



## **AGENDA**

### **FOR INNOVATION AND BUSINESS DEVELOPMENT SUB COMMITTEE MEETING TO BE HELD ON**

**9 SEPTEMBER 2019 AT CONCLUSION OF SPORT, RECREATION AND GRANTS  
COMMITTEE MEETING**

**IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY**

#### **MEMBERS**

Cr K Grenfell (Chairman)  
Mayor G Aldridge (ex officio)  
Cr L Braun  
Cr C Buchanan (Deputy Chairman)  
Cr A Duncan  
Cr D Hood  
Cr P Jensen  
Cr J Woodman

#### **REQUIRED STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr M Petrovski

#### **APOLOGIES**

#### **LEAVE OF ABSENCE**

#### **PRESENTATION OF MINUTES**

Presentation of the Minutes of the Innovation and Business Development Sub Committee Meeting held on 12 August 2019.

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**REPORTS**

IBDSC1 Presentation LG Performance Benchmarking Update

IBDSC2 Presentation on Verge Review Update

IBDSC3 Future Reports for the Innovation and Business Development  
Sub Committee ..... 7

IBDSC4 Salisbury Water Business Unit - Expression of Interest ..... 9

IBDSC5 Customer Review Dashboard ..... 15

IBDSC6 Local Government Reform Program - Reform Areas 1 and 2 ..... 19

**OTHER BUSINESS**

**CLOSE**



**MINUTES OF INNOVATION AND BUSINESS DEVELOPMENT SUB COMMITTEE  
MEETING HELD IN COMMITTEE ROOMS, 12 JAMES STREET, SALISBURY ON**

**12 AUGUST 2019**

**MEMBERS PRESENT**

Cr K Grenfell (Chairman)  
Mayor G Aldridge (ex officio)  
Cr L Braun  
Cr C Buchanan (Deputy Chairman)  
Cr D Hood  
Cr P Jensen  
Cr J Woodman

**OBSERVERS**

Cr N Henningsen  
Cr D Proleta

**STAFF**

Chief Executive Officer, Mr J Harry  
General Manager Business Excellence, Mr C Mansueto  
Manager Governance, Mr M Petrovski  
Continuous Improvement Specialist, Mr W Gearey  
Governance Support Officer, Ms K Boyd

The meeting commenced at 6.40pm.

The Chairman welcomed the members, staff and the gallery to the meeting.

**APOLOGIES**

There were no Apologies received.

**LEAVE OF ABSENCE**

Leave of absence for this meeting was previously granted to Cr A Duncan.

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## PRESENTATION OF MINUTES

Moved Cr J Woodman

Seconded Cr P Jensen

The Minutes of the Innovation and Business Development Sub Committee Meeting held on 13 May 2019, be taken and read as confirmed.

**CARRIED**

## REPORTS

### **IBDSC1 Future Reports for the Innovation and Business Development Sub Committee**

Moved Cr C Buchanan

Seconded Cr P Jensen

1. The information be received.

**CARRIED**  
UNANIMOUSLY

### **IBDSC2 Performance Excellence Program - local government benchmarking**

Continuous Improvement Specialist, Mr Warren Gearey gave a presentation on the Performance Excellence Program.

Moved Cr C Buchanan

Seconded Cr P Jensen

1. That the information be received.
2. That the data for all seven categories of the data matrix used for local government benchmarking be provided to Council for information.

**CARRIED**  
UNANIMOUSLY

### **IBDSC3 Reforming Local Government in South Australia Discussion Paper - Released by State Government**

Moved Cr C Buchanan

Seconded Cr P Jensen

1. The information contained in this report be received.
2. Council make a formal submission to State Government on the *Reforming Local Government in South Australia Discussion Paper*.
3. Subject to recommendation 2 above, approve the process suggested in this report for Council to consider the proposed reforms and inform the preparation of a formal submission to State Government, to be submitted for Council approval at its meeting in October 2019.

**CARRIED**  
UNANIMOUSLY

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**OTHER BUSINESS**

**IBDSC-OB1 State Government’s Increase to the Solid Waste Levy**

Moved Cr C Buchanan  
Seconded Cr L Braun

1. Council note the negative impact of the State Government’s increase of the Solid Waste Levy for the 2019/20 financial year.
2. Council acknowledge the net financial impact on its operating budget for 2020/21 is likely to be \$1.3 million.
3. A report be prepared, with advice from NAWMA and other constituent Councils, that provides options for Council to consider ways of reducing the impact of the Solid Waste Levy on our operating budget for the 2020/21 financial year.

**CARRIED**  
UNANIMOUSLY

**IBDSC-OB2 Customer Review Dashboard**

Moved Cr C Buchanan  
Seconded Cr P Jensen

1. That, in order to regularly monitor customer service performance, an update report on the “Customer Review Dashboard” be a standing item on the agenda for the Innovation and Business Development Sub Committee, and be provided at each meeting.

**CARRIED**  
UNANIMOUSLY

The meeting closed at 7.38pm.

CHAIRMAN.....

DATE.....



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<b>ITEM</b>	IBDSC3  <b>INNOVATION AND BUSINESS DEVELOPMENT SUB COMMITTEE</b>
<b>DATE</b>	09 September 2019
<b>HEADING</b>	Future Reports for the Innovation and Business Development Sub Committee
<b>AUTHOR</b>	Michelle Woods, Projects Officer Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	This item details reports to be presented to the Innovation and Business Development Sub Committee as a result of a previous Council resolution.

