



MEMBERSHIP

Mr G Strawbridge (Chair)
Ms P Christie
Mr L Kozlovic
Cr P Klobucar
Cr P Borda (proxy)

NOTICE OF AUDIT AND RISK COMMITTEE MEETING

TO THE CHAIR & MEMBERS OF THE AUDIT AND RISK COMMITTEE

NOTICE is hereby given pursuant to Section 87(4) of the Local Government Act 1999 that the Audit and Risk Committee Meeting will be held in the Council Chamber, Darling Terrace, Whyalla on Monday 17 July 2023 at 11.00am.

The Audit and Risk Committee Meeting is open to the public to attend in person or electronically via Microsoft Teams, [Click here to join the meeting.](#)

When attending the meeting via Microsoft Teams, participants are agreeing to Microsoft's *Terms and Conditions* – follow this link [Microsoft Privacy Statement – Microsoft privacy](#) to view Microsoft's *Privacy Statement*.

A copy of the Agenda for the above meeting is supplied as required.

JUSTIN COMMONS
CHIEF EXECUTIVE OFFICER
Dated: 12 July 2023

AGENDA

AUDIT AND RISK COMMITTEE MEETING

To be held at Whyalla City Council Civic Building, Darling Terrace, Whyalla
on Monday 17 July 2023 at **11.00am**

Members: Grant Strawbridge (Chair), Patricia Christie, Laurie Kozlovic, Cr Peter Klobucar
In Attendance: Justin Commons (CEO), Kathy Jarrett (Director Corporate Services), Jade Ballantine (Director City Growth), Kristen Clark (Director City Infrastructure), Grant Jennings (Manager Finance), Irene Adair (Manager Governance), Sandra Vigar (Finance Co-Ordinator), Lisette Symons (Executive Co-Ordinator – Corporate).

Apologies:

WELCOME TO COUNTRY

“We acknowledge the Barngarla people, the traditional owners of the land on which we meet today and pay our respects to the Elders past and present and extend that respect to other Aboriginal and Torres Strait Islander people who are present today.”

1. STANDING ITEMS	Action	Page
1.1 Welcome and Apologies		
1.2 Declaration of Members Conflict of Interests		
1.3 Committee Members/ Staff/Auditors Discussion (if required)		
1.4 Minutes from Previous Meetings – 8 May 2023	Adopt	3
1.5 Business Arising from Previous Meetings (including progress against external/internal review recommendations)	Note	15
2. ITEMS FOR DECISION		
2.1 Loan Facility	Recommend	24
2.2 Entertainment & Hospitality Policy	Recommend	27
2.3 Prudential Management Policy Review	Recommend	35
2.4 Asset Accounting Policy Review	Recommend	44
3. ITEMS FOR NOTING		
3.1 Review Strategic Management Framework and WTF Project	Note	55
3.2 Insurance Claims 2022-2023	Note	77
3.3 Management of Excess Leave	Note	86
3.4 Quarterly Procurement Report	Note	90
3.5 Disposal of Land and Other Assets Policy	Note	95
3.6 Code of Practice for Access to Meetings and Documents	Note	111
3.7 Lobbying and Influence Discussion Paper	Note	122
4. CONFIDENTIAL ITEMS		
4.1 Review Final Reports from Systems Modernisation Review	Recommend	135
4.2 Cyber Security Review Report	Note	230
4.3 Service Review and Internal Audit Services – Appointment of Provider	Recommend	399
4.4 Standing Item – Reports on any matters arising about good public administration	Note	405
5. MOTIONS WITH NOTICE		
Nil		
6. MOTIONS WITHOUT NOTICE		
7. NEXT MEETING		
Monday 3 October 2023: 11am – 2.00pm	Note	
8. CLOSE		
	Note	

1. STANDING ITEMS

1.4 Minutes of Audit and Risk Committee Meeting – 8 May 2023

Audit and Risk Committee 17 July 2023

Meeting:

Author's Title: Executive Coordinator, Corporate

File No.: 0-159

Director: Corporate

Annexures

A – Minutes of the Audit and Risk Committee Meeting held 8 May 2023

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason –Nil

PURPOSE

The purpose of this item is to seek the Audit and Risk Committee's confirmation of minutes from previous meetings of the Committee.

BACKGROUND / DISCUSSION

The last meeting of Council's Audit and Risk Committee was held on 8 May 2023. The confidential version of the minutes were distributed to Committee Members on 11 May 2023, which now require confirmation. Note that attached to this report are the public version of those minutes.

Should the Committee wish to include any additional information in the minutes, this can be facilitated during the meeting, including moving into confidence if needed.

RECOMMENDATION

The Audit and Risk Committee:

1. Confirm the minutes of the Audit and Risk Committee meeting held on 8 May 2023 as a true and correct record of the meeting.

**MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING
HELD ON MONDAY 8 MAY AT 11.00am**

PRESENT: Mr G Strawbridge(*Chair*) via Teams, Ms P Christie via Teams, Mr L Kozlovic via Teams and Cr P Borda (Council Member proxy)

OFFICERS IN ATTENDANCE: Chief Executive Officer (*Mr J Commons*)
Director Corporate Services (*Ms K Jarrett*)
Director Infrastructure (*Mr K Clark*)
Director City Growth (*Ms J Ballantine*) – via Teams
Manager Finance (*Mr G Jennings*) – via Teams
Finance Coordinator (*Mrs S Vigar*) – via Teams
Manager Governance (*Ms I Adair*)
Manager Legislation (*Ms A Malone*)
Manager People and Culture – (*Ms Sue King*)
Projects and Partnership Lead – (*Mr S Sathasilvam*) – via Teams
Manager Assets and Planning (*Ms R Nottle*) – via Teams
Manager City Development (*Ms J Perone*) – via Teams
Manager Capital Works Delivery (*Mr T Bayly*) – via Teams
Executive Coordinator – Corporate (*Ms L Symons*)

**COUNCIL MEMBERS
IN ATTENDANCE:** Mayor Phill Stone

ACKNOWLEDGEMENT

The Chair acknowledged that the meeting was being held on Barngarla and Kurna land and gave thanks for the use of this land.

1. STANDING ITEMS

1.1 Welcome and Apologies

Apologies – Cr Peter Klobucar
Leave of Absence – Nil

1.2 Declaration of Members' Conflict of Interests

Ms Christie advised that she is a member of the Audit and Risk Committee for the Local Government Association of South Australia (LGASA) which covers the Audit and Risk for LGASA Mutual Services.

It was agreed that this did not preclude Ms Christie from the discussion at item 3.1 'Insurance Overview' on the Agenda given the subject matter of the overview.

1.3 Committee Members and Auditors Discussion

Nil

1.4 Minutes of Previous Meeting – 3 April 2023

The Chair noted that confidential items from the previous meeting were not included within the minutes distributed with the Agenda papers, but that the full minutes had been distributed on the 20 April to Committee Members.

Moved Ms P Christie, Seconded Mr L Kozlovic

AC4681-2023

That the Audit and Risk Committee confirm the minutes of the Audit and Risk Committee meeting held on 3 April 2023 as a true and correct record of the meeting subject to the inclusion of the confidential items noted above.

Carried

1.5 Business Arising from Previous Meetings

Items completed as outlined in Business Arising from previous meetings as well as the updates made to the External / Internal Reviews Workplan inclusive of definitive dates for the completion of items were noted.

The Committee's Work Program was noted as being comprehensive and will be reviewed at each meeting to ensure a focus is maintained on the quality of considerations as opposed to quantity.

Moved Ms Pat Christie, Seconded Cr P Borda

AC4682-2023

That the Audit and Risk Committee notes the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.

Carried

2. ITEMS FOR DECISION**2.1 Budget Review 2022-23 Quarter 3**

The Chief Executive Officer provided an update on Council's consideration of the Committee's feedback concerning the Council's long term financial sustainability and suggested budget repair options.

Information provided by the Chief Executive Officer against each of the suggested options included:

1. A higher rate increase including consideration of breaking the nexus between rate increases linked to CPI

Council has considered a range of rate increases including as high as 11.5%. In the context of the city's socio-economic conditions, this increase is considered too high. The proposed increase of 8.5% is thought to be a more acceptable and accessible increase in the context of historic rate rises and the current level of inflation.

Removing the nexus between CPI and rate increases has commenced with budget information being presented to the community based on a per week basis for the average ratepayer at \$2.30 and through budget documentation having a focus on why CPI is driving increased costs, alongside other factors.

2. Deferring project expenditure and/or making project expenditure conditional on the delivery of service review outcomes

Council has considered the timing of project expenditure and determined to retain the current program to prepare for the transformation of the city in the immediate future. Council is of the view that these resources are required to deliver stepped change in Council's future revenue growth through new development. However, should revenue growth not materialise, a reduction in resources has been factored into the Long Term Financial Plan (LTFP) from 2025/26 via a reduction in three (3) management positions and 25% reduction in capital expenditure.

3. Reducing service levels

A program of service reviews is now being developed to ensure any service level changes are based on informed decisions. Until service review outcomes are known, maintaining current service levels is the prevailing view, in line with community expectations.

4. Increasing income from other sources

This has been reviewed and the only material income sources aside from rates are fees and charges from the Airport and Child Care services. Both of these are already planned to increase for next year. In terms of grant funding, Council will actively work with the Spencer Gulf Region and State Government in preparing a submission to the Federal Government, in line with the Federal Government Federal Growth and Partnership Program where it is hoped additional funding will be secured.

5. Rationalising and disposing of underperforming assets

Council agrees with this suggestion, and a workshop is scheduled for 22 May 2023 to review building stock and address legacy issues.

The Chief Executive Officer advised that the approved monies for the Child Care Centre were a significant reduction from the initial tender response and that it would be funded via increasing the Child Care fees and charges. It was noted that the Child Care Centre is part of Council's early service review program.

The Manager Finance provided an overview of the third quarter budget review highlighting three (3) key items which have negatively impacted Council's position:

1. The final estimates for interest costs. Interest rates have moved very quickly this year resulting in increased interest expense. Interest rate increases have been built into the LTFP, and therefore this is not impacting on future year budgets.
2. The airport is still experiencing challenges although income is recovering to pre COVID levels in areas such as carparking and leases for car hire.
3. Another key cost pressure has been illegal littering, which will start to be addressed with funds for waste education being included in the 2023/24 budget.

It was noted that while projections for 2025/26 and beyond have materially changed, this is only due to the updated assumptions around staffing and a 25% reduction in capital spend. Capital costs are increasing, however the key variances in the 3rd quarter budget review are operational in nature and a greater focus and sense of urgency should be applied to addressing the financial issues.

The continued discomfort with the unsustainable position of the Council, current and projected financial position and performance was noted.

Moved Cr P Borda, Seconded Mr L Kozlovic

AC4683-2023

That the Audit and Risk Committee, noting the underlying repair required to the budget:

1. Recommend the Budget Review 2022-23 Quarter 3, identifying an operating deficit of \$2,737,000 and an estimated cash position at end of reporting period of \$172,000, be submitted to Council for adoption; and
2. Recommend that the 2022-23 Annual Business Plan and Budget and Long-Term Financial Plan be amended to reflect the variances.

Carried

2.2 Request for Proposal for Service Review and Internal Audit Services

The Director Corporate Services provided a summary of the proposed approach to seeking Service Review and Internal Audit Services commenting that this program:

- would contribute to Council's budget repair considerations over time.
- assist Council in determining whether service levels at their current standard are at the right level and if not, what changes need to be made
- be procured via an open market approach rather than a select tender.

Discussion was held on the proposed scope of services and the importance of having a clear focus and priorities as well as the level of detail contained in the proposal. It was noted that the timing of the procurement process would be brought forward to meet July Council meeting timeframes.

Moved Mr L Kozlovic, Seconded Mr P Christie

AC4684 – 2023

That the Audit and Risk Committee:

Subject to the inclusion of the feedback provided, endorses the issuing of the request for proposal as attached.

Carried

2.3 Procurement and Contract Management Policy

The Manager Finance advised Council's Procurement framework has been reviewed over the past 12 months working with the SA Government in a procurement partnership approach. Key changes/elements include:

- An increase to the thresholds for each procurement process.
- The introduction of acquisition plans for all procurements over \$40,000.
- Maintaining the weighting for local purchases.

Discussion was held on the draft Procurement and Contract Management Policy with the following being a summary of matters raised:

- Unsuccessful tenderers are provided detailed feedback on request, noting that instances where local contractors are unsuccessful is likely to be due to higher costs.
- Consideration could be given to introducing a sliding scale for local weighting and weighting for other regional-based companies to increase the overall regional capacity and regional service delivery.
- The test for whether value for money is received when exemptions are provided is shown in the Quarterly Procurement Report included later in the agenda.
- It was agreed that Psychometric Testing would be removed from the exemption list. (Schedule 1)
- It was further agreed that the contract management section is to be updated to include when a formal contract is required and associated contract sign-off requirements.

Moved Mr L Kozlovic, Seconded Cr P Borda

AC4685 – 2023

That the Audit and Risk Committee recommends the Procurement and Contract Management Policy to Council for adoption subject to the inclusion of amendments discussed above.

Carried

2.4 Privacy Policy

The Manager Legislation advised the draft Privacy Policy has been based on the principles of State Government agencies given South Australia does not have a privacy act.

It was noted that State Records have recently released a privacy strategy that will not change the privacy principles but will look at privacy culture and building privacy considerations into risk decisions. There may be more movement on this strategy and State Records have asked Local Government to comment.

It was agreed that:

- consistency between clauses regarding the collection of personal information is required
- Council's contract templates are to include reference to this Policy
- reporting and escalation provisions within the Policy, when material breaches occur is required.

Moved Cr P Borda, Seconded Ms P Christie

AC 4686 – 2023

That the Audit and Risk Committee recommends the Privacy Policy to Council for adoption subject to inclusion of amendments identified above.

Carried

Adjournment of Meeting

Moved, Mr L Kozlovic, Seconded Ms P Christie

AC4687 - 2023

That the Audit and Risk Committee Meeting be adjourned for 15 minutes for a refreshment break.

Carried

The Audit and Risk Committee Meeting adjourned at 12:32 pm

Moved Cr P Borda, Seconded Ms P Christie**AC 4688 – 2023**

That the Audit and Risk Committee Meeting reconvenes.

Carried

The Audit and Risk Committee Meeting reconvened at 12:46 pm

3. ITEMS FOR NOTING**3.1 Insurance Overview**

The Manager Governance advised the Insurance Overview report provides an overview of the Whyalla City Council self-insurance arrangements via Local Government Risk Services (LGRS). This overview includes the three LGRS schemes, Local Government Association Worker Compensation, the Local Government Association Mutual Liability Scheme and the Local Government Association Asset Mutual Fund.

A new report as a summary of insurance activity will be presented to the July Committee meeting.

The Director Corporate Services advised that the mutual liability scheme is for public liability and if there are matters that relate to the employee there is the workers compensation scheme, but for employee-related matters there is no coverage.

The Director Corporate Services advised that an annual review of its asset base and risk profile, and JLT who are skilled and experienced in this area provide advice on the level of insurability.

Moved Cr P Borda, Seconded Mr L Kozlovic**AC4689-2023**

That the Audit and Risk Committee note the Insurance Overview report.

Carried**3.2 Quarterly Procurement Report Jan-March**

The Finance Manager advised that the key areas of these reports are the procurement exemptions and the local purchase arrangements, open tender and purchase orders.

The Finance Manager also advised local procurement can be skewed by large or specialized projects and the number of local purchases is a good indication of the intent to purchase locally. The number of exemptions is considered at a normal level.

Complaints are generally low and as part of the procurement review with the State Government, local suppliers were engaged to provide feedback.

Moved Ms P Christie, Seconded Mr L Kozlovic

AC4690-2023

That the Audit and Risk Committee note the Quarterly Report – Procurement January to March 2023.

Carried

3.3 Quarterly Procurement Report Sept-Dec

The Finance Manager provided additional information on the exemption for \$690,000 associated with the Northern Coastline work.

It was agreed that consideration be given to walk-away clauses being included in Council's future contracts as a mitigation to possible risk exposures associated with defined events.

Moved Cr P Borda, Seconded Ms P Christie

AC4691-2023

That the Audit and Risk Committee note the Quarterly Report – Procurement September to December 2022.

Carried

3.4 ESCOSA Advice

The Manager Finance summarised the report highlighting:

- The ESCOSA advisory scheme is part of the recent Local Government reforms. Every Council in South Australia will be reviewed every four years.
- In lieu of rate capping, ESCOSA will review Council's Long Term Financial Plan (LTFP) and Asset Management Plan for consistency and provide advice on improvements and deficiencies.
- There is a general question as to the value of the advice received for the cost of \$40,000 in comparison to the \$16,000 for Council's external auditors who are on-site for six days per year with three auditors with a comprehensive list of recommendations.

It was noted that Council should look to get as much benefit from this review process as possible, but that if little value is expected, the information should be gathered using minimal resources.

ACTION

It was agreed a deeper insight into the granular assumptions within the LTFP is required

Moved Ms P Christie, Seconded Cr P Borda**AC4692-2023**

That the Audit and Risk Committee notes the ESCOSA review update report.

Carried**3.5 Interim Management Report**

Discussion was held on the Interim Management Report particularly noting Management's 'no action to be taken' response to the high-risk item raised by the Auditors, being the process for measuring and recording airport passenger levy income.

ACTION

The Auditor to advise whether they are comfortable with Management's response to this risk as well as management's response to the other matters raised and associated remedy dates proposed.

Moved Cr P Borda, Seconded Ms P Christie**AC 4693-2023**

The Audit and Risk Committee notes the external auditors Interim Management Report.

Carried**3.6 Finance Policies Review Schedule**

The Manager Finance advised the overall work plan has been expanded to include policies that are now included in the policy schedule and are all up to date.

Possible additional policies for inclusion were outlined and it was noted they will be provided to the Manager Finance for consideration.

Moved Mr L Kozlovic, Ms P Christie**AC4694-2023**

That the Audit and Risk Committee notes the report Finance Policies Review Schedule.

Carried**3.7 Transport Assets Revaluation**

Discussion was held on the Transport Assets Revaluation report.

Moved Cr P Borda, Seconded Ms P Christie

AC4695-2023

That the Audit and Risk Committee notes the report Transport Assets Revaluation.

Carried

4. CONFIDENTIAL ITEMS

4.1 Unsolicited Proposal – Airport Land

Moved Mr L Kozlovic, Cr P Klobucar

AC 4696 – 2023

Pursuant to Section 90(2) and (3)(d) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Kathy Jarrett; Director Corporate, Kristen Clark; Director Infrastructure, Jade Ballantine; Director City Growth, Irene Adair; Manager Governance, Grant Jennings; Manager Finance, Sandra Vigar; Finance Coordinator, Tim Bayly, Manager Capital Works, Jodie Perone; Manager City Planning; Robyn Nottle; Manager Assets and Planning, Shivvaan Sathasivam; Projects and Partnerships Lead, Sue King; Manager People and Culture, Lisette Symons; Executive Coordinator – Corporate for Agenda Item 4.1 – Unsolicited Proposal – Airport Land

The Audit and Risk Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Council will receive and consider a report containing commercial information of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information.

Carried

Moved Mr L Kozlovic, Seconded Cr P Borda

AC 4697 – 2023

- 1.
2. having considered Agenda Item 4.1 – Unsolicited Proposal – Airport Land in confidence, under Sections 90(2) and (3)(b) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act, orders that this Report including Annexures and the Minutes be kept confidential and not available for public inspection for a period of five (5) years, on the basis that it contains commercial information of a confidential nature the disclosure of which could reasonably be expected to prejudice the commercial position of the person who supplied the information, notwithstanding that it will be reviewed annually in February of each year.

Carried

Moved Mr L Kozlovic, Seconded Ms P Christie

AC 4698-2023

That the Audit and Risk Committee returns to the public meeting.

Carried

5. MOTIONS WITH NOTICE

Nil

6 MOTIONS WITHOUT NOTICE

Nil

7. DATE OF NEXT MEETING – Monday 17 July 2023 at 11am

8. CLOSE – Meeting closed at 1.56 pm

Confirmed:

Presiding Member – May 2023

1. STANDING ITEMS

1.5 Business Arising from Previous Meetings – as at 17 July 2023

Audit and Risk Committee 17 July 2023

Meeting:

Author's Title: Executive Coordinator, Corporate

File No.: 0-159

Director: Corporate

Annexures

A – Business Arising from Previous Meetings

B – External/Internal Reviews Work Program

C – Meeting Schedule

D – Work Program

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason –Nil

PURPOSE

The purpose of this item is to bring to the Audit and Risk Committee's attention, Business Arising from previous meetings of the Audit and Risk Committee and internal/external reviews that remain outstanding.

BACKGROUND / DISCUSSION

Business arising for the Audit and Risk Committee has two sources:

- from previous meetings of the Audit and Risk Committee; and
- matters outstanding from internal/external reviews.

Also attached are the Committee's:

- Meeting Schedule
- Work Program - note that all items on the work program have been included on the Agenda for consideration with the exception of risk and emergency management items and a review of Council's Fraud and Corruption Policy. Both of these have been deferred to the October 2024 meeting. It is further noted that Council's Procurement Policy was presented to the May Audit and Risk Committee meeting for consideration.

