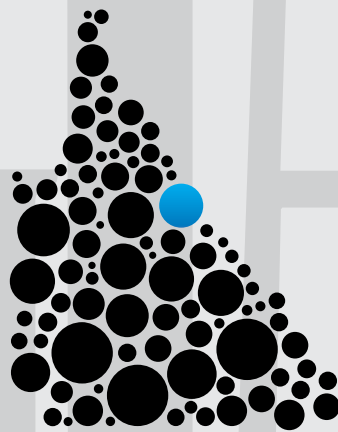




LOCAL GOVERNMENT
ASSOCIATION
OF QUEENSLAND LTD



LGAQ
114th Annual Conference

LGAQ
Executive Report
to 114th Annual
Conference 2010

Delegates And Observers



Introduction

In accordance with the Constitution and Rules of the Local Government Association (LGAQ) Ltd, the governing body of the Association - its Executive, reports formally to each Annual Conference (Annual General Meeting) on the strategic direction, policies and its major initiatives and achievements in the period between conferences.

For a comprehensive coverage of the Association's Mission Statement, Corporate Plan, policies, programs, activities, service offerings, publications, staffing etc, please visit LG Online at www.lgaq.asn.au.

The last 12 months can best be described as the beginning of the end and the end of the beginning. It was an historic point, and in many minds, more important than amalgamation. That is, because the how and why of how Local Government conducts itself transcends its mere physical boundaries. The advent of both a new Planning Act and Local Government Act were the mark in the sand that will delineate epochs, appropriately the LGAQ itself is renewing and refreshing at the same time.

Queensland Local Government is emerging from its trials and tribulations post amalgamation and planning for a new future for their communities, not to mention the end of the GFC and the re-emergence of the mining and energy sector, especially gas. While it's clearly been a period of perturbation there is light at the end of the tunnel.

Local Government is fundamentally changed. After a decade of general rate increases at or slightly above CPI, over the past three budgets, councils general rates have risen on average by 25 percent; gross debt has doubled from \$2b to \$4b and its forecast to go to \$6b by 2012, and after a period of stagnation overall workforce numbers grew by 2000 employees to 40,000 - Queensland Councils are on the march and have grasped control over their financial futures. It is of some concern however, that some amalgamated councils are seeking to redress decades of neglect of former councils in a matter of years.

Two Queensland's emerged during the last year, the one buoyed by population growth and a resurgent mining sector and the other weighed down by the high Australian dollar and soft retail sector. A rising economic tide has not refloated all Queensland's regional economies. The LGAQ Executive recognized that fact early in the piece and commenced the monthly RUIN Reports on regional labour markets in the second half of 2009 - to great affect.

Population and population policy have become bywords in every day discussion and it was Queensland Local Government and the LGAQ that put them on centre stage with its fourth ever Public Inquiry on The Need For a State Population Policy - the McDonald Inquiry. Councils

and your Association didn't create the community angst regarding population growth, but certainly recognised it well before State and Federal Government. History records the LGAQ through its President Cr Paul Bell, first called for a State Population Policy five long years ago.

This will be the last time that the Executive report appears in this format. Next year's report will reflect the new organisation structure and operating model and ASICs requirements.

Federal Government

In the federal jurisdiction, it has been a roller coaster ride, with hope, confusion and angst all elements. In fairness federal funding of Local Government continues to improve. In the 2010-11 Federal Budget funding to Local Government is at a record level. As importantly the Federal Government's response to the Henry Inquiry sees up to \$2b of the mining tax revenue flow to councils and communities in the resource regions.

The turbulence has been around planning and development issues and more latterly population issues. On the one hand, Councils have welcomed Canberra's renewed interest in urban and regional matters, on the other hand they have worried about the isolationist stance the Federal Government has taken on capital city governance and planning. By not properly engaging metropolitan councils the Federal Government has engendered mistrust in its attempts to develop a nationally consistent cities policy. More effort needs to be made by the Federal Government to build a genuine dialogue and not rely on remote experts. Furthermore, Canberra needs to support its ambitions with serious and sustained funding.

On the question of population the Federal Local Government has made a dramatic U turn in the shadow of the Federal Election. It first championed a "Big Australia" under the leadership of the former Prime Minister the Hon Kevin Rudd then did a 180 degree turn under new Prime Minister Julia Gillard, rebuking Kevin Rudd's earlier stance. The Federal Opposition has also indulged in populist policy on this issue. The Executive genuinely hope that post the Federal Election a more reasoned and pragmatic national population policy emerges, as this is critical for Local Government's planning efforts.

With respect to the critical (to Local Government) issue of Constitutional Recognition at the point of producing this report, the Australian Local Government Association has achieved a political consensus on the threshold issue of recognising Local Government in the Australian Constitution ie both sides of politics support the general proposition subject to the final detail. This confluence has never happened before and argues well for a successful outcome.

The LGAQ Executive has resolved to do all in its power to achieve that outcome. Indeed it has levied a \$500,000 special levy on member councils in the 2010-11 budget to preposition Queensland Councils for a referendum to be most likely held in the second half of 2012. LGAQ will work in concert with its interstate counterparts to

run a national campaign on the significance of Local Government to the Australian Federation.

One of the very significant initiatives of the Federal Government has been the Productivity Places Program. The Executive commends them on the farsighted program - Overall the PPP Program has or will deliver in excess of \$9.35m worth of training to current council employees at certificate through diploma courses. This equates to roughly 3000 current council employees obtaining qualifications that are directly applicable to the operations of council.

The Executive have resolved to increase its engagement of Canberra through its new organisational structure providing for a dedicated Inter-Governmental Relations officer to be employed to assist the President, CEO and General Manager Advocate in their federal lobbying. Going forward the Federal Government is the only real prospect of addressing the vertical fiscal imbalance that has plagued Local Government for a generation.

State Government

The last year, more precisely the 2010 year has seen a dramatic turn around in the LGAQ's relationship with the State Government. In fairness much of the credit should go to the Premier and her Cabinet for that outcome. On 27 February 2010 the Premier at her initiative met with the entire LGAQ Executive at Parliament House. Since that time she and her personal staff have consistently sought to engage the President and CEO on key issues of importance to Local Government. Credit also goes to Minister Desley Boyle for her equanimity and preparedness to listen to reasoned submissions from the LGAQ.

So much of the legislative underpinning Local Government's operation was substantially changed over the last 12 months. A new largely welcomed Local Government Act came into force on 1 July 2010. A new Planning Act came into force in late December 2009 and a new Valuation Act the first since the 1940's will see the introduction of the LGAQ Annual Conference often supported Site Valuation Methodology.

In terms of the Local Government Act the Executive takes credit in the resolute stance it took in negotiations with the State Government. With the exception of one or two points of disagreement your Association has stood firm and achieved all of its goals, even if it were at the third attempt.

Again, thanks must go to Minister Desley Boyle and her departmental staff on their preparedness to listen to and adopt LGAQ's considered and practical suggestions on amendments to the Act and attendant regulations - before and after its passing. LGAQ also assisted Brisbane City Council in negotiating its new Act - a first.

The new improved relationship with the State Government has resulted in only modest financial benefits in the 2010-2011 budget. The most notable win was an additional \$30m for the Roads Alliance taking annual outlays to \$100m per annum.

On the question of protecting \$600m of Local Government's revenue from attack by the property industry, arising from the Pacific Fair case, most particularly the Shopping Centre lobby, your Executive stood shoulder to shoulder with the State Government in the public domain defending legislation. At times during the public debate it seemed that we were living a parallel universe so fictitious and extraordinary were the claims of the property sector. In monetary terms this has been the biggest "win" for Queensland Councils in a very long time, albeit it represented a one off hit on large councils' revenues!



To the State Government's credit it followed the lead of the Executive in commissioning the McDonald Inquiry into a Population Policy for Queensland by three weeks later announcing its own Growth Management Summit. At a quarter of a million dollars the LGAQ Inquiry is the largest ever funded by the Association. In securing Professors McDonald and Neilson and Dr Hilless to lead the Inquiry ably supported by Mr Alan Morton, the LGAQ was able to assemble a world class team of thinkers to contemplate and postulate on this fundamental question. Without doubt this has been the most far reaching Inquiry the Association has ever held - it has truly shaped both state and national political agendas.

The LGAQ Executive takes quiet satisfaction that its efforts over many years, has preserved the primacy of Local Government's position in planning matters - strategic and regulatory, at a time when all other jurisdictions around the nation have seen those powers emasculated. Many hundreds of thousands of dollars have been spent by the Association on studies and consultancies on land supply, infrastructure charging and approval times as well as best practice tours, championing electronic development assessment and training para-planners. Through timelines and anticipation, the LGAQ has kept the biggest money lobby, the development industry, at bay. More importantly LGAQ defended the public interest over private interest. As a result Queensland Local Government stands unique in Australia in its powers and responsibilities. To that end, LGAQ has a place on the Premier's Infrastructure Task Force, saw the SEQ Growth Management boundaries preserved and Local Government's powers largely preserved in the new Sustainable Planning Act. Very little ground has been ceded in the face of a huge and unrelenting developer campaign.

It would be remiss not to note the significant milestone of institutional water reform in South East Queensland on 1 July, with the creation of the three vertically integrated Local Government owned water entities. While in large part this was a matter for those councils and COM SEQ, LGAQ did play a major role in that occurrence. The Association's head of Industrial Relations (IR), Ms Gabrielle Walsh was seconded to the Council of Mayors (SEQ) lead the IR transformation process. Furthermore, LGAQ clearly lead the public advocacy on water pricing for the new entities over the first half of 2010 in the lead up to the new entities formation.

On a positive note the LGAQ made very good progress on three key strategic policy issues over the year - resource regions, water reform and emergency services.

The LGAQ Executive took a major interest in the plight of mining councils and more broadly councils in resource regions. A special reference group was established, consultancies let and substantial staff resourcing allocated to develop a position paper to put to State and Federal Governments.

In terms of water reform, mindful of the acrimony, huge financial and human resource costs of the SEQ Local Government Water Reforms, the Executive sought to partner with the State Government on future reforms in the balance of the state. A Memorandum of Understanding was signed with the Department of Environment and Resource Management and Queensland Water in June 2010 setting the direction and agenda for collaborative reform and partnering in the years ahead. A good process for co-operation has been laid down.

The Executive have pursued a strong agenda in recent years around Disaster Management issues such as their importance to Queensland councils. To that end important legislative change saw Local Governments' long held concerns regarding inflexible police/emergency service districts. A new Resilient Communities through a Partnership Agreement was signed in June 2010 with Disaster Management Queensland (DMQ) further developing and strengthening the already excellent relationship between LGAQ and DMQ.

The Executive

The most fundamental decision of the Executive over the last year has been to commit to a comprehensive review of the Association itself - nothing short of root and branch renewal.

On Senior Management's suggestion, the Executive adopted a radical approach to reviewing the Association by engaging a world leading expert in member value and satisfaction in Professor Peter Wilton of the University of California, Berkley Campus.

The Member Connect project officially started at the time of last year's Annual Conference in Brisbane and over the ensuing months 90 hours of interviews were held with Mayors, Councillors and Senior Council staff on their aspirations for their Association - indeed what constituted

their best imaginable Association. Many months were spent transcribing, coding and analysing those transcripts. The result was a comprehensive document on the way forward for the LGAQ, including many new opportunities identified by our members.

The Executive received reports at every meeting culminating in a decision at its April 2010 meeting to adopt both a new operation model and organisational structure; those both came into effect on 1 July 2010, coinciding with the Association becoming an A.S.I.C compliant company limited by guarantee. In the 114 year life of the LGAQ these are major changes, probably the greatest reforms undertaken post WW2 by the LGAQ Directorate.

At the heart of the Executive's thinking has been the need to be a truly member centric organisation and to provide more personally tailored offerings to individual Councils while continuing with its broad sector wide advocacy on policy and industrial relations. In short it's a strategy to take the Association from good to great.

The three meta themes enunciated by Member Councils during the Member Connect project have now become the three streams on which the LGAQ Directorate new structure turns; ASSIST, ADVANCE and ADVOCATE underpinned by an operating model that assigns all staff to one of five key core member value creation processes - Understanding, Designing, Building, Delivering and Tracking. That task had been completed at the time of the writing of this report, resulting in a large scale reassignment of staff across the organisation. A major change management project is underway to support that reform.

The new structure also sees the LGAQ add more firepower through the appointment of its first in-house Media Executive in the form of Courier-Mail Assistant Editor Craig Johnstone as well as the Inter-Governmental Relations position mentioned earlier. Other core campaigning skills have also been budgeted for in the 2010-11 budget year. In saying this, great tribute is given to Mr Peter Cole, the LGAQ's external media service for the past 32 years. Peter's media insights, extraordinary networking ability and unsurpassed mastery of copy have served the Association and its members incredibly well. Fortunately we retain his services for the editing and production of Council Leader and Council Newsbrief.

The Executive was firm in its resolve that the additional \$1m ongoing investment in the LGAQ be not solely provided for through member subscriptions. In fact only 30 percent of the required funding was sourced in that way. The biggest contributors were operational savings at 40 percent and 30 percent from additional owned entity profits.

Of course, the Executive need to hold a Special Conference by postal ballot on five questions pertaining to the registration of the LGAQ as a Company Limited by Guarantee arising out of the provision in the new Local Government Act that removed the Association's statutory corporation status. On Monday 24 May by unanimous vote all members supported that proposition.

While many would take it as a given, the Executive continued to publicly advocate strongly for elected members and councils over the past year. It advocated strongly to the Remuneration Tribunal and in the media for an increase in elected member remuneration when the State Government had declined to take a statutory increase. The Executive stuck its neck out, took the flack and achieved a fair and reasonable result for its members.