#### **RECOMMENDATION**

1. The information be received.

#### **ATTACHMENTS**

There are no attachments to this report.

#### **1. BACKGROUND**

- 1.1 A list of resolutions requiring a future report to Council is presented to each sub committee and standing committee for noting.
- 1.2 If reports have been deferred to a subsequent month, this will be indicated, along with a reason for the deferral.

#### **2. CONSULTATION / COMMUNICATION**

- 2.1 Internal
  - 2.1.1 Report authors and General Managers.
- 2.2 External
  - 2.2.1 Nil.

**3. REPORT**

- 3.1 The following table outlines reports to be presented to the Innovation and Business Development Sub Committee as a result of a previous Council resolution:

<b>Meeting Item</b>	<b>- Heading and Resolution</b>	<b>Officer</b>
27/05/2019 IBDSC2	<b>Customer Service Framework and Charter Update</b> 2. That staff bring back to Council a revised Community Charter and Community Service Framework for consideration that will incorporate the feedback from Elected Members and enhancements to Council's customer service approach.	Hannah Walters
<b>Due:</b>	October 2019	

**4. CONCLUSION / PROPOSAL**

- 4.1 Future reports for the Innovation and Business Development Sub Committee have been reviewed and are presented to Council for noting.

**CO-ORDINATION**

Officer: Executive Group GMBE  
Date: 26/08/19



<b>ITEM</b>	IBDSC4
	<b>INNOVATION AND BUSINESS DEVELOPMENT SUB COMMITTEE</b>
<b>DATE</b>	09 September 2019
<b>HEADING</b>	Salisbury Water Business Unit - Expression of Interest
<b>AUTHOR</b>	Bruce Naumann, Manager Salisbury Water, Business Excellence
<b>CITY PLAN LINKS</b>	2.1 Capture economic opportunities arising from sustainable management of natural environmental resources, changing climate, emerging policy direction and consumer demands. 4.2 Develop strong capability and commitment to continually improve Council's performance. 4.4 Embed long term thinking, planning and innovation across the organisation.
<b>SUMMARY</b>	<p>The City of Salisbury is a licenced water retailer under the State Water Industry Act (2012), effectively giving Council powers and responsibilities identical to SAWater. In order for Council to fully meet these additional obligations, the Salisbury Water Business Unit (SWBU) was formed as a separate Division in the Business Excellence Department.</p> <p>A Management Advisory Board was created to provide governance for the business, bringing together internal and external expertise in commercial, legal and technical aspects of the water business. This Board acts in an advisory capacity to the Chief Executive Officer, who is accountable to Council for the successful operation of the water business.</p> <p>This paper summarises recent strategic reviews and an Expression of Interest (EOI) process that has been undertaken by the Advisory Board with the primary objective to further 'Grow the Business'.</p>

**RECOMMENDATION**

1. Information be received.
2. Further update be provided following the finalization of the Dry Creek proposal.

**ATTACHMENTS**

There are no attachments to this report.

**1. BACKGROUND**

- 1.1 A strategic review of Salisbury's Water Business Unit (SWBU) was commissioned by the Advisory Board in 2016.

- 1.2 The review was aimed at identifying how the SWBU could meet Council's strategic and high level objectives, including to:
  - improve the financial performance of the business by actively pursuing opportunities for growth;
  - continue to provide for community and environmental outcomes through existing and new assets;
  - contribute to economic development and job creation in northern Adelaide; and
  - maintain the strong reputation of the City of Salisbury through high levels of service and risk management.
- 1.3 The review process and related Advisory Board discussions over the last 2 years have considered a range of options to increase value in the business, including:
  - optimising existing operations,
  - extending and growing the business, or
  - transforming the business.
- 1.4 The Advisory Board formed the view that transformational growth for the water business required the import of new skills and capability as well as the potential for further capital investment and the assumption of new risk. The Advisory Board believed that this transformational growth would be best achieved through commercial and strategic collaborations or partnership with the private sector.
- 1.5 Subsequently an Expression of Interest (EOI) process was endorsed by Council and has now been undertaken.

## **2. CITY PLAN CRITICAL ACTION**

- 2.1 Maximise the value of our water business in supporting community wellbeing and economic growth (including agriculture and industry).

## **3. CONSULTATION / COMMUNICATION**

### 3.1 Internal

- 3.1.1 Salisbury Water Management Advisory Board

### 3.2 External

- 3.2.1 Water Industry Specialists

## **4. REPORT**

### **4.1 Expression of Interest (EOI) process**

- 4.1.1 The EOI intent was to evaluate the best way to gain access to a broader and deeper set of expertise, experience and capacity to expand the scope and scale of what Salisbury Water currently does and to further leverage the value of the infrastructure and business to deliver transformational economic, environmental and social benefits to the community; and

- 4.1.2 To structure the water business to move to the ‘next level’ in terms of scope and scale of operations, while still continuing to deliver on the current substantial business scope, but aiming to reduce the requisite risk associated with that expansion.
- 4.1.3 An informal market approach was undertaken. This was planned as a two phase market engagement:
- Phase 1 - a dynamic market engagement process characterized by an open approach from the Council to consider all potential collaboration models with relevant organisations to explore their thinking around potential growth opportunities and collaboration models.
  - Phase 2 - was to be determined based on the learnings from the Phase 1 exercise and likely to be a more formal market approach through a competitive process.
- 4.1.4 Phase 1 involved the engagement of a leading water industry strategic consultant, Aither. The Aither staff had broad knowledge of the water and capital industry and potential models that would align with Council’s strategic intent.