-

RECOMMENDATION

The Audit and Risk Committee:

1. **Note the progress of actions taken to address items of business arising from previous meetings of the Audit and Risk Committee as well as external reviews.**

“ANNEXURE A”

WHYALLA CITY COUNCIL

BUSINESS ARISING FROM AUDIT COMMITTEE MEETINGS

AS AT 17 May 2023

	Date of Meeting	Item	Responsible	Due Date	Status	Completed
1.	4 October 2022	4.2 – Business Arising <i>Ensure progress is achieved in reviewing Council's Business Continuity Plan</i>	Manager Governance	17/7/2023	<p>The following work has been prepared for the Executive Management Team's (EMT) consideration:</p> <ul style="list-style-type: none"> • Whyalla City Council Emergency Management Plan • Whyalla City Council's Business Continuity Plan (V7) • Workforce Health and Safety Emergency Management Plan • Incident Management Operations Plan • IT Disaster Recovery Plan • Risk Management Framework, Policy and Appetite Statements • Risk Action Plan and Monitoring Tool • Operational Risk Register and Summary • Strategic Risk Register <p>EMT have undertaken an initial review of the material, and will finalise this work in time for the October Audit and Risk Committee meeting.</p>	Pending EMT approval – to be presented to the October Audit and Risk Committee meeting

	Date of Meeting	Item	Responsible	Due Date	Status	Completed
2.	8 May 2023	3.4 ESCOSA Advice <i>A deeper insight into the granular assumptions within the LTFP will be required when receiving and responding to ESCOSA advice</i>	Manager Finance	April 2024	This item will be responded to during the upcoming ESCOSA review	
3.	8 May 2023	3.5 Interim Management Report <i>The Auditor to advise whether they are comfortable with Management's response to the various risks (including the high risk item relating to airport passenger levy income) raised in their report and proposed remedy dates.</i>	Manager Finance	17/7/23	The Auditor has advised they understand that Council cannot verify the passenger levy income information independently. They accept management comments and have confirmed that no further action at this time is appropriate – as they agree there is not much else that can be done. The Auditors will increase their testing and review of this income account as part of their audit work.	Completed

* Completed items to be removed are shaded

EXTERNAL/INTERNAL REVIEWS WORKPLAN

Source	Date of Report	#	Item	Responsible	Progress Comment	Due	Status / % Complete
GHC	Mar-21	3	Review procurement policies and procedures	Mgr Finance	Training to be rolled out on the new Procurement Framework over the next month	31/07/2023	In Progress / 80%
GHC	Mar-21	6	Undertake a full review of Council's suite of HR/WHS policies	Mgr People & Culture	An extension of two months is required to finalise and consult	30/06/2023	In Progress /50%
GHC	Mar-21	13	Develop a new procedure for requests to suppress information from the Assessment Record	Mgr Governance/Finance	Procedure created	30/06/2023	Completed
GHC	Mar-21	16	Review of community land management plans	Mgr Governance	Overall review of all expired leases and land management plans being undertaken in tandem	30/06/2024	In Progress / 30%
EAMR	Jun-22	8	Review Contract Management Policy	Mgr Finance	Included in adopted Procurement and Contract Management Policy	31/07/2023	Completed
EAMR	Jun-22	9	Review of expired lease agreements	Mgr Governance	Overall review of all expired leases and land management plans being undertaken in tandem	30/06/2024	In Progress / 30%
EAMR	May-23	2	Ensure transport asset revaluation is consistent with Council assumptions and the Asset Management Strategy	Mgr Finance / Assets Coordinator	Administration working with valuer to ensure the output of the process is relevant	31/07/2023	In Progress - 85-90%
EAMR	May-23	4	Review the Asset Management Strategy	Mgr Finance / Assets Coordinator	Due within the first two years of the new Council	31/03/2024	Pending

* Shaded items to be deleted

GHC - Governance Health Check

EAMR - External Audit Management Report

IFCSA - Internal Financial Controls Self Assessment

- recommendation number from external reports and risk number for internal review

“ANNEXURE C”**WHYALLA CITY COUNCIL
AUDIT AND RISK COMMITTEE****INDICATIVE MEETING SCHEDULE AND WORK PROGRAM - 2023**

Schedule of Ordinary Meetings	
Monday 3 April 2023 at 11am	
Monday 8 May 2023 at 11am	
Monday 17 July 2023 at 11am	
Tuesday 3 October 2023 at 11am	In person, to include joint workshop with Council at 5.30pm
Monday 5 February 2024 at 11am	

AUDIT AND RISK COMMITTEE WORK PROGRAM



ToR Ref	Deliverables derived from the Committee's Terms of Reference	Feb 23	Apr 23	May 23	July 23	Oct 23	Feb 24	Apr 24	May 24	Jul 24	Oct 24	Action
5.4	Communication											
	Updates on relevant Council considerations since the last meeting	As required										Note
7	Meetings											
7.8	Set annual schedule of meetings				X						X	
7.8	Annual joint workshop with Council – topics tbd				X						X	Endorse
7.10	Review Committee meeting procedures				X						X	Endorse
9.3	Reporting											
	Audit and Risk Committee annual report to Council				X							Endorse
10.1	Strategic Management											
	Review Strategic Management Framework, including report on WTF: What's the future workshop outcomes and consideration of transformation / investment / development strategies				X							Note
	Review of strategic management plans (Strategic Plan, LTFF, AMP, WP, ITP), including consideration of transformation / investment / development strategies					X	X	X				Recommend
	Review ABP&B parameters and process for following year					X					X	Recommend
	Review draft ABP&B		X					X				Recommend
	Review ESCOSA material			X				X				Note
10.2	Financial and Prudential Management											
	Review annual financial statements					X					X	Recommend
	Review quarterly budget reports	X		X		X	X		X		X	Recommend
	Review application for new loan				X							Recommend
	Review Council investments & loans					X						Recommend
	Rating review considerations					X						Recommend
	Review any prudential report	As required										Recommend
	Review any business case / unsolicited proposals	As required										Recommend
	Review financial/prudential policies:									X		Recommend

AUDIT AND RISK COMMITTEE WORK PROGRAM



ToR Ref	Deliverables derived from the Committee's Terms of Reference	Feb 23	Apr 23	May 23	July 23	Oct 23	Feb 24	Apr 24	May 24	Jul 24	Oct 24	Action
	- Asset Accounting - Budget Management & Review - Corporate Credit Card - Entertainment and Hospitality - Financial Hardship											
	- Financial Hardship Policy – Retail Water Customers	Due 2026										Recommend
	- Disposal of Land and Other Assets				X							Recommend
	- Financial Internal Control						X					Recommend
	- Procurement Policy				X							Recommend
	- Prudential Management					X						Recommend
	- Rating Policy						X	X				Recommend
	- Retail Water – Pricing	Due 2026										Recommend
	- Treasury Management								X			Recommend
	- Unsolicited Proposals	Due 2027										Recommend
	- Water Connection & Billing	Due 2026										Recommend
	Quarterly Procurement Report			X	X	X	X		X	X	X	Note
10.3	External Audit											
	Oversee any tender process undertaken and recommend to Council the appointment of the external auditor.	Due February 2026										Recommend
	Review annual audit plan						X					Recommend
	Receive interim management report			X					X			Note
	Receive end of year audit completion report					X					X	Note
	Meet with external auditor without management present					X					X	Note
	Monitor management's responses to and progress against audit findings			X	X	X	X	X	X	X	X	Note
10.4	Risk Management											
	Review Risk Management Policy, framework, appetite statements, strategic risk profile				X	X		X			X	Recommend
	Review emergency management and business continuity policies and plans				X					X		Note
	Cyber security review report				X					X		Note
	Information or Annual report on Council insurances, claims			X	X					X		Note

AUDIT AND RISK COMMITTEE WORK PROGRAM



ToR Ref	Deliverables derived from the Committee's Terms of Reference	Feb 23	Apr 23	May 23	July 23	Oct 23	Feb 24	Apr 24	May 24	Jul 24	Oct 24	Action
	Monitor management's responses to and progress against any risk reports			X	X	X	X	X	X	X	X	Note
10.5	Internal Audit, Internal Controls and Service Reviews											
	Oversee Council's engagement of an internal audit and service review service provider			X	X							Recommend
	Review and monitor the program of service reviews and internal audit assignments					X					X	Note
	Review and monitor the outcomes of service review and internal audit assignments						X	X	X	X	X	Recommend or note
	Review internal financial controls – self assessment						X					Recommend
	Review CEO's report on the effectiveness and improvement of internal control (only required for 2023, prior to establishing internal audit program)					X						Note
	Meet with service review and internal audit service provider without management present					X					X	Note
	Monitor management's responses to and progress against service review and internal audit reports							X	X	X	X	Note
	Review update report on management of excess leave				X							Note
	Review final reports from Systems Modernisation review (confidential)				X					X		Recommend
11.1	Performance assessment, induction and professional development											
	Review performance assessment methodology									X		Endorse
	Receive and consider performance assessment report including any professional development needs										X	Endorse
	Review the Committee's Terms of Reference						X				X	Recommend
11.2	Ethics, Integrity and Culture											
	Ensure a review of council's systems of control on ethical standards etc is included on the internal audit program. This					X						Endorse



ToR Ref	Deliverables derived from the Committee's Terms of Reference	Feb 23	Apr 23	May 23	July 23	Oct 23	Feb 24	Apr 24	May 24	Jul 24	Oct 24	Action
	includes arrangements for employees to raise concerns											
	Receive and consider internal audit report on council's systems of control on ethical standards etc								X			Recommend or note
	Review Council's key controls / policies that go towards good public administration including (note these policies are on a 4-yearly cycle of review):											
	- Behaviour Management	Next due by November 2027										Recommend
	- Fraud and Corruption				X							Recommend
	- Complaints Handling	Next due May 2025										Recommend
	- Public Interest Disclosure	Next due May 2025										Recommend
	- Review of Council Decisions	Next due June 2025										Recommend
	- Access to information, transparency and confidentiality				X							Recommend
	- Privacy			X								Recommend
	Review CEO's annual report on the effectiveness of the organisation's culture					X					X	Note
	Review any reports received that go towards good public administration	As required										Recommend or note
	Other											
11.3	Propose and review the exercise of powers under section 130A of the Local Government Act 1999	As required										Recommend

2. ITEMS FOR DECISION

2.1 Loan Facility

Audit and Risk Committee	17 July 2023		
Author's Title:	Manager Finance	File No.:	0-159
Director:	Corporate		

Annexures:

Nil

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

Status:

Information classified confidential under Section 90(2) of the Local Government Act

☐ Yes

☒ No

☐ Yes

☒ No

Reason – Not applicable

PURPOSE

The establishment of a \$11 million loan facility to replace a \$7 million one that will expire in January 2024, to fund the projected cash flows in Council's Annual Business Plan 2023/24 and the Long-Term Financial Plan.

SUMMARY

Cash Advance Debenture loan 137, with a limit of \$7 million, will mature on 15 January 2024. Currently Council has a total loan capacity of \$26 million and it is projected that borrowings will reach \$26.1 million in 2023/24 and will peak in 2024/25 at \$28.5 million.

This means that at a minimum an extension of the existing \$7 million facility is required to fund cash flows for the current year and that a further \$2.5 million of borrowing capacity is required for the borrowing peak. To achieve this and provide some additional capacity, it is recommended that the current facility be replaced with one with a capacity of \$11 million when it expires.

RECOMMENDATION

The Audit and Risk Committee recommends to Council:

1. the establishment of an \$11 million borrowing facility when CAD 137 expires, to be utilised in line with approved budgets; and
2. to arrange this facility with the Local Government Finance Authority in the form of a Cash Advance Debenture with a term of 10 years.

2.1 Loan Facility

REPORT

BACKGROUND

Cash Advance Debenture (CAD) 137 with a limit of \$7 million, will mature on 15 January 2024.

DISCUSSION

To meet the objectives specified in Council's Annual Business Plan and Budget and Long-Term Financial Plan (LTFP), Council needs to maintain its borrowing capacity for the current financial year near the current level of \$26 million. The LTFP predicts loans borrowings to peak in 2024/25 at \$28.5 million, meaning that additional loan capacity of \$2.5 million is required compared to current levels.

There is always some quantum of carry forward projects each year and the borrowing projections also build in the possibility that Financial Assistance Grants won't be paid in advance at the end of the year. This means that there is the possibility that borrowings will actually peak within the current loan limit of \$26 million, meaning that an increased limit isn't required. Offsetting this is the fact that borrowing requirements could temporarily go above the current projected level, depending on the timing of payables and receivables.

Overall, it is considered to be prudent to ensure that borrowing capacity is available in line with projections, with a small amount of additional capacity.

It is important to note that the new borrowing facility will only be utilised when required by Council's cash flow, to fund approved Council budgets. Council passes a resolution when adopting the annual budget, setting a maximum level of borrowings for the year, in line with projected cash requirements.

As per the Treasury Management Policy, the loan would be arranged as a CAD with the Local Government Finance Authority, in effect rolling the existing loan over for another 10-year period, while increasing its capacity.

Financial Implications

There are no direct financial implications of approving this facility, other than ensuring that Council can meet all existing financial commitments. Decisions to utilise borrowings and increase finance costs are made during budget and budget review processes.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.1 – Regularly inform the community of Council activities, decisions and actions by promoting positive stories and positive image

Legislation

Under s44(3)(c) of the *Local Government Act 1999*, Council cannot delegate the power to take out loan borrowings.

Officer Direct or Indirect Interest – Nil

Risk Assessment

The financial risk of approving the borrowing facility is considered low, as Council has internal controls to manage the flow of funds in line with approved budgets.

If the borrowing facility is not approved, then Council may not be able to fund all commitments in the 2023/24 financial year, based on current projections, noting that this figure will be updated as Council goes through budget and budget review processes. This would mean that projects could be delayed or that funds may not be available to pay suppliers when required. This poses moderate reputational, service delivery and people risk to Council.

Social Considerations – Nil

Community Engagement

Community engagement is not required for loan facilities. Council's Annual Budget is based on extensive community engagement for both the Annual Budget and the Long-Term Financial Plan, which include projections of Council's loan borrowings.

Environmental Implications – Nil

Communication – Not applicable

Conclusion

To meet the objectives specified in Council's Annual Business Plan and Budget and LTFP, Council needs to maintain its borrowing capacity for the current financial year near the current level of \$26 million. The LTFP predicts loans borrowings to peak in 2024/25 at \$28.5 million, meaning that additional loan capacity of \$2.5 million is required compared to current levels.

CAD 137 with a limit of \$7 million, will mature on 15 January 2024.

To be able to adequately fund Council's cash flow and provide some additional capacity, it is recommended that the current facility be replaced with one with a capacity of \$11 million when it expires.

2. ITEMS FOR DECISION

2.2 Entertainment and Hospitality Policy Review

Audit and Risk Committee: 17 July 2023

Author's Title: Manager Finance

File No.: 0-159

Director: Corporate

Annexures:

A – Entertainment and Hospitality Policy

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

☐

Yes

☒

No

Reason – Not applicable

PURPOSE

To review the Entertainment and Hospitality Policy.

SUMMARY

In most part the Entertainment and Hospitality Policy is operating as expected, however there are a few small contradictory statements that have been addressed to ensure the policy continues to operate as intended.

RECOMMENDATION

The Audit and Risk Committee recommends the updated Entertainment and Hospitality Policy to Council for adoption.

2.2 Entertainment and Hospitality Policy Review

REPORT

BACKGROUND

The Entertainment and Hospitality Policy was first adopted in August 2021 and was based on an updated policy adopted by Burnside after they had been the subject of an investigation by the Ombudsman, which dealt with the recommendations of said review.

The policy is not yet due for review, being set on a 3 yearly cycle, but it was thought to be appropriate to review it at this stage to ensure that it is operating as intended.

DISCUSSION

Refer **Annexure A** – Draft Entertainment and Hospitality Policy

In most part the policy is operating as expected, however there are a few small contradictory statements that need to be addressed.

It is considered to be appropriate for food and beverage costs to be covered for senior staff when they are meeting with external stakeholders, such as other levels of Government, and this appears to be covered by a couple of the allowed types of hospitality listed. However, the subsequent list outlining expenditure that is not covered by the policy means that meetings at coffee shops or restaurants are excluded.

This has been rectified by providing exemptions to the exclusions, which are linked back directly to the included items.

All other changes to the document are minor in nature.

Financial Implications

The policy makes it clear that all expenditure needs to be reasonable. The expenditure incurred under this policy is fairly immaterial compared to the size of Council's budget and is all within existing budget allocations.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.2 – Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adapt to the changing needs and expectations of the community

Legislation

Local Government Act 1999

Officer Direct or Indirect Interest – Nil

Risk Assessment

Over the past few years, the Ombudsman has made it crystal clear that expenditure in the area of entertainment and hospitality need to be reasonable, defensible and covered by a policy position. This policy is considered to be based on best practice and these changes have been suggested to ensure that it is operating as expected.

Social Considerations– Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication – Not applicable

Conclusion

The policy is not yet due for review, being set on a 3 yearly cycle, but it was thought to be appropriate to review it at this stage to ensure that it is operating as intended.



Entertainment and Hospitality Policy

Entertainment and Hospitality Policy	
Type	Financial
GDS Category	Financial Management – Public
Responsible Directorate	Corporate
Policy Adopted	August 2023 ¹
Review Period	Three Years
Last Reviewed	Initial August 2021
Next Review Date	July 2024 August 2026
Policy Version Number	2 ¹
Applicable Legislation	<ul style="list-style-type: none"> Independent Commissioner Against Corruption (ICAC) Act 2012 Local Government Act 1999 Financial Sustainability Papers
Related Documents	<ul style="list-style-type: none"> Procurement & Contract Management Policy Financial Internal Control Policy Corporate Credit Card Policy Corporate Credit Card Procedure
Public Consultation Required	No



1. Introduction

This policy outlines the circumstances where hospitality related expenses may be incurred by Council.

2. Policy Objective

Council recognises there are occasions when it is appropriate and legitimate to provide hospitality related expenses at the Council's/ratepayer's expense.

This Policy clarifies the circumstances when Council believes that it is appropriate, reasonable, and justifiable to use Council funds for hospitality related expenses.

3. Scope

This policy encompasses Executive Management, employees and other persons who have authority to commit Council to expenditure. The Policy relates to all circumstances in which staff provide hospitality and/or entertainment for meetings, events or travel.

4. Definitions

Civic Event – an event involving the Mayor and/or Elected Members which is coordinated and funded by Council such as Citizenship ceremony, Mayoral events.

Community Event – a structured community event which is authorised as part of an approved project or program, for example tourism.

Corporate Event – an event organised for employees which is authorised by the Administration of Council.

Hospitality – the activity of providing food, drinks (alcoholic and non-alcoholic) or entertainment.

5. Policy Statement

Principles

Hospitality, gifts, travel, transport, accommodation and associated expenditure must be within the approved Council budget, be approved within Council's endorsed delegations and ~~authorisation framework~~ and in accordance with Council's Procurement & Contract Management Policy. Where credit cards are used as the preferred payment method, expenditure must also be in accordance with Council's Credit Card Policy and Credit Card Procedure.

Prior to expending Council funds on entertainment / hospitality type activities, employees must turn their mind towards the following:

- The benefit (real or perceived) gained by the public from the expenditure.
- The public's expectations of councils / government agencies.
- The business purpose of the expenditure is clearly necessary.
- The appropriateness of the amount of the expenditure.

- Whether the expenditure was reasonably necessary for the carrying out of the council's functions.

Staff are to ensure the cost and level of hospitality and/or entertainment is reasonable, is not excessive, not merely for social purposes and can stand up to public scrutiny.

Types of Hospitality

The following are the types of hospitality events which Council generally undertakes as part of its business activities:

1. Employee training sessions.
2. Council/Committee meetings and workshops.
- ~~2.3.~~ Meetings with clients / service providers / external stakeholders with a clear business purpose attended by the CEO, Directors or Council Members-
- ~~3.1. Council/Committee meetings and workshops.~~
4. Advocacy and or strategic relationship building with a clear business purpose attended by the CEO, Directors or Council Members-
5. Corporate events.
6. Civic events.
7. Community events.

Examples of entertainment expenditure which will not be funded from Council sources include, but are not limited to:

- Staff only meetings: regular team or 1:1 meetings, including those held in coffee shops, will not be funded by Council.
- Functions for staff over and above existing and approved organisation wide or department wide arrangements.
- Staff club memberships for social and recreational purposes will not be funded such as sporting, social or business clubs.
- Lunches, morning and afternoon teas, tea and coffee (excluding those provided in the council's staff room) for Council staff for social purposes. There are exceptions for one-off events provided by the CEO to all staff as part of a special occasion (e.g. Christmas, celebration of a significant achievement).
- Meals and/or beverages for staff and/or other stakeholders at a public establishment except:-
 - where it is covered by hospitality types 3 or 4 listed above, to a maximum value of \$40 per person
- Barista made coffee will not be funded by Council except;
 - where, unless it constitutes refreshments as part of an organisational wide event; or,
 - where it is covered by hospitality types 3 or 4 listed above
- Alcohol will not be funded by Council.
- ~~• Barista made coffee will not be funded by Council, unless it constitutes refreshments as part of an organisational wide event.~~

Expenditure must not provide a personal benefit to staff members or their family or friends with the exception of an organised event as outlined above.

Gifts (including flowers)

~~The provision of gifts can play an important role in building and maintaining a sense of community and organisational culture by acknowledging key contributions or circumstances within the community, building strategic relations and as part of good business practices.~~

Expenditure of up to \$75 per head ~~(excluding awards provided in line with reward and recognition and volunteer achievements)~~ is acceptable on ceremonial gifts for external ceremonies, gifts of ~~thanks/~~commiseration or ~~other~~ formal gifts to dignitaries or benefits to be given by Council.

All gifts should be appropriate for the occasion and purchased within existing budget allocations and approved by the relevant line manager.

Gifts will not include alcohol.

Travel and accommodation

Travel expenses are expenses incurred during authorised work-related travel.

They include accommodation, transport, meals, and expenses incidental to travel.

Travel expenses must be reasonable and an efficient use of public funds.

Reimbursement for meal expenses incurred while undertaking approved travel are covered by the Enterprise Bargaining Agreement. This is done via reimbursement up to a defined maximum per meal, with valid tax receipts required. For travel of 3 days or greater, the amount may be advanced to the employee on request (14 days' notice to Finance required), with receipts and unexpended funds to be returned to Council as soon as practical after the travel has concluded.

If travel by taxi is required during approved travel, Cabcharge vouchers will be supplied. (14 days'-notice to Finance required).

Meal reimbursements and Cabcharge vouchers will only be issued with supervisor approval.

Travel expenses must not include:

- any expenses for unauthorised travel, especially flights and accommodation.
- traffic or parking infringements.
- alcohol, in-room movies, minibar and other similar expenses of a private nature.
- expenses for any other person who is not a Council employee or Council Member.
- membership subscriptions for airline clubs or loyalty programs.

Travel should be as economical and efficient as is possible e.g. economy class, where time and availability allow, unless the cost differential is paid by the individual over and above the economy rate.

Authorisation by the CEO

The CEO will maintain ultimate discretion to determine where and when it is appropriate to provide an exemption from this Policy.

5. Availability of Policy

This policy will be available for inspection at Councils' Principal Office during ordinary business hours and on Councils' web-site www.whyalla.sa.gov.au.

Copies will also be provided to interested members of the community upon request, and upon payment of a fee in accordance with Councils' Schedule of Fees and Charges.

7. Authority

~~Version 2 – Adopted August 2023~~

~~Adopted by Council~~ ~~Version 1 – Adopted~~ August 2021

2. ITEMS FOR DECISION

2.3 Prudential Management Policy Review

Audit and Risk Committee: 17 July 2023

Author's Title: Manager Finance

File No.: 0-159

Director: Corporate

Annexures:

A – Draft Prudential Management Policy

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐ Yes

☒ No

☐ Yes

☒ No

Reason – Not applicable

PURPOSE

To review the Prudential Management Policy.

SUMMARY

The main change to the document is an update to the thresholds that trigger the requirement for the preparation of a Prudential Report under s48 of the *Local Government Act 1999* (the Act). These include indexation, but in addition it was recently discovered that the threshold for operating costs was outlined incorrectly in the Policy.

RECOMMENDATION

The Audit and Risk Committee recommends the updated Prudential Management Policy to Council for adoption.

2.3 Prudential Management Policy Review

REPORT

BACKGROUND

The Prudential Management Policy was previously adopted in February 2021 and so is slightly overdue for its two-yearly review.

DISCUSSION

Refer **Annexure A** – Draft Prudential Management Policy

The current policy is consistent with the requirements of the Act and is considered to be a reasonable process taking into account Council's risk profile.

The thresholds that trigger a Prudential Report change each year, both as an indexation of the capital threshold, as well as an update of the operating threshold based on the previous years spend. The latest figures are included when the policy is updated.

Since the policy was last adopted it was discovered that the included operating threshold was too high. Under the correct interpretation of the Act, any project that has average operating costs in excess of 4% of Council's annual budget over the next 5 years will trigger this requirement. This has been corrected.

The policy has also been updated to make it clear that any new services that Council commences should be assessed against this operating threshold, even if it does not meet the definition of a project.

It should be noted that the only item that triggered these requirements over the last two year was the commencement of screening at the airport, and that a Prudential Report was prepared at this time.

Financial Implications

The preparation of a Prudential Report under s48 of the Act costs around \$10,000 in most circumstances. Based on the costs of projects or services that trigger this requirement, this investment is vital to ensuring that Council are correctly considering the risks of the decisions being made.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.2 – Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adapt to the changing needs and expectations of the community

Legislation

Prudential considerations are covered in s48 of the *Local Government Act 1999*.

Officer Direct or Indirect Interest – Nil

Risk Assessment

The level of due diligence required before undertaking projects should be appropriate for the level of risk involved. All projects involve a variety of risk, but financial risk is the easiest to measure, so is used to outline the different levels of due diligence. The requirements of the Prudential Management Policy are considered to be set at an appropriate level.

Social Considerations– Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication – Not applicable

Conclusion

The main change to the document is an update to the thresholds that trigger the requirement for the preparation of a Prudential Report under s48 of the *Local Government Act 1999* (the Act). These include indexation, but in addition it was recently discovered that the threshold for operating costs was outlined incorrectly in the Policy.



Prudential Management Policy

Prudential Management Policy	
Type	Governance
GDS Category	Governance – Public
Responsible Directorate	Corporate
Policy Adopted	February 2021 August 2023
Review Period	Two 2 year ly s
Last Reviewed	January 2016 February 2021
Next Review Date	February 2023 August 2025
Policy Version Number	3 2
Applicable Legislation	Local Government Act 1999; Section 48
Related Documents	<ul style="list-style-type: none"> • Risk Management Plan and Policy • Procurement & Contract Management Policy • Project Management Budget Application Template • Project Evaluation Procedure • Risk Management Procedure Framework • Decision-making Procedure
Public Consultation Required	No



1. Introduction

This document sets out the policy of ~~the~~ Whyalla Council for prudential management of ~~all its~~ projects. This policy applies to all projects (as defined below).

2. PROJECT DEFINITION

A project may be defined as:

“A new and discrete undertaking or activity that would involve the expenditure of money, deployment of resources, incurring or assuming a liability or accepting an asset.”

This should not be interpreted to mean that all Council activities are “projects”. Regular, ongoing deliveries of Council services are not “new and discrete” activities so therefore are not included within this definition. A project is a temporary endeavour with a defined beginning and end. The temporary nature of projects stands in contrast to business as usual (or operations) which are repetitive, ongoing functional activities to produce products or services. Projects should be considered under this policy where the total value of the project phase is \$100,000 or greater. Any ongoing costs will be considered separately during the project assessment.

This policy does not apply to projects exempted under Section 48(3) of the [Local Government Act 1999](#) (“the Act”), being:

- (a) road construction or maintenance; or
- (b) drainage works.

However, this policy should be followed for any new, ongoing undertakings being considered by Council, where the operational costs over the next 5 years meet the thresholds outlined in section 48(1) of the Act, as outlined in part 5 below.

All projects should be considered in the context of not only this policy but also Council’s Risk Management ~~Plan~~[Framework](#).

