



Local Government Research & Development Scheme

2019-20 Annual Business Plan
January 2019

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1. Introduction to the Annual Plan 2019-20

This Annual Business Plan 2019-20 was approved by the LGA Board of Directors on 31 January 2019.

It is designed to focus the attention of potential applicants to the Local Government Research & Development Scheme (LGR&DS) on matters that will contribute to the advancement of local government in South Australia.

Following consultation with LGA member councils, and a broad ranging environmental scan, the following objectives have been identified as key areas of research and development in 2019-20:

1. Increasing community awareness and participation
2. Addressing cost pressures to keep downward pressure on rates
3. Reducing red tape
4. Improving financial management and sustainability
5. Managing waste and recycling
6. Supporting healthy and resilient communities

The LGR&DS Advisory Committee encourages potential project proponents to align any funding proposals with either the objectives outlined above; and/or the LGA's Annual Business Plan 2019-20 when it becomes available (from late May 2019) on the LGA's website.

The Advisory Committee would also welcome proposals that may not directly align with the matters included in either plan but would nevertheless be considered useful research for the local government sector and their communities, provided such proposals are consistent with the Principles of the Scheme and at least one of the purposes of the Scheme, outlined at Section 2 below.

2. Background to the LGR&DS

2.1 How the Scheme is established

Pursuant to section 31A of the *Local Government Finance Authority Act 1983* (the LGFA Act) and requirements of the State Government Treasurer, the Local Government Finance Authority (LGFA) makes regular quarterly payments to the Local Government Taxation Equivalents Fund (LGTEF).

These funds are used for the purposes of the Local Government Research and Development Scheme (LGR&DS), established under Section 31A(4) of the LGFA Act to fund projects that are strategically of benefit to local government as a whole. The LGR&DS is unique to South Australia.

Since September 2015, the LGR&DS has been subject to a *Memorandum of Understanding* (MOU) between the Local Government Association of South Australia (LGA) and the Minister with responsibility for the LGFA Act (currently the Treasurer). The MOU is available on the Scheme's web page: http://www.lga.sa.gov.au/Apply_LGRD_Scheme

2.2 Advisory Committee

As outlined in the MOU, the LGR&DS Advisory Committee was established by the LGA to assist it with the management of the Scheme.

The key functions of the Advisory Committee are to highlight, guide and encourage proposals from councils and other local government stakeholders in areas that will enhance the development of Local Government in South Australia and to make recommendations for approvals of project proposals to the LGA Board of Directors.

The MOU specifies that the membership of the Advisory Committee include representatives from key local government stakeholder groups. As at 31 January 2019, membership of the Advisory Committee was:

- Mayor Kevin Knight (LGA Board) – Presiding Member
- Mayor Erika Vickery (LGA Board)
- Mayor Gillian Aldridge (LGA Board)
- Mr Tony Siviour (Country/Regional CEO)
- Mr Henry Inat (Metropolitan CEO)
- Mr Peter Lamps (Local Government Unions)
- Prof John Spoehr (South Australian Universities)
- CEO, Local Government Association (ex officio) – currently Matt Pinnegar
- Manager, Office of Local Government (ex officio) – currently Alex Hart

2.3 Funding calls

The Scheme holds two funding calls per year:

- An LGA (internal) funding call – applications for which are due to open in February 2019 and close in late March 2019, for an LGA Board decision in May 2019; and project commencement on 1 July 2019; and
- A “Sector” or external funding call – applications for which are due to open in late May 2019 and close in late July 2019, for an LGA Board decision in September 2019.

Further details of the sector funding call will be provided via an LGA Circular in late May 2019. Decisions regarding funding for proposals are made in accordance with the Principles and Purposes of the Scheme (see below) by the LGA Board of Directors (acting on advice from the LGR&DS Advisory Committee).

Sector calls attract a good spread of proponents applying to the Scheme, including councils, regional LGAs, unions, universities, the Vocational Education & Training sector and local government professional groups. The Advisory Committee and the LGA Board remain committed to encouraging councils and other groups to use the Scheme for projects that will enhance the development of the sector.