## 4.2 EOI Outcomes

- 4.2.1 The outcome from the Phase 1 process did not identify a suitable partnership model that aligned to the strategic intent of Council to provide a commercial return from the water business, but also continue to deliver on social and environmental outcomes.
- 4.2.2 The Advisory Board considered the outcome of Phase 1 and has noted that Salisbury Water should continue to focus on its existing business model, resolve the PFAS contamination issue and continue to pursue growth organically.
- 4.2.3 The Advisory Board also noted that a critical competitive advantage of Salisbury Water is the capacity to harvest stormwater in significant volumes on a sustainable basis. The highly urbanized Dry Creek catchment is critical to building on this competitive advantage. It is important to develop and present a Dry Creek catchment business case to Council for the purpose of realizing future market opportunities.

## 4.3 Ongoing ‘Organic’ market expansion opportunities

- 4.3.1 While the envisaged ‘transformational growth’ of the business is proposed to be put on hold, growth opportunities will still be pursued.

## 4.4 Dry Creek Catchment

- 4.4.1 Harvest yield modelling has been refined by consultants WGA. Additional weir designs for Dry Creek and cost estimates are currently being finalized. This will enable new budget initiative bids to be submitted for the construction of 2 additional weirs and raise the crest of the existing weir on Dry Creek in order to optimize performance of the existing Unity Park MAR scheme.

- 4.4.2 Consultants WGA have been commissioned to prepare specifications for a Storm Water Management Plan (SMP) which is seen as a key part of stakeholder engagement and drainage planning for the Dry Creek catchment. The City Infrastructure department will be project managing the SMP and associated Asset Management Plan revisions. This work is an important prerequisite for the design of a proposed new ‘bottom of catchment’ harvest scheme at Globe Derby Park.
- 4.4.3 The optimization of existing schemes and the potential new project on Dry Creek are critical if the PFAS issue cannot be resolved, but they also will underpin the supply capacity for any significant expansion of Council’s recycled water business.
- 4.4.4 **Opportunities:**
- Open space irrigation – expansion to support other local Govt. and State initiatives such as the Greening Adelaide initiative
  - Increased irrigation service levels to internal and existing customers such as schools
  - Industry currently limited to cooling and cleaning. Delivering a higher quality product may open opportunities in the ‘food and beverage’ sector ie the biggest water users.
  - Urban and peri-urban farming including greenhouses. Limited opportunities to date due to competition from subsidized wastewater and ‘free’ groundwater.
  - Impending development West of Port Wakefield Road associated with the Dry Creek catchment
- 4.4.5 **Key Issue to be resolved:**
- Management of the PFAS issue currently overrides many of these issues and opportunities. Our approach needs to be resolved as a priority. Successful PFAS treatment will also open significant opportunities in advanced water treatment for supply to new industry customers.

## 5. CONCLUSION / PROPOSAL

### 5.1 Where to from here?

- 5.1.1 Continuation of Phase 2 of the EOI process is not recommended until PFAS contamination issues have been resolved. An approach to remediate the two currently ‘quarantined’ schemes at Kaurna Park and Edinburgh Parks is required, or alternative supply capacity developed via optimized or new schemes (Dry Creek Project), prior to renewing our efforts for large scale business expansion.
- 5.1.2 Continue to pursue the current approach to organic growth of the business
- 5.1.3 Continue to support Defence with their on-base PFAS remediation work, to minimize any further off-base impacts on Council’s wetlands.

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- 5.1.4 Prepare a business case for presentation to Council for optimization of existing MAR schemes and a new large scale project at Globe Derby Park.
- 5.1.5 The success of a PFAS management solution and/or the Dry Creek project should underpin a renewed expansion drive for Council's water business.

### CO-ORDINATION

Officer: Executive Group  
Date: 02/09/2019



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<b>ITEM</b>	IBDSC5  <b>INNOVATION AND BUSINESS DEVELOPMENT SUB COMMITTEE</b>
<b>DATE</b>	09 September 2019
<b>HEADING</b>	Customer Review Dashboard
<b>AUTHORS</b>	Charles Mansueto, General Manager Business Excellence, Business Excellence Hannah Walters, Team Leader Customer Relations, Business Excellence
<b>CITY PLAN LINKS</b>	4.3 Have robust processes that support consistent service delivery and informed decision making.
<b>SUMMARY</b>	As per Council resolution a monthly report on the Customer Response Dashboard is provided for information.

#### **RECOMMENDATION**

1. The information be received.

#### **ATTACHMENTS**

This document should be read in conjunction with the following attachments:

1. 10 day service standard report

#### **1. BACKGROUND**

At the council meeting held on 26/08/2019 item IBDSC-OB2 was considered and the following resolved:

*'That, in order to regularly monitor customer service performance, an update report on the "customer review dashboard" be a standing item on the agenda for the innovation and business development sub committee, and be provided at each meeting.'*

*Resolution No 0250/2019*

#### **2. CONSULTATION / COMMUNICATION**

##### **2.1 Internal**

##### **2.1.1 General Manager Business Excellence**

##### **2.2 External**

##### **2.2.1 Nil**

#### **3. REPORT**

- 3.1 The Customer Review Dashboard update document for July is attached for reference.