3. POLICY OBJECTIVES

This policy has two objectives:

- 3.1 to ensure that a Council project is undertaken only after an appropriate level of “due diligence” is applied to the proposed project; and
- 3.2 to ensure that each Council project is managed during the project and evaluated after the project to achieve identified public benefits or needs and to minimise financial risks.

The objectives of this policy shall be considered in a report on any potential project, regardless of the financial impact or the size of the project **over the threshold of \$100 000.**

4. LEGISLATION

This policy is made pursuant to Section 48(aa1) of the the Act which provides:

“A Council must develop and maintain prudential management policies practices and procedures for the assessment of projects to ensure that the Council:

- a) acts with due care diligence and foresight; and*
- b) identifies and manages risks associated with a project; and*
- c) makes informed decisions; and*
- d) is accountable for the use of Council and other public resources.”*

As such, this policy applies to all Council projects over the threshold of \$100,000, excluding those exempted under Section 48(3), to ensure compliance with this provision, and that decision-making in respect of any project is made with reliable, accurate and timely information.

5. DUE DILIGENCE BEFORE A DECISION ON WHETHER TO PROCEED

Depending upon the extent of due diligence required by the decision-maker, a Business Case of greater or lesser detail will be prepared. At a minimum this Business Case will include:

- analysis of the community need addressed by the project;
- information on how the project fits with Council’s strategic direction and any existing or proposed Masterplans;
- quantification of the likely whole-of-life financial and other costs, including staffing and project management costs;
- consideration of any social, environmental and economic outcomes; and
- assessment of project risks and consideration of ways they can be managed and/or mitigated.

For the smaller projects with a low level of risk, this Business Case may comprise only a single page and may be prepared by a single staff member. Higher value projects with a higher level of risk will require a more detailed Business Case.

For projects with a value of over \$1 million, or that are considered to be high risk, the Business Case should include, in addition to the items listed above, the following information:

- a feasibility study, or other relevant independent advice;
- consideration of stakeholder management; and
- consideration of governance issues.

Section 48(1) of the Act requires that a full prudential report be prepared for Council for projects that meet one of the following conditions:

- the capital value of the project over the next 5 years is expected to exceed \$~~54,939,489~~,000. This figure is as at January 202~~31~~, and is indexed annually using the previous September's CPI for Adelaide; or
- the operating costs related to the project over the next 5 years are expected to exceed 20% of the Council's average annual operating costs over the last 5 years. After the ~~2021/22~~~~19-20~~ financial year, this would require total operating costs of \$~~30.6.5~~ million over 5 years, or \$~~1.36~~ million per annum.

A full prudential report may also be commissioned under Section 48, for “any other project for which the Council considers that it is necessary or appropriate”.

The issues that must be addressed by this report are set out in Section 48(2) of the Act, as follows:

- the relationship between the project and relevant strategic management plans;
- the objectives of the Development Plan in the area where the project is to occur;
- the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in the proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place;
- the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes;
- if the project is intended to produce revenue, revenue projections and potential financial risks;
- the recurrent and whole-of-life costs associated with the project including any costs arising out of proposed financial arrangements;
- the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of the council;
- any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks (including by the provision of periodic reports to the chief executive officer and to the council);
- the most appropriate mechanisms or arrangements for carrying out the project;

- if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the Land Valuers Act 1994.

A report prepared under Section 48(1) must be prepared by a person considered qualified to address the prudential issues required, and who does not have an interest in the project. Council can ensure compliance with this requirement by appointing an external consultant to prepare this report. Reports prepared under Section 48(1) are to be made available to the public after a decision is made on whether to proceed with the project, unless Council orders that it be kept confidential.

6. DUE DILIGENCE DURING A PROJECT

After a decision has been made to commence a project, it will be managed according to the principles of due diligence.

The Council will take action to manage the project so that:

- the project remains focussed upon the expected public benefits or needs that have been identified in the Business Case; and
- financial risks identified in the Business Case are managed appropriately.

7. DUE DILIGENCE AFTER A PROJECT

After a project has been completed, it will be evaluated, according to the principles of due diligence to determine the extent to which the project:

- has achieved the public benefits or needs identified in the Business Case that it was intended to achieve or satisfy; and
- has avoided or mitigated the financial risks identified in the Business Case.

8. AUTHORITY

Adopted by Council – ~~February-August 2023~~

9. HISTORY

Version 3 – adopted by Council August 2023

Version 2 – adopted by Council February 2021

Version 1 – adopted by Council January 2016

2. ITEMS FOR DECISION

2.4 Asset Accounting Policy Review

Audit and Risk Committee: 17 July 2023

Author's Title: Manager Finance

File No.: 0-159

Director: Corporate

Annexures:

A – Draft Asset Accounting Policy

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

☐

Yes

☒

No

Reason – Not applicable

PURPOSE

To undertake a minor review of the Asset Accounting Policy to ensure all listed useful lives are consistent with the asset register.

SUMMARY

As part of preparing for yearend processes, a review of useful lives included in the Asset Accounting Policy was undertaken to ensure that they were consistent with Council's processes, with a number of small tweaks made.

RECOMMENDATION

The Audit and Risk Committee recommends the updated Asset Accounting Policy to Council for adoption.

2.4 Asset Accounting Policy Review

REPORT

BACKGROUND

The Asset Accounting Policy is not currently due for review, however a new component is being added during the Transport asset revaluation and a number of other useful life ranges needed to be tweaked slightly.

DISCUSSION

Refer **Annexure A** – Draft Asset Accounting Policy

The new Policy has been rebuilt from the ground up, while retaining much of the initial intent and direction. For this reason a track changes version is not available, but instead the current adopted policy is attached for comparison.

Refer **Annexure B** – Adopted Procurement Policy

As part of the revaluation of the Transport asset class, traffic signals and school crossings will be included for the first time. Previously this has been captured within the Street Furniture asset class, meaning that these items were not revalued and that they weren't picked up in an Asset Management Plan. The useful life range of these assets has been added to the Policy.

Pumps have been removed as a component of Stormwater, as all of these assets are already included within Irrigation.

A couple of small tweaks were made to useful life ranges, where they were inconsistent with current practice.

The capitalisation threshold of minor equipment was also increased from \$2,000 to \$5,000, as the previous level was considered far too low.

Financial Implications

The updates are being made to the Policy to be consistent with current Council practice, so these changes have no financial impact on Council.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.2 – Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adapt to the changing needs and expectations of the community

Legislation

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Officer Direct or Indirect Interest – Nil

Risk Assessment

Reviewing Council's financial policies on a regular basis ensures that they reflect current best practice and are addressing the issues that they need to be.

The Asset Accounting Policy outlines that all material asset classes will be held at fair value, reducing the risk that the reported value of Council's assets is materially incorrect and also ensuring that the calculation of annual depreciation is accurate. As Local Government operations are so asset intensive, it is important that long term asset costs are understood, to ensure that revenue and resource decisions made by Council are well informed.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication – Not applicable

Conclusion

As part of preparing for year-end processes, a review of useful lives included in the Asset Accounting Policy was undertaken to ensure that they were consistent with Council's processes, with a number of small tweaks made.



Asset Accounting Policy

Asset Accounting Policy	
Type	Financial
GDS Category	Financial Management – Public
Responsible Directorate	Corporate
Policy Adopted	August 2023 2
Review Period	Two years
Last Reviewed	August 202 2 ¹
Next Review Date	August 202 5 ⁴
Policy Version Number	8 ⁷
Applicable Legislation	<ul style="list-style-type: none"> • Australian Accounting Standards • Local Government Act 1999
Related Documents	<ul style="list-style-type: none"> • <u>Accounting Procedure Model Financial Statements</u> • <u>Asset Management Strategy</u>
Public Consultation Required	No



1. Introduction

Council has an obligation to ensure its assets are recognised, capitalised and revalued in accordance with relevant legislation and to efficiently manage new, existing and surplus assets.

2. Policy Objective

To provide a framework that ensures Councils' assets are recognised and accounted for in accordance with Australian Accounting Standards and the Local Government Act and Regulations.

3. Scope

This policy covers the acquisition and accounting treatment of non-current assets to ensure they are managed in an efficient and financially responsible manner. Financial information relating to non-current assets is to be presented consistently to enable users of Councils' financial information to make informed decisions.

4. Definitions

Asset – a resource controlled by Council, as a result of past events, from which future economic benefits are expected to flow.

Asset Class – a group of non-current assets having a similar nature or function in the operations of Council.

Capitalisation Threshold – sets the expenditure limit. Amounts below this limit are expensed as and amounts equal to or above are capitalised.

Capital Expenditure – amounts spent to acquire, renew or upgrade assets which is expected to provide benefits for a period greater than 12 months.

Capital Renewal – expenditure on an existing asset, or on replacing an existing asset, without enhancement of the service capability (except where this is incidental and unavoidable).

Capital New – in addition to Councils' existing asset base.

Capital Upgrade – replaces a previously existing asset with enhanced capability or functionality.

Carrying Amount – the value of the asset after deducting any accumulated depreciation and accumulated impairment losses.

Fair Value – the price that would be received if an asset was sold.

Residual Value – the estimated amount to be obtained when an asset is disposed of to another party at the end of its useful life.

5. Policy Statement

Recognition of an Asset

An asset is recognised in the balance sheet when it is probable that the future economic benefits will flow to the entity and the asset has a cost that can be measured reliably.

Council has elected not to recognise land under roads in accordance with AASB 1051 Land Under Roads, as it is not possible to attribute a value reliably for these assets to qualify for recognition. Land acquired for road purposes during the year, is initially recognised at cost, but transferred to fair value at reporting date, effectively writing off the expenditure.

Assets with a useful life of less than 12 months will not be capitalised.

Capitalisation thresholds have been determined to provide a guide on minimum asset capitalisation levels.

Asset	Capitalisation Threshold
Office furniture and equipment	\$25,000
Other plant and equipment	\$5,000
Buildings – new construction/extensions	\$10,000
Open space structures	\$10,000
Street furniture and playground equipment	\$5,000
Road construction and reconstruction	\$10,000
Paving and footpaths, kerbs and gutters	\$5,000
Drains and culverts	\$5,000
Reticulation extensions	\$5,000
Sidelines and household connections	\$5,000
Irrigation	\$5,000
Artworks	\$5,000

Some segmented assets may be treated as network assets where appropriate to ensure capital expenses are appropriately recognised throughout the capitalisation process.

Measurement at Recognition

The initial valuation basis for an asset is its cost. Cost is determined as the fair value of the asset given as consideration, plus costs incidental to the acquisition and all other costs incurred in getting the asset ready for use.

Where an asset is acquired at no, or a nominal cost, the cost is its deemed fair value at the date of acquisition.

The cost of an asset constructed by Council includes the cost of all materials, direct labour and an appropriate portion of overhead costs.

Library books are ~~written-off~~expensed in the year of purchase / receipt.

AASB 113 requires the use of a Fair Value hierarchy where assets are reported as Level 1, Level 2 or Level 3 inputs. This refers to how the value of the asset has been determined. The following table outlines the fair value hierarchy disclosure classification by asset class for Council.

Hierarchy	Description
Level 1 Inputs	Quoted Prices – Active Markets
Financial Assets	A Level 1 input will be available for many financial assets and financial liabilities, some of which might be exchanged in multiple active markets (e.g. on different exchanges).
Level 2 Inputs	Observable Inputs
Land Council Buildings on non-community land and are able to be used commercially (e.g. offices, libraries and shops, plant, furniture and equipment)	Level 2 inputs include the following: <ul style="list-style-type: none"> a) Quoted prices for similar assets or liabilities in active markets b) Quoted prices for identical or similar assets or liabilities in markets that are not active c) Inputs other than quoted prices that is observable for the asset or liability.
Level 3 Inputs	Unobservable Inputs
Buildings on community land, community land and all infrastructure assets	<p>An adjustment to a Level 2 input that is significant to the entire measurement might result in a fair value measurement categorised within Level 3 of the fair value hierarchy if the adjustment uses significant unobservable inputs such as the entity's own forecasts.</p> <p>An entity shall develop unobservable inputs using the best information available in the circumstances, which might include the entity's own data and shall adjust that data if reasonably available information indicates that other market participants would use different data.</p>

Asset depreciation

All non-current assets, with the exception of land, are depreciated over their determined useful lives. Depreciation of an asset commences when the asset is available for use and is calculated on a straight-line method using the standard estimates for useful lives below. The actual useful life for specific assets may be varied where asset quality, environmental and/or operational conditions warrant.

Plant, Furniture and Equipment	Useful Life
Office equipment	5 to 10 years
Office furniture	10 to 20 years
Vehicles and road-making equipment	5 to 8 years
Other plant and equipment	5 to 15 years
Building and Other Structures	Useful Life
Buildings – masonry (overall)	50 to 100 years
Buildings – other construction	20 to 40 years
Buildings – roofing	40 to 60 years
Buildings - Services	10 to 100 years
Buildings - Interior	20 to 40 years
Buildings – Sub Structure	50 to 120 years
Buildings - Super Structure	50 to 100 years
Open Space Structures – masonry & engineered structures	50 to 100 years
Open Space Structures – other construction	20 to 40 years
Playground equipment	5 to 20 years
Transport Infrastructure	Useful Life
Sealed Roads – Surface	15 to 30 years
Sealed Roads – Pavement Base	65 to 100 years
Sealed Roads – Pavement Sub-Base	100 to 400 years*
Unsealed roads	10 to 20 years
Paving and footpaths, kerb and gutters	25 to 75 years
Traffic signals and school crossings	25 years
Stormwater Infrastructure	Useful Life
Drains	70 to 100 years
Culverts	70 to 100 years
Flood control structures	70 to 100 years
Dams and reservoirs	70 to 100 years
Bores	20 to 40 years
Reticulation pipes – PVC	70 to 80 years
Reticulation pipes – other	25 to 75 years
Pumps and telemetry	15 to 25 years
Irrigation	Useful Life
Primary Supply Lines	80 years
Secondary Supply Lines	50 years

Sub-Surface Supply Lines (Tertiary)	25 years
Pump Stations & Controls	10 5 to 20 years
Sprinklers, Drippers and Valves	15 to 20 years
Miscellaneous	25 to 50 years
Other Assets	Useful Life
Artworks	indefinite
Street furniture	10 to 20 years

**Useful life for Pavement Sub-Base renewal is projected based on renewal occurring after approximately every 2-3 Pavement Base renewals. This projection will be cross-checked at the time of transport condition assessment.*

Asset revaluation

Non-current assets are revalued regularly to ensure that the carrying amount does not differ materially from that which would be determined using fair value at reporting date in accordance with Australian Accounting standards and Regulations under the Local Government Act 1999.

Plant, furniture, equipment and other assets are not revalued and will remain at cost.

Land held for development and/or resale is valued at the lower of cost and net realisable value.

Asset Revaluation Condition Assessment Schedule

Asset Class	Upcoming	Subsequent
Land & Buildings	2025	2030
Open Space	2025	2030
Irrigation	202 6 ¹	203 1 ² 6
Transport	202 8 ⁴	203 3 ² 9
Stormwater	2024	2029

Residual Values

The residual value of vehicles and plant that are traded at the end of their useful lives can be calculated via AASB 13 Fair Value Measurement.

Residual values are not recognised for all other asset classes.

Asset Impairment

Assets that have an indefinite life are not subject to depreciation and are reviewed annually for impairment.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying value exceeds its recoverable amount in accordance with AASB 136 impairment of Assets.

Disposal or Sale of Assets

The disposal or sale of Council assets must be made in accordance with Council's ~~ss~~ "Disposal of Land and Other Assets Policy".

Asset Management

Council is committed to implementing asset management decisions based upon the following key principles:

- assets meet the needs of the community needs and support the service level delivery adopted by Council;
- legislative, political, social, environmental and economic requirements are considered in asset management decision making;
- new asset investments consider public value, benefits, risks, life cycle and costs;
- asset renewals are identified in Councils' Asset Management Strategy; and
- the Long Term Financial Plan aligns with the adopted Asset Management Strategy to ensure adequate funding is set aside to meet forecast asset management requirements.

6. Authority

Adopted by Council – August 202~~3~~²

7. History

- Version 8 – adopted August 2023
- Version 7 – adopted August 2022
- Version 6 – adopted August 2021
- Version 5 – adopted July 2020
- Version 4 – adopted July 2018
- Version 3 – adopted June 2016
- Version 2 – adopted June 2014
- Version 1 – adopted May 2012

3. ITEMS FOR NOTING

3.1 Strategic Management Framework and WTF: What's the Future, Whyalla 2040

Audit and Risk 17 July 2023

Committee Meeting:

Author's Title: Director Corporate

File No.: 2-20

Directorate: Corporate Services

Annexures:

A – Strategic Management Framework

B – Feedback from WTF: What's the Future Community Workshop held 12 April 2023

C – WTF: What's the Future Next Steps, Whyalla 2040 – approach to engagement

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐ **Yes**

☒ **No**

☐ **Yes**

☒ **No**

Reason – Not applicable

PURPOSE

To provide the Audit and Risk Committee with an overview of Council's adopted Strategic Management Framework which guides the development of Council's suite of strategic management plans, as well as information about work progressed to date in the development of Whyalla 2040, a plan developed by the Whyalla community for the Whyalla community.

SUMMARY

The Local Government Act 1999 (the Act) requires councils to develop and adopt plans for the management of its area, to be called collectively strategic management plans.

Council's Strategic Management Framework identifies how Council contributes to the ongoing development of Whyalla, translating Council's strategic plans into outcomes. It provides a roadmap for Council's activities as required by the Act, delivering public value.

Whyalla 2040 is a plan to be developed by the Whyalla community for the Whyalla community. It will outline the Whyalla community's vision, outcomes, measures and high-level strategies for achieving the outcomes.

RECOMMENDATION

The Audit and Risk Committee notes:

1. **Council's Strategic Management Framework.**
2. **Work progressed to date in the development of Whyalla 2040, a plan developed by the Whyalla community for the Whyalla community.**

3.1 Strategic Management Framework

REPORT

BACKGROUND

Section 122 of the Local Government Act 1999 (the Act) sets out the requirements for councils to develop and adopt plans (which may take various forms) for the management of its area, to be called collectively strategic management plans.

In conjunction with the adoption of plans for the management of its area, a council must develop and adopt:

- a long-term financial plan (LTFP) that relates to a period of at least 10 years (including a funding plan); and
- an infrastructure and asset management plan (IAMP) relating to the management and development of infrastructure and major assets by the council for a period of at least 10 years.

The Act also provides that a council must undertake a comprehensive review of its strategic management plans within 2 years after each general election. Furthermore, a council must specifically declare which plans will constitute the strategic management plans of the council.

DISCUSSION

Strategic Management Framework

Annexure “A” provides a high-level overview of a Strategic Management Framework (the Framework) and planning cycle for the term of the Council. The Framework and planning cycle are aligned with the requirements of the Act specifically in relation to the requirements for a LTFP and IAMP as well as undertaking a comprehensive review of Council’s plans within 2 years of the 2022 election.

Council adopted this framework at their 15 May 2023 meeting, declaring the following plans as their suite of strategic management plans:

- Whyalla Council Strategic Plan 2023 – 2033
- Whyalla Council Long Term Financial Plan
- Whyalla Council Infrastructure and Asset Management Plan

Whyalla 2040

The Committee will note the Framework also includes a community plan – Whyalla 2040, a plan developed by the Whyalla community for the Whyalla community.

Work has begun on the development of Whyalla 2040, which will set a vision for the future directions of the city. It will be a plan that Council and other government, non-government and private organisations can use to guide their activities.

By way of update, on 12 April 2023 the Whyalla community shared their vision for our city at the 'WTF – What's The Future' community workshop, with about 200 people representing a broad cross-section of our community.

People from local businesses, heavy industry, community organisations, education, sporting groups, as well as proud individuals from diverse backgrounds all came together in one room to join the conversation.

Refer to Annexures B and C for details of feedback received to date and proposed next steps in the development of Whyalla 2040..

Suite of Strategic Management Plans

In parallel to the development of Whyalla 2040, work has also commenced on the review of Council's suite of strategic management plans.

In line with the Audit and Risk Committee's Terms of Reference, the Committee will separately review each of the plans as they are developed, providing advice to Council regarding assumptions, consistency, efficiency/effectiveness, resources, and financial sustainability.

Financial Implications

Very minimal costs are being incurred throughout Council's planning processes, with the primary expenditure being the hire of facilities for the conduct of workshops.

A provision of \$20,000 has been made in the 2023/24 budget for all of Council's strategic planning activities during the year.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.2 – Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adapt to the changing needs and expectations of the community

Objective 3.2 – To connect and mobilise the community to work collectively to improve the lives of all community members

Legislation – Nil

Officer Direct or Indirect Interest – Nil

Risk Assessment – Nil

Social Considerations – Nil

Community Engagement

As outlined within this report.

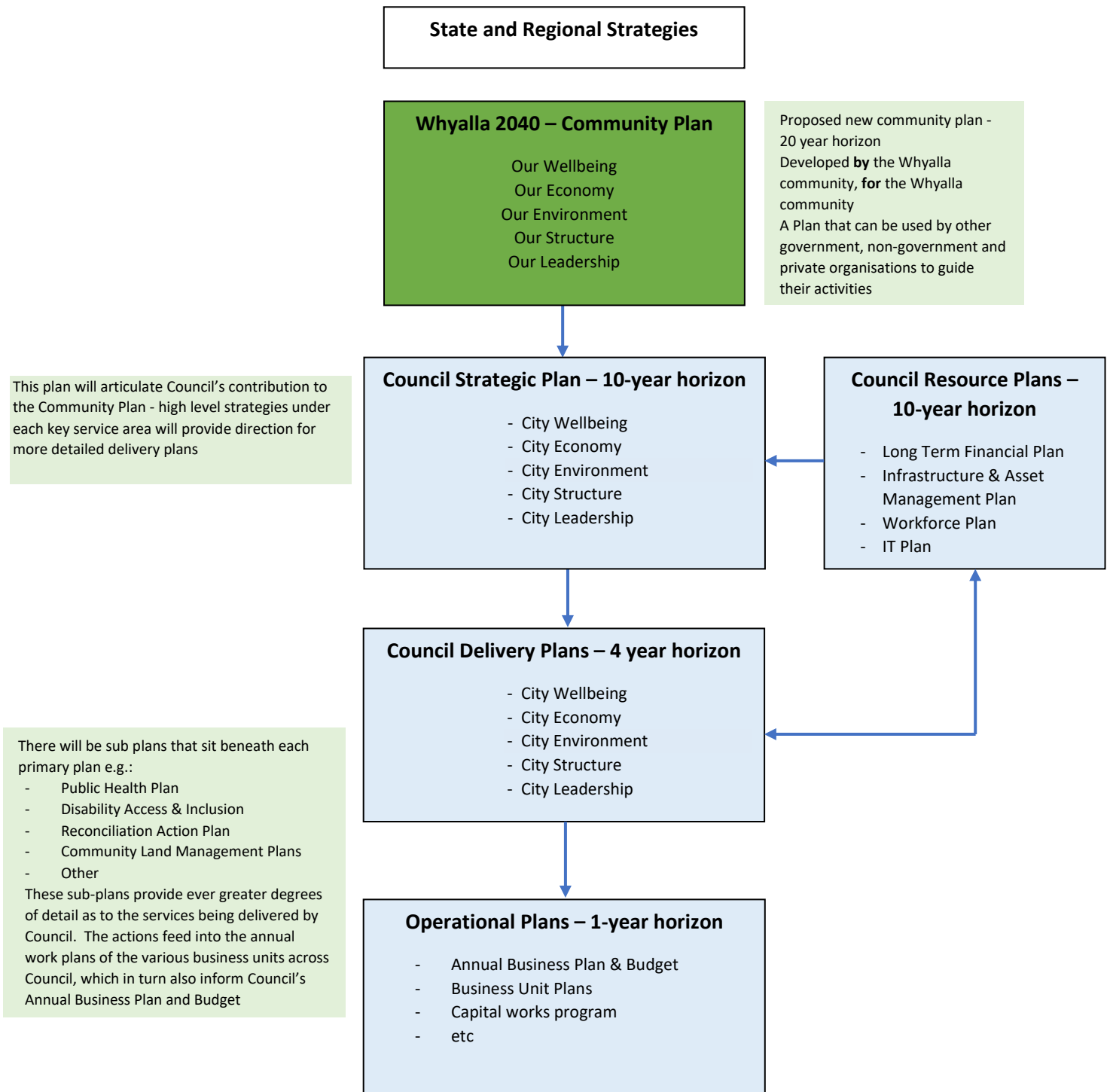
Environmental Implications – Nil

Communication – Nil

Conclusion

Council's Strategic Management Framework identifies how Council contributes to the ongoing development of Whyalla, translating Council's strategic plans into outcomes. It provides a roadmap for Council's activities as required by the Act, delivering public value.