2.4 Principles and Purposes of the Scheme

The LGFA Act provides that the purposes to which LGR&DS funds may be put are only those purposes "recommended by the LGA and agreed to by the Minister in accordance with principles agreed between the Minister and the LGA."

a) Principles of the Scheme

The MOU specifies that the “Principles of the Scheme” are:

- that in complying with the statutory requirements the Scheme funds should be applied for **“local government development purposes”** and the money should be used **strategically for the benefit of Local Government as a whole; and**
- that the disbursement of the funds **should not result in any unfair competitive advantage to the LGFA.**

The first of these mandatory principles is sometimes overlooked by external applicants. Proposed projects that would be of benefit only to a single council, or to a small subset of South Australia’s 68 councils, cannot be funded by the Scheme because such projects would not be of benefit to “Local Government as a whole”.

b) Purposes of the Scheme

The MOU specifies that the “Purposes of the Scheme” are:

1. Grants or services to help Councils access electronic information and other strategic development of Local Government Information services
2. Grants or services to help Councils with performance assessment, measurement and benchmarking, and with performance improvement
3. Development or provision of services, training, handbooks, guides or codes related to the administration of legislation under which Councils operate
4. Grants or services to help Councils promote understanding of the role, purposes and functions of Local Government, including development of materials for schools
5. Grants for Local Government research and development projects:
 - (a) **in priority areas for research and development specifically identified on an annual basis following consultation by the LGA with Councils, or**
 - (b) concerning innovation in Local Government administration or services.
6. Agreed programs for consultation throughout the Local Government sphere on projected legislative changes affecting Local Government
7. Grants, research, information or services to help Councils with the introduction and implementation of reforms to service delivery, within Local Government and between State and Local Government
8. Funding of proposals by regional local government organisations to strengthen their ability to provide services to their members and communities and to engage effectively in intergovernmental discussions and negotiations. “Regional local government organisations” includes both rural and metropolitan regional groupings as possible beneficiaries for funding of initiatives with potential sector wide benefit.
9. Payments for which Local Government, through the LGA, is liable under legislative provisions requiring the LGA to pay or contribute to the costs of specified statutory activities undertaken for Local Government purposes
10. Grants or services to assist Councils with planning for the development/maintenance of infrastructure and undertaking asset management planning.

The LGA Board requires the Advisory Committee to annually review the purposes of the LGR&DS. The next annual review is scheduled for April 2019.

The “priority areas” listed at heading 5 below are not to be regarded as exhaustive. All of the below “priority areas” at heading 5 are considered as falling under **Purpose 5(a) above** and would therefore be permitted purposes of the Scheme for 2019-20.

There are likely to be projects approved for funding in 2019-20 that would reflect some of the other purposes listed above. But no project may be approved unless it accords with **both** of the *Principles of the Scheme* and **at least one** of the *Purposes of the Scheme*.

3. Previous year (2018-19)

3.1 LGA key priorities (2018-19)

The local government sector in South Australia takes a proactive approach to emerging issues and works co-operatively with other spheres of government and with stakeholders in responding to matters or initiating research, debate and discussion.

The value in LGA membership, for councils is threefold:

- **Advocate:** Influencing state and federal government policy, legislation and funding
- **Assist:** Bringing councils together to pursue worthwhile opportunities
- **Advance:** Assisting with the business of council, its operations and efficiency.

Accordingly, the LGA's Strategic Plan 2016-2020 sets out three key initiatives:

1. Leadership and Advocacy (Advocate)
2. Capacity Building and Sustainability (Assist); and
3. Best Practice and Continuous Improvement (Advance).

Key priorities for the LGA in 2018-19 were:

- Advocate for Local Government through awareness campaigns and stakeholder relation and influencing policy outcomes (Advocate)
- Support the 2018 Council Elections (Advocate/Assist)
- Position and support local government as a driver of economic development (Advocate/Assist)
- Support the development of public health and community wellbeing services (Advocate/Assist)
- Lead and achieve Local Government reform and respond to change (Assist)
- Advocate for improved sector conduct and building sector morale (Advocate/Assist)
- Build local government capacity and the skills of our people (Assist)
- Improve the LGA's governance; implement the Governance Review (Advance)
- Continue with the LGA Procurement transformational program (Advance)
- Expand commercial activities (Advance)
- Implement the Schemes Review (Advance)

The LGA has not yet set its key priorities for 2019-20. It is expected that an LGA Annual Business Plan for 2019-20 will be considered by the LGA Board in May 2019. When this is available, it will be published on the LGA's web site, and will set the LGA's own priorities for the sector in 2019-20.

This LGR&DS 2019-20 Annual Business Plan is intended to complement (rather than mirror) the LGA's Strategic Plan and the LGA's Annual Business Plan. As the LGR&DS is set up under a statutory scheme, with oversight by an Advisory Committee which includes members who are external to the LGA and Councils, the LGR&DS is able to focus on broader priorities.

