that NAWMA can couple environmental leadership with economic development.

NAWMA's management team have "opened the doors" to the recycling industry to better educate councils and the community on every aspect of the complex operation. From the importance of lower contamination in the yellow top bin, to the use of high tech ballistic separators to sort out the paper and cardboard, down to the finished goods that are loaded into a purpose-built loading dock and following the shipping containers to outer harbour ready for their journey to both local and international markets.

LGFA provided NAWMA with flexible loan funding facilities which were used during the construction of the facility.



Case Study 3:**How much can we borrow?**

In the early 2000's a mayor from a small council on the Eyre Peninsula phoned and asked to speak to a staff member about borrowing money from the LGFA. The mayor spoke to our Manager of Lending, Geoff Bunyon and CEO, Paul Slater. The mayor let Geoff and Paul know that the town had plenty of things that needed to be done. The civic centre needed to be updated and some local roads needed work. The mayor was not a banker or an accountant and asked a question that was really appreciated by Geoff and Paul which was "we can afford \$175,000 in principal and interest repayments; how much can we borrow?". Geoff and Paul took out their financial calculators (yes, we are talking the early 2000s here) and calculated that over a 10-year term they could borrow around \$1.3 million and after a brief analysis of some other factors they let the mayor know that the LGFA would be willing to lend this amount to the council. The LGFA also explained to the mayor that because of inflation the repayments in real terms would also reduce over the life of the loan.

This was music to ears of the mayor and although in the end the council only took out a \$300,000 Convertible CAD loan, the conversation with the LGFA gave the mayor comfort knowing they were on the right path and could get on top of their asset replacement program right there and then. Bringing forward the asset replacement also created a stimulatory effect to the local community by creating local jobs and other associated flow on effects.



Resources

Comrie, J., (2014), *Debt is Not a Dirty Word: Role and Use of Debt In Local Government*, UTS Sydney

Hope, D., (2002), *Debt – A Renewable Resource*, Unpublished

LGA-SA, (2015), *Financial Sustainability Information Paper No 15 – Treasury Management*, LGA-SA, Adelaide

LGA-SA, (2015), *Financial Sustainability Information Paper No 10 – Debt*, LGA-SA, Adelaide



"A Guide to the Responsible Use of Debt"

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August 2018

POLICY FOR REVIEW BY AUDIT COMMITTEE

Policy Section	Policy / Code Name	Mandatory and/or Public availability required	Public Consultation Required	Recommended for review by Audit Committee
1. CORPORATE GOVERNANCE	Fraud and Corruption Prevention	Recommended	No	Yes
1. CORPORATE GOVERNANCE	Resource Sharing	Recommended	No	Yes
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Willaston Cemetery - Services Offered and Fees	Recommended	No	Yes
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Asset Management	Recommended	No	Yes
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Disposal of Land and Assets	Recommended	No	Yes
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Light Fleet, Plant & Heavy Vehicle Replacement and Management (formerly Plant & Machinery - Replacement)	Recommended	No	Yes
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Procurement	Mandatory	No	Yes
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Reserve Water Management Policy	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Asset Capitalisation	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Audit and Control (previously Internal Control)	Mandatory	No	Yes
6. FINANCE AND CORPORATE SERVICES	Budget Management	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Community Loans	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Corporate Purchase Card	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Debtor Management	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Depreciation	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Funding	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Gawler East Development - Infrastructure Funding	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	National Competition Policy & Complaints Mechanism	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Prudential Management	Mandatory	No	Yes
6. FINANCE AND CORPORATE SERVICES	Rate Rebates	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Records Management	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Risk Management	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Separate Rates Relief	Optional	No	Yes
6. FINANCE AND CORPORATE SERVICES	Service Level Policy - Finance	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Service Level Policy - Parking Control	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Service Level Policy - Preventative Health Services	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Service Level Policy - Rates Administration	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Service Level Policy - Records Management	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Service Range	Recommended	No	Yes
6. FINANCE AND CORPORATE SERVICES	Strategic Rating	Recommended	Yes	Yes
6. FINANCE AND CORPORATE SERVICES	Treasury Management	Recommended	No	Yes