The Executive has spent a significant amount of time on Local Government Workforce issues over the past year. Most notably, the LGAQ's registration as an employer organisation under the Queensland Industrial Relations Act 1999 but equally significantly, the making of a new Federal Award covering Local Government and the commencement of a new state based single award process representing the fulfillment of the LGAQ's 10 year Industrial Relations in half the time - 5 years.

Similarly the Executive presided over an unprecedented effort to support elected members and staff in implementing the new Local Government Act. A record 43 training seminars were conducted involving just short of 800 Mayors, Councillors, CEOs and senior staff and not one but two versions of both the Mayor and Elected Member handbooks were produced to help our members. This is the largest exercise of its type ever undertaken by the Association. Special thanks go to the LGAQ's solicitors King & Company for donating their valuable time to accompany senior Association staff on all but a few of those sessions.

Consistent with its long standing ethos of innovation, the LGAQ subsidiaries continued to lead reform in the Local Government sector. The launch of the path breaking Council Business Centre by Resolute Technology Pty Ltd is one such example, the unique Employee Health Insurance Plan, Energy Assessments through Local Buy and LGIS making its mark with Local Government internationally in Energy Efficiency. LGIS is 18 months into the delivery of the ClimateSmart Home Service, a \$60 million State Government funded project to retrofit 260,000 homes with energy efficient devices throughout Queensland. As at July 2010, the program has achieved over 210,000 retrofits and customer satisfaction ratings that average 96 per cent. The initiative was presented to the Mayor of London, New York City, Province of Ontario and City of Toronto. The Office of the Mayor of London has since commenced the RE:NEW project which is currently retrofitting 40,000 London homes per annum and is targeting to retrofit between 200,000 and 500,000 homes by 2012. The Province of Ontario Ministry of the Environment has also initiated a \$150 million home retrofit program.

Not to leave innovation solely to its subsidiaries, LGAQ pioneered new approaches to the media, via tweet, online products, YouTube segments, on LG Online and distributed media. Not forgetting to mention the advent of remote meetings using Telstra's latest technology offering as significant time and cost saving to Member Councils and the Association. At the time of writing this report the Association is seeking to develop a mutually reinforcing strategy around its multiple information platforms.

The LGAQ also remained the dominant non-government media force in all forms of the media based on Media Monitor reports. The Association got to millions of Queenslanders throughout the last 12 months.

The Directorate



The last year has been one of unprecedented challenges for the Association staff. Simultaneously, they undertook eight major projects - corporatisation on 1 July 2010; refreshing LG Online a one million undertaking; the search for new premises which was adjourned to post the organisational reform; undertaking the Member Connect program and implementing a new operating model and organisational

restructure; registration as an Industrial Organisation; the acquisition of the majority share holding in Queensland Partnerships Groups (LG Shared Services); developing an interim ASIC compliant new Constitution; adopting an interim set of company rules for July and August 2010 plus a brand new Constitution and Rules for consideration at this year's Annual Conference and the change of financial years from May - June to June - July in two steps with an interim one month budget in June 2010.

This of course comes on top of the daily job of representing and advocating for Local Government and servicing Member needs. During the year the LGAQ received 2013 faxes, sent 5982 faxes, received 392562 emails, sent 289530 emails, 1500 items of correspondence were received and 10,534 outgoing letters were produced. Moreover, there were 66183 incoming calls and 61620 outgoing calls. Association staff with Executive sign-off, made 19 submissions to State and Federal Government inquiries on a variety of matters.



Association staff attended over 60 ALGA, district association, ROC other groupings of councils and professional body meetings or conference. Industrial Relations staff made 39 appearances in the state or federal Industrial Relations Commissions. In terms of our training and conference attendance, 2598 people attended courses run by our Training Solutions Team and 1084 people attended our conferences. Finally, LGAQ produced 306 circulars and 71 news releases.

Clearly the previous workforce structure and staffing had performed beyond all reasonable expectations, regularly

doing the impossible. The reorganisation, new strategic prioritisation and resource allocation model and the seven new staff positions put in place will provide for a more sustainable organisation model. Well done to all the survivors - a resolute and committed bunch of people.

Policy and Representation Branch



Finance and Administration

FUNDING ASSISTANCE

The State Government's 2009-2010 budget abandonment of its capital funding programs for local government has already resulted in increased services costs for councils.

LGAQ is monitoring the situation and will contribute to the development of guidelines for the \$45 million per annum replacement program promised from 2011-12.

VALUATION OF LAND

After many years of ongoing lobbying by LGAQ, the State Government has agreed to change the valuation method for urban land to site value. During 2008-09, the issue of commercial building valuation objections pushed the issue to a critical point which assisted in support being provided at a State political level to the Association's position.

It is proposed that site value be implemented across the State for the rating period commencing July 1 2011.

RATING SERVICE

LGAQ continues to provide a rating service and will provide additional training for councils as a result of the Local Government Act 2009 commencement and the move to site value.

FINANCE AND GOVERNANCE REFERENCE GROUP

This group met twice in 2009-10, with the focus on the Local Government Act changes.

ASSET MANAGEMENT

LGAQ and the State Government have applied for funding from the Local Government Reform Fund (LGRF) to continue assistance for councils in developing asset management plans and implementing improved asset management governance. This program will commence in the second half of 2010 and complements the ongoing work LGAQ has undertaken on asset management over the last 5 years.

LOCAL GOVERNMENT ACT 2009

This work is now complete and LGAQ is now handling minor issues that have arisen due to errors and oversights in the legislation.

During 2009-10, LGAQ submitted more than 12 separate submissions on the Act and Regulations which proposed improvement and corrections. There are still a number of outstanding issues that are being perused by LGAQ. Issues such as the contract thresholds, conflict of interest and material personal interest provisions have not fully met the expectations of councils.

DIPLOMAS IN LOCAL GOVERNMENT ADMINISTRATION

The Association continues to offer formal courses with nationally recognised qualifications (Diploma level) in the areas of Financial Management Services and Governance and Administration.

Individual councils are now engaging LGAQ to undertake these Diploma courses for up to 15 employees as a group.

GOVERNANCE FOR ELECTED MEMBERS

The GEM workshops were attended by over 700 councillors and senior officers through 32 regional or in-house sessions.

The content was developed in-house and delivered by LGAQ Directors and senior officers, and has been well received by attendees as being a timely explanation of the implementation of the Local Government Act 2009 and the associated Regulations. Updated Mayor and Councillor Handbooks are being developed to reflect the legislative changes.

Community Development and Human Services

LAMP

The Local Area Multicultural Partnership Program (LAMP) was funded for another three years from July 2009 - June 2012. The program coordinates LAMP activities in 14 councils, and Nicole Turner is the coordinator of the program. The program has held two LAMP Strategic Planning and Visioning Summits this financial year, in the Moreton Bay and Cairns Regional Council areas. The LAMP network has also developed a LAMP e-newsletter, which is currently distributed twice a year. The latest edition showcases and documents:

Key priority areas;

- Current LAMP work being undertaken;
- Involvement in State Government Multicultural Policy Review;
- New and emerging issues; and
- Achievements/ highlights this year.

The Cultural Diversity pages on LG Online have now also become a hub of information for local government. Key information and resources on the website includes cultural diversity, news and stories, funding opportunities,

resources and research, networks, as well as policy and plans.

COMMUNITY ENGAGEMENT

The new Local Government Act 2009 and newly released Local Government (Finance, Plans and Reporting) Regulation 2010, now require every council to prepare a long term Community Plan (Regulation section 124) and Community Engagement Policy (Regulation section 130). The Act places more emphasis on community inclusion in decision making and in developing a vision for the future of the local area and region.

The LGAQ recognises that this is a new process for many councils and a change in the way they do business, prompting the LGAQ to develop and implement support mechanisms for the use of councils across Queensland. To this end a number of resources have been developed:

- A Community Plan Development Guide
- A Community Plan Development Guide "Snapshot"
- A Community Engagement Policy Development Guide.

The Community Plan Development Guide gives a step by step guide to what a community plan is, how to undertake the planning process and additional tips and resources that may assist.

The Community Plan Development Guide "Snapshot" is a quick read overview summary of the key points in the development guide and it forms the Executive Summary of the guide.

The Community Engagement Policy Development Guide gives a step by step guide and template for the development of a Community Engagement Policy - what to include, the purpose, intent and processes of community engagement. The Policy sets the direction for how a council will engage with the community on a day to day basis and in the development of the Community Plan.

A suite of LG Online resources have also been developed to provide more detail and further assist councils to meet the legislative requirements - examples of other policies and plans, how the community plan fits with other council plans including the corporate plan, useful tips and learnings. LGAQ also has a number of council staff who have volunteered to mentor and advise other councils as they plan and progress the community plan.

LGAQ will provide a range of training and education activities in relation to the legislation and community plan and community engagement policy and processes. These can be tailored to the needs of each council as it is recognised that there will be great diversity in the approach across council areas.

SOCIAL POLICY REFERENCE GROUP (SPRG)

The SPRG was met twice in 2009-10. The group developed a submission for the LGAQ population inquiry which covered the social implications of population growth and distribution. One of the leading themes of that paper was quality of life in community.

COMMUNITY ENGAGEMENT STEERING GROUP

This steering group was formed in February of this year with the purpose to assist in the development of the Community Engagement and Community Plan resources, including LG Online content. This group is made up of representatives from a number of councils across Queensland.

As councils progress through the engagement and community plan process over the next twelve to eighteen months, it is intended that LGAQ continue this group to monitor and review the resources and support required.

YOUTH

LGAQ was successful in receiving a further three years funding from the Queensland Government, through the Office for Youth, to continue the Youth Development Policy Officer position. There was a change in staff in the role, and LGAQ welcomed Katie Edmiston to the position.

Youthipedia, the annual youth development in local government conference, was held in Cairns in 2009, with 60 delegates attending.

Based on feedback at the conference, the Youth Policy Officer is establishing, in partnership with local councils, seven regional youth development networks across the state (South East Queensland, South West, North Coast, Central Queensland, Western Queensland, North Queensland and Far North Queensland). These networks will provide more regular and targeted development, advocacy and support, plus development of partnerships for youth focused workers.



LIBRARIES

The methodology for distributing funding to council libraries is under review. The changes to council structures as a result of amalgamation will see some libraries status change under the funding processes. LGAQ has been involved in advising State Libraries on issues that might arise with funding changes.

ARTS AND CULTURE

The Queensland Government, through Arts Queensland, has funded a new position that started within LGAQ. The Arts and Culture Policy role has been funded to build local government arts and cultural expertise, skills and networks, and to advocate for the inclusion of arts and culture in regional community development.

The first resources have been developed and are available on the new Arts and Cultural pages on LG Online. The pages include current news, policies and plans, research focusing on the case for arts and culture, online networks and discussion, best case examples and shared stories, funding opportunities and other resources.

ARC LINKAGE - MINING COMMUNITIES

LGAQ has partnered with University of Queensland (UQ), Sustainable Minerals Institute, Queensland Resources Council, New South Wales Minerals Council, Association of Mining Related Councils Inc, Local Government Association of South Australia, Rio Tinto Limited and BHP Billiton Mitsubishi Alliance in a research project named Local government, mining companies and resources development in regional Australia: meeting the governance challenge.

The first stages of the research involve scanning the types of interaction councils have with the mineral resource approval processes and identifying issues that are created by the sector.

Planning and Development

The past year has seen a steady increase in direct engagement between LGAQ and the Commonwealth around funding for infrastructure and initiatives associated with affordable housing. At a State-wide level, the LGAQ has continued to play a pivotal role in assisting councils plan for and regulate under the new Sustainable Planning Act (SPA) 2009 as well as directly engage the State on their planning reform agenda at the Queensland and national level through their involvement in the Council of Australian Governments (COAG).

At the national level, core planning and development issues have included gauging what impact council development assessment processes and systems are having on housing affordability, and in particular housing supply. From a local government perspective, a number of national forums and bodies, including the Development Assessment Forum (DAF), Productivity Commission, Housing Supply Council and COAG, have all had a focus on what is and isn't working around development assessment. Councils can be easy targets and are often held up by industry as the source of delays and costs particularly with regard to infrastructure charges. The Association is actively engaged with these forums and bodies in producing submissions, for example with the Productivity Commission, and in pursuing council interests at national discussions held by DAF across Australia.

On the subject of development assessment and planning reform, the Association has pursued a strong line of advocacy at the State and Commonwealth level, ensuring a balanced view of the issue is achieved and that local government's voice is heard. The LGAQ has had direct engagement with key policy stakeholders at the national level including the Federal Minister for Housing, the Honourable Tanya Plibersek MP. The Minister has responded to LGAQ acknowledging the Association's contribution and research into local government infrastructure charges and committing to further engagement with the Association on this matter. Also on the recommendation by the Minister, the National Housing Supply Council have engaged with LGAQ with the intent of visiting Queensland to discuss issues raised by the Association around the content of their last report to the Commonwealth, which from the LGAQ's perspective was overly biased in favour of industry.

Maintaining engagement with the Commonwealth on the issue of planning reform and housing affordability is a critical activity for the Association. There is a strong risk of having policy, such as planning panels which have been developed in other jurisdictions, introduced into Queensland by well meaning bureaucrats pursuing national consistency and improved efficiency. Unfortunately, the basis for introducing reforms of this nature are typically coloured by industry mis-information and the difficulty for those in Canberra in placing the reforms within a Queensland context.