OVERVIEW OF WHYALLA COUNCIL STRATEGIC MANAGEMENT SYSTEM



KEY ELEMENTS OF WHYALLA COUNCIL'S SUITE OF PLANS

Whyalla 2040

The purpose of this Plan is to:

1. Provide a shared vision for the future of Whyalla that reflects the aspirations of the Community.
2. Prioritise Community aspirations and direct the City's assets and resources towards those priorities.
3. Guide decision-making by all/anyone, providing a framework for making decisions that align with the Community's aspirations.
4. Facilitate coordination and collaboration among Community members, public and not for profit organisations, and private businesses in working towards the Community aspirations.
5. Attract investment in Whyalla by demonstrating the Whyalla Community's commitment to its future and providing a clear roadmap for future development.
6. Enhance community pride by providing a sense of ownership and involvement in a shared and prosperous future for Whyalla.

Key elements of all Plans:

Our wellbeing – wellbeing is the state of feeling healthy and happy, or what is ultimately good for someone. This element reflects on all things people related including health and wellbeing, arts and culture, aged and youth services, sport and recreation, community development, being included and belonging. It is strongly linked to happiness and life satisfaction.

Our economy – is about the economic activity of our city. It includes strategies directed towards education, jobs, business, industries and services that contribute to the economy. A strong city economy is essential for the wellbeing of our city and for the growth and prosperity of the region.

Our environment – the natural environment is the basis for our existence. It includes the air, water, land and all living things that inhabit our area. The natural environment not only supports Whyalla's people, but is home to many special local ecosystems and is essential for the survival of both indigenous and introduced flora and fauna. The environment is part of our heritage, and this element of the plan relates to how we preserve and manage the special heritage we have.

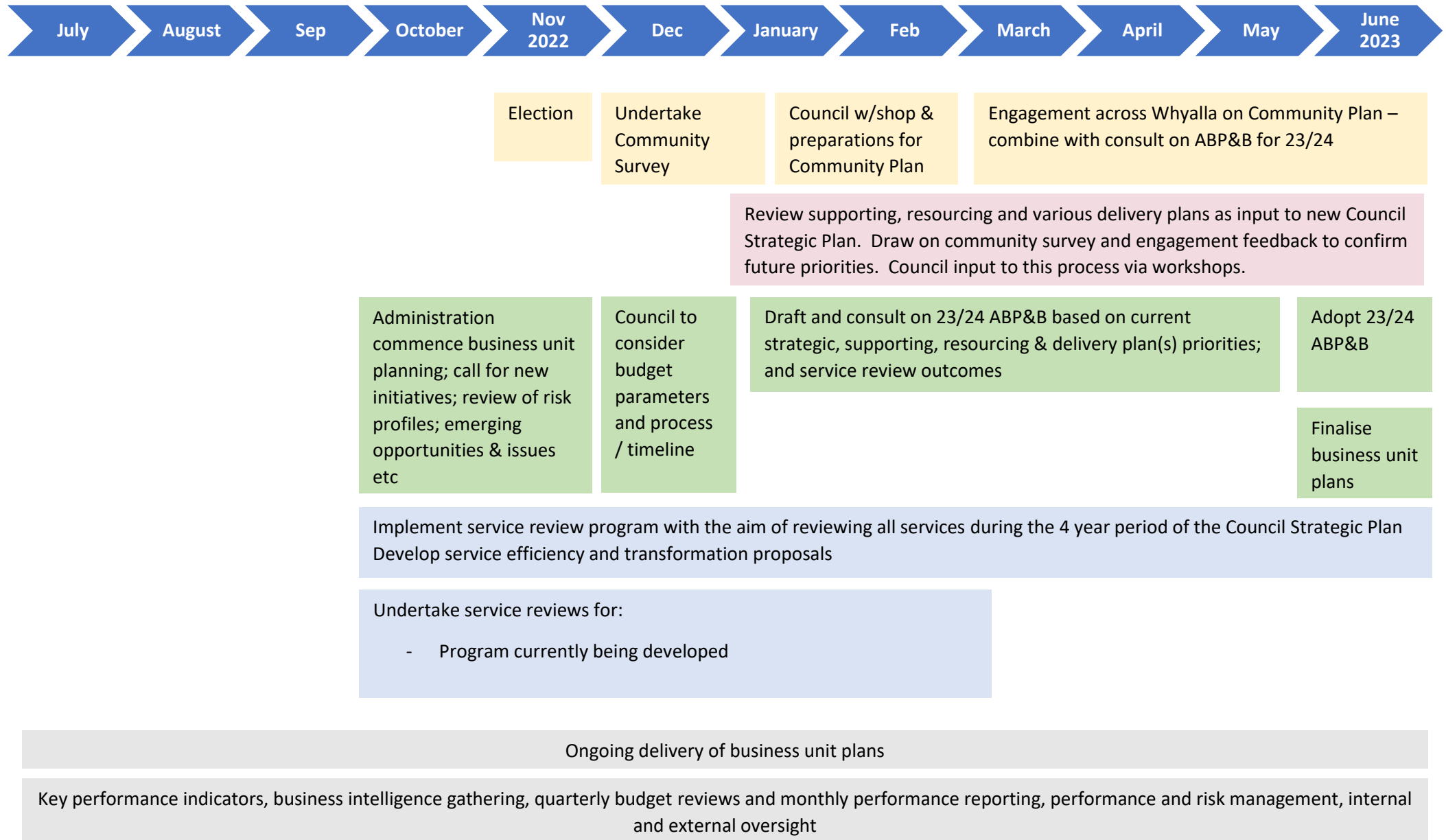
Our structure – this element talks about how Whyalla will grow and change over the next 20 years to become a place the people of Whyalla love and are proud of, a place they want to stay in or return to, and a place that others want to visit, move to or invest in.

'Our structure' provides the strategic direction for how and where growth can be realised over the life of the plan. This direction draws on Council's planning zones and feeds into Council's Infrastructure and Asset Management Plans.

Our leadership – focuses on how the Whyalla community (leaders, business, community groups, residents and visitors) comes together, expressing leadership and engaging so that we all play our part in creating Whyalla: a flourishing city.

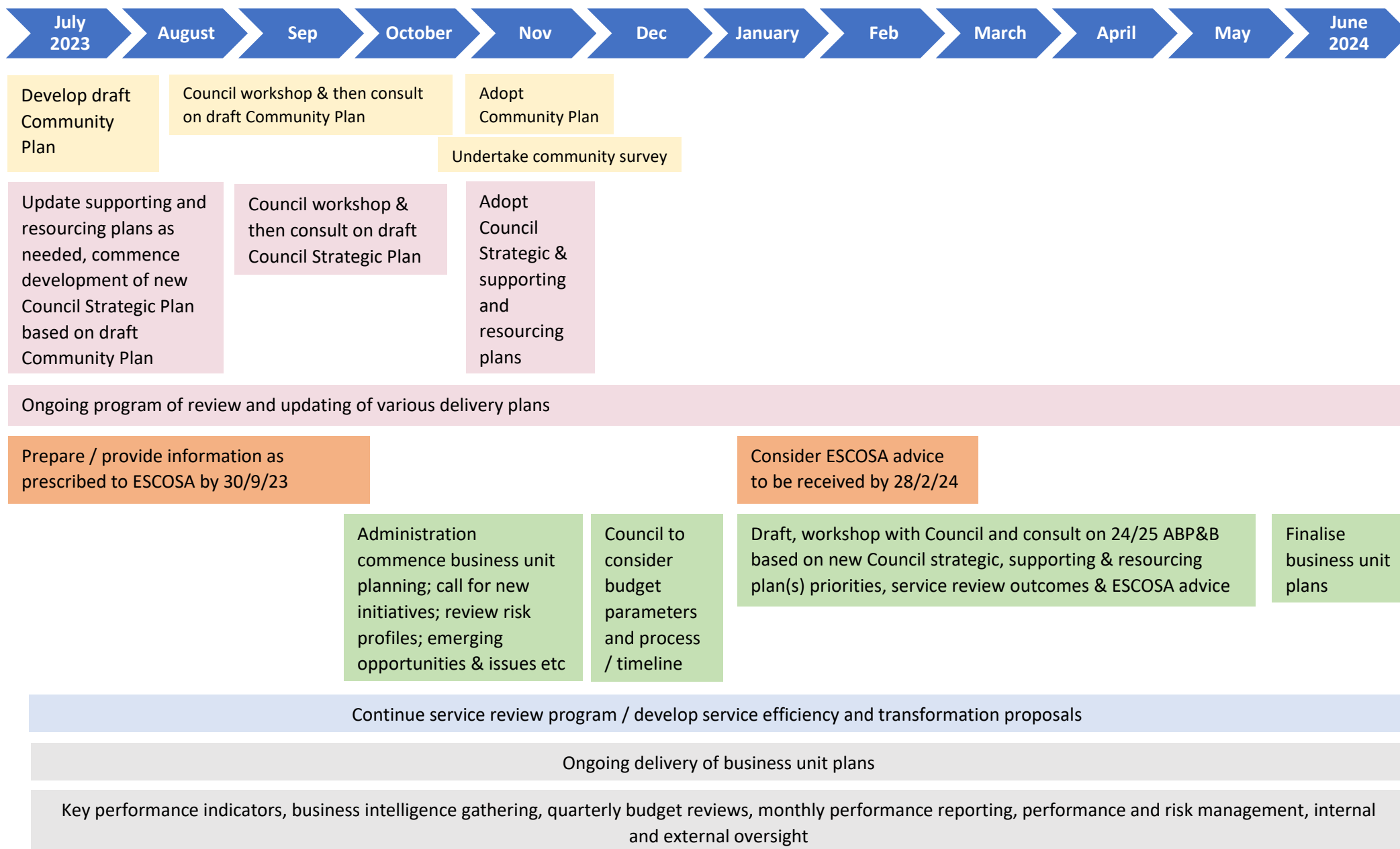
STRATEGIC MANAGEMENT CYCLE

YEAR 1 – of 4 year council term



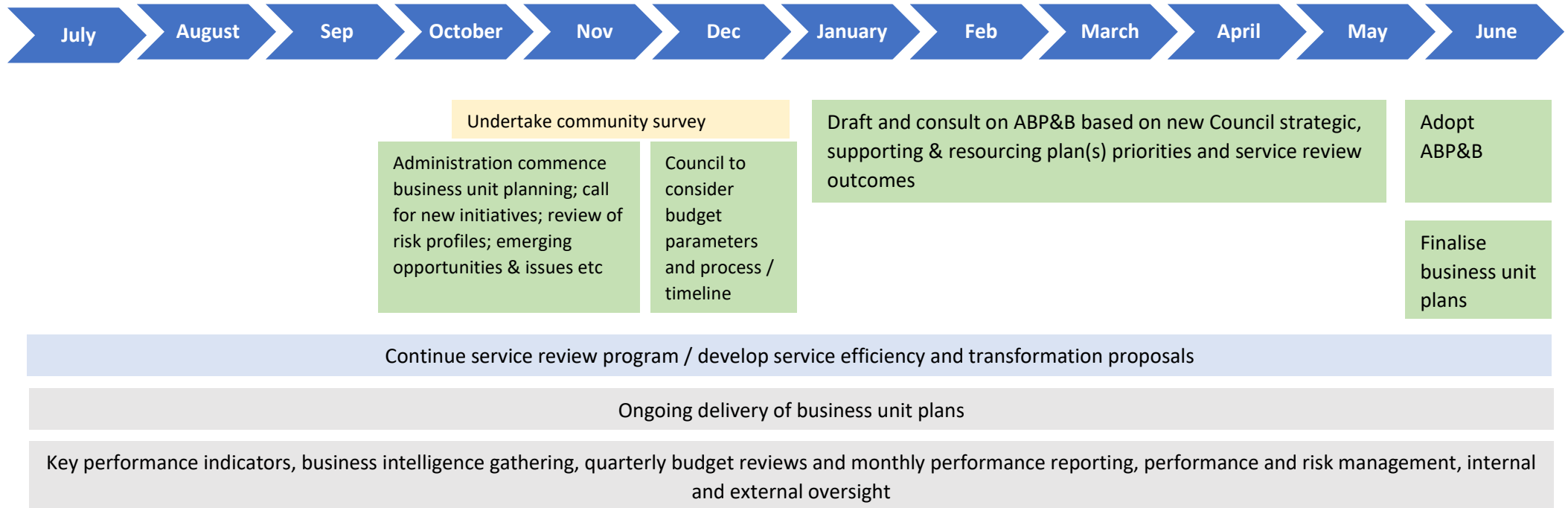
STRATEGIC MANAGEMENT CYCLE

YEAR 2 – of 4 year council term



STRATEGIC MANAGEMENT CYCLE

YEARS 3 and 4 – of 4 year council term



WTF?! What's the Future?

Community Workshop – – Wednesday 12 April 2023 - Priorities

"My vision is for community to be friendlier, communicate, to say hello, to be respectful and smile. We need to teach our young one's respect by showing it to others."

Roderick Wingfield – Barngarla Elder

The key themes to emerge were –

HOUSING

TOURISM

EDUCATION

HEALTH SERVICES

SPORT, LEISURE & RECREATION

YOUNG PEOPLE

DIVERSIFICATION OF INDUSTRY/JOB & BUSINESS

ENVIRONMENT & SUSTAINABILITY

SECURITY & SAFETY

COMMUNITY & SOCIAL SERVICES

DIVERSITY

AGED CARE

BARNGARLA PEOPLE

OTHER

HOUSING

1. Diversity of community housing – location as well as design.
2. Affordable housing.
3. A healthy supply of good quality housing.
4. Modern accessible affordable housing.
5. Housing - cheap affordable, sustainable housing.
6. Retirement village.
7. Revitalisation of town area. Housing.
8. Embrace new technologies in new approach to building housing.
9. Housing plan – for singles in couples.
10. Housing.
11. Infrastructure and facilities that would encourage people to want to live here.
12. Build our support infrastructure (housing) to accommodate our future.
13. Housing for homeless and people with disabilities.
14. Tackle homelessness. More rental properties. Reopen the youth hostel. Fix up vacant Housing Trust houses.
15. Encourage the whole family to stay together in Whyalla, through proper amenity and opportunity for all ages.
16. Including minority groups in decision-making – development, e.g. retirement.
17. Housing in Main Street. Main Street upgrade.
18. No fly in and fly out. People need to be encouraged to live in our community.
19. More vibrant main street. Lots of history and close to beach.
20. Sustainable growth.
21. Pet friendly units for aged and young to free up larger homes for families preferably near the beach community.
22. Modern, contemporary, sustainable housing to enable population and economic growth.
23. More affordable housing.
24. Housing. For the homeless and health. Having more housing services. Such as Common Ground, Salvation Army, Housing Trust, City Council, mobile assistance, patrol sobriety, modern, contemporary, sustainable housing to enable population and economic growth.
25. More housing opportunities for everyone.
26. Increased housing.
27. More people. Increased industry. Housing. Restaurants and bars.
28. Housing.
29. Housing. More liveable city.
30. Housing. Homelessness. Shelters for men who are often neglected. Low income earners. Housing Trust expect all young who work are expected to get private rental.
31. Housing and infrastructure.
32. Growth. In business housing education we need to move forward.
33. Self-sufficient (one stop shop) – live, work, be entertained, educated, socially connected lifestyle.
34. Housing. Comprehensive permanent and temporary housing plan not just for the steel/ GFG business. But the whole community.
35. Develop affordable modular sustainable housing, not brick veneer.
36. More housing estates.
37. Better housing. More secure.
38. Housing for future families.
39. Great housing for everyone.
40. Affordable housing.
41. Development. Futuristic - early adoption of new ideas to build a city. Juxtapose the heritage in out of this world new development.

42. Housing – all forms of affordability. Executive to family to affordable. No shortage to be able to expand population.
43. Housing.
44. Housing for the homeless support for them resources and shelter - security for the homeless.
45. Building houses with brick on the inside and cladding on the outside.
46. More affordable housing that allows pets.
47. Housing.
48. Apprentice training for trades needed in Whyalla. Housing for all people.
49. Better housing in general.
50. A growing city through partnership of community government and local government and housing plan.
51. Sustainable housing.
52. Accommodation. Sustainable and affordable.
53. Housing – quality diversity, suitability, age care.
54. Affordable sustainable housing.
55. Well thought housing plan. New blocks new designs approved local parks local kids playground.

TOURISM

1. Hotel to be built. Tourism. Upgrade visitors centre. Promote museum.
2. Promote upgrades – tourism and opportunities.
3. Inclusive community spaces.
4. Tourism – accommodation for people to attend Whyalla without having to stay in Port Augusta or Cowell.
5. Beautification of our city. Especially the eyesore areas in the Western area. Better lighting. Walk up to the jetty.
6. Fancier hotels/accommodation – tourists.
7. Beach café facilities – that are disabled and children friendly. Beach – seaweed problem.
8. Beach upgrade. Where boating, yacht club. Seaweed. Clean beach.
9. Improved amenities. Social capital. Shops, restaurants, and activities.
10. Nature-based tourism.
11. Need to create a centre square.
12. Ramped up parks and gardens. More than outdoor areas. More hiking trails highlighted on maps marked out and vegetated. Pave the Fitzgerald Bay ocean Drive to increase tourism rating.
13. Vibrant for sure and Main Street to showcase history culture and amenity.
14. We continue to beautify the city and create spaces to spend time that attracts tourists.
15. Attractive for families to visit. Short and long holiday.
16. Maintain community gardens established. Council and community groups.
17. Great community spaces - for sure, bikeways, sports, arts.
18. Tourism hub - force your facilities with food, and a view that is opened on the weekend and extended hours. A destination.
19. A town centre.
20. The main street clean-up - beautification. Beautiful buildings. So dirty. Can't help empty shops, but at least windows covered in interesting paintings, etc. how about shops showing our history stories.
21. We've heard the talk over so many years but it's not happened yet.
22. Tourism – need a new visitor centre with more space and café facility.
23. Environmental spaces - create a new Eden on Earth starting here.
24. Clear the beach of seaweed. You want it to be useful to all those who use it as a tourist draw card.
25. That's for sure, and our other natural resources aren't overdeveloped.
26. To be proud to show off our city to anyone that visits, not only for an hour or a weekend, but for the rest of their lives.
27. Better tourism facilities. Current visitor centre too small.
28. Greater diversity – businesses and experiences.
29. Nice to beach. Well, not beach but like nicest stuff around it. Because it is kind of not appealing unless you already know that it is nice.
30. A shopping/food and drink hub in the Foreshore area.
31. As you're traveling to Whyalla, there's two signs that it doesn't look like a nice town from the highway let's make it nicer.
32. Social capital areas for people to come together for example, Daylesford is known for its spa. What are we known for? Maybe it's the green place.
33. Tourism.
34. Development of entertainment precincts like the foreshore development.

EDUCATION

1. Best possible educators. Education facilities look great, but are pointless. If no great teachers.
2. Education and Council leaders to push the limits. Innovative/take risk.
3. Better education. Choice of career paths. More university courses.
4. Education for our youth.
5. Skilled labour.
6. Happy place and engaged community.
7. Focus on education/employment pathways.
8. New thinking - new living.
9. Business leaders involved. Education.
10. World standard education system – STEM, trades and arts.
11. Increase in educational programs for local people to live study and stay in Whyalla.
12. Better education system that covers a wider variety of relevant professions. This will keep people local, including psychology, engineering.
13. Better education at the University, and TAFE - more university courses, so kids don't need to go to Adelaide. More apprenticeship places.
14. Jobs. Plans for youth education, supported by business. To employ school leavers.
15. Actively link education, training, and employment.
16. Education, opportunities for everyone.
17. Education city. Expand University. TAFE facilities to encourage local and regional centres close to Whyalla to use our facilities. Youth will be closer to home environments and will not have to travel and stay in Adelaide, which can be a great expense to families.
18. Education. Focus on education keeping kids in schools. Improve on the lessons. Make it fun and more engaging. That way they will get educated and a job in the future.
19. Education.
20. A+.
21. Face-to-face lectures at TAFE and university. So many courses offered online only.
22. Establish skills needs for our future vision.
23. Education for our future industry.
24. Increased education opportunities. University, RTO's, jobs, TAFE, and schools.
25. More focus on education facilities (high school, technical trades health, etc.)
26. Education. Teach your students how to think rather than what to think we could turn this town into an innovation hub. Rather than a workers paradise. We need more people who can think for themselves!

HEALTH SERVICES

1. More health and mental health supports.
2. More mental health support.
3. Health. Improve health services. No more wait times to see the doctor. You're half dead by the time.
4. Money well spent wisely.
5. Better entertainment, facilities, and health facilities.
6. We need doctors and specialists.
7. Healthcare – easier access to Hospital and Doctors. Need an expansion to the hospital and less travel to receive medical treatment.
8. Health services across lifespan and cohorts.
9. Local access to medical care.
10. Better health system.
11. Better health care - more specialists.
12. Health - for everyone – we need a lot more human resources – so opportunities for training upscaling. More doctors and nurses. More Aboriginal workers especially in the hospital.
13. Improved health facilities/mental health support/support for people with addiction issues.
14. Economically and socially sustainable city with first class medical education and liveability/facilities for the community.
15. Better health care facility. Without going to Adelaide.
16. Advanced healthcare facilities. More GPs. High end, medical.
17. Need more medical specialists.
18. Better health care.
19. More doctors so you're not traveling to Adelaide and up-to-date medical.
20. Hospital upgrades. Doctors specialists etc. to live in the community.
21. Security and health. Employment, education, recreation and retirement.
22. Get the unemployed working and off the dole. Healthcare is poor.
23. Liveability - city. Connected. Service rich. Health and education. Safe.
24. Better health facilities and access to mental health, drug rehab.
25. Better health options.

SPORT, LEISURE & RECREATION

1. Leisure and recreational options within the town. Upgrade rec centre.
2. New rec centre. Build a new one while keeping the old one.
3. A sport and rec precinct located in centre of city that includes indoor and outdoor pool basketball and netball stadium.
4. Build a new rec centre/pool before closing the current one so we can keep using it until new facilities are ready. We can't not have one for 18 months to two years. You have babies school kids older people all using this facility plus disabled.
5. New rec centre to be built and the old establishments to remain open whilst it is built.
6. Build a new rec centre for fixing up centre without closing it for 18 months because the community needs it to be open.
7. That Whyalla embraces its best feature its waterfront.
8. Liveable, attractive city - attract employees, social life, football, things to do, arts/sports/nightlife, open spaces.
9. Sports - regional development centres to bring opportunities to the region, reducing the need to chase for opportunity more chances for young athletes to succeed.
10. Sporting hub – for all sports, not just football, share facilities with all
11. Attractive places – foreshore parks cafés.
12. More sporting activities and or carnival things or at least things that will bring those smaller communities together because it needs to be more connected and stuff.
13. More activities for people eateries music entertainment at the beach.
14. Job security - sporting hub centre
15. More activities/events in the future.
16. Entertainment facilities – pubs and clubs, restaurants, movie, theatres, drive-in and theatre, horse racing brackets, major event, clothes, brackets, easy land, easy licensing, new CBD.
17. It's important to plan any improvements well i.e. build a new recreation centre before closing the old one.
18. More open space for social interaction.
19. An outdoor pool open all year round
20. New pool facility with Olympic pool, medium pool and toddler pool with shade
21. Places to be active and entertained?
22. For all new developments to go ahead for sure, etc.
23. Parks and sports facilities.
24. Sports clubs.

YOUNG PEOPLE

1. Future opportunities for use i.e. education and jobs.
2. Facilities for used to have a hang out - drug and alcohol free.
3. No homelessness re-open a youth shelter for teenagers to go to for help and a roof over their heads.
4. Communication with youth of the town – use their way of communication.
5. Targeted supports for vulnerable youth/families. Support mental health and trauma healing.
6. Education and community involvement for Young.
7. Support and job opportunities for our youth - apprenticeships, traineeships and jobs.
8. Focus on connecting youth with the Whyalla community.
9. Good education and pathways for employment for youth.
10. Improved education/training opportunities, so that all school leavers have opportunities locally. Larger TAFE, Uni.
11. More reasons for the young to stay here and contribute to community.
12. More communication with the younger generation regarding work opportunities.
13. That's how young people see a future in our town.
14. Voice for young people and clear vision for them as well.
15. More for our children to do. More options for the future.
16. Council funding for our regional youth arts centre.
17. Safe community space is for young people (Alcohol free) and with fun activities for socialisation.
18. More creative opportunities for the youth developed in collaboration with the youth give them a voice. Ask what they need.
19. Yes, activity free. Health food fitness.
20. Youth having more say in THEIR community.
21. More opportunities for the youth to get involved i.e. workshops in Westlands. Safe place to chill.
22. Different diversity/religions all coming together as one.
23. That the advent of new technology at the steel Works brings new skills, new ideas, and those that come and build these things a percentage ultimately stay and bring more diversity graduate programs.