POLICY FOR REVIEW BY AUDIT COMMITTEE - NOT NOMINATED

Policy Section	Policy / Code Name	Mandatory and/or Public availability required	Public Consultation Required	Recommended for review by Audit Committee
1. CORPORATE GOVERNANCE	Acting Chief Executive Officer Appointment	Recommended	No	
1. CORPORATE GOVERNANCE	Code of Conduct for Council Subsidiary Employees	Recommended	No	
1. CORPORATE GOVERNANCE	Code of Conduct for Volunteers	Recommended	No	
1. CORPORATE GOVERNANCE	Code of Practice for Access to Council and Committee Meetings and Council Documents	Mandatory	Yes	
1. CORPORATE GOVERNANCE	Code of Practice for Committee Meeting Procedures	Recommended	No	
1. CORPORATE GOVERNANCE	Code of Practice for Council Meeting Procedures	Recommended	No	
1. CORPORATE GOVERNANCE	Code of Practice for Working Groups	Recommended	No	
1. CORPORATE GOVERNANCE	Complaints	Mandatory	No	
1. CORPORATE GOVERNANCE	Council Members' Allowances and Benefits	Mandatory	No	
1. CORPORATE GOVERNANCE	Equality of Information Provision to Council Members	Recommended	No	
1. CORPORATE GOVERNANCE	Flags	Recommended	No	
1. CORPORATE GOVERNANCE	Induction for Council Members	Recommended	No	
1. CORPORATE GOVERNANCE	Informal Gatherings	Mandatory	No	
1. CORPORATE GOVERNANCE	Information Technology Support for Council Members	Recommended	No	
1. CORPORATE GOVERNANCE	Internal Review of a Council Decision	Mandatory	No	
1. CORPORATE GOVERNANCE	Ombudsman Enquiry and Investigation Management	Recommended	No	
1. CORPORATE GOVERNANCE	Privacy Policy	Recommended	No	
1. CORPORATE GOVERNANCE	Public Consultation	Mandatory	Yes	
1. CORPORATE GOVERNANCE	Safe Environment	Recommended	No	
1. CORPORATE GOVERNANCE	Supplementary Election	Recommended	No	
1. CORPORATE GOVERNANCE	Training and Development for Council Members	Recommended	No	
2. BUSINESS ENTERPRISES AND COMMUNICATIONS	Art Exhibits & Exhibitions in Council Managed Venues	Optional	No	
2. BUSINESS ENTERPRISES AND COMMUNICATIONS	Banners (formerly Banners over Roadways and Flags and Banners)	Recommended	No	
2. BUSINESS ENTERPRISES AND COMMUNICATIONS	Business Signage	Optional	No	
2. BUSINESS ENTERPRISES AND COMMUNICATIONS	Gawler Heritage Collection	Optional	No	
2. BUSINESS ENTERPRISES AND COMMUNICATIONS	Media	Recommended	No	
2. BUSINESS ENTERPRISES AND COMMUNICATIONS	Town of Gawler Brand	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Building Fire Safety	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Busking	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	By-Law Enforcement - Fines	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Code of Practice for Shopping Trolleys (Abandoned)	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Compliance Development Act (Planning)	Recommended	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Council's Boundary Adjustments - Principles for Gawler	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Development Delegations	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Dog Registrations (previously 'Dog Registrations - Strategic Policy and Notification Procedure')	Recommended	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Heritage Development	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Land Development Promotional and Directional Signs on Council Property	Optional	No	

3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Licensed Premises - Liquor Licence & Gaming	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Mobile Food Vendors	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Naming of Public Places	Recommended	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Naming of Roads (formerly Street Naming)	Mandatory	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Outdoor Dining	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Rural Green Belt	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Sustainable Urban Development & Infrastructure Funding	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Third Party Advertising on Council Reserves	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Town Centre Carparking	Optional	No	
3. DEVELOPMENT, ENVIRONMENT AND REGULATORY SERVICES	Wood Collection from Council Property	Optional	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Entranceways - Provision	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Footpath & Cycleways	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Landscaping Verge Areas (Footways) by Residents	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Management of Unsealed Rural Roads	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Management of Unsealed Urban Roads	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Property Numbering - Uniform Numbering on Road Kerbing	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Sporting & Community Clubs / Organisations Agreement Schedule for Ground Leases (Exclusive Right of Possession)	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Sporting & Community Clubs / Organisations Agreement Schedule for Leases (Exclusive Right of Possession)	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Sporting Clubs/Associations Agreement Schedule for Shared Facilities Leases (Exclusive Right of Possession over Buildings & Structures and Licence over Grassed Areas)	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Stobie Poles - Painting	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Stormwater (Watercourse) Management	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Street Tree Planting for New Land Divisions	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Trees - Removal on Council Land	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Town Centre Footpath Designs	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Tree Management	Recommended	No	
4. INFRASTRUCTURE AND ENGINEERING SERVICES	Use of Council Vehicles (formerly Vehicle - Commuter Use / Private Use of Council Vehicles & formerly Use of Council Vehicles)	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Community Development Grant	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Community Gardens	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Hire of Council Owned Facilities	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Library Service	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Sport and Recreation	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Use of Community Land for Commercial Fitness Training	Recommended	No	
5. LIBRARY AND COMMUNITY SERVICES	Volunteer Management	Recommended	No	
6. FINANCE AND CORPORATE SERVICES	Provision of Council Resources to Support the Emergency Services in Emergencies	Recommended	No	