In Queensland, the State has been very active around planning and development, from proclaiming the new Sustainable Planning Act in December 2009 to jumping straight into the debate around a sustainable population policy. This followed on from LGAQ announcing its own Population Inquiry in February ahead of the State Government's Queensland Growth Management Summit. The Growth Management Summit held in March 2010 was well attended by senior LGAQ officers and the Association's Executive Members. A full report and a summary response have been released highlighting the State's commitments and supporting actions to deliver on the "1400 solutions and ideas" generated by the Summit participants. The LGAQ broadly supports the summary response outlining the actions the State Government intends to take as a result of the Summit, which are also consistent with the findings of the LGAQ Population Inquiry.

Following the Summit, the Premier acknowledged that the current infrastructure charges and Priority Infrastructure Planning (PIP) process wasn't working and established the Infrastructure Charges Taskforce to further reform development infrastructure charging arrangements, including provision of advice on alternative trunk infrastructure funding arrangements and simplifying charges. Local government is represented on the Taskforce by Greg Hallam - LGAQ's Chief Executive Officer, Jude Munro - outgoing Brisbane City Council Chief Executive Officer, and Warren Rowe - Director Planning, Environment and Transport of Gold Coast City Council.

Another area of high level engagement for LGAQ has been with the Urban Land Development Authority (ULDA) which,

despite a short history, has been charged with significant responsibilities by the Premier which impact on local government. Following on from the State's Population Summit, the ULDA has been tasked to deliver major new satellite communities in priority greenfield areas in the South East, initially at Ripley Valley, Yarrabilba and Flagstone. Outside of the South East, the ULDA has also engaged with LGAQ in the development of their Resource Town Housing Affordability program. This program has been initiated in regional Queensland with three Urban Development Areas (UDA) declared in Roma, Moranbah and Blackwater. These declarations will bring the number of UDAs in Queensland to 10, with four within Brisbane and three more at Gladstone, Townsville and Mackay. This boost in responsibility, coupled with the ULDA's growing involvement in regional Queensland, signals the State's increasing willingness for the ULDA to deliver outside of the traditional planning system.



PLANNING BEST PRACTICE

A good way to improve a business is to benchmark against the best industry has to offer. In this spirit, 25 delegates participated in a 6 day national "New Challenges for Local Government and Planning" best practice tour in February 2010, which included selected site visits in Brisbane, Sydney, Melbourne and Adelaide. The tour was led by LGAQ in partnership with Indec Consulting and Buckley Vann Town Planning Consultants. In total 9 councils participated with representation from Gold Coast up through to Townsville. The mixture of state, elected members and council staff ensured a robust, diverse engagement. The broad theme of the tour was to examine first hand new challenges for local government planning with four focussed themes:

- New ways of designing places for people (place-making, main streets, etc);
- New ways of conducting the business of planning (new techniques in development assessment, infrastructure charging);
- Responding to the challenges of sustainability and climate change; and
- Affordable housing.

In each of the cities visited, a consistent message driven home was the importance of visioning to set a clear direction for all involved including government,

community and industry. In Sydney and Melbourne, the delegates experienced excellent examples of place-making by developments utilising the "main street" concept which focuses on innovative mixed uses, which effectively turn shopping centres inside out to make them true town centres. Key points included that getting the design of the street as a place right is fundamental to getting the city right.

Melbourne council was a good example of a council planning for growth through targeted redevelopment of only 6% of the city in centres and along transit corridors leaving the majority of the city to experience minimal change. The message that the council was delivering on this growth vision was clear and easily understood.

Infrastructure funding is a big challenge nationally with all councils and states struggling to meet their infrastructure demands. In Queensland, pressures on both local and State government budgets signalled a need to be open to other options such as public/private partnerships, leveraging (e.g. land swaps), congestion management charges and demand management. In terms of infrastructure charges, there was evidence that the costs are similar across the visited States. Differences in the total cost could however be influenced by factors such as land values and suitability of land for easy construction.

Another key finding from the tour was the role that State Government land development agencies were playing in the management of land supply, and in particular the monitoring of land ownership concentration. In other jurisdictions, there was evidence of far more competition in growth corridors with 5-6 developers operating and state agencies such as LandCom in New South Wales or VicUrban in Victoria taking an active role as market shapers and promoting competition, and other State Governments generally had a far more interventionist stance in terms of managing land demand and supply than the Queensland Government.

Whilst affordable housing is a big need everywhere, a useful distinction was made in challenging councils to plan for "affordable living" rather than just "affordable housing". This means it is not just about the cost of the house but also about accessibility/proximity to employment, services and entertainment, as well as a range of innovative and available stock, including "Fonzie flats" above garages and construction on small lots.

In Western Sydney, the challenge lay more in getting developers to try new products, with buyers often focused on getting a house that feels right rather than seeking a certain sized allotment. In South Australia, the State took an admirable initiative to deliver greater choice in affordable housing through a systemic, legislated approach requiring all new development to include 15% of their development for affordable housing products.

Overall, the tour was highly successful with all delegates indicating satisfaction with the content. A final report with recommendations for actions with an accompanying CD containing relevant materials collected on the tour and photos was made available to all councils through LG Online.

ONLINE DEVELOPMENT ASSESSMENT

The Association has continued its partnership with the State Government to deliver the Smart eDA Program (SeDA) to enable the operation of the Integrated Development Assessment System online and has continued to be supported by the Department of Infrastructure and Planning.

The Association actively sought a collaborative bid under the Housing Affordability Fund (HAF) earmarked by the Australian Government for eDA initiatives. A successful bid was lodged for an integrated eDA project between LGAQ, Department of Infrastructure and Planning and Council of Mayors (SEQ). A significant part of the effort for the HAF eDA Team to date has working toward the delivery of a seamless, comprehensive and integrated electronic development assessment process in high growth councils across Queensland.

In total, the HAF eDA Team engaged with 17 high growth councils achieving the delivery of introductory eDA services (e.g. DA Tracking, Land Use Enquiry, Property Enquiry) in 6 regional high growth councils. The development industry has been supportive as they are now able to access planning and development information online. Implementation plans for delivery of Enhanced eDA services (e.g. electronic Application preparation and lodgement (including payment), electronic referral and electronic assessment tools) is underway in 7 high growth councils. This enables development applicants able to lodge applications online without the need to go into council.

Benefits of eDA services delivered by the project have been quantified with anecdotal evidence of significant savings in time to both the development industry and councils. Reduction in costs for industry has the potential to deliver more affordable housing. A key outcome of the programme has also been the implementation of an improved framework for gathering data about the performance of the planning system. This will be key in continuous processes and planning systems improvement.

The LGAQ and the HAF eDA Team also collaborated in the development of an ePlanning Roadmap for Queensland with the Department of Infrastructure and Planning, which looks forward beyond the project timeframes for the HAF programme. This ePlanning Roadmap served as the basis for an application for further funding by the Commonwealth Government.

SUSTAINABLE PLANNING ACT 2009

Prior to the Sustainable Planning Act (SPA) 2009 being tabled in Parliament in December 2009, the LGAQ made strong representation to the State Government on a range of issues, including deemed approvals and the deadlines set out for completing Priority Infrastructure Plans (PIPs). Since that time, the Association has continued to play an active role in representing council interests in the implementation of the Act through ongoing interaction with State Government officers within the Department of Infrastructure and Planning (DIP) and liaison with both

council planning officers and the professional planning sector. The good working relationship with DIP has assisted in getting accurate advice out to members as operational hiccups associated with the new Act have emerged, including issues around assessment of duplexes and potential breaches of the new Privacy Act associated with having some aspects of Development Assessment application information online. By and large, local government has supported the change and are positive about achieving good planning outcomes under SPA.

PRIORITY INFRASTRUCTURE PLANS (PIPs)

In the 2009 submission to the State Government ahead of Parliament tabling SPA, one of the key changes LGAQ focused on was changing the deadline for Priority Infrastructure Plans (PIP) and the ending of charging for infrastructure using planning scheme policies as of 30 June 2010. The Association recognised it was unlikely that the majority of councils would have PIPs in place by that time, in which case councils could potentially lose the power to charge developers for the cost of infrastructure for new development. This is an issue that was raised vigorously with the Minister for Infrastructure and Planning prior to passage of the Bill. Despite there being no substantial action by the Minister or DIP to address this since SPA was passed, the LGAQ continued to engage officers within DIP to highlight the difficulty that this arrangement posed, given that much of the delay in processing PIPs has been within the Department.

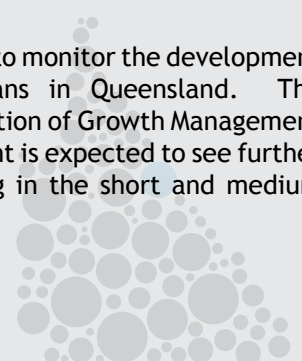
In June, the Honourable Stirling Hinchliffe MP, Minister for Infrastructure and Planning, did finally acknowledge the point made by the Association and from feedback received from the Queensland Growth Management Summit that the PIP process was too complex and that the current timeframes were unworkable. Consequently, he decided to give a 12 month extension to 30 June 2011 to enable councils to finalise and adopt their PIPs. LGAQ President, Cr Paul Bell, also subsequently spoke with the Minister in relation to concerns raised by councils regarding the conditions associated with this extension of time to adopt PIPs. The Minister has assured LGAQ that the conditions “are not a direction made under legislation and do not alter or remove council decision-making processes”.

DIPLOMA IN LOCAL GOVERNMENT (PLANNING)

The LGAQ's Diploma in Local Government (Planning) course has been developed to assist in resolving problems associated with the shortage of town planners.

Regional Planning

The Association has continued to monitor the development and roll-out of regional plans in Queensland. The restructure of DIP and the creation of Growth Management Australia within the Department is expected to see further emphasis on regional planning in the short and medium term.



Building

The Association continues to be represented on the Queensland Building Industry Consultative Group and maintains a satisfactory working relationship with Building Codes Queensland. As part of the Association's skills formation strategy, the Building Certifiers Sub-committee continues to develop strategies to address the shortage of building certifiers, the development of career paths and training strategies.

SWIMMING POOL SAFETY

The Association was happy to see that the new pool safety laws and policies introduced by the Queensland Government have closely followed the proposals put forward by the expert reference group, on which the Association represented broad council interests. These proposals were met with general support from the community in its response to the discussion paper released in April last year.

Once again, this shows the value of proper consultation with informed stakeholders and the wider community, and the effectiveness of the Association in highlighting the negative implications to community and councils of the Government's original proposal. The Association's goal in being involved in this matter was to work towards a State Government strategy that is focused on the real outcome of reducing drowning and serious injury to children under 5 in swimming pools. The LGAQ has continued to be involved with the development and implementation of the measures in the Government's strategy that either require council involvement or significantly affect council operations. The Association has also assisted Building Codes Queensland with establishing the Ministerial Pool Safety Committee, which includes appropriately skilled and experienced senior council officer representation.

INLAND FLOOD STUDY

In response to council concerns, LGAQ and the State Government collaborated to establish best practise for land use planning provisions utilising a new flood modelling method developed by Queensland scientists. The new method will include the latest climate change science and projections while providing a benchmark to ensure climate change is appropriately considered in land use planning decisions. Ultimately, it is intended the Inland Flood Study will lead to recommendations for a revised State Planning Policy to assist in mitigating the adverse impacts of flood, bushfire and landslide, improve local government's ability to more accurately map areas potentially affected by flood inundation and contribute to the development of a robust set of planning provisions for use across Queensland.

NATIVE TITLE AND INDIGENOUS CULTURAL HERITAGE

For over five years, LGAQ has acted as a group representative for Queensland local government under the financial assistance scheme for respondents to native title applications, administered by the Federal Attorney-General. During this time LGAQ has worked closely with

councils to develop an effective native title negotiation model that has been recognised nationally.

Following the departure of the LGAQ's Native Title Officer earlier this year, the LGAQ is continuing in its role as native title group representative in name to ensure that the group representative structure is in place. Discussions are continuing with the Federal Attorney-General's Department regarding the Association's continuing role as Native Title Group Representative.

REGIONAL DEVELOPMENT AUSTRALIA (RDA)

A network of Regional Development Australia (RDA) committees has been established throughout Australia to provide a strategic framework for economic growth in each region. The key aims of the RDA committees are to support informed regional planning, consult and engage with governments and local communities on economic, social and environmental issues, programs and initiatives in their region.

The LGAQ made representations to both the Australian and Queensland Governments concerning the effective implementation of RDA, including local government representation.



All Queensland RDA networks are now fully functioning, and the LGAQ attended the inaugural meeting of Queensland Chairs and Deputy Chairs in Brisbane on 4 March 2010. The LGAQ has also been invited to attend and speak at a number of RDA meetings throughout Queensland.

ERGON ENERGY COLLABORATION

LGAQ's successful partnership with Ergon Energy continues with a renewed sponsorship agreement being signed for 2010-2011.

ECONOMIC AND REGIONAL DEVELOPMENT CONFERENCE

The Economic and Regional Development Conference, developed in association with Economic Development Australia (EDA), was held in Cairns in early February 2010, attracting over 270 total attendees. The program focused on developing new ways to engage and nurture our communities, recognising and capitalising on competitive advantages to help further stimulate economic growth. Themes included long term financial viability, improving regional arrangements by sharing resources and

collaboration, the digital revolution, sustainability and attracting and retaining investment and key skills.

ECONOMIC DEVELOPMENT CAPACITY BUILDING

The Association continues to partner with and support the activities of EDA at a national and state level through an MoU signed in 2009. Professional accreditation and professional development courses have been developed with the support of Federal funding. Many Queensland local government officers and elected members continue to benefit from the networking and professional development opportunities facilitated by this partnership.