3.2 LGR&DS funded projects (2018-19)

The LGR&DS supported 21 new projects in 2018-19 with a total value of \$1.051 million. There were:

- 2018.14 - China Sword Policy
- 2018.04 - Boundary Reform Processes
- 2018.13 - Review of R&D project finalisation documentation and evaluation mechanisms
- 2018.12 - Payment to the Remuneration Tribunal for Setting Council Member Allowances
- 2018.10 - 2018 Council elections
- 2018.09 - Financial Sustainability Updates
- 2018.08 - Model Bike Share Scheme Policy and Procedure
- 2018.05 - Governance Review, Phase 2
- 2018.01 - Updated Procurement Resources
- 2018.07 - Emergency Management Development Program
- 2018.15 - LGA Outreach Services 2018-19
- 2018.53 - Public Health 'General Duty' Evaluation
- 2018.54 - Efficiencies and service delivery in LG caravan parks
- 2018.55 - Coordination for Strategic Coastal Management
- 2018.57 - Digital Maturity of Regional Local Government
- 2018.59 - Guide for Leasing or Licencing Sports and Community Facilities
- 2018.62 - Business Intelligence Benchmarking, Phase 1
- 2018.64 - Resilient Hills & Coasts Community Energy
- 2018.68 - Collective Impact - opportunities for innovation and reform
- 2018.69 - Digital spotlight on recycling and waste reduction
- 2018.72 - Leveraging Sister City relationships into economic development

Progress in implementing each of these projects may be tracked at www.lga.sa.gov.au/research.

4. Environmental scan to inform research and development priorities for 2019-20

In developing the 2019-20 Research and Development priorities outlined in section 5, a number of information sources were considered including the 2018 LGA member surveys, feedback from councils about priority research areas, and the sector-wide policy issues that have been supported by member councils at LGA General Meetings. The key issues for the sector arising from this environmental scan are summarised below.

4.1 Issues identified in LGA member surveys of April and September 2018

- a) Community engagement / awareness
- b) Financial sustainability / Cost shifting
- c) Infrastructure funding / asset management
- d) Economic development / job creation
- e) Local government reform
- f) Shared services / regionalisation
- g) Benchmarking / service reviews
- h) Workforce capacity / industrial reform
- i) Boundary reform

4.2 Consultation with members, stakeholders & secretariat in November 2018

- a) Enhancing Asset Management and Financial Sustainability
- b) Cost shifting
- c) Waste and Recycling
- d) Building community resilience to increased climate impacts
- e) Disability access and inclusion
- f) Domestic and Family Violence
- g) Improving processes for temporary or special events
- h) Implementing the *Planning, Development and Infrastructure Act 2016*

4.3 Resolutions passed by members at the LGA's Annual and Ordinary General Meetings in April and October 2018 (for which resources might not otherwise be available)

- a) Sector-wide heritage policy and procedures
- b) Template agreement for contributed assets
- c) Review of by-law enforcement and penalties
- d) State-wide asbestos strategy
- e) Affordable housing models

These key issues have been reviewed and refined, and have formed the basis of the six strategic priorities for the Scheme outlined in Section 5.

In developing the 2019-20 priorities for the LGR&DS, regard was also had to areas of research and development for which funds are already available through previous funding allocations, or alternative funding sources. These areas include local government reform, data and benchmarking, workforce alignment, community wellbeing, population policy and boundary reform.

5. 2019-20 Research & Development Priorities

Under its Terms of Reference, the LGR&DS Advisory Committee is required to develop an Annual Business Plan for the Scheme to focus the attention of potential applicants on matters that will contribute to the advancement of local government in South Australia in the foreseeable near future.

Following consultation with LGA member councils, and a broad ranging environmental scan, the following priorities have been identified as key areas of future research and development that will assist the sector to meet current and future challenges, and to capitalise on positive opportunities.

1. Increasing community awareness and participation

Resources and programs that aim to increase community awareness of the services provided by councils and opportunities for people to participate in local government processes.

2. Addressing cost pressures to put downward pressure on rates

Research, resources and programs that assist councils to drive downward pressure on council rates, including aggregated services and addressing the impacts of cost shifting.

3. Reducing red tape

Projects that aim to reduce red tape by streamlining and improving processes and creating efficiencies in local government for the benefit of businesses and the community.

4. Improving financial management and sustainability

Templates and resources to assist in managing assets and maintaining financial sustainability of councils.

5. Managing waste and recycling

Responding to challenges created by the China 'National Sword' policy, including developing markets for recycled materials, identifying commercial opportunities for councils, and circular economy projects.

6. Supporting healthy and resilient communities

Research, resources and programs that assist local government to support, protect and enhance communities, within local government's defined areas of responsibility, including public health, community wellbeing, and disability access and inclusion.

6. Contact

Proponents are encouraged to contact Mr Shane Sody, Executive Officer of the Scheme, (details below) prior to submitting projects to discuss ideas and approaches, and to obtain preliminary advice.

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