**4. CONCLUSION / PROPOSAL**

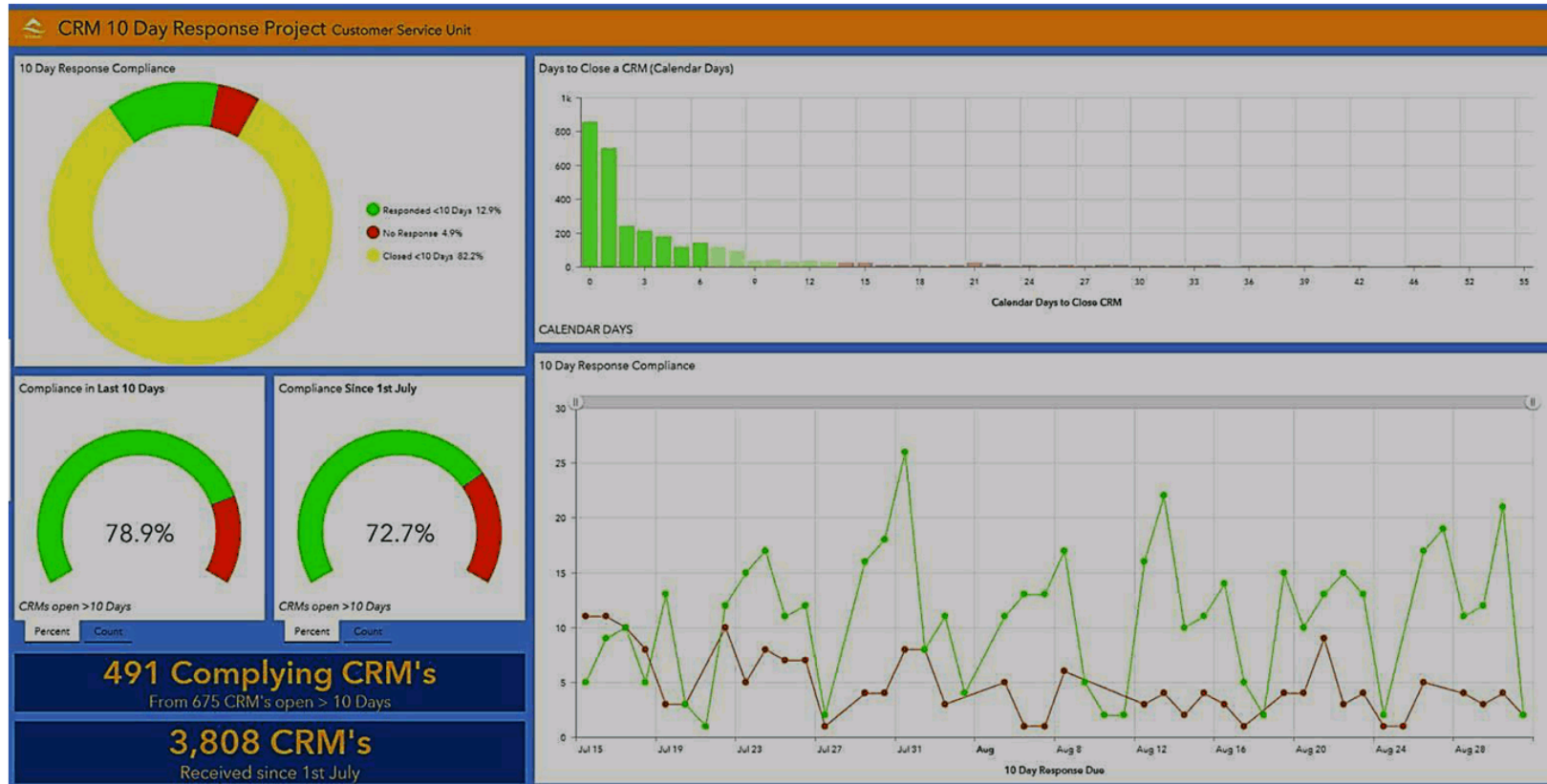
4.1 The monthly report on the Customer Response Dashboard be received.

**CO-ORDINATION**

Officer: Executive Group  
Date: 02/09/2019



# 10 Day CRM Service Standard





<b>ITEM</b>	IBDSC6
	<b>INNOVATION AND BUSINESS DEVELOPMENT SUB COMMITTEE</b>
<b>DATE</b>	09 September 2019
<b>HEADING</b>	Local Government Reform Program - Reform Areas 1 and 2
<b>AUTHOR</b>	Mick Petrovski, Manager Governance - CEO/Governance, CEO and Governance
<b>CITY PLAN LINKS</b>	4.2 Develop strong capability and commitment to continually improve Council's performance. 4.3 Have robust processes that support consistent service delivery and informed decision making. 4.4 Embed long term thinking, planning and innovation across the organisation.
<b>SUMMARY</b>	The State Government released the <i>Reforming Local Government in South Australia Discussion Paper</i> on Monday, 5 August 2019. The paper proposes significant changes to councils' duties, functions and powers. Council, at its August 2019 meeting decided that it would make a submission to State Government with its views on the proposed reforms. This report informs on the comment and feedback received from Elected Members (EMs) at Informal Strategy on Monday, 2 August 2019 in relation to Reform Areas 1 and 2 of the Discussion Paper.