TOURISM

Last year, the Sustainable Tourism Cooperative Research Centre (STCRC) signed an MoU with LGAQ to deliver the Pathways to Sustainable Tourism program, and a pilot program was conducted last year with the Remote Area Planning and Development Board (RAPAD) and its seven central west member councils. Several programs have now been successfully delivered with councils throughout Queensland, and there is ongoing interest regarding the program and free toolkit.

RESOURCE COMMUNITIES

Councils in the Bowen Basin, Surat Basin, North West Minerals Province and, more recently, the Galilee Basin, are experiencing both the benefits and costs of the ongoing surge in coal and gas exploration and development.

While the Sustainable Resource Communities Partnership and the resulting funding went some way towards addressing social impacts in resource regions, the Association has heard the concerns of resource affected councils around issues relating to demands on council infrastructure and services, cumulative environment impacts, damage to roads, legislative issues and time and resourcing pressures associated with notifications and environmental impact assessments.

By way of response, in mid 2010, the Association convened the Resource Communities Reference Group to assist the LGAQ to address issues affecting councils in resource regions. Eighteen councils are represented on the Reference Group, including councils that are both directly and indirectly affected by resource activity.

The inaugural meeting for the Reference Group took place on 20 May 2009, where Cr Cedric Marshall, Mayor of Isaac Regional Council, was voted as Chair. The Reference Group will input into a Position Paper the Association has developed that will be presented to the State Government after being signed by all Reference Group members at the next meeting, scheduled to occur at the 2010 LGAQ Annual Conference.

The objective of the Position Paper is to seek changes which will enable the affected councils to increase their ability to better plan for the future of their areas, to be better equipped to provide the infrastructure to support economic and regional development and to work more closely with other spheres of government and industry.

Specifically the paper will pursue:

1. More timely and improved tenure and environmental approval processes;
2. Ability to levy rates on exploration tenures;
3. Clearer compensation arrangements;
4. Consideration of cumulative impacts in environmental assessments;
5. Tighter application of thresholds relating to when an environmental impact assessment is required;
6. More timely provision of essential community infrastructure - housing, health, education, child care, sport and recreation; and
7. Funding streams for local government to support the provision of infrastructure and resources required to respond to resource activity in a manner that benefits the whole community.

In addition to pursuing wholesale changes at a legislative and policy level through the Position Paper, the Association is also working closely with the State Government and other key stakeholders on specific issues affecting local government, including the development of guidelines for Social Impact Assessments, mapping and assessment of Strategic Cropping Lands, and the impact of the coal seam gas industry on ground water.

DIGITAL TELEVISION

Between 2010-2013, analogue free-to-air TV signals are being switched off and replaced with digital-only signals. Funding is to be provided to commercial television networks to upgrade 21 re-broadcast sites in Queensland, and a further 13 rebroadcast sites may be covered by a wider digital footprint and gap fillers. The LGAQ has identified a total of 56 Queensland councils that hold licenses for self-help retransmissions, with a total of 100 self-help retransmission sites between them that will not be upgraded by commercial broadcasters. Households will be eligible for a satellite subsidy in rural Australia to offset the majority of costs to upgrade current equipment to receive a satellite signal for their television.

The LGAQ believes that it is necessary for economic and environmental reasons for Australian local governments to have the right to rebroadcast through self-help retransmission sites, if they choose to do so. However, for most self-help retransmission facilities located throughout rural Australia, this means significant costs to upgrade equipment to be able to continue to rebroadcast television signals to residents. No external funding has been earmarked to offset such costs for local government.

The LGAQ has been in discussions with the Remote Area Planning and Development Board (RAPAD), other interested Queensland councils, the Federal Government's Digital Television Taskforce, the Australian Local Government Association (ALGA) and other State Associations regarding this matter. Currently, there appears to be inconsistent technical information regarding what can be made available to upgrade retransmission facilities in remote and rural areas of Australia. The LGAQ is working with relevant stakeholders to achieve an outcome that is beneficial for Queensland local governments.

Environment and Health

STOCK ROUTE NETWORK REFORM

In October 2009, the State Government released the Regulatory Impact Statement on the proposed fees and charges for future use of the Stock Route Network. The Association undertook six consultation sessions across the State. The sessions were attended by representatives from 11 local governments within the network. There was little comment or concern regarding the proposed fees and charges, however, there are still concerns regarding the proposed five year phase out of static grazing from fenced sections of the active network.

A new interim Stock Route Advisory Panel (SRAP) was formed in February 2010 to continue to provide advice to the Minister on the process of reform, comprising two representatives each from local government, graziers and drovers and one representative each for conservation and indigenous matters. LGAQ has observer status.

Additionally, a Stock Route Implementation Group (SRIG) was formed to provide detailed advice and information to the SRAP with regard to implementation of proposed reforms. This group is made up of Department of Environment and Resource Management (DERM) staff and five local government representatives and LGAQ.

Key items requiring agreement prior to the commencement of drafting of legislation are:

Determination of Active and Inactive stock routes;

- Determination regarding static grazing on fenced active sections of the network;
- Criteria for assessment of condition for travelling stock;
- Compliance and enforcement framework; and
- Governance and administrative framework.

These decisions will be finalised by the end of 2010.

BIOSECURITY LEGISLATION

The State Government has commenced preparation of a new Biosecurity Bill that rolls nine separate pest, chemical and invasive species pieces of legislation into one. The Association has represented local government on the Reference Panel and formed a small local government technical working group to undertake detailed review and comment on the Bill. This information will be made available to councils during the public consultation phase to assist in their considerations and submissions.

Public consultation on the Bill is anticipated to commence in late August.

QUEENSLAND INVASIVE WEED AND PEST ANIMAL MANAGEMENT MOU

In May 2010, LGAQ, Biosecurity Queensland and the Regional Natural Resources Management Groups Collective signed a Memorandum of Understanding for the management of invasive weeds and pest animal management in Queensland. The MoU sets out the

roles and responsibilities of the state, local government and regional NRM groups in relation to invasive species management. The MoU will be reviewed annually.

PEST ANIMAL BARRIER FENCES REVIEW

The State Government undertook a review of all the pest animal barrier fences in Queensland. The review assessed the perceived and actual value of the fences, their overall condition and the current governance arrangements. The resulting report prepared by Hyder Consulting found that: the fences have broader public benefit and the State should continue its commitment; the fences are generally effective, however the rabbit fence requires urgent capital investment to maintain effectiveness; that combining the operations and management of all three fences (wild dog, rabbit and wild dog check fences) would provide economic and efficiency benefits; and further investigations were required into appropriate governance arrangements. A suggestion was for local government to take over the operational and management governance.

LGAQ made a submission to the State generally supporting the findings of the report, with additional comment regarding the retention of specific expertise of existing staff, additional funding for the establishment of a new organisation, and to bring the rabbit fence to required standard.

Further examination of governance options and consultation by the State was undertaken with input and a submission by the Association. However, no firm decisions have been made at this time.

QUEENSLAND TIMBER PLANTATION STRATEGY 2020

The State Government released its draft Queensland Timber Plantation Strategy 2020 in March ahead of the sale of the State plantation stock. The Strategy announced the State's intention to prepare a Mandatory Code for the assessment of timber plantations by local government.

LGAQ's submission did not support this action, as it will reduce local government's capacity to ensure that the impacts of forestry operations, management and end of lifecycle are adequately addressed in the development assessment phase. The Association's senior staff met with the State and Timber Queensland to discuss local government concerns. LGAQ President, Cr Paul Bell, also met with the Honourable Tim Mulherin MP, Minister for Primary Industries, Fisheries and Rural and Regional Queensland. Unfortunately, efforts to remove the action were unsuccessful and a final Strategy was released mid July announcing the development of the Code. LGAQ will form part of a technical working group providing input in the development of the Code.

STRATEGIC CROPPING LANDS

In March 2010, LGAQ made a submission to the State Government on its discussion paper on the development of a Strategic Cropping Lands State Planning Policy to protect cropping lands for future food production from permanent alienation through mining, petroleum

extraction and development. Chief concerns were the definition and mapping of such lands and the ability of the SPP process to be implemented by proponents and local government alike.

LGAQ is a stakeholder representative on the Stakeholder Advisory Committee and has participated in two Policy Workshops to clarify and progress the key issues. The SPP is due for release for consultation in late 2010.

NATURAL RESOURCE MANAGEMENT AND PLANNING

The Association has developed additional tools and assistance to enhance the integration of NRM into local government planning schemes.

The original guideline for local government, *Integrating Natural Resource Management into Planning Schemes - A Guideline for Queensland Local Government*, has been revised and updated.

Two additional Generic Codes were completed to assist local government planners in developing clear Desired Outcomes and Acceptable Solutions in relation to:

- Biodiversity and Nature Conservation; and
- Integrated Water Management.

LGAQ, in collaboration with Council of Mayors (SEQ), Department of Infrastructure and Planning, Department of Environment and Natural Resource Management, SEQ Catchments, Brisbane City Council, Lockyer Valley Regional Council, Logan City Council and Burnett Mary Regional NRM Group completed the *Implementing SEQ Regional NRM Plan Targets through Planning Schemes: A Decision Support Tool for South East Queensland Local Government Planners*.

The tool is being nominated for this year's Planning Institute of Australia, Queensland Branch Awards.

CARING FOR OUR COUNTRY/Q2 COAST AND COUNTRY GRANT PROJECT

The Association has again received Federal and State funding to undertake natural resource management capacity building with local government.

This year's funding is to undertake four key pieces of work:

- Four working forums with Indigenous councils in Far North Queensland;
- The development of a decision support tool for Far North Queensland Planners;
- A training course for government planners on the translation of regional NRM priorities and targets to local planning scheme level - utilising the tool in preparing documentation; and
- Three NRM communication publications featuring case studies of local government work to protect the natural environment and improve management practices and outcomes.

2ND NATIONAL LOCAL GOVERNMENT ENVIRONMENT CONFERENCE

Planning for the 2nd National Local Government Environment Conference, to be held between 8-10 November at the Gold Coast International Hotel, is advanced with 90% of the speaker program confirmed and an impressive line up of nationally renowned keynote speakers secured.

BIODIVERSITY STRATEGY

LGAQ provided input and advice in the development of the discussion paper framing the State's development of a Biodiversity Strategy. The Association participated in a two day workshop of key stakeholders which provided the information, priorities and possible actions for the development of the Strategy. A release of the draft is expected in late 2010.

NATIONAL CLIMATE CHANGE OVERVIEW

At a national level, climate change and, in particular, adaptation to climate change impacts have been high on the Federal Government's agenda. With the realisation that globally, in the short term, there will be some level of unavoidable climate change, there has been a recognition that from a policy and planning perspective Australia is underprepared and lacking the foundations on which to develop its adaptive capacity.

Of the three tiers of government, local government will be most significantly affected by the lack of adequate policy, planning and legislative frameworks and the data and skilled resources required to support them.

LGAQ has been involved in key national level planning to provide advice and input that will assist in securing what councils will need to provide for appropriate adaptation and transition of assets, infrastructure, land use planning and community vulnerabilities in an equitable, cost effective and timely manner.

NATIONAL COASTAL CLIMATE CHANGE ADAPTATION FRAMEWORK

LGAQ and other local government representatives participated in a two day forum and workshop providing input to the Federal government on the key elements to be addressed by a National Coastal Climate Change Adaptation Framework.

This forum followed the release of the "George Report" *Managing Our Coastal Zone in a Changing Climate - the time to act is now and the Climate Change Risks to Australia's Coast - a First Pass National Assessment*, both of which revealed the high vulnerability of Australia's coastal zone from the impacts of climate change.

Key issues raised by the assembled group and generally supported by the Federal Government were:

- National, State and local consistency in policy and delivery;
- Need for more timely, accurate and accessible data

by local government;

- A national communication strategy to raise the general level of awareness and understanding by communities;
- Increased capacity building for local government to undertake assessments, decision making and adaptation measures required; and
- Resolution to the exposure of local government to litigation and liability.

NATIONAL CLIMATE CHANGE PLANNING FRAMEWORK

LGAQ and other State and Territory Local Government Association representatives provided input into the development of Operational Principles for a National Climate Change Planning Framework. The draft principles will be presented to the Council of Australian Governments (COAG) in September.

ALGA NATIONAL CLIMATE CHANGE POLICY, STRATEGY AND ANNUAL ACTION PLAN

LGAQ, other State and Territory Local Government Associations and local government (elected and senior management) representatives participated in a Leaders Forum in April to workshop the framework and broad principles of the ALGA National Climate Change Policy, Strategy and Annual Action Plan.



Queensland local government representatives participated in a considered and highly articulate manner and made a substantial contribution to the outcomes of the day, which is to deliver a nationally consistent local government climate change position.

A working group of State and Territory Local Government Association officers will continue the work, which will be presented to the ALGA board for sign off in October.

MITIGATION CLIMATE CHANGE GUIDELINES

In anticipation of the implementation of an Emissions Trading Scheme (ETS) by the Federal Government, the Association prepared the Mitigating Climate Change Guideline: An Introductory Guide for Queensland Local Government. Three workshops were conducted across the State with attendance by officers from 9 local governments.

The guide sets out a clear and self explanatory process for examining a council's emissions, identifying vulnerabilities

and how to develop strategies for reducing emissions, thereby avoiding the need for reporting if possible and reducing overall exposure to the costs associated with an ETS.

RENEWABLE ENERGY REGULATION REFORM TASKFORCE

LGAQ provided local government representation in the Taskforce established by the State's Renewable Energy Centre of Excellence to provide input in the development of tools and information for enabling higher quality renewable energy project applications by proponents. The Association also worked with the State in the development of noise and visual amenity guidelines.