DIVERSIFICATION OF INDUSTRY/JOBS & BUSINESS

1. Prosperity for all - with the changes and opportunities coming everyone must benefit.
2. That a diverse community develops or is maintained.
3. Jobs.
4. Attracting businesses to Whyalla.
5. Stand out in south Australia, Australia, and the world.
6. Acceptance of new opportunity and developments in the city, hydrogen plant, desalination plant, etc.
7. Employment opportunities. For our young and local, especially the 20 to 35 year age group. Make sure our aboriginal community are considered for these employment opportunities such as longevity with employment.
8. Empowered citizen enjoying their four-day work week.
9. More for small businesses and opportunity. Support.
10. Employment – security and training.
11. Sustainable industry. Increased workforce.
12. Prosperous industry. Expansion. Green steel, diverse industry.
13. Multi industry.
14. To be a leader in renewable energy.
15. Diversification of industries.
16. Clean industry and tourism to provide jobs for population.
17. That we get more shops cafés restaurants so we can shop locally. Movies are every day.
18. A city that offers more opportunities for people that visit and can inspire new ventures and innovations that benefit the community.
19. More diversity within the job market.
20. The focus and identity of Whyalla is not so linked to the success or failure of the steelworks.
21. Jobs/thriving decarbonized industry, decarbonised steelworks, hydrogen hub enabling more industry. Modern technological jobs.
22. Green iron and steel hub for the state.
23. Industry and employment.

ENVIRONMENT & SUSTAINABILITY

1. That any growth is sustainable both environmentally and economically.
2. Sustainability.
3. Stop uranium mine on Mullaquana. Push green initiative not supporting nuclear industry. Bad look for Whyalla. The new green belt of SA.
4. Building and integrating more appropriate community – less car, centric, and more ambulant Cissy design.
5. Capitalise on Green industries and renewable energy.
6. Sustainable and resilient community.
7. New sustainable water source.
8. Clean air.
9. Clean Whyalla - no more black dust.
10. Actually see plans in place completed and get the town booming.
11. Environmental considerations/sustainability
12. Sustainable – no debt, financially rock solid. Profitable.
13. Whyalla as a Clean green economy and community.
14. Environmentally sustainable – with green options.
15. Recognised centre of excellence for green technology and manufacturing.
16. Care for and showcase the semi-arid landscapes.
17. Sustainability – economic, environmental, water, and energy.
18. Sustainability in action.

SECURITY & SAFETY

1. Safe environment for all.
2. Safe connected community with something to do.
3. Safer communities for all.
4. In 10 to 20 years, I want to see Whyalla being a clean and safe city.
5. Safe future place.
6. Community, unity and a safe environment.
7. Safe place to live.
8. Sustainability - social and economic.
9. Cleaner safer more accessible facilities for public use. Lighting. Better amenities.
10. Safe community. Community consultation.
11. A place that makes people feel safe.
12. Security and safety.
13. More police on the beat. Sort out all the crackheads and rat bags. Car theft, break-ins, bashings. We have a huge ice problem in Whyalla.

COMMUNITY & SOCIAL SERVICES

1. United community with relevant services.
2. Enhance peer support networks for youth and community development.
3. Public transport that services the whole community is more accessible.
4. All kids to do community service and “own” areas for a sense of pride and ownership.
5. Connected and cohesive social communities.
6. A sense of community that helps and builds upon what has been established.
7. Create more community. Reduce social issues.
8. Better community services and supports for people living here. Financial literacy. Financial education. Gambling addiction support. Family and DV support. Financial counselling services.
9. Social services to support growth.
10. Support systems and opportunities for young professionals migrating to Whyalla.
11. Community gardens. More businesses. Chemists – different connections, e.g. National Pharmacy. Banks.

DIVERSITY

1. More awareness for the LGBTIQ+ community. More education surrounding the community to build a better understanding.
2. More education and support for the LGBTIQ+ community.
3. More liveable for people with disabilities is more liveable for everyone.
4. Better, cultural connections.
5. Artistic, innovative, and cultural leadership.
6. A bright, vibrant, and thriving arts and culture scene.
7. More colourful stuff around Whyalla. It's very orange and brown. Kinda dull.
8. Embrace and exploit its historic diversity. Eat Street. Rug on the grass (music).
9. Barngarla recognition across the city and other safe spaces for diverse people.
10. Strong caring multicultural community. No fly in fly out.

AGED CARE

1. Aged care in Whyalla.
2. Food. Fitness for all ages. Free along our beach – benches to sit on for elderly.
3. More aged care facilities.
4. Facilities for all demographic – especially young and old.
5. To create a place not just for workers, but for people to retire to as well – more community things, events, sport.
6. Age care – need more beds and better care.

7. More age care, facilities to keep the elderly fit at home with adequate support as they deserve to be treated. More residential homes for elderly - not have to go out of town away from loved ones.

BARNGARLA PEOPLE

1. Local Aboriginal community. Whyalla Aboriginal Community Centre that is place for the local and visiting Aboriginals. This allows opportunities for non-Indigenous to connect with Aboriginal community.
2. Cultural centre – First Nations to share info, culture, traditions to all people – like Kurna Centre of Tauondi College.

OTHER

1. Positivity – with planning things well look out the window screen not in the rear vision mirror.
2. Local opportunities.
3. I want to see all industries working together for the benefit of Whyalla. community and not an individual.
4. Hard work. Time to pull together while sharing ideas.
5. Togetherness – let's work together to build a culture for our city.
6. People of Whyalla feel proud of their city and confident in their opportunities.
7. Digitization and modernisation.
8. Not lose our history and what makes us unique. We don't want to become another mini-Adelaide. We still need to keep what makes Whyalla.
9. Steelworks. Bridge across to Port Pirie - Whyalla steelworks supply for bridge. Advertising on bridge for Whyalla.
10. Strong local partnerships that lift her spirits of Whyalla.
11. Creating an incredible amenity across the city. Buildings parks, verges, etc. Arts and culture.
12. A place that attracts the best and brightest people.
13. Removing heavy metals from the water system.
14. Less fly in fly out workers - people settling in the town with families investing the money they earn here in the community. Supporting schools, sports, etc.
15. Amenity - liveability, access, variety, health, age care, education.
16. Growth - increased workforce, opportunity, retail, recreation, services.
17. Strong transport connections. Road air and rail. Gulf bridge.
18. Transport.
19. Fix main street.
20. Better transport to Adelaide - cheaper, quicker, better.
21. Try getting the more people to facilitate future plans.

WTF: What's the Future Next Steps

Whyalla 2040: a plan developed **by** the Whyalla community **for** the Whyalla community
approach to engagement:



3. ITEMS FOR NOTING

3.2 Insurance Claims 2022/2023

Audit and Risk Committee Meeting: 17 July 2023
Author's Title: Governance Coordinator **File No.:** 0-159
Director: Corporate

Annexures

Nil

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

☐

Yes

☒

No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

☐

Yes

☒

No

Reason – not applicable

PURPOSE

To provide the Audit and Risk Committee with an overview of Whyalla City Council's public liability and asset incidents and claims for 2022/2023. This aligns with section 1.1.3 of the Audit and Risk Committee's Terms of Reference "as part of Council's governance obligations to the community, Council has constituted the Committee to facilitate effective management of risk and the protection of Council assets."

SUMMARY

Whyalla City Council self-insures by contributing to Local Government Risk Services (LGRS) schemes for coverage of Motor Vehicle and Property Assets as well as Public Liability and Professional Indemnity. Council manages all insurance claims via the LGRS who are supportive in managing the claims and assisting Governance staff. This report includes an overview and breakdown of our incidents and claims lodged over the last twelve months.

RECOMMENDATION

That the Audit and Risk Committee note the Insurance Claims 2022/2023 report.

3.2 Insurance Claims 2022/2023

REPORT

BACKGROUND

Members will recall the report provided to the May Audit and Risk Committee meeting which provided an overview of Council's self-insurance arrangements with LGRS.

This report now focuses on public liability cover provided by the Local Government Association Mutual Liability Scheme (LGAMLS); and asset cover encompassing motor vehicle and property provided by the Local Government Association Asset Mutual Fund (LGAAMF).

Workers compensation claims are reported through Work Health and Safety reporting and are therefore not included in this report.

Likewise, cyber security is not addressed in this report but is a separate item within this Agenda.

From the perspective of the Local Government sector in South Australia, certain insurable risks have been transferred to a number of self-managed Schemes managed by Local Government Risk Services (LGRS), via payment of an annual contribution.

The Schemes are:

- a) Local Government Association Mutual Liability Scheme (LGAMLS) for the purposes of Civil Liability coverage and claims management;
- b) Local Government Association Asset Mutual Fund (LGAAMF) for the purposes of asset and fleet coverage and claims management; and
- c) Local Government Association Workers Compensation Scheme (LGAWCS) for the purposes of workers compensation coverage and claims management.

Annual premiums for each of the above for the 2022/2023 financial year were:

- LGAMLS - \$196,578.80
- LGAAMF - \$74,248.91
- LGWCS - \$385,361.92

DISCUSSION

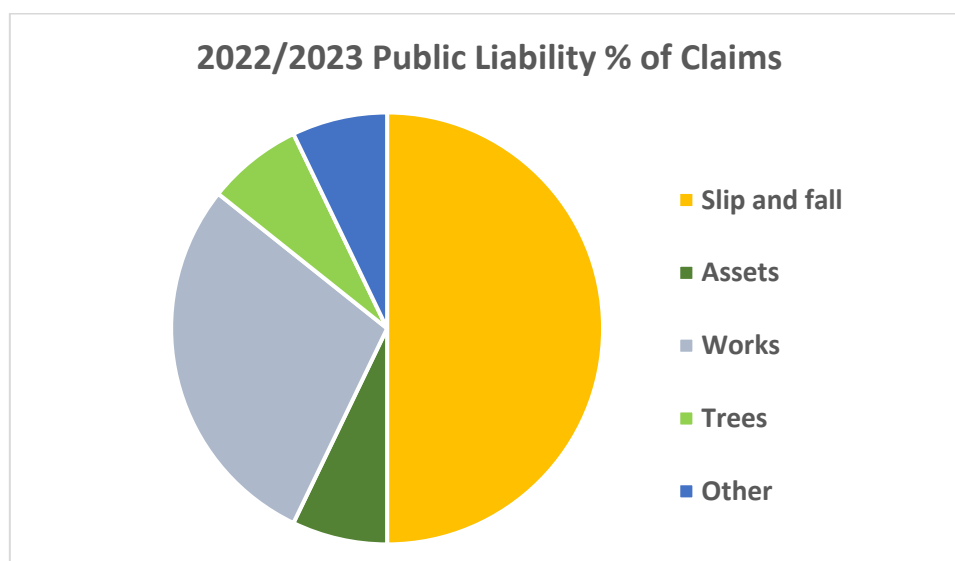
Local Government Association Mutual Liability Scheme (LGAMLS)

For reporting purposes, Public Liability incidents have been categorised into five broad categories.

Slip and fall	a person has slipped or fallen, most commonly on a footpath. These may or may not involve personal injury.
Assets	damage potentially caused by our assets e.g. pothole in a road causing damage to a vehicle
Works	damage caused by Council works, eg a mower flicking a rock up onto the windscreen of a passing vehicle
Trees	damage caused by trees
Other	those incidents (including personal injury) that do not fit into any of the above categories

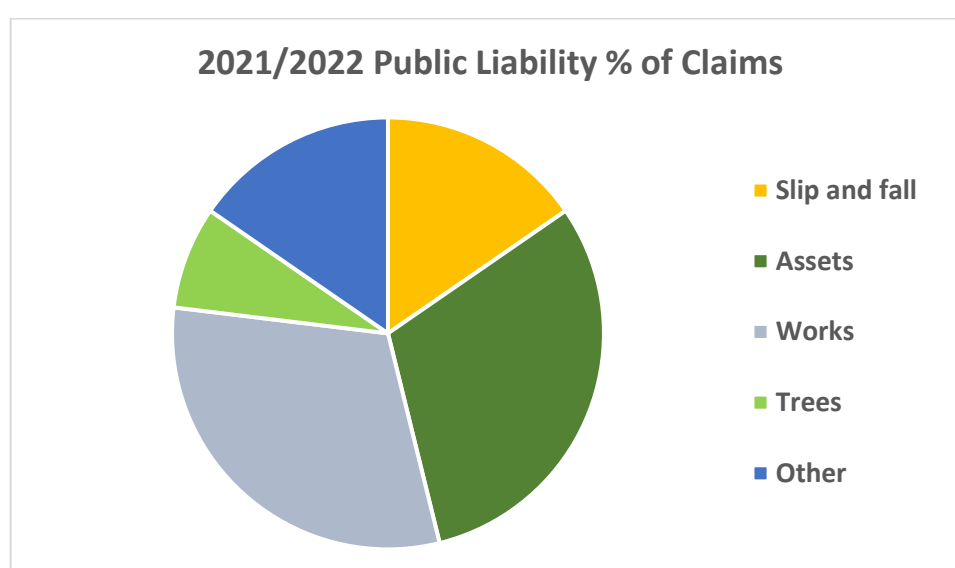
During 2022/2023 there was a total of twenty-eight public liability incidents reported, this data is broken down and presented in the table and chart below:

2022 / 2023 LGALMS CLAIMS		
Type	Number of Claims	% of Claims
Slip and fall	14	50.00%
Assets	2	7.14%
Works	8	28.57%
Trees	2	7.14%
Other	2	7.14%
	28	



In comparison, during 2021/2022 there was a total of thirteen public liability incidents reported, this data is broken down and presented in the table and chart below:

2021 / 2022 LGAMLS CLAIMS		
Type	Number of Claims	% of Claims
Slip and fall	2	15.38%
Assets	4	30.77%
Works	4	30.77%
Trees	1	7.69%
Other	2	15.38%
	13	



Key Observations:

- The number of claims more than doubled, increasing from 13 to 28
- Slips and falls comprised 50% of notifications, up from 15.38% last FY
- Damage caused by council works stayed stable, at 28.57% this FY compared to 30.77% last FY

Slips and falls

Notifications of slips and falls are actioned in a two-pronged approach:

- Hazard identification and mitigation/elimination
Our infrastructure crew are alerted to the incident so that they can attend the area, identify and assess any hazards, make the area safe and either undertake immediate remedial action or schedule such into the work plan.
- LGAMLS notification
As members of the scheme, the scheme rules require that members notify the scheme of all civil liability claims received and all incidents which have the potential to become claims. These claims are managed in their entirety by LGAMLS and Council is at arm's length in this process.

Under South Australian law Councils have a power and not a duty to repair and maintain footpaths and roads. The Courts have long held that to impose such a duty on Councils to maintain footpaths and roads infrastructure in perfect condition would constitute a massive financial cost which would be unsustainable without those costs being passed on to the community through higher taxes or increases in Council rates.

In recognition of this, councils can rely on the immunity provisions provided by Section 42 the (South Australian) Civil Liability Act against claims for compensation arising from incidents which are said to have been caused by any failure to maintain footpaths, roads and such structures.

Section 42 of the Civil Liability Act states as follows:-

- 1) A road authority (which includes Councils) is not liable in tort for a failure –
 - a) To maintain, repair or renew a road; or
 - b) To take other action to avoid or reduce the risk of harm that results from a failure to maintain, repair or renew a road.
- 2) In this section –

road means a street, road or thoroughfare to which public access is available to vehicles or pedestrians (or both), and includes –

 - a) A bridge, viaduct, busway (including the O-Bahn) or subway;
 - b) An alley, laneway or walkway;
 - c) A car park;
 - d) A footpath;
 - e) A structure associated with a road;

The appropriateness of Councils being afforded this protection under common law is reinforced by the Courts' view that pedestrians must be alert to their surroundings and be aware of the fact that outdoor surfaces such as roads and footpaths cannot always be expected to be perfectly flat, nor can they be expected to be entirely free of hazards.

Works

As works damages claims are generally well below our excess, these are usually settled directly with the affected person using operational budgets. Such matters are managed with an aim to deliver high level customer service and to resolve these claims as promptly as possible. A release voucher is signed releasing Council from any further obligation in the matter. Claims data is regularly reviewed to assess patterns and identify opportunities for improved management.

Trees

Council is afforded a statutory immunity in relation to damage caused by street trees, pursuant to Section 245 of the Local Government Act 1999, which provides that Council is not liable for any loss caused by street trees.

Statutory limitations

The statutory limitation period for personal injury claims is 3 years. For all other civil liability claims the limitation period is 6 years. This means that an incident might occur and it could be up to 3 years or 6 years before a formal claim is submitted to Council. Provided that an

incident was notified to the Scheme at the time, then all evidence necessary to respond to the subsequent claim should have been preserved.

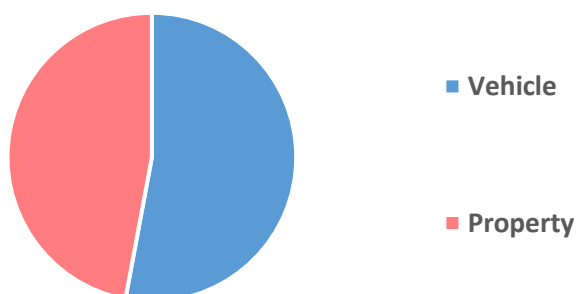
In relation to injury claims concerning children, the limitation period of 3 years does not commence until their 18th birthday, meaning they have until their 21st birthday to issue proceedings. This creates the potential for injury claims to be received by Council many years after the incident. It is imperative that Council informs the Scheme of all incidents involving injured children.

Local Government Association Asset Management Fund (LGAAMF)

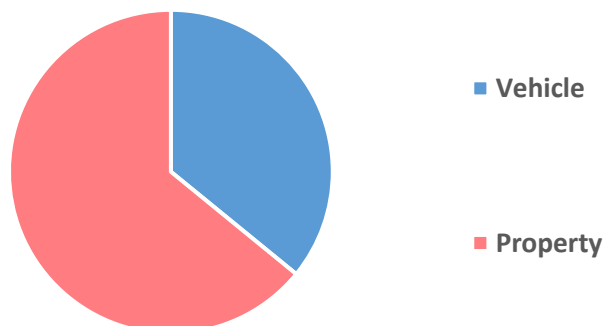
During 2022/2023 there was a total of seventeen motor vehicle and property incidents reported. This data is broken down and presented in the table and charts below:

2022 / 2023 LGAAMF CLAIMS				
Type	Number of Claims	Value of Claim (ex-gst)	% of Claims by number #	% of claims by dollar \$
Vehicle	9	\$ 41,125.71	52.94%	35.90%
Property	8	\$ 73,440.47	47.06%	64.10%
	17	\$ 114,566.18		

**2022/23 General % of Claims
(by number)**



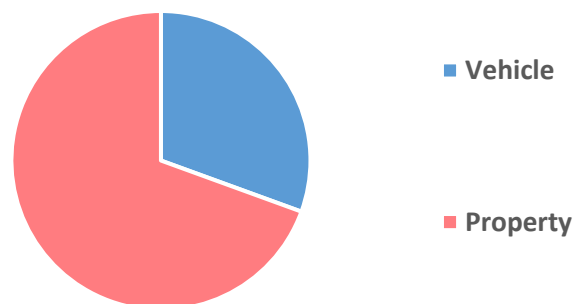
**2022/23 General % of claims
\$ (by dollar value)**



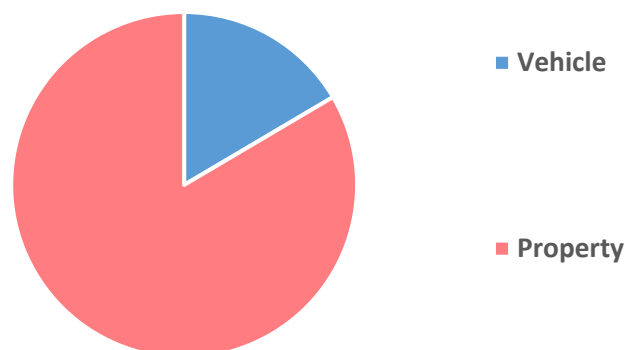
In comparison, during 2021/2022 there was a total of thirty six motor vehicle and property incidents reported. This data is broken down and presented in the table and charts below:

2021 / 2022 LGAAMF CLAIMS				
Type	Number of Claims	Value of Claim	% of Claims by number #	% of claims by dollar \$
Vehicle	11	\$ 17,305.68	30.56%	16.51%
Property	25	\$ 87,494.87	69.44%	83.49%
	36	\$ 104,800.55		

**2021/22 General % of Claims
(by number)**



**2021/22 General % of claims
\$ (by dollar value)**



Key Observations:

- The number of claims dropped significantly, from 36 last FY to 17 this FY
- Property and vehicle claims are pretty much evenly split this FY at 52.94% (vehicle) and 47.06% (property)
- Last FY there was a significantly higher number of property claims (69.44%) - this was due to increased incidences of vandalism and damage caused to our assets by vehicles, both deliberate and accidental
- The total dollar value of claims this FY was higher, this was due to three significant claims which are outlined in greater detail below

Significant claims for 2022/2023:

- Council vehicle written off \$30,521.82
- Damage to airport security gates \$35,860
- Wetlands shade sails damaged in intense winds \$18,848.00

Council was not at fault for any of the three claims outlined above, however they are brought to Member's attention as they are significant amounts.

As the table demonstrates, over the last financial year we have received reimbursements totalling \$114,566.18 while our annual insurance premium was \$74,248.91 – clearly demonstrating the value and financial benefit of being members of the scheme.

We have also experienced instances of theft, notably break-ins at the Council Depot. As a risk mitigation measure, earlier this year CCTV was installed at the depot, this was wholly funded by the LGAMLS risk incentive program at a cost of approx. \$30k. We are now able to provide CCTV images to the police when lodging a police report and the scheme when progressing claims.

Another notable risk mitigation measure is the installation of a non-slip treatment on the walkways of HMAS Whyalla. This is a landlocked ship, the centrepiece of the Whyalla Maritime Museum, and public ship tours are undertaken every day. The non-slip treatment, along with the presence of a trained tour guide, helps to ensure the safety of the visiting public.

As a Member of the LGRS Schemes and Fund, Whyalla City Council must ensure that it has developed, endorsed and implemented WHS, asset and risk management protocols.

The risk mitigation initiatives outline above are in line with Council's Risk Management Policy.

This policy recognises that effective management of risk will support successful achievement of our vision and strategic objectives and asserts Council's commitment to developing and maintaining structured and comprehensive risk management processes.

A significant part of budgeted annual spend is devoted to repairing, maintaining and upgrading our public assets to deliver safe and sustainable services to our community. Asset Management Plans outline the financial and technical elements for managing these assets.

Financial Implications -

Council has recently participated in a comprehensive annual insurance review process which ensures appropriate asset coverage whilst allowing Council's insurance premiums to be set at the correct level. Tax invoices for the 2023/2024 financial year are expected in the near future.

Strategic Plan

Objective 1.1 Unearth community pride within the city

Strategy 1.1.2 Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adopt to the changing needs and expectation of the community

Legislation

Local Government Act 1999
South Australian Civil Liability Act

Officer Direct or Indirect Interest

Nil

Risk Assessment

Membership in the LGRS schemes limits our exposure to unacceptable financial, reputational and operational risk. Council's membership of the LGAMLS constitutes as compliance for s142 of the Local Government Act 1999 – Duty to insure against liability.

Social Considerations

Nil

Community Engagement

Nil

Environmental Implications

Nil

Communication

Nil

Conclusion

This report focuses on public liability cover provided by the LGAMLS; and asset cover (motor vehicle and property) provided by the LGAAMF. Members are provided with an overview of claims for the 2022/2023 financial year, demonstrating the adequacy of our insurance arrangements and that our insurance costs are deemed fair and reasonable.

3. ITEMS FOR NOTING

3.3 Management of Excess Leave

Audit Committee 17 July 2023
Author's Title: Finance Coordinator **File No.:** 0-159
Director: Corporate

Annexures:

Nil

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐ Yes

☒ No

☐ Yes

☒ No

Reason – Not applicable

PURPOSE

To inform the Audit and Risk Committee of the new process implemented to reduce large leave balances and the impact that this has had to date.

SUMMARY

A process to manage excess leave balances has been implemented, for employees that have more than 8 weeks of Annual Leave and/or more than 13 weeks of Long Service Leave accrued. Council has a large number of employees that have been with the organisation for many years, who have accumulated large leave balances slowly over time.

The initial process undertaken has already assisted in reducing the outstanding leave balances at 30 June 2023 compared to 12 months earlier.