## RECOMMENDATION

That the proposed position and associated comments of the City of Salisbury on each of the reform proposals contained in Reform Areas 1 and 2 in the table attached to Item No. IBDSC6 on the agenda for the meeting of the Innovation and Business Development Sub Committee on Monday, 9 September 2019, be adopted for inclusion in the submission to the State Government on the *Reforming Local Government in South Australia Discussion Paper*.

## ATTACHMENTS

This document should be read in conjunction with the following attachments:

1. Local Government Reform Program - table for Reform Areas 1 and 2

### 1. BACKGROUND

- 1.1 The State Government released the *Reforming Local Government in South Australia Discussion Paper* (the Paper) on Monday, 5 August 2019.
- 1.2 The Paper proposes significant changes to councils' duties, functions and powers.
- 1.3 The State Government is now seeking public submissions on the reform proposals contained in the Paper.

- 1.4 The proposals for reform in the Paper were apparently developed for improving to the system of Local Government in South Australia, based on ideas that were received by State Government, following its *Reforming Local Government Survey* conducted over four weeks during March and April 2019, and discussions with councils and other bodies.
- 1.5 It should be noted that this latest development comes partly as a result of the State Government's inability to pass legislation through the Parliament to introduce rate capping on the Local Government sector during 2018, stating at the time that other reform measures would be considered in future.

## **2. CONSULTATION / COMMUNICATION**

### **2.1 Internal**

- 2.1.1 Input provided by General Manager, Business Excellence

### **2.2 External**

- 2.2.1 Attendance at a presentation by representatives of the Office of Local Government, giving background to the reforms.
- 2.2.2 Attendance at a workshop with the Governance Officers Network at the LGA to discuss implications of the reforms.

## **3. REPORT**

- 3.1 When this matter was first considered by the Innovation and Business Development Sub Committee at its previous meeting, it was agreed that it would be the subject of reports to the September and October meetings of the Sub Committee, as well as being discussed at the Informal Strategy sessions in September and October.
- 3.2 The four Reform Areas were divided so that Reform Areas 1 and 2 would be the subject of discussion during the September Informal Strategy session and subsequent Sub Committee meeting. Reform Areas 3 and 4 would be the subject of discussion during the October Informal Strategy session and subsequent Sub Committee meeting.
- 3.3 Therefore, at Informal Strategy on Monday, 2 September 2019, EMs discussed each of the proposals for reform in Reform Areas 1 and 2 and made comments that will inform the development of the City of Salisbury's submission to the State Government.
- 3.4 The indication of support or opposition for a reform, and associated comment, has been summarized in attachment 1 to this report. The attachment remains in draft form so as to enable further discussion by EMs at this meeting or the subsequent September meetings of the Budget and Finance Committee and Council.
- 3.5 It is worth reminding EMs that while most of the discussion has been focused on each of the reforms individually, it is important to consider how they relate with one another, and even more importantly how they potentially impact the ability of Council to be responsive to the needs of the Salisbury Community.
- 3.6 There are a number of references in the attached table to "insufficient evidence" to indicate that particular existing functions are not working or that there are systemic deficiencies that need to be resolved.

- 3.7 It should be noted that many of the reforms propose approaches that the City of Salisbury and other Councils already pursue within the current legislative framework, and do so with high standards of accountability and transparency, complying with current governance, financial management and audit frameworks.
- 3.8 An extract (*section 8, parts g-k*) from the *Local Government Act 1999* notes the following principles to be observed by a council:
- (g) manage its operations and affairs in a manner that emphasises the importance of service to the community;*
  - (h) seek to ensure that council resources are used fairly, effectively and efficiently;*
  - (i) seek to provide services, facilities and programs that are adequate and appropriate and seek to ensure equitable access to its services, facilities and programs;*
  - (j) achieve and maintain standards of good public administration;*
  - (k) ensure the sustainability of the council's long-term financial performance and position.*
- 3.9 Proper consideration of these principles requires broader thinking as well as innovative approaches that add greater value when delivering council services to a standard that at least meets community expectation.
- 3.10 This being the case, it is worth considering whether on balance more legislative prescription will deliver higher standards of service delivery, or conversely narrow the ability of Councils to maintain a contemporary approach in their strategic planning, identifying opportunities for better and cost effective service delivery, decision making, and managing implementation.
- 3.11 Overall, through sound long-term financial management and strategic planning, the City of Salisbury has created a capacity to:
- continue to deliver a wide ranging mix of services to our community,
  - keep rate levels stable and increases reasonable and relatively predictable,
  - ensure we can fund our asset renewal program, and
  - meet emerging community needs.
- 3.12 As the administration receives further input and comment on the proposed reforms, we will frame the responses to specific reforms in this broader context.

#### **4. CONCLUSION / PROPOSAL**

- 4.1 At the Informal Strategy session on Monday, 2 September 2019, EMs discussed the proposals in Reform Areas 1 and 2 and provided input that will inform the development of the City of Salisbury's submission to the State Government.
- 4.2 The comments received have been summarized in attachment 1 to this report. The attachment remains in draft form so as to enable further discussion by EMs at this meeting and/or the subsequent September meetings of the Budget and Finance Committee and Council.