AUSTRALIAN PACKAGING COVENANT

The Covenant will be renewed and Mark III will commence later this year, to be known as the Australian Packaging Covenant. The Association will be involved in the development of this new Covenant to ensure that local government receives appropriate outcomes in relation to packaging waste.

NATIONAL WASTE POLICY

The National Waste Policy was adopted late last year and will see a focus at a national level on issues such as product stewardship and extended producer responsibility, both welcomed by the Association as valuable tools in waste management. The product stewardship scheme for televisions is expected to commence in 2011 and will be funded by industry.

STATE WASTE MANAGEMENT STRATEGY

DERM released the draft Queensland Waste Strategy in June, accompanied by a proposed waste levy. Sustained lobbying by the Association has seen the levy applied to commercial, industrial, construction and demolition waste only, with no levy applied to domestic waste. Consultation was carried out with numerous councils and a submission was made to DERM on the draft documents. The new waste levy is expected to commence in July 2011.

CLANDESTINE LABORATORIES

Sites that have been used as clandestine laboratories are referred to local government by Queensland Police. Environmental Health Officers in local government have expressed concern that they have insufficient training and knowledge to carry out duties in relation to these sites. The Association is working with Queensland Health to ensure that roles and responsibilities of the appropriate stakeholders are clearly defined and that local government officers are sufficiently trained to carry out any role required.

ANIMAL MANAGEMENT

The new Animal Management (Cats and Dogs) Act 2008 has now commenced in almost all local government areas. Cats are now required to be registered and both cats and

dogs are required to be micro-chipped prior to change of ownership.

Roads, Transport and Infrastructure

NATIONAL ROADS, TRANSPORT AND INFRASTRUCTURE FUNDING

Unlike the flurry of announcements in the first half of 2009, the later half of the year and early into 2010 provided no additional funding for existing local government infrastructure programs, or for that matter, announcements of new funding programs.

However, mid year, at the Australian Council of Local Government (ACLG) meeting on 18 June 2010, the Prime Minister announced additional funding of \$100 million for the allocated component of the Regional and Local Community Infrastructure Program (RLCIP).

The RLCIP was initially announced by the Government in November 2008 in response to ALGA's National Financial Sustainability Study of Local Government.

This most recent allocation of funding forms round three of the program and follows previous announcements of funding of \$800 million in February 2009 and \$220 million in June 2009.

Under round three, Queensland councils will receive the same allocation of funding as per the allocation process applying to Round Two of the RLCIP. That is, \$16.83 million in total.

QUEENSLAND ROAD FUNDING

The Transport Infrastructure Development Scheme (TIDS) provides funding to local governments for transport related infrastructure development, and is now the major source of grant funding to local governments in Queensland.

Over twelve months ago, the Department of Transport and Main Roads (TMR) advised of their concerns about the increasing funding carryover of the program, which peaked at approximately \$54 million, and the critical need for councils to ensure spending and acquittal timelines associated with the program were improved.

Following efforts from TMR, LGAQ and councils to improve TIDS expenditure, on Wednesday 24 March, as part of his address to LGAQ's Infrastructure and Planning Symposium, the Minister for Main Roads, the Honourable Craig Wallace MP announced additional roads funding of \$30 million to support local government's road network, taking the total quantum of TIDS to approximately \$93 million per annum.

Known as the Roads Alliance Regional Safety and Development Program (RSDP), the additional funding will be available from the 2010-11 financial year, ongoing until 2013-14, to support the upgrade of the regional road network in western Queensland.

Whilst LGAQ supports the announcement of additional

funding for Regional Road Groups (RRGs), the program is heavily biased, with the Guidelines stating that "the RSDP is primarily aimed at assisting western Queensland and priority will be given to submissions from South-West, Outback and North-West Regional Road Groups".

Although the Guidelines further state "that priority may also be given to other rural and remote areas in Queensland where considerable economic activity such as large scale mining or industrial growth is occurring", the LGAQ believes that other RRGs, especially along the Coast and in urban areas, should also be given equal opportunity to access funding for their Local Roads of Regional Significance network (LRRS), subject to the same program funding eligibility as the RSDP.

For this reason, the LGAQ will be lobbying for additional TIDS funding to be made available in the next State Budget.

THE ROADS ALLIANCE

Following the release of the Roads Alliance State-wide Capability Improvement Strategy and the new Transport Infrastructure Development Scheme (TIDS) Policy, the later half of 2009 involved Regional Road Groups (RRGs) working towards many of the key milestones outlined in these documents.

A major deliverable for all RRGs in the later half of 2009 was the development and subsequent implementation of Capability Agreements, which document a set of activities to progress a RRG's level of performance in the core functions of operational effectiveness, asset management, program development, joint purchasing and resource sharing, as well as road safety.

On the topic of road safety, the video and data collection process for the State-wide Contract for NetRisk and Asset Data Collection commenced in late 2009, with over fifty councils participating in the arrangement. This arrangement will provide RRGs with a road safety assessment on their Local Roads of Regional Significance (LRRS) network to assist them identify safety hazards. Road condition data is also being collected to update councils' asset management systems, with nearly 20,000 km of LRRS network being assessed. NetRisk assessment and data collection will continue throughout 2010 and 2011, with the project aiming to be complete in mid 2011.

Throughout the last 12 months, progress, albeit slow in some cases, has been made on the four Alternative Business models pilots, which are examining innovative road stewardship arrangements by local government and the Department of Transport and Main Roads.

The Far North Queensland RRG pilot engaged Local Government Infrastructure Services (LGIS) to evaluate their operations and identify opportunities for improvement. LGIS's final report to the RRG recommended the establishment of a Regional Procurement Office and the employment of a Regional Procurement Officer to:

- Provide program and project management and evaluation services, technical advice and guidance;

- Facilitate joint procurement and delivery of road infrastructure services for the region;
- Provide asset management services and collating and maintaining a central data repository;
- Linking related projects and dealing with multiple projects across members' work programs to realise scale and scope efficiencies; and
- Share knowledge gained from individual and regional projects and championing innovation in road stewardship.



The North Queensland RRG pilot is investigating the transfer of road stewardship responsibilities to deliver greater efficiencies for the region. The RRG conducted a series of workshops in 2009 to establish the terms of reference for their model and has identified the following objectives:

- Strengthen regional planning, program development and management;
- Transfer on a contractual basis selected corridor management and traffic operations duties and obligations; and
- Transfer on a contractual basis Road Maintenance Performance Contract delivery by combining Transport and Main Roads and local government LRRS into single contracts.

The North Queensland RRG has selected INDEC Consulting to undertake the feasibility study which will begin early in 2010-11.

The Central Highlands and Isaac Regional Road Partnership (CHIRRP) pilot have developed a terms of reference for their alternative business model and established four internal working groups. McMurtrie Engineers have been engaged to work with three of the working groups and will produce a detailed report and action plan for each. The fourth working group will be an independent group resourced by CHIRRP members.

The Outback RRG (ORRG) pilot is implementing a bureau service to manage the programming, resourcing and delivery of road infrastructure in the region. In 2009-10 the ORRG, with the assistance of the Roads Alliance, developed a terms of reference for the 'bureau' and engaged LGIS to provide options for how the proposed bureau service could be managed, resourced, funded and implemented. LGIS presented recommendations at the end of 2009 and issued a tender on behalf of the ORRG

in February 2010. Opus International was the successful tenderer and will commence provision of the bureau service throughout the remainder of 2010.

Joint Purchasing and Resource Sharing (JP&RS) continues to remain a strong focus of the Alliance, with RRGs being encouraged and supported to promote new and innovative methods of purchasing, sharing of resources, project scheduling and improving contractual arrangements. To gain traction in the JP&RS area, the Scenic Valleys RRG was established as a pilot to investigate the realities of implementing JP&RS activities across a region, document the key learnings and develop a toolkit to assist other RRGs looking to implement similar initiatives. This pilot is still progressing with the assistance of "Project Procure", the consultants assigned by the Roads Alliance to work with the RRG.

Continuing its drive for innovative ideas, over the last 12 months, the Roads Alliance has supported an evaluation of the potential benefits of a joint insurance arrangement for works completed by councils on the state controlled road network. Known as "Roads Alliance Arranged Insurance", it is intended that any such arrangement will overcome the difficulties often encountered between the Department and councils in relation to public indemnity. Whilst the Roads Alliance is supportive of the concept, further work on the costs and benefits to each party needs to be completed and councils, will of course, be consulted about key issues before a final determination is made on whether to proceed.

Finally, from a communications perspective, the Roads Alliance has significantly re-structured its website to provide a one stop show for news, Alliance information, tools and publications as well as facilitate RRG submissions to the Roads Alliance Board for capability funding. The new site can be assessed at www.roadsalliance.com.au.

REVIEW OF 1997 POLICY FOR INFRASTRUCTURE EXTERNAL TO STATE GOVERNMENT SITES AND NON STATE SCHOOLS

The debate on who is responsible for infrastructure external to State Government sites continued in 2009-10. Two pieces of work were commenced by the LGAQ in the past 12 months designed to lay a foundation on which LGAQ could launch a campaign to have the 1997 policy reviewed.

The first piece of work came by way of a survey created by Alan Morton and sent to all Queensland councils. The objective of the survey was to identify which councils were being directly affected by the Policy and what the financial implications had been over the previous three financial years.

Twelve councils from across the State responded to the survey which confirmed that councils were spending significant resources on infrastructure external to State sites. To complement this survey, LGAQ has undertaken a comprehensive review of the current Guidelines, which will be used to challenge the relevance of the Policy some 13 years after its establishment, particularly considering major infrastructure subsidies have been removed from

local governments in the past few years.

As the next step, LGAQ will look to engage with the State Government on a review of the Policy and will present its position paper to Government, which provides a number of recommendations about how the Policy could be improved for the benefit of not only councils, but also the State.

ROAD SAFETY

Following the initial success of the Roads Alliance Road Safety Partnership Projects located in Moreton Regional Council and Toowoomba Regional Council, the Association, through the Roads Alliance, extended an invitation to the Department of Transport and Main Roads (TMR) to participate in the establishment of a Queensland Road Safety Partnership Steering Committee.

The agreed objective of the Steering Committee is to coordinate the development and ongoing improvement of collaborative working arrangements between Queensland's State and local government road owners, and other key road safety partners, to contribute to a reduction in road trauma on the State's roads and, in particular, reduce the number of people killed or hospitalised (seriously injured) in road crashes.

Membership of the Steering Committee includes senior representatives from the LGAQ, councils, TMR, Queensland Police Service and Queensland Health. A Working Group has also been established to support the activities of the Steering Committee.

Through the Working Group, the Association contributed to the development of a 2010-11 Queensland Road Safety Partnership Steering Committee Work Plan that will see increased support and understanding of road safety at a local level. The Work Plan is to be endorsed at the inaugural Steering Committee meeting to be held on the 12 August 2010.

LEVEL CROSSING SAFETY

Local governments are responsible for approximately 85% of the 1700 level crossings in Queensland. The remaining 15% are managed by the Department of Transport and Main Roads (TMR).

Management of level crossing safety is the shared responsibility of councils, TMR and Queensland Rail (QR). In recognition of their mutual interest in the management and funding responsibilities for level crossing safety, an MoU was signed by the LGAQ (on behalf of councils), the then Queensland Transport, and QR in 2003.

Responding to new national and state rail safety legislation, the Association worked with TMR and QR to review and amend the MoU to include the requirement for interface agreements between parties interfacing at railway level crossings and to clarify a number of responsibilities with respect to management and funding for level crossing safety.

Following a consultation process, the revised MoU was signed by all parties in March 2010.

HEAVY VEHICLE MANAGEMENT AND FREIGHT

The performance of Queensland's overall freight network is dependant on local road connections from primary producers to key industry and commercial centers. The majority of the freight task starts and finishes on a local government road.

With the road based freight task expected to double by 2020, increased pressure is being placed on the locally controlled network. While the LGAQ recognises the critical role local governments play in responding to the growing freight task, it has identified impediments to accessing the local network that can only be addressed through collaboration, coordination and information sharing between the Department of Transport and Main Roads (TMR), LGAQ and councils. These impediments relate to productivity, heavy vehicle permit processes, asset management, funding and safety. Responding to these issues, the Association has developed a paper proposing possible solutions and actions aimed at redressing these concerns.

The LGAQ presented its freight paper to TMR in early 2010. The paper was well received and the Association is working with the Department to progress the proposed recommendations.

Working with TMR and councils, 2010 has seen the Association actively seek participation on a number of high level governance arrangements aimed at improving the efficiency and coordination of Queensland's freight network and to strengthen and support access to the first and last links in the supply chain. Through forums such as the Queensland Transport Logistics Council and the Road Freight Industry Council, the LGAQ is ensuring that the interests of Queensland's local governments are represented.

WATER POLICY, REFORM AND MANAGEMENT

Water infrastructure, planning and pricing have been in the media spotlight over the past 12 months. With the new institutional changes for water being enacted in South East Queensland (SEQ), LGAQ has seen a renewed focus from the Government on water supply, security, safety and affordability outside of SEQ.

Following workshops conducted by the Association and the Queensland Water Directorate (qldwater) about the "Future of the Queensland Water Industry" in late 2009, in June of this year, the Association signed a Memorandum of Agreement (MoA) with the Department of Environment and Resource Management (DERM) and qldwater. The MoA is designed to form a partnership between the three organisations to assist water service providers in addressing issues and investigating options for improving urban water service provision and management for communities in Queensland. The underlying purpose of the MoA is "to outline and gain commitment from the partners on how they will work together to achieve

improved water services and regulation.”