**AUDIT COMMITTEE
2018/19 WORKPLAN PROGRESS REPORT**

Action	Motion Ref.	Resp Officer	Status	Status Comments	Sept	Oct	December	Feb	Apr	Jun
1. Internal Controls & Risk Management Systems										
Monitor and report on internal controls		Tony Amato	Not Started							
Review LGA Mutual Liability Scheme Risk Management Review report		Nathan Hall	In Progress	Risk evaluation report has been received and presented to this meeting.						
Implementation of Strategic Risk Action Plan		Nathan Hall	In Progress	A Workshop with Elected Members, LGRS and Independent Audit Committee members' occurred on the 4 September, feedback from this workshop was then incorporated into the Strategic Risk Register. Risk Management Policy, Framework and Strategic Risk Register was adopted by council on the 9 October 2018. Draft action plan is currently being reviewed by the executive team prior to being tabled to the Audit Committee in February 2019.						
2. External Audit										
Oversee Council's relationship with external Auditors relative to matters raised within audit management letters received		Tony Amato	On-going	Final management letters and audit opinions for the 2017/18 financial year have been received and tabled to the Council at the November 2018 meeting in accordance with the LG Act 1999, the Auditors correspondence is now being presented to the Audit Committee. The Final Audit visit was conducted on 17 & 18 September 2018. The first interim audit for the 2018/19 financial year is scheduled for January 2019.						
In-Camera Review with Auditors		Tony Amato	Completed	The Auditors attended the 10 October 2018 Audit Committee meeting.						
3. Reporting										
Submit annual report of the Audit Committee's activities to the Council		Rhiann Webb	Completed	The 2017/18 annual report was tabled to the 19 September 2018 meeting.						

**AUDIT COMMITTEE
2018/19 WORKPLAN PROGRESS REPORT**

Action	Motion Ref.	Resp Officer	Status	Status Comments	Sept	Oct	December	Feb	Apr	Jun
Submit minutes of meetings to Council		Rhiann Webb	On-going							
4. Review of Strategic Documents										
Review of annual update to the Long Term Financial Plan		Paul Horwood	In Progress							
Review of Draft Annual Budget / Business Plan		Paul Horwood	In Progress							
Review annual update to Infrastructure & Asset Management Plan (Long Term Capital Works Program)		Sam Dilela	In Progress	Refer progress reports tabled to this meeting						
5. Policy Review										
Review Policies in accordance with Governance review timetable		Tony Amato	On-going	Refer Agenda Item to this meeting						
6. Other										
Audit Committee self-assessment survey		Rhiann Webb	Completed	Refer Agenda Item to this meeting						
Audit Committee Workplan - Progress report		Rhiann Webb	In Progress	Refer Agenda Item to this meeting						
7. Financial Reporting										
Review Debtor Analysis Report		Joanne Glazbrook	On-going	The Committee resolved at the September 2018 meeting to now receive Debtor Analysis reports twice a year.						
Review Council Comparative Data Report		Joanne Glazbrook	In Progress	Refer Agenda Item to this meeting						
Review 2017/2018 Financial Statements		Erin McGarry	Completed	Refer Agenda Item to this meeting						
Consideration of Quarterly Budget Reviews		Tony Amato	In Progress	Refer Agenda Item to this meeting						
Review annual Treasury Management Review Report		Erin McGarry	Not Started	This is a legislative requirement pursuant to Section 140 of the Act.						