**CO-ORDINATION**

Officer:

Date:

Proposed Legislative Provision Reform Area 1	Council Position	Council Comment
1.1 Clearly separate behavioural matters from integrity matters in the legislation	SUPPORT	Having clarity and having consistent understanding across the sector is critical and would be welcome.
1.2 Include standards of behaviour in the legislation, allowing councils to adopt more detailed 'examples of behaviour'	SUPPORT	Important to avoid overly prescriptive legislative provisions. Emphasis should be on Councils themselves to go through the process of adopting positive corporate values for their organisations, defining constructive behaviours and (by inference) isolating negative behaviours.
1.3 Continue to give councils flexibility to deal with behavioural matters	SUPPORT	This is part of the leadership role of Councils (see comment to Reform 1.2).
1.5 Enable escalation of serious behavioural matters to an independent body that can suspend members (including suspension of the allowance)	SUPPORT	See response to Reform 1.9 Model 3, below.  Independent adjudication is critical.
1.9 Model 1 – The clarification of current legislation  <i>The first model is simply a clarification of the current framework but with recognition that bullying and harassment matters must be referred independently of the council. The Ombudsman is the proposed recipient of such referrals. A new feature of this model is to mandate that councils report on conduct matters in the annual report.</i>	SUPPORT	Seen as an extension of the current framework.
1.9 Model 2 – Using governance committees  <i>The second model is a mandated council-specific governance committee which, amongst other things, would have a role in relation to council member conduct. It would be an independent body that, in addition to conduct matters, would advise the council on a range of governance issues. It would</i>	OPPOSE	CoS already has a Resource and Governance Committee that advises Council on a range of governance and policy issues. The Committee's role in relation to council member conduct should be at a higher (principles) level such as defining values and behaviours but should <u>not</u> deal with

<p><i>have similar structural features to that of a mandated, but enhanced, audit committee</i></p>		<p>specific conduct matters.</p>
<p><b>1.9 Model 3 – Establishing a Local Government Conduct Commissioner</b></p> <p><i>The third model is an additional independent integrity body, with responsibility to oversee all aspects of council member conduct.</i></p> <p><i>The Paper states that “it is expected that this model would be funded by the local government sector, including cost recovery fees for specific services”.</i></p>	<p><b>SUPPORT</b></p>	<p>The emphasis is/should be on independent. A minimalist and low cost mechanism might be to legislatively create a “Commissioner” and vest the authority in the Ombudsman, who already has the investigative powers, but as a Commissioner would be responsible for issuing sanctions.</p> <p>This is a cost effective approach that can enable a “user pay” system where the cost for determination of matters of “member conduct” referred to the Commissioner is at the expense of the Council concerned.</p> <p>This places an emphasis on Councils to work to establish and maintain constructive working environments.</p> <p>Such costs can/ought to be reported in the Annual Report of Councils.</p> <p>In relation to sanctions, there should be definition and clear escalation mechanisms to deal with levels of seriousness of bad behaviour.</p>
<p><b>1.6 Simplify the conflict of interest provisions by establishing ‘material’ and ‘non-material’ conflicts.</b></p> <p><i>It is proposed that the current ‘actual’ and ‘perceived’ conflicts of interest would be removed and replaced with a single, ‘non-material’ category.</i></p>	<p><b>SUPPORT</b></p>	<p>Having clarity and having consistent understanding across the sector is critical and would be welcome.</p>
<p><b>1.7 Simplify the process by which council members can be exempt from conflict of interest provisions, or seek approval to participate in a matter.</b></p> <p><i>It is proposed that this will also include a review of ‘ordinary business</i></p>	<p><b>SUPPORT</b></p>	<p>Having clarity and having consistent understanding across the sector is critical and would be welcome.</p>



<p><i>matters' (as currently identified in regulation 8AAA of the Local Government (General) Regulations 2013).</i></p>		
<p><b>1.8</b> Clarify the application of conflict of interest rules to council committees and subsidiaries.</p> <p><i>It is intended that the current complex regulations dealing with this matter will be removed.</i></p>	<p><b>SUPPORT</b></p>	<p>Having clarity and having consistent understanding across the sector is critical and would be welcome.</p>
<p><b>1.10</b> Clarify the role of council members to recognise their responsibility to ensure good working relationships within the council and to support the conduct management framework</p>	<p><b>SUPPORT</b></p>	
<p><b>1.11</b> Clarify the role of council members to recognise their obligation to complete mandatory training</p> <p><i>This is connected to the proposed reform to implement a mandatory training regime through regulation.</i></p>	<p><b>SUPPORT</b></p>	
<p><b>1.12</b> Clearly state the role of the principal member as a leader of the council, particularly in ensuring good working relationships within the council.</p>	<p><b>SUPPORT</b></p>	
<p><b>1.13</b> Provide directly elected Mayors with a deliberative vote on motions before council</p> <p><i>The Paper states that the feedback the Government has received from Mayors is that limiting their voting power to a casting vote does not reflect community expectations of their leadership role within a council. It is subsequently proposed to give directly elected Mayors a deliberative vote in council meetings while retaining their ability to cast a deciding vote.</i></p>	<p><b>OPPOSE</b></p>	<p>Giving directly elected Mayors a deliberative vote in Council meetings while also retaining their ability to cast a deciding vote will create an undemocratic tension in instances where there is an equality of votes (remembering it includes Mayor's deliberative vote); it is effectively giving the Mayor two votes on a matter.</p> <p>If the Mayor casts their vote (having already made a deliberative vote) in favour of a proposition, effectively the decision has been made by one person – the person in the chair. However, the reality is that there are as many people</p>