Consequently, the MoA encompasses four key project areas (outlined below), identified by DERM, the Association and gldwater as areas of common interest:

1. Streamlined and Effective Regulation;
2. Risk Assessment and Identifying Priority Actions;
3. Asset Investment and Pricing; and
4. Workforce Skills.

Although dialogue between the parties to the MOA has not be limited to these four project areas, these policy platforms have been identified as core project outcomes in order to achieve improved urban water services and regulation.

DISASTER MANAGEMENT

The Disaster Management (DM) Alliance between the State Government through the Department of Community Safety (DCS) and the LGAQ on behalf of local government has been further extended and enhanced through the signing of a new Resilient Communities Though Partnership Agreement in June 2010. This partnership has been established to further build upon the existing collaborative arrangements that seek to increase the disaster management capacity and capability of Queensland councils and communities

The Disaster Management (and other Acts) Amendment Bill has been introduced to Parliament and whilst there will be significant changes to the Disaster Management system; most of these changes will be systemic changes at the State and District levels. The DM Alliance will continue to support councils in understanding and meeting their obligations under the resulting new legislation, in particular in respect of the additional training requirements for the appointed Local Disaster Coordinator.

The DM Alliance conducted the second Disaster Management for Local Government Conference held in Home Hill on 2-4 June 2010. This conference was attended by 120 delegates from councils, state and other agencies. The conference provided an opportunity for councils to discuss their disaster management issues, learn from the experiences of others and participate in the development of the strategic agenda for disaster management.

Of particular note, the conference provided an opportunity for councils to hear from the Deputy Commissioner, Office of the Emergency Services Commissioner about the Victorian bushfire experience and the implications and consequences for Victorian councils and the local communities. Planning is already underway for another conference in 2011.

The Natural Disaster Resilience Program (which replaced the Natural Disaster Mitigation Program, Bushfire Mitigation Program and the National Volunteer Support Fund) was introduced this year. Some \$7M was distributed in the first round of this program to assist councils to build community resilience. These projects include infrastructure works,

community education and volunteers support. The DM Alliance Project Officer is a member of the Assessment Advisory Group and the Director, P&R, is a member of the High Level Group which provides recommendations to the Minister, Police, Corrective Service & Emergency Services for funding approvals. The NDRP has also provided additional funding to LGAQ for the employment of a NDRP Senior Advisor for the next 2-3 years.

The high number of significant events in the past 24 months - including cyclones, severe storms, oil spills and the severe flooding in Western Queensland - has meant that much of the time and effort of the DM Alliance Project Officer has been dedicated to directly assisting and supporting councils affected by these disasters.

The DM Alliance remains the primary point of contact for councils and communication through regular email newsletter provides councils with the most up-to-date information in relation to new resources, training opportunities, best practice and lessons learned from recent events.

The DM Alliance provides planning and policy representation of council interests in a diverse range of state level committees and working groups. These currently include the State Disaster Management Group, State Disaster Coordination Group, State Disaster Mitigation Committee, Bushfire Inter-Departmental Committee, Emergency Services Units Steering Committee, State Community Disaster Recovery Committee, Counter Terrorism and Infrastructure Working Group and Pandemic Influenza Planning Committee. In addition, the Project Officer represents council interests on State Assessment Committees for the SES Non-Recurrent Subsidy Program, the National Volunteer Support Fund and the Natural Disaster Mitigation Program.

Additional funding is being sought through the Natural Disaster Resilience Program for the continuation of the DM Alliance Senior Advisor position.

2010 INFRASTRUCTURE AND PLANNING SYMPOSIUM

People, Planning & Pavements - Managing the Mayhem was the topic of the 2010 Symposium, which for the first time had an extended focus on planning issues and reforms. The implementation of the Sustainable Planning Act and Local Government Act resulted in high attendance, while presentations on issues such as asset management, community planning, infrastructure charging and funding, freight management, road safety and institutional arrangements for the future management of water were also well received.

The highlight of the Symposium was a discussion forum facilitated by Bernard Salt on managing Queensland's population growth. Arguments for and against were passionately articulated by an impressive panel membership, including former NSW Premier - Bob Carr, Mayor of Sunshine Coast Regional Council - Cr Bob Abbot, Social Affairs Writer for The Australian - Stephen Lunn, Chief Executive and General Counsel of the Urban Development Institute of Australia - Brian Stewart, Executive Director of the Australian Conservation Foundation - Don Henry and Professor of Urban Management and Planning at Griffith University - Paul Burton.

The Symposium attracted over 170 councillors and council

staff from 45 different councils and over 50 managers and executive staff from Queensland Government and industry.

Workforce and Organisational Services



Local Government Reforms

The State Government reform of local government in Queensland continued to pose significant challenges for Workforce and Organisational Services throughout 2009/10.

The changed profile of local government mitigated changes in the funding and resourcing structures for the organisation and required significant additional services to councils in the area of business information tools and advices.

Officers from Workforce Relations were heavily involved in discussions with federal and state government regarding the ongoing industrial coverage of local government with significant resources invested into the development of a national local government Award and the development of a position on the award coverage for local government within the state jurisdiction.

High levels of advice and support were provided to councils continuing to grapple with the workforce challenges associated with consolidating workforces and workforce practices from amalgamating councils.

Effecting the seamless transition from being a statutory corporation to a company limited by guarantee proved to be administratively, requiring the significant investment of funds and staff resources to ensure the transition was effected with nil disruption to member services and support. All indicators to date suggest a successful transition was achieved.

Corporate Services

Late 2009/early 2010 saw a lot of energy and resources expended on the organisational change project viz. member Connect. The introduction of a new structure and operating model required corporate procedures, brochures and functions to be reviewed to support the changes from 1 July 2010.

Determining appropriate ongoing accommodation for the Association also proved to be a major project. In consultation with LGIS (Local Government Infrastructure Services) a robust market scan and feasibility study was conducted and a number of purchase options were identified. Following detailed analysis and protracted research and negotiations, and in view of the significant internal restructuring of the organisation and review of its business agendas and business models, the decision was taken to discontinue with seeking alternative

accommodation in the short term, with the issue being set aside for at least 12 months.

LG House continues to be fully leased with a new tenant being secured for the Café on the ground floor. Rents have been increased by an average of 7% giving the Association over \$490,000 in rental returns. Maintenance costs continue to rise given the age of the building.

The Association commissioned and published a book authored by Gabrielle Walsh (current Workplace Relations Manager) to rigorously record the 20 years of local government history from 1985 to 2008. The book called “A Local State” was been distributed to all Council libraries and will be a useful resource for the public as well as local government staff to understand the history of local government, particularly the turbulent period leading up to the Council amalgamations.

The Corporate Services team was instrumental in the commissioning of a satellite office for the federally funded Housing Affordability Fund Project (HAF eDA) which concluded in June 2010. The ongoing funding for eDA (electronic development application) projects of T5/NGT was subsequently allocated to the Council of Mayors (SEQ). The LGAQ Corporate Services team following a full audit and negotiations has successfully transferred staff, assets, leases and financial information to the Council of Mayors (SEQ) team.

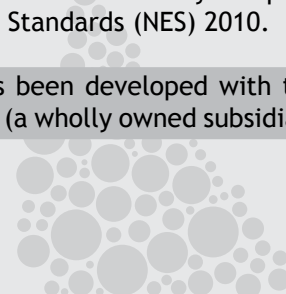
The installation of the new telephone system was completed during the year which apart from the additional reliability of having a modern and supported system operating will also provide vastly improved and contemporary video conferencing and telephone conferencing capability to use in supporting members.

With respect to Workplace Health & Safety (WH&S), LGAQ commenced implementation of the approved SafePlan WH&S System and set itself the lofty target of achieving a bronze level within the first year.

Staff turnover has returned to an acceptable level after peaking in 09/10. However with the realignment of services coming into effect on 1 July 2010 and the concomitant restructuring of roles and services, staff turnover may be a shade more volatile in ensuing months.

All human resource policies and procedures were reviewed in line with the introduction of the Fair Work Bill 2009. It was established that the LGAQ fell under the Federal System with the majority of staff being deemed to be ‘award free’ with only administrative staff being captured under the Clerks - Private Sector Award 2010. This will not cause any concerns as the Association currently complies with the National Employment Standards (NES) 2010.

A Business Continuity Plan has been developed with the assistance of Echelon Australia (a wholly owned subsidiary of Jardine Lloyd Thompson).



Financial Services

FINANCIAL OPERATIONS

To facilitate the Association transition to a Company limited by guarantee on 1 July 2010, LGAQ members agreed to the extension of the Association's current financial year by one month to 30 June 2010 to align with the commencement of the Association's new corporate structure on 1 July 2010. The LGAQ Executive endorsed a 'special' budget for the month of June 2010 to enable the Association to commence its next annual budget (2010-2011) from 1 July 2010.

The change to a 30 June financial year conclusion and reporting date is seen as a positive progression for the Association that operationally will deliver a number of practical benefits moving forward.

At the time of producing this report, the Association is currently finalising its General Purpose Financial Statements for the 13 month period ended 30 June 2010 which are again being audited by the WHK Horwath on behalf of the Auditor General of Queensland.

Overall, the Association has performed soundly in the 13 months to June 10 and has met all core budgetary commitments as endorsed by the LGAQ Executive in the 2009-2010 revised budget. A number of additional budget savings, as well as improved revenue inflows in some areas, have been achieved throughout the 2009-2010 year enabling the funding of additional activities and programs.

AUDIT COMMITTEE

The LGAQ Audit Committee, comprising Mr Graham Grundy (Chair), Cr Paul Tully (LGAQ Executive nominee), Mr Stephen Fynes-Clinton (Barrister) and Mr Graham Carpenter (independent financial and audit expert) met on five occasions in the twelve months to 30 June 2010 and examined a range of reports and Association activities including:

- The LGAQ Business Continuity Plan
- Overview of the Associations transition to a Company limited by guarantee
- LGAQ 2009-2010 Budget Overview
- LGAQ Proposed New Accommodation Briefing
- LGAQ Insurance Policy Review
- Operational and financial reports from each of the Association-owned and partnered entities

In April 2010 the Committee, prompted in part by the pending changes to LGAQ's corporate status and governance structure, undertook a detailed review of their charter that subsequently resulted in the LGAQ Executive adopting a series of proposed amendments to the Committee charter. These amendments were designed to ensure the ongoing relevance and effectiveness of the LGAQ Audit Committee into the future.

ACHIEVEMENTS

In keeping with the Association's firm commitment to continuous financial management improvements, in early 2009 the Association embarked on a comprehensive upgrade of its internal finance and payroll software (Finance One). Although retaining the current software platform and provider, the upgrade to version 11.04 provided a significant step forward in terms of enhancing the capabilities and functionality of the current system. Technology One Ltd was contracted to assist the Association during the upgrade and transition process. Resolute Information Technology was also involved in some of the technical elements of the upgrade process. The system upgrade went live at the commencement of the 2009-2010 financial year and the upgrade has provided significant operational benefits.

Business Information

LG ONLINE: First to know ... First to help.

The LGAQ's commitment to providing its members with the best service and support online was strengthened this year, with the creation of a new LG Online Producer role. This role is dedicated to responding to feedback and suggestions from council staff, sharing knowledge and networks, improving access to information, and shortening response times.

In this spirit, recent developments for LG Online include:

- Better, longer connection to LG Online with password recall and seamless access from email alerts.
- Improved navigation with a simplified left-hand menu, a bright, flexible right hand column for popular news and projects, breadcrumb navigation, and fixed page width.
- New applications such as forums and wikis for collaborative working between councils, dedicated resource pages, such as the LG Act page
- Video presentations on key topics as well as a number of social networking innovations
- Issue-specific dedicated interactive web-sites such as the population enquiry, and the fair Go for the future industrial relations site

LGAQ engaged noted media personality Shane Webcke to serve as LGAQ ambassador focussing on engaging with users of LG Online and contributing to its ongoing development.

LG Online continues to offer vital services such as Media Monitors, Legislation Service, GovNet, and Legal Opinions.

The evolution of LG Online from the premier local government information portal to a vital communication and access portal for council users is continuing with council support for the transition evidenced by the continuing increase in the number of council users since the launch of the revamped portal.

IT & TELECOMMUNICATIONS

The Association undertook a year of consolidation

following a series of major system upgrades made over the corresponding 3 previous financial years.

A major project was undertaken to replace the Association's ageing and outdated telephone system with a contemporary new VoIP solution. Delivering enhanced call functionality for staff and improved reporting capabilities were the primary benefits realised.

MEMBER ACTIVITIES

Following on from the previous financial year the Association extended its engagement with Professor Peter Wilton from Berkley to provide oversight to the Association's internal business transformation program.

Following a series of focus groups and interviews with members and stakeholders an extensive program of change was endorsed by the Executive.

During the year, following Executive approval, the Association adopted a new corporate structure and operating model.

A comprehensive review of all existing LGAQ products and services is now underway along with a detailed investigation of new products and services.

The Association is steadily seeking to reposition itself around the new and emerging needs of members, particularly in those areas that are considered by councils to be of highest value and importance.



The Association's President, Directors and staff continued with a high frequency of council visits and regional tours. By the time of this year's Annual Conference, it is expected that all member councils will have been visited at least once, with many councils having been visited more than this. The Association has clearly demonstrated its commitment to meeting with councils on their own turf.

The Association continued to host a number of corporate events designed specifically to support and nurture meaningful collegiate relationships between significant representatives of all stakeholder groups within local government and to complement the myriad of professional activities conducted by the Association.