RECOMMENDATION

The Audit and Risk Committee notes the progress on managing large leave balances.

3.3 Management of Excess Leave

REPORT

BACKGROUND

Council has a large number of employees that have been with the organisation for many years, with some of these accumulating large leave balances over this time. As at 30 June 2022, total accumulated leave balances for the organisation were equivalent to approximately 11 FTE for Annual Leave (AL) and 18 FTE for Long Service Leave (LSL). Leave balances have not increased significantly year on year in the recent past, rather these balances have accumulated slowly over a number of years.

Employees are always encouraged to take leave and when the move was made to an electronic payroll system just over 12 months ago, an increase in LSL applications and cash outs was experienced, as employees were able to access their own balances for the first time.

Despite this, there will always be some employees who need further prompting to ensure they are taking sufficient leave. Therefore, the need to implement guidelines for managing excess leave balances was identified.

Implementing a new process of this nature has the potential to be quite complex and emotive, possibly including lengthy consultation with employees and unions. It was therefore decided to use the provisions already included in the *Long Service Leave Act 1987* and the awards which Council's employees work under.

Based on this, the following process was implemented:

- Supervisors are informed of any of their employees who have more than 8 weeks of AL and/or more than 13 weeks of LSL accrued, with insufficient planned leave to address.
- These employees are asked to submit leave forms over the next 12 months to address this backlog, taking into account further leave that will accrue in the meantime.
- If this is not possible, due to balances being too high or plans for retirement or extended leave outside of 12 months, then an excess leave management plan needs to be completed and submitted.

Cashing out of LSL is a normal administrative process allowed by Council at any time and so employees with excess LSL balances were informed that this was an option. Cashing out of AL is normally only permitted in extenuating personal circumstances however, to help deal with the high balances, some employees were offered this option as a one off.

As this is the first time the process is being undertaken, there are some employees with balances significantly above the excess thresholds. The plan is to undertake this process on a 3 monthly basis moving forward, and once the initial large balances are dealt with, this process will be fairly straight forward.

DISCUSSION

The process was first implemented in March 2023, with the following number of employees having excess leave balances:

Type	March 2023
Long Service Leave	25
Annual Leave	16

As at 30th June 2023 the number of employees with excess leave balances reduced to:

Type	June 2023
Long Service Leave	20
Annual Leave	11

Since the initial review 10 employees have taken leave and are no longer considered to have excess leave. As at 30 June 2023 there were 20 employees with excess long service leave and 11 employees with excess annual leave.

Of the 20 employees with excess long service leave balances:

- 6 have submitted leave applications to reduce their accruals to within allowable limits
- 3 are within 1 week of their allowable limits
- 5 are within 2 weeks of their allowable limits
- 2 are currently on long term leave, or have recently returned to work
- 2 have completed management plans for future leave
- 2 are still outstanding.

Of the 11 employees with excess annual leave balances:

- 4 have submitted leave applications to reduce their accruals to within allowable limits
- 3 are within 1 week of their allowable limits
- 2 are within 2 weeks of their allowable limits
- 2 are currently on long term leave, or have recently returned to work
- 2 are still outstanding.

The full impact of this on accrued leave balances will take a little while to flow through, as much of the leave is planned for later in the year, but the balances as at 30 June 2023 are already almost 2,000 hours lower than they were at the same time last year, equivalent to approximately 1FTE. As employee numbers are higher than they were last year, this is a move in the right direction.

A report on the management of excessive leave balances will be presented to the Audit and Risk Committee on an annual basis.

Financial Implications

While Council have provisions for outstanding leave and can cash flow the payment of these amounts, there are still some financial implications of large leave balances. All leave needs

to be paid at current pay rates, so every time an annual pay increase occurs balances are revalued, with the impact being higher as overall outstanding balances increase. If an individual with a large balance receives a promotion, then the value of their leave balance can increase materially, especially if it is a number of levels higher. Another risk for LSL is where a person who has been part time for a large number of years and then goes full time.

Strategic Plan

Objective 1.1 – Unearth community pride within the city

Strategy 1.1.2 – Take a proactive, collaborative approach to the revitalisation of council services to ensure that they adapt to the changing needs and expectations of the community

Legislation

Long Service Leave Act 1987

Fair Work Act 1994

Officer Direct or Indirect Interest – Nil

Risk Assessment

Employees not taking regular leave is considered to be a key risk of fraud. Ensuring that employees take their leave increases the probability of uncovering fraud or the potential of fraud occurring.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication – Not applicable

Conclusion

Dealing with leave balances reduces financial risk for Council, while also boosting employee wellbeing by ensuring that everyone has sufficient downtime from work.

3. ITEMS FOR NOTING

3.4 Quarterly Report – Procurement April to June 2023

Audit and Risk Committee 17 July 2023

Meeting:

Author's Title: Procurement Coordinator

File No.: 0-159

Director: Corporate

Annexures

Nil

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – not applicable

PURPOSE

The purpose of this report is to provide information regarding Council's procurement activities during the period 1 April to 30 June 2023.

SUMMARY

The Procurement Policy requires quarterly reporting on procurement exemptions.

This report also provides a snapshot of the following procurements which have been undertaken by Council during the quarter:

- Tenders undertaken;
- use of local vs non-local goods, works and services; and
- comparison of purchase orders and local vs non-local spend to same quarter of the previous year.

All figures included in this report are GST exclusive, in line with the budget.

RECOMMENDATION

The Audit and Risk Committee receive and note the Quarterly Report – Procurement April to June 2023.

3.4 Quarterly Report – Procurement April to June 2023

REPORT

BACKGROUND

In adopting better governance practices, this report is prepared to ensure Audit and Risk Committee and Elected Members are informed about procurement outcomes achieved by the Council.

In addition to this, Council's Procurement Policy requires the following to be reported quarterly to the Audit and Risk Committee and Council:

- Clause 7 requires exemptions from the policy to be appropriately approved, recorded and reported quarterly.

DISCUSSION

1. TENDERS (greater than \$200,000):

The following tenders were undertaken or in progress for the period 1 April to 30 June 2023:

PROCUREMENT	TENDERS REQUESTED	TENDERS RECEIVED	STATUS
Whyalla Child Care Centre Extension	LGA Procurement facilitated tender via Tenders SA website	7	On hold pending Government changes in Child Care.
Whyalla Health & Leisure Centre Aquatics Upgrade	LGA Procurement facilitated tender via Tenders SA website	1	Closed 14 April 2023. 1 tender received for a portion of the work. Will reissue to market via a series of quotes and tenders breaking up the service types to attract more responses.

2. POLICY EXEMPTIONS:

From 1 April to 30 June the following 3 procurement exemptions were made:

PROJECT TITLE	VALUE (GST EX)	NATURE & REASON FOR EXEMPTION (Clause 7 of Procurement Policy)	HOW COUNCIL IS RECEIVING VALUE FOR MONEY FROM THIS PROCUREMENT
Provision of Services to Council	\$30,000	Contractor was until recently providing services to Council as an employee, overseeing the election process and roll out of the recent Local Government reforms. These previous projects have come to an end and the work now required to be undertaken is not consistent on a week-to-week basis, so it was agreed that it was more efficient and cost effective to deliver this as a contractor on an as needs basis.	The hourly rate of \$180 per hour is lower than similarly qualified contractors performing work for Council that was put to the market. The overall cost of the work being delivered will be much lower than if the resource had been kept on as a part time employee, which was a consideration.
Whyalla Transformation Strategy and Action Plan	\$13,339	Consultant has significant expertise (and investment networks) in the development and implementation of City transformation strategies.	The initial procurement is to receive the development of a detailed transformation strategy and the related expenditure and hourly rate equates directly to the actual costs incurred for travel and time spent by the contractor. These costs and rates have been reviewed and are consistent with current travel rates and hourly rates of similar consultants.
Foreshore Masterplan Grant Funding	\$15,454	No other engineering firm in Whyalla with capacity to undertake soil test works immediately or turn around report time.	Contractor undertakes works regularly for Council and this price is consistent with rates previously provided.

The following is a summary of Policy exemptions for the 2022/2023 year:

Exemptions by Department	Amount	Percentage
City Growth	2	13.3%
Corporate	7	46.7%
Infrastructure	6	40%
Executive	0	0.0%
Total	15	100.00%

Exemptions by Procurement Thresholds (\$)	Amount	Percentage
5,001 – 30,000	5	33.33%
30,001 – 200,000	9	60%
200,001 +	1	6.67%
Total	15	100.00%

3. LOCAL PURCHASES:

As a contributor to Whyalla's economy, Council is committed to purchasing from local suppliers where possible, as well as ensuring value for money procurement outcomes.

Out of a total of 843 purchase orders raised for goods, works or services for the quarter:

- 547 were local; and
- 296 were non-local

There was an overall spend of \$4,159,088 broken down as follows:

- Local spend \$3,590,060; and
- Non-local spend \$569,029

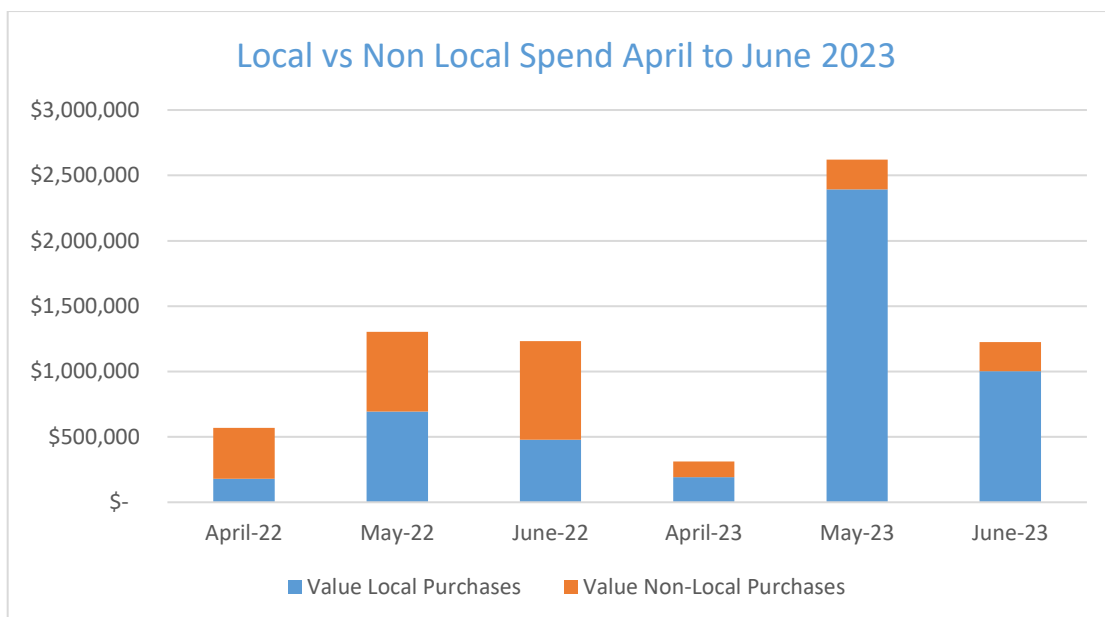
A total of 64.89% were local purchases and 35.11% were non-local purchases for goods, works or services. Non-local purchases for this period were reviewed and were for the following reasons:

- Specialised products or services
- Training/Conferences/Meetings/Accommodation
- Memberships/Subscriptions
- Tendered goods/works/services
- Sponsorship
- Advertising
- PLAN SA online lodgement fees
- Employment screenings
- Vehicle Registration Searches
- Events – Services and Products – UneARTH Festival /Readers & Writers (RaW) Festival/Cuttlefest/ Salty 'Sea'esta Festival/
- CITB Levy
- Software licences
- Freight

The following tables represent local vs non-local purchase order number and value comparison for 1 April to 30 June 2023 and includes a comparison with the previous year.

2023	April	May	June	Total
Local Purchases	119	200	228	547
Non-Local Purchases	73	116	107	296
Value Local Purchases	\$192,811	\$2,393,800	\$1,003,449	\$3,590,060
Value Non-Local Purchases	\$120,123	\$226,947	\$221,959	\$569,029

2022	April	May	June	Total
Local Purchases	101	169	159	429
Non-Local Purchases	85	126	106	317
Value Local Purchases	\$178,783	\$693,329	\$478,675	\$1,350,787
Value Non-Local Purchases	\$390,869	\$610,273	\$753,418	\$1,754,560



Non-local spend for the quarter included the following tendered works:

- Continuation of Current Contracts (Waste, Cleaning, Sanitary Disposal, Project Management re Relocation to Edward John Eyre High School, Transport Revaluation & Condition Assessment)

Legislation

Local Government Act (SA) 1999

Officer Direct or Indirect Interest – Nil

Risk Assessment

Non-compliance with the Procurement Policy and Local Government Act (SA) 1999 may expose Council to reputation and financial risks.

Social Considerations – Nil

Community Engagement – Nil

Environmental Implications – Nil

Communication - Nil

Conclusion

64.89% of purchase orders raised during the period 1 April to 30 June 2023 were for goods, works and services from local suppliers.

3. ITEMS FOR NOTING

3.5 Disposal of Land and Other Assets Policy

Audit and Risk Committee: 17 July 2023

Author's Title: Manager Finance

File No.: 0-159

Director: Corporate

Annexures:

A – Disposal of Land and Other Assets Policy with track changes

B – Updated Disposal of Land and Other Assets Policy

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐ Yes

☒ No

☐ Yes

☒ No

Reason – Not applicable

PURPOSE

To present the recently updated Disposal of Land and Other Assets Policy to the Audit and Risk Committee for their information.

DISCUSSION

Responsibility for the Disposal of Land and Other Assets Policy currently sits with the Infrastructure division. The policy was recently reviewed and presented to Council for adoption, with Finance involved in this review. The changes were based on the experience of working with the policy over the last few years.

RECOMMENDATION

The Audit and Risk Committee note the updated Disposal of Land and other Assets Policy.



Disposal of Land and Other Assets Policy

Disposal of Land and Other Assets Policy	
Type	Governance
GDS Category	Governance – Public
Responsible Directorate	Infrastructure
Policy Adopted	March 2021 <u>June 2023</u>
Review Period	4 yearly
Last Reviewed	July 2016 – Now Archived
Next Review Date	March 2023 <u>June 2027</u>
Policy Version Number	43
Applicable Legislation	<ul style="list-style-type: none"> • Local Government Act 1999 • Independent Commissioner Against Corruption (ICAC) Act 2012 (SA) • Crown Land Management Act 2009 • Roads (Opening & Closing) Act 1991 • Real Property Act 1886 • Land & Business (Sale & Conveyancing) Act 1994 • Development Act 1993 • Planning, Development & Infrastructure Act 2016 • Retail & Commercial Leases Act 1995 • Residential Tenancies Act 1995 • Strata Titles Act 1988 • Community Titles Act 1996
Related Documents	<ul style="list-style-type: none"> • Asset Management Policy • Community Engagement Policy • Code of Conduct for Elected Members Policy • Code of Conduct for Council Employees Policy • <u>Procurement and Contract Management Policy</u> • <u>Unsolicited Proposals Policy</u>
Public Consultation Required	No
Purpose	<p>This Policy sets out an important<u>the</u> framework for the implementation of Council decisions to dispose of surplus land and assets<u>buildings</u>.</p> <p>It defines principles and fair and transparent methods to be followed in transactions of this nature.</p> <p>It also seeks to demonstrate Council's accountability and responsibility to ratepayers and enables all processes to be monitored and recorded, sets out the process for disposing of other assets in the normal course of Council's operations.</p>



DRAFT

INTRODUCTION

POLICY OBJECTIVE

This policy seeks to:

- define the methods by which land, buildings and other assets are disposed of;
- demonstrate accountability and responsibility of Council to ratepayers;
- be fair and equitable to all parties involved; and
- enable all processes to be monitored and recorded; and
- ~~ensure that the best possible outcome is achieved for the Council and ratepayers.~~

SCOPE AND RESPONSIBILITIES

Section 49 of the Act requires Council to prepare and adopt policies on contracts and tenders, including on:

~~the contracting out of services; and~~

~~competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and~~

~~the use of local goods and services; and~~

the sale or disposal of land or other assets.

This policy does not cover:

- land sold by Council for the non-payment of rates; or
- disposal of goods which are not owned by the Council, such as abandoned vehicles, as these are dealt with in the Act.

POLICY STATEMENT

Council is committed to ensuring a fair, transparent and accountable process in the disposal of land, buildings and other assets and aims to ensure that its methods are cost effective, meet the needs of the community and represent value for money.

DISPOSAL PRINCIPLES

Decisions relating to the sale or disposal of land, buildings and other assets will have regard to the following principles:

- opportunities to enhance local economic development and growth;
- encouragement of open and effective competition;
- probity, accountability, transparency and reporting;
- obtaining value for money. This is not restricted to price alone. An assessment of value for money includes consideration of (where applicable):

- the contribution to Council's long-term financial plan and strategic management plans
- any relevant direct and indirect benefits to Council and/or the community, both tangible and intangible
- efficiency and effectiveness
- the costs of various disposal methods
- internal administration costs
- risk exposure
- the value of any associated environmental benefits
- opportunities to assist a neighbouring/regional council or local government as a whole;
- ethical behaviour and fair dealing – Council is to behave with impartiality, fairness, independence, openness, integrity, and in a way which appropriately manages conflicts of interest and commercial confidentiality in all discussions and negotiations; ~~and~~
~~— probity, accountability, transparency and reporting~~
- ensuring compliance with all relevant legislation and other obligations; ~~and~~
- other relevant factors deemed appropriate.

CONSIDERATIONS PRIOR TO DISPOSAL OF LAND, BUILDINGS AND OTHER ASSETS

Any decision to dispose of land, buildings and other assets will be made after considering (where applicable):

- The usefulness of the land, building or other asset
 - The current market value of the land, building or other asset
 - The annual cost of maintenance
 - Any alternative future use of the land, building or other asset
 - Any duplication of the land, building or other asset including the service provided by the land, building or other asset
 - Any impact the disposal of the land, building or other asset may have on the community
 - Any cultural or historical significance of the land, building or other asset
 - The positive and negative impacts the disposal of the land, building or other asset may have on the operations of the Council
 - The long term plans and strategic direction of the Council
 - The remaining useful life
 - A benefit and risk analysis of the proposed disposal
 - The results of any community consultation process
 - Any restrictions on the proposed disposal
 - The content of any community land management plan
 - Any other relevant guidelines and policies of the Council
-
- ~~— The usefulness of the land, building or other asset~~
 - ~~— The current market value of the land, building or other asset~~
 - ~~— The annual cost of maintenance~~
 - ~~— Any alternative future use of the land, building or other asset~~
 - ~~— Any duplication of the land, building or other asset or the service provided by the land, building or other asset~~
 - ~~— Any impact the disposal of the land, building or other asset may have on the community~~
 - ~~— Any cultural or historical significance of the land, building or other asset~~
 - ~~— The positive and negative impacts the disposal of the land, building or other asset may have on the operations of the Council~~
 - ~~— The long term plans and strategic direction of the Council~~
 - ~~— The remaining useful life, particularly of an asset~~
 - ~~— A benefit and risk analysis of the proposed disposal~~

- ~~— The results of any community consultation process~~
 - ~~— Any restrictions on the proposed disposal~~
 - ~~— The content of any community land management plan~~
- Any other relevant guidelines and policies of the Council

DRAFT

LAND AND BUILDINGS

The Council may resolve to dispose of land and/or buildings.

Where the land forms or formed a road or part of a road, the Council must ensure that the land is closed under the *Roads Opening and Closing Act 1991* (SA) prior to its disposal.

Where **the applicable** land is classified as community land, the Council must:

- Undertake public consultation in accordance with the Act and the Council's Public Consultation Policy
- Ensure that the process for the revocation of the classification of land as community land has been concluded prior to its disposal
- Comply with all other requirements under the Act in respect of the disposal of community land

Where the Council proposes to dispose of land through the grant of a leasehold interest, the Council must have complied with its obligations under the Act, including its public consultation obligations under s.202 of the Act.

The Council will, where appropriate, dispose of land and/or buildings through one of the following methods:

- open tender – openly seeking bids through tenders, including public auction;
- open market sale – advertisement for disposal of the land through the local paper and where appropriate, a paper circulating in the State, or by procuring the services of a licensed real estate agent and/or auctioneer ~~(following compliance with the Council's Procurement Policy);~~
- expressions of interest – seeking expressions of interest for the land;
- select tender – seeking tenders from a selected group of persons or companies; and
- by negotiation – with owners of land adjoining the land or others with a pre-existing interest in the land, or where the land is to be used by a purchaser whose purpose for the land is consistent with the Council's strategic objectives for the land.

~~Where land and/or buildings are sold by any method other than open tender, an independent valuation of the land prior to sale is required and should be recorded along with the reasons for using a method other than open tendering.~~

Selection of a suitable method will include consideration of (where appropriate):

- The number of known potential purchasers of the land and/or buildings;
- The original intention for the use of the land and/or buildings;
- The current and possible preferred future use of the land and/or buildings;
- The opportunity to promote local economic growth and development;
- Considerations in the Unsolicited Proposals Policy (if applicable); and
- ~~— Delegation limits, taking into consideration accountability, responsibility, operation efficiency and urgency of the disposal~~
- ~~— The total estimated value of the disposal~~
- Compliance with statutory and other obligations

The Council will not dispose of land and/or buildings to any Council Member or employee of the council who has been involved in any process related to a decision to dispose of the land and/or buildings and/or the establishment of a reserve price.:

~~Before disposing of any land and/or buildings, if land and/or buildings are to be auctioned or~~

~~placed on the open market or disposed of by an expression of interest, then (unless the~~
Council resolves otherwise) one independent valuation must be obtained to establish the
~~price to be used as the reserve, or for negotiations reserve price for the land and/or buildings.~~
The independent valuation must be made no more than six (6) months prior to the proposed
disposal.

DRAFT

~~If land and/or buildings are to be disposed of via a select tender or direct sale, then (unless the Council resolves otherwise) a minimum of two independent valuations must be obtained to ensure that an appropriate market value is obtained. The independent valuation must be made no more the six (6) months prior to the proposed disposal.~~

Council will seek to dispose of land and/or buildings at or above current market valuation by whichever method is likely to provide the Council with a maximum return, unless there are reasons for the Council to accept a lesser return which is consistent with Council's overall strategic direction.

These reasons must be documented in writing.

~~If the disposal is not to be on the open market, the disposal should be at or above the current market valuation (with due regard to all associated costs to achieve the transaction or such other amount as Council resolves).~~

The sale of buildings that can be separated from land (i.e. a shed) will be considered as a sale of an other asset.

OTHER ASSETS

~~The disposalsale of other assets (both major plant and equipment and minor plant and equipment) will be the responsibility of the relevant Director or delegated officer who is responsible for those assets.~~

Council will, where appropriate, dispose of assets through one of the following methods:

- trade-in – trading in equipment to suppliers;
- expressions of interest – seeking expressions of interest from buyers;
- select tender – seeking tenders from a selected group of persons or companies;
- open tender – openly seeking bids through tenders;
- public auction – advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer (following compliance with the Council's Procurement Policy);
- Sell or donate:
 - Low value items where there is no realistic market
 - A community benefit can be gained
 - The cost of disposal methods are excessive in relation to the value
- Recycle or disposal to landfill – where there is no value or damage renders the item unserviceable.

Selection of a suitable method will include consideration of (where appropriate):

- the method most likely to return the highest revenue;
- the public demand and interest in the Asset;
- ~~the method most likely to return the highest revenue~~
- the value of the Asset; and whether it is Major Plant and Equipment or Minor Plant and Equipment
- the costs of the disposal method compared to the expected returns;
- compliance with statutory and other obligations; and
- the attainment of community benefit.

~~The sale of assets where an obvious market exists, and where the expected value is greater than \$1,000 should be sold via trade-in, public auction or open tender. Exceptions to this approach must be approved by the Chief Executive Officer.~~

Elected Members and employees of Council will not be permitted to purchase assets unless the purchase is via an open tender process or a public auction, and the tender submitted or bid

made is the highest.

Purchasers / recipients of assets must be required to agree in writing before purchasing / receiving any asset, that no warranty is given by the council in respect of the suitability and condition of the asset for the purchaser and that Council will not be responsible for the asset in any respect following the disposal.

DRAFT

CONSULTATION

The Council must undertake public consultation in respect of its proposed disposals in accordance with the Act and its public consultation policies at all times.

RECORDS

The Council must record reasons for utilising a disposal method for land and/or buildings other than an open tendering market process.