		<p>in favour of the proposition as there are against, therefore the proposition should fail and perhaps be revisited.</p> <p>Preserving the status quo where an equality of votes is resolved by the casting vote of the Mayor (not having a deliberative vote) is preferred.</p>
<p><b>1.4</b> Provide principal members with enhanced powers to deal with disruptive behaviour at meetings</p> <p><i>The Paper recognises that under the Local Government (Procedures at Meetings) Regulations 2013, a council member can only be excluded (suspended) for part of or the remainder of a meeting by a council resolution. This is unworkable where there are factions within a council or where there are disagreements creating high tensions that result in inappropriate and impeding behaviour.</i></p>	<p>Neither SUPPORT nor OPPOSE</p>	<p>While dealing with disruptive behaviour at meetings is part of the leadership role of the principal member, without clarity about the “powers” being suggested and how and when they can be used, it is difficult to indicate either support or opposition.</p> <p>Perhaps the emphasis should be placed on “the will of the meeting” and the role of the principal is to manage “low-level” disruptive behaviour by issuing warnings. However, where a threshold is reached (post warnings) the principal member should have the power to suspend further deliberations of the meeting so as to put a proposition (to be prescribed in regulation) to the meeting regarding the behaviour/s of a councillor, and that proposition <u>must</u> be dealt with by a vote before a meeting can continue.</p> <p>In this way, the principal member can act as moderator but it is the will of the meeting that determines what action should be taken to deal with unwanted behaviours.</p>
<p><b>1.14</b> Establish a mandatory training scheme within the regulations</p>	<p>SUPPORT</p>	
<p><b>1.15</b> Establish a timeframe for the completion of mandatory training and a penalty for non-compliance</p>	<p>SUPPORT</p>	

<p><b>1.16</b> Require councils to receive independent advice on CEO selection and remuneration</p>	<p><b>SUPPORT</b></p>	<p>Risk – how would an independent person acting as a decision maker be responsible for the appointment? Is there a liability?</p> <p>The purpose of an advisor should be process related, to enable Councils to do due diligence before appointing new CEO and to ensure transparency.</p>
<p><b>1.17</b> Give responsibility for determining CEO remuneration to the Remuneration Tribunal of South Australia.</p>	<p><b>SUPPORT</b></p>	<p>The decision of the Remuneration Tribunal should be to provide a band within which a Council can negotiate and set the salary of a CEO.</p>
<p><b>1.18</b> Require councils to conduct annual performance reviews of CEOs, with independent oversight</p> <p><i>This is already undertaken by many councils, but is proposed to be mandated.</i></p> <p><i>The independent oversight may come from an independent panel or performance committee.</i></p>	<p><b>SUPPORT</b></p>	<p>CoS already does this with independent advice and facilitation.</p> <p>Brings integrity, prudential management and transparency.</p> <p>Definition required about definition of “independent oversight”.</p> <p>The purpose of an advisor should be process related, to assist Councils to gather and consider all relevant information and to ensure transparency.</p>
<p><b>1.19</b> Require annual performance reviews to be completed before the extension of a CEO contract.</p>	<p><b>SUPPORT</b></p>	<p>Brings integrity, prudential management and transparency.</p>
<p><b>1.20</b> Require councils to receive independent advice before terminating a CEO contract.</p>	<p><b>SUPPORT</b></p>	<p>Brings integrity, prudential management and transparency.</p>

Proposed Legislative Provision Reform Area 2	Council Position	Council Comment
<p><b>2.1</b> Require audit committees to have a majority of independent members, and an independent chair</p> <p><i>A council is currently only required to have one (1) independent member on its audit committee, which member must have financial experience</i></p>	SUPPORT	
<p><b>2.2</b> Strengthen the role of audit committees in councils' external audits, through a greater role in the appointment of the auditor and determining the scope of the audit, as the chief liaison point with the auditor</p> <p><i>Note that this is in conflict with the proposed reform to provide the Auditor-General with the power to appoint the external auditor.</i></p>	SUPPORT	<p>Our process currently entails a tender process for the external audit function and reporting to the Audit Committee.</p> <p>Support is qualified by opposing the Audit Committee being the "chief liaison point" with the auditor. This part of the proposal is unwieldy. No evidence has been provided to suggest that the current process does not work well.</p>
<p><b>2.4</b> Require all audit committee members to have specified skills and to undergo an induction process</p> <p><i>Only one (1) member of a council audit committee is currently required to have 'specified skills', being the independent member, who must have financial experience</i></p>	SUPPORT	
<p><b>2.5</b> Allow councils to form regional audit committees</p>	Qualified SUPPORT	This should be for rural and regional Councils.
<p><b>2.3</b> Require audit committees to report on the council's approach to internal audit processes</p> <p><i>Under the existing model, councils are not required to undertake internal audits and, as a consequence, the Paper states that many councils do not assess and report on their internal controls (as implemented under section 125 of the Local Government Act) to aid in mitigating day to day risks.</i></p>	SUPPORT	The CoS has an internal audit program . The program is developed with the Audit Committee and the resultant audit reports (whether undertaken by the internal auditor or an external provider) are provided to the Audit Committee.