Detailed elsewhere in this annual report are details of the

Association's GEM program, LG Online user groups, LGAQ Symposium and other conferences, workshops, seminars and road shows. In totality, the Association has generated an unprecedented number of opportunities for mayors, councillors and council staff to meet, interact, network and engage with the LGAQ as well as with parties relevant to the business of local government.

LOCAL GOVERNMENT WEEK

For the first time in many years, and after considerable consultation with respected stakeholders, it was determined not to conduct a dedicated Local Government Week during the 2010 calendar year.

PUBLICATIONS

Six Council Leader magazines and six Councils' News Briefs were provided to all councillors.

Relevant and regular circulars were distributed to councils, providing updates on award and legislative variations as well as information on the industrial relations reforms, workplace health and safety, harmonisation, training subsidies and other matters pertaining to workforce management.

Quarterly WR Bulletins provided important information and updates on significant industrial commission and legal decisions and cases that might have implications for councils as employers. Risks for councils identified from analyses of trends in local government and other industries were also highlighted.

Industrial Relations

During the 2009/10 year, ongoing industrial relations reform and daily ongoing council industrial activity has been significant and work in the industrial relations sphere by the Association has been relentless and operating at a frenetic pace.

At the national level, the Federal Government introduced new workplace relations laws: Fair Work Act and from January (2010) powers to regulate industrial relations were referred by the State Government to the Commonwealth, excluding state and local governments. At the same time (January) LGAQ successfully sought to be registered as an industrial organisation with the Queensland Industrial Relations Commission (QIRC) to ensure the ongoing representation of local government and the interests of Queensland Local Government continued to be well served within the state jurisdiction.

LGAQ along with other state local government associations was actively involved in designing and having the Australian Industrial Relations Commission (AIRC) ratify a new single, modern national local government award that will apply to local governments in the national system (which currently Queensland councils are not). This ensured that local government was identified industrially as an industry at the national level and established an appropriate playing field in the event the industrial jurisdictional landscape changed in the future.

From September 2009, Association officers travelled the state to consult with councils on their appetite for fundamental reform of the local government award system. Overwhelmingly, councils indicated that they did and indicated strong support for the creation of one local government award.

After representations to the Attorney-General by the President and senior management, LGAQ was pleased to see that the President of the QIRC announced a review of all awards, on its own initiative, which commenced early in 2010.

In 2009, the AWU and FEDFA made application to vary the Local Government (excluding BCC) Employees Award, most notably the classification and pay scales. In March 2010 the QSU sought to introduce a new Local Government Officers Award (State). Both these matters are on foot. In response, the Association has prepared a counter application in the form of a new local government industry award.

In arriving at the content for such an award, a state-wide symposium took soundings from all participating councils about content and direction and a steering group (WR13) in conjunction with association officers completed a concept award. A reference group of small to medium sized councils has been established and new proposed pay scales and classification criteria are being trialled in numbers of councils of differing size and complexity.

The concept award is scheduled to be discussed at a number of regional workshops. Proceedings to achieve the objective of a new and modern local government award are well underway with several appearances before the State Industrial Relations Commission conducted.

Because local government is now one of two industry participants in the state industrial relations system, LGAQs submission to the State Wage case carries greater weight. Accordingly, the 2010 submission provided enhanced and detailed researched data to support modest wage increases.

A new IT based tool (*LGAQ HR Advance*) has been introduced into Queensland Local Government through licences, which will lead to streamlined and consistent IR/HR compliance within and across participating councils. At the time of preparing the report, in excess of 50 councils had purchased in excess of 90 licenses for the product.

At the business level, there was significant increase in demand for advice and general assistance, with evidence of a commencing upward movement in the delivery of representation services before the Commission. The Association utilised the services of a number of consultants to assist councils in extended activities (requiring extended attendance within the Council) including the conducting of a number of significant investigations.

LGAQ has maintained an important relationship with officers of State and Federal Government Departments regarding changes to Local Government and Industrial

Relations legislation and policy.

INDUSTRIAL APPEARANCES/DISPUTES

The LGAQ registered more than 39 appearances before the Queensland Industrial Relations Commission, relating to Unfair Dismissals, Disputes arising from post-amalgamation transitional matters and the AWU and QSU's applications to vary Awards. In addition, LGAQ has represented councils in the certification of more than 10 EBAs and successfully won a test case under appeal before President Hall regarding the application of the Workforce Transition Code of Practice associated with council amalgamations.

Workplace Health And Safety

The LGAQ made significant representations to the task force and Federal and State governments on the introduction of national harmonised Workplace Health and Safety regulation and represented local government on two taskforces (Outdoor Workers Health, Workers Wellness) established by the State Government. The Association also collaborated successfully to effect an appropriate local and state government response to released coroners reports into drowning deaths in public pools and successfully represented local government's interests in the State Government review into pool fencing regulation.

The annual WH&S conference was again successful, with positive feedback from delegates supporting the innovative and contemporary approach to setting agendas for the conference.

Employment Services

EMPLOYMENT ASSISTANCE PROGRAMS

The LGAQ continued to promote and administer the entry-level employment and training opportunities available to members through state and federal government policies and programs.

The State Government's Skilling Queenslanders for Work apprentice and trainee initiative continued throughout the past financial year. The initiative was initially proposed in the late 1990s when the Queensland unemployment rate was around 11 percent and introduced in 1998 as the Breaking the Unemployment Cycle initiative. Funding assistance for councils of almost \$164 million has resulted in over 12,000 additional training opportunities being offered in local government with the programs administered by the LGAQ. While the state unemployment rate appears to have peaked, the LGAQ is pleased that its partnering with the State Government to provide training opportunities continues under the Skilling Queenslanders for Work initiative. During 2009-10, local government was one of the few remaining sectors to receive the continued benefits of the program, which was entirely attributable to its success rate in recruiting, training and retaining trainees over its now 12 year span. The Association continues to make significant representations to the

State and Federal Governments to continue with its youth employment initiatives, and particularly so during the current economic difficulties. Continuation of the State Government's Skilling Queenslanders for Work initiative for 2010-11 has been confirmed and it is expected that funding assistance will be met for most program positions sought by councils.

EXPERIENCE PAYS - MATURE-AGED WORKER EMPLOYMENT STRATEGY

The Association continued to promote opportunities for mature-age workers through recruitment, retraining and retention policies. As an employer with a workforce of over 40,000 in Queensland and where some half of these are aged over 45, local government's ability to leverage advantage through the recruitment and retention of experienced workers was advanced as a definite advantage that would continue to yield benefits for local government during and beyond the current spike in national and regional unemployment. The LGAQ is pleased to have partnered again with the State Government to deliver the program to councils and assist them to develop flexible employee benefits to particularly assist the retention of the older and valued employees. General information sessions were conducted throughout the state at regional launches, Human Resource Consultative Group and Local Government Skills Council meetings, and Workplace Relations Forums. Visits to individual councils continued to discuss elements of the strategy. Additionally, the LGAQ provided major input into the production of resources such as the Experience Pays Employer Guide, Smart Workplace Strategies booklet and Employee Handbook. In the last 12 months, visits have included many of the remote councils in Queensland.

LGAQ deliberately remained on script with the strong message that the temporary respite from labour difficulties provided an opportunity to ensure workforce planning was given high priority to assist councils manage their workforce in the future.

WORKFORCE DEVELOPMENT GROUP

The Association successfully advanced the formation of a national Workforce Development Group comprising representatives from all state Local Government Associations. The group's primary role is to provide a national forum to ensure the workforce interests of local government was appropriately represented at the national level. The Australian Local Government Association has recognised and endorsed the group to be their consultative mechanism with national bodies on workforce related matters.

LGAQ representatives have also attended a number of meetings with Government Skills Australia (GSA) and provided, on request, details of recent research conducted by the Association into skills issues within local government and which have been acknowledged as being definitive in determining future direction for GSA research into workforce issues.

Part of the research provided to GSA arose out of the

Industry Engagement Strategy which was established as a collaborative partnership with the state government to provide industry advice on how and where the State Government should allocate Vocational Education and Training funding. The 2010 "Current and Future Skill Needs within the Local Government Sector" is the third annual publication of this nature and is intended to provide the state and other interested parties with advice on how to make the training environment within Queensland more responsive to the changing needs of the local government sector.

PRODUCTIVITY PLACES PROGRAM (PPP)

In September 2008 the LGAQ was approached by the State Government to establish a model for the allocation of Productivity Places Program funding across the local government sector. The Broker/RTO contract developed by the LGAQ is now being used by other industries as the standard contract.

By 2009/2010 the PPRP program was worth in total \$9.354 million dollars in training for councils. By June 2010, in excess of 915 existing workers had commenced training under PPP funds - exceeding LGAQ's contractual obligations by around 33%. In June 2010 the state contracted LGAQ to deliver Certificate IV and or Diploma level qualifications to around a further 1,300 participants but are likely, within the budget, to train around 2,000. In aggregate that will account for around 7.5% of the Local Government workforce in Queensland.

30% of qualifications commenced under the PPP program were at diploma or above level with over 50% of all training comprising employees outside of South East Queensland councils. Overall 41 councils participated in the program with training delivered by over 32 Registered Training Organisations. An independent third party reviewer of the PPP program reported Councils recording a very high level of satisfaction with LGAQ support during the program and an average to above average satisfaction with RTO performance with only 2-3 % registering their disapproval with the performance of an RTO. As a direct result of the positive benefits of the brokerage model, the state approved an enhanced allocation for the 2010-11 year of \$6.369 million and offered additional funds to LGAQ if the Association agreed to take on a brokerage role for PPP and water entities across the state. At the date of producing the report, the Association has continued to exceed the training quotas contracted by the State leading to increased benefits flowing onto councils.

RECRUITMENT AND OTHER HUMAN RESOURCE SOLUTIONS

The LGAQ conducted a number of recruitment activities for councils this year, for positions at both CEO level and senior management level becoming vacant following personnel changes following the settling down of council workforces post-amalgamation.

Highlights include the ongoing professional improvement in the executive recruitment processes adopted by the organisation for the recruitment and selection of quality personnel.

The LGAQ was also engaged by councils to conduct organisational and positional reviews and to assist in managing organisational restructures.

CONSULTATIVE GROUPS

Quarterly meetings for HR managers (held in regional and South East locations) were conducted throughout the state to foster networking, discussions on selected topics and setting priorities for collective HR activities.

EXTERNAL MEMBERSHIP

The LGAQ continued as a member of the Crime and Misconduct Commission Corruption Prevention Group, responsible for recommending strategies to the CMC's corruption prevention and capacity building programs and training packages.

The Association is also active on the Army Reserve Corporate Consultative Group, a high-level taskforce charged with improving the relationship between the Army Reserve and employers of army reservists or future reservists.

Business Enterprises Branch



The LGAQ's Business Enterprises Branch is responsible for the commercial and business activities of the organisation. These activities provide local government specific products and services that deliver significant value to councils and also assist the LGAQ enhance its member services capacity. The Branch provides strategic direction, corporate governance and operational support to the following entities and

activities:

- LG Infrastructure Services
- Local Buy
- Resolute IT
- QPG (LG Share Services)
- LGM Queensland
- Local Government Workcare
- LGAQ Conferences
- LGAQ Training Services

Training Solutions

The main focus for Learning and Development continues to be on delivering quality and responsive outcomes for all member councils.

The new 2010-2011 LGAQ Courses and Services - Learning and Development Reference Guide, was launched at the Civic Leaders' Forum at the end of April. Additional copies are available at Annual Conference. Alternatively, an electronic copy is available if required.

NEW INITIATIVES

In anticipation of changing requirements affecting workplace health and safety in Queensland, LGAQ has

received approval to deliver the nationally recognised Certificate IV in Occupational Health and Safety. Planning for the launch of this qualification is underway and details will be communicated to all councils.

In response to a number of requests received from councils, LGAQ has applied for registration to deliver the nationally recognised qualifications Certificate IV and Diploma of Project Management. Our application is currently pending, awaiting the outcome of an RTO audit. It is anticipated that further details regarding delivery of these qualifications will be available in the second half of 2010.

DIPLOMA COURSES

Introduction of the Sustainable Planning Act 2009 has impacted on the Diploma of Local Government (Planning) course, and we are responding to requests to deliver across the State.

LGAQ continues to market and promote the Diploma of Local Government (Health and Environment), although there have been reduced numbers, which we believe may be a result of staff shortages in some councils.

There is ongoing interest for the Governance and Administration and Library/Cultural Services - Diploma of Local Government Administration qualification.

To date, over 985 graduates have received a formal qualification from LGAQ. We expect to congratulate our 1000th graduate in the last quarter of 2010.

ATTENDANCE FIGURES

Learning and Development has delivered training to over 1640 participants so far, in the January - June 2010 period. Each attendee is issued with a Statement of Attendance for insertion into their professional development portfolio.

LGAQ has delivered both accredited and non-accredited courses, programs, workshops and consultancy services to 69 councils in the last 12 months.

ELECTED MEMBER UPDATES

Queensland Elected Members (QEM) 2010 - delivered by LGAQ in partnership with King & Company Solicitors, to provide a relevant, timely and informative update on the new Local Government Act and Regulations. The focus of this one day workshop was to enable "open and informative debate" on key issues, whilst offering legal advice and opinions.