DELEGATIONS

The power to dispose of land and/or buildings will only occur by way of Council resolution (other than an easement or right of way which has been delegated pursuant to s. 201(2) of the Act). Council or its officers with delegated authority will, when implementing the decisions under this Policy act in accordance with Council's budget, relevant policies, plans, agreements and resolutions.

Council acknowledges the Chief Executive Officer may sub-delegate matters related to this Policy to staff.

Financial and procurement delegations and sub-delegations as approved are applicable to this Policy.

EXEMPTIONS FROM THIS POLICY

This policy contains general guidelines to be followed by the Council in its disposal activities. There may be emergencies, or disposals in which a tender process or other methods listed in this Policy will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate. In certain circumstances, the Council may, after approval from its Elected Members, resolve to waive application of this Policy and pursue a method which will bring the best achieves a better outcome for Council. Council must record its reasons in writing for waiving application of this policy.

AVAILABILITY OF POLICY



Disposal of Land and Other Assets Policy

Disposal of Land and Other Assets Policy	
Type	Governance
GDS Category	Governance – Public
Responsible Directorate	Infrastructure
Policy Adopted	June 2023
Review Period	4 yearly
Last Reviewed	July 2016 – Now Archived
Next Review Date	June 2027
Policy Version Number	4
Applicable Legislation	<ul style="list-style-type: none"> • Local Government Act 1999 • Independent Commissioner Against Corruption (ICAC) Act 2012 (SA) • Crown Land Management Act 2009 • Roads (Opening & Closing) Act 1991 • Real Property Act 1886 • Land & Business (Sale & Conveyancing) Act 1994 • Development Act 1993 • Planning, Development & Infrastructure Act 2016 • Retail & Commercial Leases Act 1995 • Residential Tenancies Act 1995 • Strata Titles Act 1988 • Community Titles Act 1996
Related Documents	<ul style="list-style-type: none"> • Asset Management Policy • Community Engagement Policy • Code of Conduct for Elected Members Policy • Code of Conduct for Council Employees Policy • Procurement and Contract Management Policy • Unsolicited Proposals Policy
Public Consultation Required	No
Purpose	<p>This Policy sets out the framework for the implementation of Council decisions to dispose of surplus land and buildings. It defines principles and fair and transparent methods to be followed in transactions of this nature.</p> <p>It also sets out the process for disposing of other assets in the normal course of Council's operations.</p>



POLICY OBJECTIVE

This policy seeks to:

- define the methods by which land, buildings and other assets are disposed of;
- demonstrate accountability and responsibility of Council to ratepayers;
- be fair and equitable to all parties involved; and
- ensure all processes are monitored and recorded; and

SCOPE

Section 49 of the Act requires Council to prepare and adopt policies on contracts and tenders, including the sale or disposal of land or other assets.

This policy does not cover:

- land sold by Council for the non-payment of rates; or
- disposal of goods which are not owned by the Council, such as abandoned vehicles, as these are dealt with in the Act.

POLICY STATEMENT

Council is committed to ensuring a fair, transparent and accountable process in the disposal of land, buildings and other assets and aims to ensure that its methods are cost effective, meet the needs of the community and represent value for money.

DISPOSAL PRINCIPLES

Decisions relating to the sale or disposal of land, buildings and other assets will have regard to the following principles:

- opportunities to enhance local economic development and growth;
- encouragement of open and effective competition;
- probity, accountability, transparency and reporting;
- obtaining value for money. This is not restricted to price alone. An assessment of value for money includes consideration of (where applicable):
 - *the contribution to Council's long-term financial plan and strategic management plans*
 - *any relevant direct and indirect benefits to Council and/or the community, both tangible and intangible*
 - *efficiency and effectiveness*
 - *the costs of various disposal methods*
 - *internal administration costs*
 - *risk exposure*
 - *the value of any associated environmental benefits*
- opportunities to assist a neighbouring/regional council or local government as a whole;
- ethical behaviour and fair dealing – Council is to behave with impartiality, fairness, independence, openness, integrity, and in a way which appropriately manages conflicts of interest and commercial confidentiality in all discussions and negotiations;
- ensuring compliance with all relevant legislation and other obligations; and
- other relevant factors deemed appropriate.

CONSIDERATIONS PRIOR TO DISPOSAL OF LAND, BUILDINGS AND OTHER ASSETS

Any decision to dispose of land, buildings and other assets will be made after considering (where applicable):

- The usefulness of the land, building or other asset
- The current market value of the land, building or other asset
- The annual cost of maintenance
- Any alternative future use of the land, building or other asset
- Any duplication of the land, building or other asset including the service provided by the land, building or other asset
- Any impact the disposal of the land, building or other asset may have on the community
- Any cultural or historical significance of the land, building or other asset
- The positive and negative impacts the disposal of the land, building or other asset may have on the operations of the Council
- The long term plans and strategic direction of the Council
- The remaining useful life
- A benefit and risk analysis of the proposed disposal
- The results of any community consultation process
- Any restrictions on the proposed disposal
- The content of any community land management plan
- Any other relevant guidelines and policies of the Council

LAND AND BUILDINGS

The Council may resolve to dispose of land and/or buildings.

Where the land forms or formed a road or part of a road, the Council must ensure that the land is closed under the *Roads Opening and Closing Act 1991* (SA) prior to its disposal.

Where the applicable land is classified as community land, the Council must:

- Undertake public consultation in accordance with the Act and the Council's Public Consultation Policy
- Ensure that the process for the revocation of the classification of land as community land has been concluded prior to its disposal
- Comply with all other requirements under the Act in respect of the disposal of community land

Where the Council proposes to dispose of land through the grant of a leasehold interest, the Council must have complied with its obligations under the Act, including its public consultation obligations under s.202 of the Act.

The Council will, where appropriate, dispose of land and/or buildings through one of the following methods:

- *open tender* – openly seeking bids through tenders, including public auction;
- *open market sale* – advertisement for disposal of the land through the local paper and where appropriate, a paper circulating in the State, or by procuring the services of a licensed real estate agent and/or auctioneer;
- *expressions of interest* – seeking expressions of interest for the land;
- *select tender* – seeking tenders from a selected group of persons or companies; and
- *by negotiation* – with owners of land adjoining the land or others with a pre-existing interest in the land, or where the land is to be used by a purchaser whose purpose for the land is consistent with the Council's strategic objectives for the land.

Selection of a suitable method will include consideration of (where appropriate):

- The number of known potential purchasers of the land and/or buildings;

- The original intention for the use of the land and/or buildings;
- The current and possible preferred future use of the land and/or buildings;
- The opportunity to promote local economic growth and development;
- Considerations in the Unsolicited Proposals Policy (if applicable); and
- Compliance with statutory and other obligations

The Council will not dispose of land and/or buildings to any Council Member or employee of the council who has been involved in any process related to a decision to dispose of the land and/or buildings and/or the establishment of a reserve price.

Before disposing of any land and/or buildings, then (unless the Council resolves otherwise) one independent valuation must be obtained to establish the price to be used as the reserve, or for negotiations. The independent valuation must be made no more than six (6) months prior to the proposed disposal.

Council will seek to dispose of land and/or buildings at or above current market valuation by whichever method is likely to provide the Council with a maximum return, unless there are reasons for the Council to accept a lesser return which is consistent with Council's overall strategic direction. These reasons must be documented in writing.

The sale of buildings that can be separated from land (i.e. a shed) will be considered as a sale of an other asset.

OTHER ASSETS

The disposal of other assets will be the responsibility of the relevant Director or delegated officer who is responsible for those assets.

Council will, where appropriate, dispose of assets through one of the following methods:

- *trade-in* – trading in equipment to suppliers;
- *expressions of interest* – seeking expressions of interest from buyers;
- *select tender* – seeking tenders from a selected group of persons or companies;
- *open tender* – openly seeking bids through tenders;
- *public auction* – advertisement for auction through the local paper and, where appropriate, a paper circulating in the State, or procuring the services of an auctioneer;
- *Sell or donate:*
 - *Low value items where there is no realistic market*
 - *A community benefit can be gained*
 - *The cost of disposal methods are excessive in relation to the value*
- *Recycle or disposal to landfill* – where there is no value or damage renders the item unserviceable.

Selection of a suitable method will include consideration of (where appropriate):

- the method most likely to return the highest revenue;
- the public demand and interest in the Asset;
- the value of the Asset;
- the costs of the disposal method compared to the expected returns;
- compliance with statutory and other obligations; and
- the attainment of community benefit.

The sale of assets where an obvious market exists, and where the expected value is greater than \$1,000 should be sold via trade-in, public auction or open tender. Exceptions to this approach must be approved by the Chief Executive Officer.

Elected Members and employees of Council will not be permitted to purchase assets unless the purchase is via an open tender process or a public auction, and the tender submitted or bid made is the highest.

Purchasers / recipients of assets must be required to agree in writing before purchasing / receiving any asset, that no warranty is given by the council in respect of the suitability and condition of the asset for the purchaser and that Council will not be responsible for the asset in any respect following the disposal.

CONSULTATION

The Council must undertake public consultation in respect of its proposed disposals in accordance with the Act and its public consultation policies at all times.

RECORDS

The Council must record reasons for utilising a disposal method for land and/or buildings other than an open market process.

DELEGATIONS

The power to dispose of land and/or buildings will only occur by way of Council resolution (other than an easement or right of way which has been delegated pursuant to s. 201(2) of the Act). Council or its officers with delegated authority will, when implementing the decisions under this Policy act in accordance with Council's budget, relevant policies, plans, agreements and resolutions.

Council acknowledges the Chief Executive Officer may sub-delegate matters related to this Policy to staff.

Financial delegations as approved are applicable to this Policy.

EXEMPTIONS FROM THIS POLICY

This policy contains general guidelines to be followed by the Council in its disposal activities. There may be emergencies, or disposals in which a tender process or other methods listed in this Policy will not necessarily deliver best outcome for the Council, and other market approaches may be more appropriate. The Council may resolve to waive application of this Policy and pursue a method which achieves a better outcome for Council.

3. ITEMS FOR NOTING

3.6 Code of Practice for Access to Meetings and Documents

Audit and Risk Committee Meeting : 17 July 2023
Author's Title: Manager Governance **File No.:** 0-159
Directorate: Corporate Services

Annexures:

A – Code of Practice for Access to Meetings and Documents

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason – Not applicable

PURPOSE

The purpose of this report is to present the updated Code of Practice for Access to Meetings and Documents to the Audit and Risk Committee which was endorsed at the 19 June Council Meeting.

DISCUSSION

This 'Code of Practice for Access to Meetings and Documents' (refer **Annexure "A"**) is attached for the Audit and Risk Committee to note.

The Code of Practice for Access to Meeting and Documents (the Code) was scheduled per the Audit and Risk Committee Work Program to be presented at the July 2023 Audit and Risk Committee meeting and then to be presented at Council following the Audit and Risk Committee consideration. This scheduling occurred after the Code was already reviewed by Council, and so is now presented to the Committee for information purposes only.

As per statutory requirements, this policy has undergone a public consultation process and although endorsed by Council is presented for the Audit and Risk Committee to note.

RECOMMENDATION

The Audit and Risk Committee:

1. notes the 'Code of Practice for Access to Meetings and Documents' as attached as Annexure "A".



Code of Practice for Access to Meetings and Documents

Type	Governance
GDS Category	Governance - Public
Responsible Directorate	Corporate Services
Policy Adopted	19 June 2023
Review Period	Within twelve months of the conclusion of a general election
Last Reviewed	April 2020 (special review & adoption due to covid-19 related emergency variations to the <i>LG Act 1999</i>). Previously named Code of Practice – Access to Council and Committee Meetings Documents.
Next Review Date	April 2027
Policy Version Number	4
Applicable Legislation	<i>Local Government Act 1999</i> s92 <i>Freedom of Information Act 1991</i> Local Government (General) Regulations 2013
Related Documents	Behavioural Management Policy Confidential Items Register
Public Consultation Required	Yes



1. Introduction

- 1.1. Section 92 of the *Local Government Act 1999* (the Local Government Act) requires Council to prepare and adopt a Code of Practice for Access to Meetings and Documents (the Code of Practice).
- 1.2. Public access to Council and Committee meetings and documents is one of the means by which the community can gain access to information about the business of Council and Council committees. This Code of Practice includes information relating to:
 - access to the agenda for meetings;
 - public access to meetings;
 - the process to exclude the public from meetings;
 - matters for which the Council, or a Council committee, can order that the public be excluded;
 - how the Council will approach the use of the confidentiality provisions in the Local Government Act;
 - public access to documents, including minutes;
 - review of confidentiality orders;
 - accountability and reporting to the community, and the availability of the Code of Practice; and
 - grievances about the use of the Code of Practice by Council.

2. Statement of principle

- 2.1. In fulfilling the role of an effective Council that is responsive to the needs of the community and which operates within the legal framework prescribed by the Local Government Act, the Whyalla City Council is fully committed to the principle of open and accountable government.

Council also recognises that on a limited number of occasions it may be necessary, in the broader community interest, to restrict public access to discussion/decisions and/or documents.

3. Public access to the agenda for meetings

- 3.1. At least three clear days¹ before the Council or Council committee meeting (unless it is a special meeting) the Chief Executive Officer (CEO) must give written notice of the meeting to all Council/Committee members setting out the date, time, and place of the meeting. The notice must contain or be accompanied by the agenda for the meeting. Items listed on the agenda will be described accurately and in reasonable detail.

¹ In the calculation of 'clear days' in relation to the giving of notice before a meeting, the day on which the notice is given and the day of the meeting are not taken into account. Saturdays, Sundays and public holidays are taken into account. In addition, if notice is given after 5:00pm on a day, the notice will be taken to have been given on the next day. For example, for notice given on a Thursday at 2:00pm for a following Monday meeting, the clear days are Friday, Saturday and Sunday.

- 3.2. The notice of meeting will be placed on public display at the principal office of the Council and the notice and agenda will be published on the Council's website [www.whyalla.sa.gov.au].
- 3.3. The notice will be kept on public display and continue to be published on the website until the completion of the relevant Council or Council committee meeting.
- 3.4. Reasonable numbers of copies of non-confidential agenda documents and reports that are to be considered at the meeting must be made available:
 - In the case of a document or report supplied to members before the meeting:
 - on a website determined by the CEO, as soon as practicable after being supplied to members of the Council.
 - In the case of a document or report supplied to members of the Council at the meeting:
 - at the meeting, as soon as practicable after they are supplied to the members of Council. These documents will also be subsequently uploaded onto the Council's website.
- 3.5. Members of the public may obtain a copy of the agenda and any particular reports via Council's website - www.whyalla.sa.gov.au.
- 3.6. Agenda papers provided to members of Council, or members of a committee, may include an indication from the CEO that the Council or committee may determine to consider an item in confidence, with the public to be excluded from the meeting during discussion of that item. Where such an indication is made, the CEO must specify the basis under which the confidentiality order could be made in accordance with section 90(3) of the Local Government Act².

4. Public access to meetings

- 4.1. The principle of open and accountable government is strongly supported. Council facilitates public attendance at meetings of the Council and committees through public notification of meetings by publication of agendas and minutes on the Council website (www.whyalla.sa.gov.au) and posts on social media platforms setting out the date and time of the next meeting
- 4.2. Council and Council committee meetings are open to the public and attendance is encouraged, noting there may be circumstances where the Council (or the Council committee) believes it is necessary in the broader community interest to exclude the public from the discussion (and, if necessary, decision) of a particular matter.
- 4.3. The public will only be excluded when considered proper and necessary i.e. the need for confidentiality outweighs the principle of open decision-making.
- 4.4. Public Access to Electronic Information or Briefing Session
 - 4.4.1 Council will make available to the public a live stream of any electronic information or briefing session which must be conducted in a place open to

² See sections 83(5) (Council) and 87(10) (Committee) of the *Local Government Act 1999*.

the public so that members of the public can hear the discussions between all persons participating in the information or briefing session.

- 4.4.2 The live stream will be published on a website determined by the chief executive officer, provided that this requirement will not apply to any part of the electronic information or briefing session that has been closed to the public

5. Information and briefing sessions

- 5.1. Councils or the CEO are permitted to facilitate an 'information or briefing session' where more than one member of the Council or Council Committee is invited.
- 5.2. A matter must not be dealt with at an information or briefing session in such a way so as to obtain, or effectively obtain, a decision outside of a formally constituted meeting of Council or committee.
- 5.3. An information or briefing session on a matter that will be included on a council agenda must be open to the public. However, the Council or the CEO may order that the information or briefing session be closed to the public if the matter listed for discussion falls within the confidentiality provisions listed in section 90(3) of the Local Government Act.
- 5.4. Whether or not an information or briefing session has been open to the public, the following information must be published as soon as practicable after the holding of the session³:
- the place, date and time of the session;
 - the matter discussed at the session; and
 - whether or not the session was open to the public.

6. Process to exclude the public from a meeting

Where it is resolved to consider a matter in confidence, this matter may be deferred until all other business has been dealt with. This is for the convenience of any members of the public present, who would otherwise have to leave the room, wait for the matter to be concluded, and then return.

- 6.1. Despite the above, there may be circumstances where, during the course of a meeting, it becomes apparent that a matter should be considered in confidence. In those cases, members of the public will be asked to leave the meeting whilst the matter is discussed (subject to an appropriate resolution of the council being carried to close the meeting).
- 6.2. Before a meeting orders that the public be excluded to enable consideration of a particular matter in confidence, the Council or Council Committee must, in public, formally determine if this is necessary and appropriate, and then pass a resolution to exclude the public while dealing with that particular matter. If this occurs, then the public must leave the room. This means that all members of the public (including staff,

³ Regulation 8AB—Information or briefing sessions, *Local Government (General) Regulations 2013*

but not including a member of the Council or Council Committee), unless exempted by being named in the resolution as entitled to remain, are required to leave the room.

- 6.3. Once Council, or a Council committee has made the order, it is an offence for a person, who knowing that an order is in force, to enter or remain in the meeting room. It is lawful for an employee of the council or a member of the police to use reasonable force to remove the person from the room if he or she fails to leave on request.
- 6.4. Once discussion on that particular matter is concluded, the public are then permitted to re-enter the meeting. If there is a further matter that needs to be considered in confidence it is necessary to repeat the formal determination process and to resolve to exclude the public as above.
- 6.5. The Council, or the Council committee, can permit a particular person or persons to remain in the meeting by including reference to them within the resolution. An example would be allowing a ratepayer who is suffering personal hardship to remain in the meeting when their circumstances concerning the payment of rates is being discussed.

7. Use of the confidentiality provisions

- 7.1. In accordance with the requirements of section 90(3) of the Local Government Act, the Council, or a Council committee, may order that the public be excluded in order to receive, discuss or consider any of the following information or matters in confidence:
 - (a) *information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);*
 - (b) *information the disclosure of which—*
 - (i) *could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting, or proposing to conduct, business, or to prejudice the commercial position of the Council; and*
 - (ii) *would, on balance, be contrary to the public interest;*
 - (c) *information the disclosure of which would reveal a trade secret;*
 - (d) *commercial information of a confidential nature (not being a trade secret) the disclosure of which—*
 - (i) *could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
 - (ii) *would, on balance, be contrary to the public interest;*
 - (e) *matters affecting the security of the Council, members or employees of the Council, or Council property, or the safety of any person;*
 - (f) *information the disclosure of which could reasonably be expected to prejudice the maintenance of law, including by affecting (or potentially affecting) the prevention, detection or investigation of a criminal offence, or the right to a fair trial;*

- (g) *matters that must be considered in confidence in order to ensure that the Council does not breach any law, order or direction of a court or tribunal constituted by law, any duty of confidence, or other legal obligation or duty;*
- (h) *legal advice;*
- (i) *information relating to actual litigation, or litigation that the Council or Council Committee believes on reasonable grounds will take place, involving the Council or an employee of the Council;*
- (j) *information the disclosure of which—*
 - (i) *would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the Council, or a person engaged by the Council); and*
 - (ii) *would, on balance, be contrary to the public interest;*
- (k) *tenders for the supply of goods, the provision of services or the carrying out of works;*
- (m) *information relating to a proposed amendment to a proposal to prepare or amend a designated instrument under Part 5 Division 2 of the Planning, Development and Infrastructure Act 2016 before the draft instrument or amendment is released for public consultation under that Act;*
- (n) *information relevant to the review of a determination of a Council under the Freedom of Information Act 1991;*
- (o) *information relating to a proposed award recipient before the presentation of the award.*

7.2. The Local Government Act provides a definition of “personal affairs” which includes a person’s:

- financial affairs
 - criminal records
 - marital or other personal relationships
 - personal qualities, attributes or health status
 - employment records, employment performance or suitability for a particular position, or other personnel matters relating to the person,
- but it does not include the personal affairs of a body corporate.

7.3. With respect to matters on a Council agenda, where a person provides information to the Council and requests that it be kept confidential, Council is not able to even consider this request unless the matter is one that falls within section 90(3). If this is the case, Council will then be in a position to consider the request on its merits.

7.4. In considering whether an order should be made under section 90(2), it is irrelevant that discussion of a matter in public may⁴:

⁴ Section 90(4), *Local Government Act 1999*

- cause embarrassment to the Council or Committee concerned, or to members or employees of the Council;
 - cause a loss of confidence in the Council or Committee;
 - involve discussion of a matter that is controversial within the council area; or
 - make the council susceptible to adverse criticism.
- 7.5. If a decision to exclude the public is taken, the Council or the Council Committee is required to make a note in the minutes of the making of the order and specify:
- the grounds on which it was made;
 - The basis on which the information or matter falls within the ambit of each confidentiality ground; and
 - (if relevant,) why receipt, consideration or discussion of the information or matter in public would be contrary to the public interest.
- 7.6. Once discussion of the matter is concluded, the meeting must then consider if it is necessary to make an order identifying the document(s) (or parts of the document(s)) associated with that item (including minutes) that are to remain confidential.
- 7.7. If the meeting determines that it is necessary to keep a document(s) (or parts of document(s)) confidential, then a resolution for an order to this effect is required in accordance with section 91(7) of the Local Government Act.
- 7.8. The Council or the Council committee can only resolve to keep minutes and/or documents confidential under section 91(7) if they were considered in confidence at a Council or Committee Meeting pursuant to sections 90(2) and 90(3).
- 7.9. The Council will not consider a number of agenda items “in confidence” together i.e. en bloc. It will determine each item separately and consider the exemptions relevant to each item.
- 7.10. Once discussion of the matter is concluded and the public have returned, the decision in relation to the matter will be communicated unless the Council has resolved to order that the resolution remain confidential. Details relating to any order to keep information or a document confidential in accordance with section 91(7) will also be made known.
- 7.11. In accordance with section 91(8) the Council or the Council committee must **not** make an order to prevent:
- the disclosure of the remuneration or conditions of service of an employee of the Council after the remuneration or conditions have been set or determined; or
 - the disclosure of the identity of a successful tenderer for the supply of goods or the provision of services (including the carrying out of works), or of any reasons adopted by the Council as to why a successful tenderer has been selected; or
 - the disclosure of the amount or amounts payable by the Council under a contract for the supply of goods or the provision of services (including the carrying out of works) to, or for the benefit of, the Council after the contract has been entered into by all parties to the contract; or
 - the disclosure of the identity of land that has been acquired or disposed of by the Council, or of any reasons adopted by the Council as to why land has been acquired or disposed of by the Council.

- 7.12. Where keeping a document confidential is considered necessary, a resolution to this effect is required which shall include:
- the grounds for confidentiality; and
 - the duration of the order or the circumstances in which the order will cease to apply, or a period after which the order must be reviewed – if the order has a duration of more than 12 months, the order must be reviewed at least once in every year; and
 - (if applicable) whether the power to revoke the order will be delegated to an employee of the Council.⁵
- 7.13. In all cases the objective is that the information be made publicly available at the earliest possible opportunity and that the community is informed of any Council order and the associated implications.

8. Review of confidentiality orders

- 8.1. A confidentiality order made under section 91(7) of the Local Government Act must specify the duration of the order or the circumstances in which the order will cease to apply, or a period after which the order must be reviewed. In any event, any order that operates for a period exceeding 12 months must be reviewed at least once in every year.
- 8.2. An order will lapse if the time or event specified has been reached or carried out. There is no need for the Council to resolve for the confidentiality order to be lifted. Once the order expires or ceases to apply, the minutes and/or documents automatically become public. At this point in time, the Council will make this information publicly available by publishing it on the Council's website.
- 8.3. Orders that exceed 12 months must be reviewed annually and the Council must assess whether the grounds for non-disclosure are still relevant and, if so, provide the relevant grounds and reasons for the minutes and/or documents remaining confidential. The conduct of the annual review can be delegated to the CEO and sub-delegated to an employee of the Council if appropriate. If there are any items that require a fresh confidentiality order because the original order is about to expire, then the reviewer will prepare a report to Council making recommendations with respect to each item to be retained in confidence. Each item must be addressed separately and assessed against section 90(3) and section 91(7) of the Local Government Act. While a Council may delegate the power to undertake an annual review, the Council cannot delegate the power to apply sections 90(3) and 91(7) of the Local Government Act.
- 8.4. A Council may resolve to exclude the public from a meeting to discuss and undertake consideration of the recommendations arising from the annual review in confidence, subject to the application of the relevant ground under section 90(3) of the Local Government Act. Section 90(3) of the Local Government Act must be applied separately to each item within the scope of the review and not en bloc.
- 8.5. The Council or Council committee may delegate to an employee of the Council the power to revoke an order made in accordance with section 91(7) of the Act. Such delegation may be subject to conditions.