<p><b>2.6</b> Expand the role of the Auditor-General to appoint and oversee councils' external auditor.</p> <p><i>Note that this is contrary to the proposed reform to 'strengthen' audit committees by providing them with the greater powers in the appointment of the external auditor.</i></p>	<p>OPPOSE</p>	<p>There is likely to be an increased cost to Councils for an additional layer of administration.</p> <p>No evidence has been provided to suggest the current external audit regime is not functioning properly.</p> <p>The emphasis should be on appropriately focussed terms of reference for external audits and ensuring the reporting requirements (to Minister/Auditor-General) for external auditors are clear.</p> <p>There could be an appropriate role for the Auditor-General to frame the terms of reference for external audits.</p>
<p><b>2.7</b> Create 'audit and risk' committees that play an expanded role in councils' financial management and performance:</p> <ul style="list-style-type: none"> <li>• Reviewing councils' risk assessments and controls.</li> <li>• Providing comment on councils' rating policies and practices.</li> <li>• Reporting to council on its use of public resources.</li> <li>• Reporting to councils on prudential matters.</li> <li>• Performance monitoring of councils.</li> </ul> <p><i>Note that this appears to be an expansion of the existing roles of the audit committee, rather than the creation of a wholly separate committee.</i></p> <p><i>It is unclear why these reforms were not considered concurrently with the proposals to 'strengthen' the audit committee.</i></p>	<p>SUPPORT</p> <p>OPPOSE</p> <p>OPPOSE</p> <p>OPPOSE</p> <p>OPPOSE</p>	<p>Comments regarding dot points:</p> <ul style="list-style-type: none"> <li>• Reflects is current practice at CoS.</li> <li>• Not appropriate - rating policies and practices are based on community need and Council policies that respond to and reflect that need.</li> <li>• Existing decision making framework of Committees already does this (B&amp;F Committee) – Annual Report also does this for Community.</li> <li>• There are prudential management reporting requirements in the current legislation and undertaken by the administration.</li> <li>• This is a function of Councils themselves. The CEO Review Committee process – setting of KPIs.</li> </ul>

<p><b>2.8</b> Require the chair of the ‘audit and risk committee’ to provide a report in the council’s annual report on governance standards and compliance</p> <p><i>This is a proposed additional accountability and transparency measure, requiring the chair of the committee to publicly identify areas that require improvement.</i></p>	<p><b>OPPOSE</b></p>	<p>Council’s annual report effectively does this already.</p> <p>The basis on which this could be done by the Chair of an Audit Committee or the Audit Committee itself is questioned, unless the intent is to expand the role of the Audit Committee and in particular its Chair, to draw sufficient information and advice from the administration in order to be able to formulate and provide such a report for the Annual Report of a Council.</p> <p>If this is the case then the reform is in conflict with other proposed reforms like Reform 2.12 below.</p>
<p><b>2.9</b> Require councils to develop and adopt a funding policy to be reviewed by the audit and risk committee</p> <p><i>The funding policy would outline how the council proposed to pay for each of its services over a period of time, accounting for rates, grants, fees, charges and commercial activities. The rationale behind this is to enable the community to ascertain how the council is spending public funds from a “single point of reference”, despite most (if not all) of this information being included in councils’ annual business plans and budgets.</i></p>	<p><b>Neither</b></p> <p><b>SUPPORT</b></p> <p><b>Nor</b></p> <p><b>OPPOSE</b></p>	<p>It is unclear what the intent of this reform is.</p> <p>This is a function of the administration and Council’s committees, such as Budget and Finance, and Planning and Strategy.</p> <p>The information for this forms part of Council’s draft annual business plans and budgets that have to be prepared as part of our budget deliberation and consultation processes.</p> <p>Council’s policies are regularly reviewed by the Resource and Governance Committee.</p>
<p><b>2.10</b> Require councils to release a summary of the draft annual business plan that states the proposed increase in total general rate revenue, and the reasons for this increase</p>	<p><b>SUPPORT</b></p>	<p>This reflects current CoS practice.</p>

<p><b>2.11</b> If a council’s proposed increase in total general rate revenue is above a prescribed level (such as the Local Government Price Index), to require that its audit and risk committee provide a report to the council on the reasons for this increase.</p>	<p>OPPOSE</p>	<p>This is a function of the administration and happens as a consequence of our budget deliberation and consultation process.</p>
<p><b>2.12</b> Create ‘governance committees’ to provide independent advice to councils on critical management, policies, processes and actions., potentially:</p> <ul style="list-style-type: none"> <li>• Councils’ compliance and governance policies.</li> <li>• Councils’ policies to improving ethical standards across councils and reduce fraud and corruption risks.</li> <li>• Councils’ strategic management plans, and on progress to deliver priorities, particularly on the management of significant council projects.</li> <li>• Council member conduct—both on policies and processes to improve it, and on specific conduct matters (as described in Reform Area 1).</li> <li>• CEO appointment and management (as described in Reform Area 1).</li> </ul> <p><i>As with audit committees, it is proposed that councils could establish regional governance committees to assist regional councils to appoint members with the necessary expertise and experience.</i></p> <p><i>The Paper does not clearly propose a mandatory requirement for councils to have separate governance committees. It is recognised that the additional ‘governance role’ could be included in the expanded role of the ‘audit and risk committee’.</i></p>	<p>OPPOSE</p>	<p>The various elements that make up this proposed reform are either carried out by our current Resource and Governance Committee or by other CoS Committees, including our Audit Committee.</p> <p>In particular, the fourth dot point proposes to give responsibility to a Committee on “specific conduct matters”, whereas at the CoS such matters are put directly to Council for deliberation.</p> <p>With regard to the final dot point, CoS has a CEO Review Committee.</p>