⁵ Section 91(9) of the *Local Government Act 1999*.

9. Accountability and reporting to the community

- 9.1. Consistent with the principle of accountability to the community, a report on the use of sections 90(2) and 91(7) by the Council and Council committees must be included in the annual report of a Council as required by Schedule 4 of the Local Government Act. The report should include the following information, separately identified for both Council and Council committees:
- Total number of orders made under sections 90(2) and 90(3) and 91(7) in the relevant financial year;
 - The date and subject of each order made under sections 90(2) and 90(3) and 91(7) in the relevant financial year;
 - In relation to each ground specified in section 90(3), the number of times in the relevant financial year that an order was made under section 90(2) and 90(3) for each ground;
 - The number of orders made under section 91(7) that expired, ceased to apply or were revoked during the relevant financial year and the date and subject of each such order; and
 - The number of orders made under section 91(7) since 15 November 2010 that remained operative at the end of the relevant financial year.

10. Public access to documents

- 10.1. The Local Government Act requires Councils to make available a large number of documents. Many of these are set out in Schedule 5, with other requirements contained in other sections of the Local Government Act.
- 10.2. Schedule 5 documents must be published on a website determined by the CEO. Councils must also, upon request, provide a person with a printed copy of any document referred to in Schedule 5. Provision of printed copies of a document may require payment of a fee (if any) set by Council (see Council's fees and charges register for any relevant fee).
- 10.3. **Schedule 5 documents will be made available on Council's website for a period of at least 4 years, or until superseded. Older documents will be made available on request, subject to availability.**
- 10.4. Requests to access Council and Council Committee documents that are not otherwise publicly available, can be made under the *Freedom of Information Act 1991*. Inquiries in relation to the process for seeking access to documents held by Council should be directed to Council's accredited Freedom of Information Officer via council@whyalla.sa.gov.au, PO Box 126 Whyalla SA 5600 or (08) 8640 3444.

11. Public access to minutes

- 11.1. Minutes of a meeting of Council or a Council Committee will be made available on the Council's website www.whyalla.sa.gov.au.
- 11.2. Printed copies of minutes can be provided to a person on request on payment of a fee set by Council (see Council's fees and charges register for any relevant fee).

12. Availability of the Code of Practice

A copy of this Code of Practice will be made available on the Internet at
www.whyalla.sa.gov.au

3. ITEMS FOR NOTING

3.7 Lobbying and Influence

Audit and Risk Committee 17 July 2023

Meeting:

Author's Title: Director Corporate

File No.: 0-159

Director: Corporate

Annexures

A – Discussion Paper

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

Reason –Nil

SUMMARY

The Discussion Paper attached at Annexure A was recently received by the Chief Executive Officer, highlighting submissions called for. Noting the timing for submissions, the Paper is being circulated for information / discussion purposes only, with the view to preparing a submission (if considered appropriate) for circulation outside of the Committee's meeting schedule.

RECOMMENDATION

The Audit and Risk Committee:

1. Note the Lobbying and Influence Discussion paper attached at Annexure A.



Discussion Paper

Lobbying and Influence

July 2023

MAKE A SUBMISSION BEFORE FRIDAY 18 AUGUST 2023:

POST:

GPO Box 11066
Adelaide SA 5001

EMAIL:

prevention@icac.sa.gov.au



Discussion Paper
Lobbying and Influence

Published July 2023

Level 9, 55 Currie Street
Adelaide SA 5000
(08) 8463 5191
GPO Box 11066
Adelaide SA 5001
icac.sa.gov.au

Lobbying: A risky necessity

The lobbying of Government officials can play a positive role in informing Government policies and priorities, and an important role in a democratic society.

Lobbyists, as well as advocates and all those influencing governments, represent valid interests and bring to policy makers' attention much needed insights and data on all policy issues. Such an inclusive policy-making process provides opportunities for more informed and ultimately better policies.¹

However, the extent to which lobbying exerts a positive influence on policy making and Government decision making will be impacted by the extent to which it is inclusive, transparent and ethical. Where access to decision makers is granted only to a privileged few, where it is not possible to confidently ascertain what factors have influenced Government decision making, and where there may be reason to doubt the accuracy of representations made to Government, the risks of undue influence and decision making tainted by bias, self interest, dishonesty or other matters inconsistent with the public interest, are increased.

In February 2023 the Commission published its report, *Yes Minister – Corruption Risks Associated with Unsolicited Proposals*². The corruption risks associated with lobbying can be considered similar to the matters raised in that report.

The risks associated with lobbying are not merely theoretical. In the worst cases, conduct amounting to criminal offences such as bribery of a public officer or abuse of public office, may occur. Such risks have been realised in other jurisdictions.

Perhaps the most notorious examples are those involving former NSW MLC and Minister, Eddie Obeid.

In 2016 Mr Obeid was convicted of misconduct in public office after he lobbied a public official to influence the outcome of a leasing process for commercial tenancies in Circular Quay. He did so under the guise of acting for constituents, but in reality, he and his family stood to benefit directly.

In 2021 Mr Obeid and his son, Moses Obeid, were convicted of conspiracy to commit wilful misconduct in public office for their part in a plan to have (then) NSW Resources Minister, Ian Macdonald, grant a coal exploration license over a farm owned by the Obeid family in Bylong Valley, resulting in a \$30 million gain to the Obeid family.

These cases illustrate clearly the potential for influencing activity to facilitate corruption where individuals act out of self interest, and where the structures sitting around decision makers – the targets of influencing activity – are opaque and lack rigour.

1 OECD, *Recommendation of the Council on Principles for Transparency and Integrity in Lobbying*, OECD/LEGAL/0379.

2 The report can be found at <https://www.icac.sa.gov.au/publications/published-reports/yes-minister>.

Re-thinking regulation

The nature of regulation of lobbying and lobbyists in Australian jurisdictions ranges from statutory schemes which impose criminal sanctions, to administrative schemes with more limited consequences in the event of a breach. The lobbying specific regulatory schemes operate within a broader context of regulating the conduct of Ministers, Members of Parliament and public service employees within each jurisdiction (for example, by codes of conduct) and legislative and administrative schemes relating to public access to documents (for example, through Freedom of Information legislation).

An overview of the regulatory framework in South Australia can be found at **Appendix A**.

In recent times, integrity agencies in a number of Australian jurisdictions have examined the regulatory schemes surrounding lobbying and the corruption risks of improper influence on public administration:

- ▶ the NSW Independent Commission Against Corruption conducted *Operation Eclipse* and released a report in June 2021, *Investigation into the Regulation of Lobbying, Access and Influence in NSW*;
- ▶ the Independent Broad-based Anti-corruption Commission in Victoria released its *Special Report on Corruption Risks Associated with Donations and Lobbying* in October 2022;
- ▶ the Crime and Corruption Commission of Queensland released a report, *Influence and Transparency in Queensland's Public Sector*, in January 2023; and
- ▶ the Integrity Commission of Tasmania released its framework report *Model for reform of lobbying oversight in Tasmania* in June 2023.

How does South Australia compare?

The reports referred to raise a number of broad issues which are pertinent to consider in the South Australian context. The Commission is calling for submissions relating to lobbying regulation in South Australia to inform whether – and what – further work should be undertaken in this space.

Your submission may address the issues and questions detailed below, or any other aspect of lobbying, which you consider important.

Issues for consideration

THE DEFINITION OF ‘LOBBYING’ AND ‘LOBBYIST’

The definition of ‘lobbying’ and/or ‘lobbyist’ is not uniform across Australian jurisdictions. Common to all jurisdictions, however, is the fact that ‘in-house lobbyists’ (that is, persons employed within an organisation to conduct government liaison-type activities) are not captured by current regulations; but is there anything inherent in ‘third-party’ lobbying which elevates the risks of corruption as compared with ‘in-house’ lobbying, such that this distinction is justified?

The question of who should be included in lobbying regulation – and, more specifically, whether ‘in-house lobbyists’ should be regulated – was considered by each integrity agency. The universal answer to this question was that the current definitions (regardless of jurisdiction) are too narrow to capture much of the influencing activity currently occurring. While compliance with lobbying regulation was reportedly high, a significant proportion of influencing conduct fell outside the regulatory schemes.

A further question to ask in this context is whether a legitimate distinction can be drawn between corporate ‘in-house lobbyists’ (for example, persons employed by large mining, finance or manufacturing organisations) and those who are employed by charitable organisations, or other not-for-profit organisations (for example, trade unions, religious groups, professional and industry organisations and other interest groups).

Prompt questions:

- ▶ Should the definition of ‘lobbying’ be expanded? If so, how? What kinds of activities should be captured by ‘lobbying’?
- ▶ Should there be exceptions to lobbying regulation (e.g. for charitable or not-for-profit organisations, or organisations below a certain size) or, conversely, should some industries be more closely regulated (e.g. those industries where ‘regulatory capture’ of government agencies and decision making is a risk)?
- ▶ Should lawyers and accountants who directly offer government relations services be included in the definition of lobbying?
- ▶ Should lobbying disclosure requirements be heightened in the lead up to elections?

THE REGULATION OF THE 'LOBBIED' PARTY

Most regulatory schemes focus on the conduct of the lobbyist, with only secondary attention directed towards the lobbied party. However, lobbying is clearly a 'two way street', and the question arises whether the public officials to whom representations are made should also be subject to regulation. This may include not only Ministers and other government decision makers, but also those in positions to influence those decision makers, such as ministerial advisors. Regulation may be statutory, or may be in the form of, for example, a specific code of conduct relating to lobbying.

A particular area of focus to emerge from the reports from other jurisdictions relates to record keeping by lobbied parties and the capacity for the public to interrogate those records, either through ongoing publication requirements, or by utilising schemes already in place to allow for public access to government records. The quality of records produced, in terms of the degree to which they make plain the content and purpose of lobbying activity and the rationale or justification for decision making, is critical to the usefulness or otherwise of access schemes.

Prompt questions:

- ▶ Should the conduct of lobbied parties be more closely regulated? For example, should there be lobbying disclosure requirements for ministerial staff or high level public servants?
- ▶ Would the publishing of cabinet materials, ministerial diaries and other records of government decision making provide safeguards against the risks associated with lobbying?
- ▶ Should lobbied parties also be obliged to register lobbying interactions to allow for cross-referencing, such as is conducted by the Queensland Crime and Corruption Commission?
- ▶ Should government departments implement policies which prohibit undocumented or secret meetings?
- ▶ Should all activity directed towards influencing legislation (e.g. making, amending or retaining legislation) be publicly disclosed?

THE 'REVOLVING DOOR' OF LOBBYING

The concept of the 'revolving door' of lobbying relates to the high incidence of former public officials (Ministers, Members of Parliament, Ministerial advisers, high-ranking public servants) who move from their public role into lobbying, either directly or after a short interval.

This brings with it risks to the integrity both of lobbying and government decision making; for example, lobbyists who are former public officials may leverage relationships built or knowledge acquired whilst in public office to gain an unfair advantage for their clients, and public officials may give preference to particular interest groups with a view to gaining lucrative employment after public service.

South Australia already imposes restrictions on some public officials in this regard. However, questions arise regarding, for example: *who* is covered by these restrictions; *how long* the restrictions ought to be; and, adequacy of existing enforcement measures (including the ability to detect any breaches).

The issue is also closely linked to the question of the definition of 'lobbying'. Given that 'in-house lobbying' falls outside of the scope of the South Australian regulatory scheme, the question arises how well post-separation employment restrictions guard against the risks associated with the 'revolving door' of lobbying.

Prompt questions:

- ▶ Should the restrictions on lobbying activity be expanded to a wider range of people affiliated with political parties (e.g. former MPs, candidates, politicians from other jurisdictions) or those employed by political parties to work on election campaigns?
- ▶ Would post-separation employment reporting requirements assist in ensuring compliance with lobbying restrictions?

LOBBYING AND LOCAL GOVERNMENT

At present, activities directed towards influencing decision making at a local government level are not captured by the South Australian regulatory scheme. However, local government decision makers are not immune from the risks associated with lobbying, and are likely to be a target of influencing activity, particularly in the context of grants administration, development applications and procurement.

The benefits of regulation need to be weighed against issues like the costs associated with administration and compliance, and the risk of reducing access to decision makers. These matters may assume greater importance when considered at the local level. This may particularly be the case in South Australia where local governments have less involvement in planning approvals than local governments in other jurisdictions.

HARMONISATION

In addition to the above, the issue of harmonisation of regulatory schemes across Australian jurisdictions was considered by all integrity agencies. There are a number of significant benefits to jurisdictions enacting similar regulatory schemes, not only for lobbyists, but also for regulators and members of the public. However, it may be that there are factors peculiar to the South Australian context which dictate a different approach being taken in one or more aspects of lobbying regulation.

Make a submission

The Commission will receive submissions about lobbying and influence in South Australia until Friday 18 August 2023. The above topics and prompt questions are of particular interest, but all responses will be considered carefully.

MAKE A SUBMISSION BEFORE FRIDAY 18 AUGUST 2023:

POST:

GPO Box 11066
Adelaide SA 5001

EMAIL:

prevention@icac.sa.gov.au

APPENDIX A: Overview of the regulatory framework in South Australia

Lobbyists Act 2015 and Lobbyists Regulations 2016

Lobbying activity in South Australia is directly regulated by the *Lobbyists Act 2015* ('the Lobbyists Act') and the *Lobbyists Regulations 2016* ('the Lobbyists Regulations').

The Lobbyists Act and Regulations are directed towards persons who engage in 'lobbying'. They do not regulate the conduct of persons who are the subject of lobbying activity.

A person engages in 'lobbying' if they, for money or other valuable consideration, communicate with a public official on behalf of a *third party* for the purpose of influencing the outcome of:

- ▶ legislation, or a government decision or policy (existing or proposed);
- ▶ an application for any approval, consent, licence, permit, exemption or other authorisation or entitlement under any Act or law of South Australia;
- ▶ the awarding of a contract or grant or the allocation of funding; or
- ▶ any other exercise by the public official of their functions or powers.

A 'public official' means any Member of Parliament and their staff (including staff in an electorate office), a public sector employee, a person contracted to provide services to or on behalf of a public sector agency, or a member of a government board. Members, officers and employees of local government bodies and the Local Government Association are not 'public officials'.

There are some exceptions to the definition of 'lobbying'. A person is *not* engaged in lobbying if they:

- ▶ are a public official themselves and communicate with the public official in the ordinary course of their duty;
- ▶ are a legal practitioner and communicate with the public official in the ordinary course of their work as a legal practitioner;
- ▶ hold particular accounting or financial advisor qualifications (specified in the Lobbyists Regulations) and communicate with the public official in the ordinary course of their work as an accountant or financial advisor.

Further, a person does not engage in lobbying if they act as an 'in-house lobbyist'; that is, if they communicate with a public official on behalf of an organisation or individual by whom they are directly employed.

The Lobbyists Act prohibits a person from engaging in lobbying unless they are registered. Any person who engages in lobbying without being registered can be prosecuted and faces a fine of up to \$30,000 or 2 years' imprisonment.

The Lobbyists Act places restrictions on who is entitled to be registered as a lobbyist. Persons are ineligible for registration:

- ▶ if they have ever been convicted of an indictable offence (generally, an offence punishable by more than 2 years' imprisonment);
- ▶ if they have, in the 10 years prior to applying for registration, been convicted of an offence of dishonesty (for example, theft or dishonestly dealing with documents);
- ▶ for a period of 2 years following cancellation of registration under the Lobbyists Act; and
- ▶ if they are prevented from engaging in lobbying by reason of section 13 of the Lobbyists Act.

Section 13 of the Lobbyists Act prevents former Ministers and their staff, Parliamentary Secretaries and high-ranking members of the public sector from engaging in lobbying for specified periods after they cease to hold office, and provides that any registration held by the person during the specified period is cancelled.

In the case of former Ministers, the relevant period is 2 years. In the case of the other persons listed, the relevant period is 12 months. Section 13 also prevents members of government boards from engaging in lobbying during the period of their membership.

The effect of section 13 is that any former Minister etc engaged in lobbying during the specified period will be doing so whilst unregistered, and therefore liable to prosecution.

The Lobbyists Act also prohibits a person from giving or receiving, or agreeing to give or receive, a 'success fee' for lobbying activity. A 'success fee' is an amount of money (or other valuable consideration) that is contingent upon the outcome of the lobbying activity. A person who gives or receives a success fee is liable to prosecution and faces a fine of up to \$30,000 or 2 years' imprisonment.

The Chief Executive of the Department of the Premier and Cabinet ('DPC') maintains the register of lobbyists. The Lobbyists Act states that the register must be available for inspection by the public and must contain certain information about each registered lobbyist, including: their name (including any business or trading name), business address, the names of any business partners or employees, and each 'return' provided by the person under section 8.

Section 8 requires a registered person to file an annual return which sets out:

- ▶ the name of each person/body on behalf of whom the person engaged in lobbying, or with whom the person had an agreement to engage in lobbying;
- ▶ the name of each public official lobbied and the subject matter of the lobbying engaged in;
- ▶ the name of any person employed by or otherwise engaged by the person to engage in lobbying (whether or not the person in fact engaged in lobbying).

The register is available to be viewed by the public through the DPC website.³

The Lobbyists Act states that the Regulations may incorporate, or operate by reference to, a code of conduct. No code of conduct is currently in operation.⁴

³ <https://www.dpc.sa.gov.au/responsibilities/lobbyist-registration/active-and-inactive-lobbyists>.

⁴ It should be noted, however, that the *Lobbyists Code of Conduct 2009* – rendered inoperative by the Lobbyists Regulations in April 2016 – can still be found on the DPC website in DPC Circular 32 dated October 2014.

Ministerial Code of Conduct

The Ministerial Code of Conduct, dated July 2002, applies to all Ministers of the Crown in South Australia. The Code of Conduct does not specifically address lobbying, but sets out expectations of Ministers in relation to: general standards of conduct, conflicts of interest, use of information obtained in the course of official duties, use of public property, continuing obligations (i.e. post Ministerial service), relations with the public service, and caretaker conventions.

Public Sector (Honesty and Accountability) Act 1995

This Act imposes obligations of honesty and accountability (including specific duties in respect of conflicts of interest) on corporate agency members, advisory board members, senior public sector officials, corporate agency executives, public sector employees and person performing contract work. Breaches of these obligations amount to criminal offences punishable by fines and/or imprisonment. Civil penalties may also be imposed.

Public Sector Code of Ethics

The Public Sector Code of Ethics applies to all public sector employees. It does not specifically address lobbying, but sets professional conduct standards regarding: professional and courteous behavior, public comment, handling official information, use of government/public resources, conflicts of interest, outside employment, acceptance of gifts and benefits, criminal offences and reporting unethical behavior.

In addition to the above, South Australian Public Sector Agencies each have internal administrative measures which address issues relevant to the risks associated with lobbying, based upon the Public Sector Code of Ethics.

4. CONFIDENTIAL ITEMS

4.1 Systems Modernisation Project - **CONFIDENTIAL**

Audit and Risk Committee Meeting	17 July 2023		
Author's Title:	Director Corporate	File No.:	0-159
Directorate:	Corporate		

Annexures –

Annexure A – Systems Modernisation Feasibility Study v1.0

Annexure B – Systems Modernisation Business Case v0.7

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐ Yes

☒ No

☒ Yes

☐ No

Reason – Matters affecting the security of the Council.

RECOMMENDATION

Pursuant to Section 90(2) of the Local Government Act 1999, the Council orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Kristen Clark; Director City Infrastructure, Jade Ballantine; Director City Growth, Kathy Jarrett; Director Corporate Services, Grant Jennings; Manager Finance, Sandra Vigar; Finance Coordinator, Irene Adair; Manager Governance, David Poyner; Information Technology Coordinator and Lisette Symons; Executive Co-Ordinator – Corporate for Agenda Item 4.1 - Systems Modernisation Project.

The Committee is satisfied that, pursuant to Section 90(3)(e) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is related to matters affecting the security of the Council, Council property and employees in that details of the Council's knowledge management and information technology services will be discussed.

The Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because of the security risk to Council's information technology services if the abovementioned details are disclosed publicly.

4. CONFIDENTIAL ITEMS

4.2 2023 Cyber Security Assessment - **CONFIDENTIAL**

Audit and Risk Committee

Meeting:

Author's Title: Information Technology Coordinator
File No.: 0-159
Directorate: Corporate Services

Annexures:

- A – External Network Penetration Test
- B – Internal Network Penetration Test
- C – Microsoft 365 Security Configuration Review
- D – Work plan

Officer Direct or Indirect Conflict of Interest:

In accordance with Local Government Act 1999, Section 120

☐

Yes

☒

No

Status:

Information classified confidential under Section 90(2) of the Local Government Act

☒

Yes

☐

No

Reason – not applicable

RECOMMENDATION

Pursuant to Section 90(2) of the Local Government Act 1999, the Audit and Risk Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Kristen Clark; Director City Infrastructure, Kathy Jarrett; Director Corporate Services, Jade Ballantine; Director City Growth, Grant Jennings; Manager Finance, Sandra Vigar; Finance Coordinator, Irene Adair; Manager Governance, David Poyner; Information Technology Coordinator and Lisette Symons; Executive Coordinator – Corporate for Agenda Item 4.2 – 2023 Cyber Security Assessment.

The Audit and Risk Committee is satisfied that, pursuant to Section 90(3)(e) of the Act, the information to be received, discussed or considered in relation to this Agenda Item is related to matters affecting the security of the Council, Council property and employees in that details of the process attached to the security of Council's technology services will be discussed.

The Audit and Risk Committee is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because of the security risk to Council's information technology services if the abovementioned details are disclosed publicly.

4. CONFIDENTIAL ITEMS

4.3 Service Review and Internal Audit Services – Appointment of Provider– **CONFIDENTIAL**

Audit and Risk Committee 17 July 2023

Meeting:

Author's Title: Manager Governance

File No.: 0.159

Directorate: Corporate Services

Annexures – Nil

Officer Direct or Indirect Conflict of Interest:

Status:

*In accordance with Local Government Act 1999,
Section 120*

*Information classified confidential under
Section 90(2) of the Local Government Act*

☐

Yes

☒

No

☒

Yes

☐

No

Reason – This report is considered confidential on the basis that it contains information of a commercial nature consistent with Sections 90(3)(b) of the Local Government Act 1999

RECOMMENDATION

Pursuant to Section 90(2) and (3)(b) of the Local Government Act 1999, the Committee orders that the public be excluded from the meeting with the exception of Justin Commons; Chief Executive Officer, Kristin Clark; Director City Infrastructure, Kathy Jarrett; Director Corporate Services, Jade Ballantine; Director City Growth, Irene Adair; Manager Governance, Grant Jennings; Manager Finance and Lisette Symons; Executive Co-Ordinator – Corporate Services for Agenda Item 4.3 –Service Review and Internal Audit Services – Appointment of Provider.

The Committee considers that the requirement for the meeting to be conducted in a place open to the public has been outweighed in circumstances where the Committee will receive and consider a report containing information the disclosure of which could reasonably be expected to prejudice the commercial position of the Council and would, on balance, be contrary to the public interest.

4. CONFIDENTIAL ITEMS

4.4 Reports Regarding Public Administration - **CONFIDENTIAL**

Audit and Risk Committee 17 July 2023

Meeting:

Author's Title: Director Corporate

File No.: 0-159

Director: Corporate

Annexures - Nil

Officer Direct or Indirect Conflict of Interest:

*In accordance with Local Government Act 1999,
Section 120*

☐

Yes

☒

No

Status:

*Information classified confidential under
Section 90(2) of the Local Government Act*

☒

Yes

☐

No

Reason –Nil

PURPOSE

This standing agenda item is to facilitate any required updates to the Audit and Risk Committee on matters that may have been raised that go towards ensuring standards of good public administration are achieved and maintained.

Note that should any items be raised, the Committee may need to consider the item in confidence under the provisions of Section 90 of the Local Government Act 1999. The Chief Executive Officer will advise of any such requirements during the meeting.

RECOMMENDATION

The Audit and Risk Committee:

1. Note any updates provided under this item.