QEM workshops were delivered in the following centres (including in-house requests), with a total of 720 participants:

1. Bribie Island
2. Kingaroy
3. Biloela
4. Beaudesert
5. Goondiwindi

6. Dalby
7. Toowoomba
8. Cooktown
9. Weipa
10. Cairns Session 1
11. Rockhampton
12. Mackay
13. Moranbah
14. Townsville
15. Hughenden
16. Longreach
17. Normanton
18. Mount Isa Session 1
19. Mount Isa Session 2
20. Emerald
21. Gympie
22. Roma
23. Charleville
24. Bundaberg
25. Gladstone
26. Thargomindah
27. Thursday Island
28. Cairns Session 2
29. Gold Coast
30. Cairns Session 3
31. Proserpine
32. Mareeba
33. Kowanyama
34. Brisbane
35. Ingham
36. Quilpie
37. Croydon

SERVICES DELIVERED

Over the last 12 months, Learning and Development Services has delivered courses, programs and workshops across a variety of topic areas, such as:

- Environmental Health (Diploma)
- Training and Assessment (Certificate IV)
- Statutory Planning (Diploma)
- Governance and Administration (Diploma)
- Library and Cultural Services (Diploma)
- Financial Management Services (Diploma)
- Investigation Skills and Statutory Compliance (Certificate IV)
- Strategic Planning
- Governance for Elected Members
- Mid-Term Review
- Workplace Behaviour / Understanding Workplace Policies
- Customer Service / Dealing with Difficult People and Situations
- Managing Customers with Challenging Behaviour (Mental Health)
- Corporate Planning and Reviews
- Town Planning for Councillors
- Animal Management
- Authorised Persons
- Development Program for Supervisors
- Audit Assistance for Corporate Governance
- Financial Understanding for Elected Members
- Team Development

- Verbal Judo
- HR Management
- Community Forum Facilitation
- Media Training
- Policy Development
- Agenda Management and Minute Taking
- Upwardly Managing

LGIS — A Strategic Initiative Of LGAQ And QTC



Operational since 2005, Local Government Infrastructure Services Pty Ltd (LGIS) — a joint initiative of Queensland Treasury Corporation and the Local Government Association of Queensland—provides Queensland's local governments with a range of services to meet their infrastructure project needs.

LGIS's key role is to support local government with innovative infrastructure solutions. LGIS revised its corporate strategy in the first quarter of 2010, reflecting on our past success, to refocus the business on the emerging and priority needs of local government in Queensland.

LGIS's primary proactive focus is to assist coastal, growth affected Councils and regional, mining affected Councils with infrastructure project delivery, asset (facilities) management and continuing the development and implementation of regional collaboration opportunities. Our additional areas of focus are to:

- support South East Queensland Councils with industry innovation opportunities and thought leadership, and
- identify regional collaboration opportunities and act as the knowledge hub for remote and rural Councils.

BOARD MEMBERS

Mr David Jay, OAM, Chairperson
 Mr Roger Short
 Mr Brian Guthrie
 Mr Greg Hallam, LGAQ
 Mr Stephen Rochester, QTC

STAFF

Mr Mark Girard, Chief Executive
 Director, LGIS Operations (being recruited), and
 Access to QTC staff on an as needed basis.

YEAR HIGHLIGHTS

The following Local Government and State Government projects highlight the major activities that LGIS was involved in during the year.

LOCAL GOVERNMENT PROJECTS

Innovation in Alternative Waste Technology

In September 2009, LGIS led a trade delegation of 20 Queensland Local Government elected representatives and officers to the United Kingdom to investigate the latest in alternative waste technologies. A key finding of the trade delegation was that the absence of financial instruments in Queensland impedes the uptake of alternative waste technologies. The Queensland Government has since implemented a landfill tax on the commercial and industrial sectors which will contribute approximately \$220 million in FY2010/2011 for direct investment into local government alternative waste technology projects.

Leading Regional Collaboration

Following the success of the Gladstone regional waste collection contract, LGIS was invited by the Toowoomba Regional Council to assist with the development of a regional waste strategy. This is one of the largest urban strategic waste projects undertaken in the region and will be transformational in the way that waste services are provided to residents in the Toowoomba region. Key features of the strategy include a \$25 million capital program (over 5 years) to consolidate collection contracts and landfills, improving the quality of transfer station infrastructure in non-urban areas and expansion and compliance of existing disposal facilities.

Water and Wastewater Infrastructure

In North Queensland LGIS assisted Flinders Shire Council and Carpentaria Shire Council with the delivery of around \$30 million in wastewater treatment and reticulation infrastructure. By exploiting the prevailing market conditions, LGIS was able to generate national market interest and competitive market tension that resulted in bids significantly lower than Council estimates. LGIS also assisted the Councils with submissions to the Department of Infrastructure and Planning to access more than \$5 million in additional capital contributions from the State.

LGIS is finalising its involvement in coordinating the regional collaboration office for the South East Queensland Pressure and Leakage Management Project on behalf of 11 council water businesses in SEQ. The project has achieved savings of close to 60 Megalitres per day (approximately 10% of the daily regional water demand) and is recognised nationally and internationally as one of the best value for money water demand management initiatives.

Corporate Advisory Support

LGIS has completed around 30 individual advisory assignments to Councils across the State, with the benefits accruing to local governments in a range of business cases, financial analysis and procurement projects.

STATE GOVERNMENT PROJECTS

Water Demand Management

The Cloncurry WaterWise Project was finalised in October 2009 with a final report to the Department of Infrastructure and Planning outlining the performance of the project. The project was initiated as an urgent

government response to the failing water supply in the township of approximately 5,000 residents. Within two months, the project team retrofitted 645 households (85 per cent of all homes) and 78 businesses (88 per cent of businesses) with water efficient devices resulting in water savings of approximately 47 Megalitres per annum. The retrofit program was estimated to reduce energy demand in the town by 509 MWh per annum (equivalent to 584 tonnes of CO2 per annum).

Energy Demand Management

LGIS is 18 months into the delivery of the ClimateSmart Home Service, a \$60 million State Government funded project to retrofit 260,000 homes with energy efficient devices throughout Queensland. As at July 2010, the program has achieved over 210,000 retrofits and customer satisfaction ratings that average 96 per cent. The initiative was presented to the Mayor of London, New York City, Province of Ontario and City of Toronto. The Office of the Mayor of London has since commenced the RE:NEW project which is currently retrofitting 40,000 London homes per annum and is targeting to retrofit between 200,000 and 500,000 homes by 2012. The Province of Ontario Ministry of the Environment has also initiated a \$150 million home retrofit program.

Leading In Solar

LGIS was successful in a market competitive bid for the logistics management and marketing of the Queensland Solar Hot Water Program, a \$1 billion joint funded initiative of the State and Federal Governments. On 19 February 2010 the Federal Government decided to reduce its financial contribution to householders under the program from \$1,600 to \$1,000 which significantly altered the economics of the program and was a significant factor in LGIS's decision to withdraw its offer. Since February 2010, LGIS has assisted the Office of Clean Energy to revise the delivery model and the way in which LGIS could support the delivery of the restructured program.

Future Goals

LGIS's strategic refocus will result in a more targeted approach to the way in which LGIS assists local government. Our primary goal over the next 12 months is to efficiently and effectively operationalise our new strategy. Our highest priority is to successfully implement and complete some of our key infrastructure delivery projects which will act as the foundation for expanding the LGIS infrastructure delivery footprint.

The rising cost of water and energy along with long term trends in peak demand will require continued investment by governments in demand management solutions to achieve sustainable business and social outcomes. Demand management opportunities are also expected to emerge in the local government transport and waste sectors. The current model deployed by LGIS in delivering demand management projects will need to continually evolve to remain relevant and competitive and allow LGIS to continue to dominate the unique market position it has developed.

LGM Queensland



LGM Queensland is a legal liability self insurance scheme owned and operated for the sole benefit of Queensland Councils. It provides a range of covers including public liability, professional indemnity, councillors and officers liability, employment practices liability and cover provided to casual hirers of Council facilities.

Scheme operations are overseen by a Board of Management chaired by former LGAQ president, Mr Noel Playford, and including two council members, senior council officers and industry experts. Day to day management is undertaken by Jardine Lloyd Thompson under the supervision of the Board and the LGAQ.

The Board of Management has continued to focus on the core objectives of offering secure cover specifically relevant to Local Government, and maintaining a stable cost environment for members.

During the 2009/10 year LGM again operated on the basis of carrying a \$2 million self insured retention on the key public liability and professional indemnity covers provided to members. This assists to insulate the scheme, and members, from volatility in insurance markets and ensures Local Government receives maximum benefit from investment in improved risk management practices. LGM also maintains a panel of strong supporting reinsurers arranged in conjunction with other State Local Government liability schemes. It therefore taps into the collective strength of Councils not just in Queensland but also throughout Australia.

Contribution rates for 2009/10 were established with the target of increasing overall contribution income in line with inflation. Members were also offered a contribution discount for successfully completing LGM's annual risk management assessment.



Provision of risk management services to members has further developed in conjunction with the Regional Risk Coordinator program. A suite of local government specific risk management analysis and development tools

have been provided to members and supported by on the ground technical advice from the four regionally based risk coordinators. The program is jointly funded by LGM and Local Government Workcare and is an invaluable resource for Councils as they address the requirements of the Local Government Act 2009.

At the time of preparing this report the latest audited financial statements of LGM were as at 30 June 2009 and showed net member equity of \$9.768 million.

Local Government Workcare



Local Government Workcare (LGW) is a joint undertaking by Queensland Councils and Council controlled entities to hold a workers compensation self insurance licence. Scheme members are provided with full workers compensation cover and pro active claims management, injury management and injury prevention services. The scheme is overseen by a Management Committee chaired by former LGAQ president, Mr Noel Playford and managed under the supervision of the Management Committee and the LGAQ by Jardine Lloyd Thompson.

In May 2010, LGW's workers compensation self insurance licence was renewed by the government regulator, Q-COMP for the maximum term of 4 years. This renewal term reflected LGW's standing as a high performing, low risk self insurance operation.

Despite a range of pressures on workers compensation costs during 2009/10 LGW continued to deliver on its core objective of maintaining cost stability for members. A further reduction in the average scheme rate was achieved resulting in the rate having been reduced by more than 60% since inception of the scheme in 1998. Central to that outcome was intensive and pro-active claims management that saw LGW again significantly exceed statewide performance averages on all key claims management measures.

In early 2010, the State Government owned workers compensation insurer, WorkCover Queensland, announced that its financial position had significantly deteriorated due to rapidly increasing common law claim costs and poor investment returns. It requested assistance from the Government in the form of accepting premium increases for employers and introducing legislative restrictions on access to common law. As from 1 July 2010 WorkCover has commenced to implement cost increases for employers. These cost increases will not apply to Councils participating in LGW.

LGW continued its very strong involvement in assisting members improve their workplace health and safety performance. LGW's SAFE PLAN 2 system continues to form the backbone of Council workplace health and safety management systems right across Queensland. Once again, independent external audits of member WH&S management systems as part of the self insurance licence renewal process confirmed the effectiveness of SAFE PLAN 2 in supporting members achieve high management

standards.

LGW has also continued to work closely with LGM Queensland to further develop the unique member service opportunities available through jointly funded projects such as Regional Risk Coordinators and the online RiskMap risk management software system.

At the time of preparing this report the latest audited financial statements of LGW were as at 30 June 2009 and showed net member equity of \$21.134 million.

Local Buy



Queensland Councils have continued to use Local Buy Services during the 2009/2010 Financial Year through its contracted arrangements. Local Buy has in place 40 contracted arrangements including Telecommunications, Engineering Consultancy and Microsoft Software Licensing.

IMPORTANT PROJECTS UNDERTAKEN DURING 2009/2010 INCLUDE:-

- Local Buy continued to review Electricity Tariff Arrangements for several local authorities, generating considerable savings on Councils energy costs.
- Engineering Consultancy Services and Environmental Consultancy Services were tendered during the year significantly increasing Councils abilities to engage a larger variety of consultancy services.
- Local Buy held its inaugural Procurement Conference in May 2010 with a large turnout of procurement professionals from across the state. The conference included the presentation of the Procurement Professional Awards.
- Benefit Realisation Reports were developed for analysing the amount and savings generated for using the Local Buy Contracts for individual Councils.

Local Buy continued to provide LG Tender Box an electronic tendering solution which provides a simple and effective tender management process.



In the coming year, Local Buy intends to take on a peak body role for procurement professionals by providing a range of forums looking at legal, strategic purchasing and provision of registered training services.

The Local Buy Team comprises of 12 staff. During the course of the year the CEO Ms Eleanor Jackson resigned her position and this was taken up by Mr Tim Rose. Also Mark Ogston resigned his position and this position was taken up by Ms Debra Colledge. The Board of Directors met 8 times during the year and comprised of the following members:

Ian Leckenby (Chairman)
Brent Reeman
Bill Simpson
Phil Spencer
Daryl Hitzman

Resolute Information Technology Pty Ltd



Resolute Information
Technology provides IT
Services and Solutions,
primarily focused on the local

government market. The company was formed in 2004 and currently assists 70 percent of Queensland councils in the use of technology to better serve their communities. Board Members are:

Robert Holloway (Chairman)
Kathryn McDonald (CEO)
Jock O'Keeffe
Brent Reeman

STAFF AND OFFICES

At the end of June 2010 staff numbers totalled 24 (20 permanent and 4 contract staff). The Resolute head office is located on the CBD fringe in Upper Roma Street Brisbane. Regional offices are located in Bundaberg and Toowoomba. The Longreach office was closed in May 2010.

YEAR HIGHLIGHTS

The highlight of the year ended 30 June 2010 was the launch and take-up of the Council Business Centre (CBC). The Resolute team surpassed our goals for sign up, and demand has continued to grow confirming acceptance of our solution vision. As at the end of June 2010, 33 councils have given sign-off for 77 sites.

Following development and roll out of the base, the Resolute team has delivered 3 additional modules to enhance the Council Business Centre. These are Cemeteries Online, Local Way (regulation online), and document management system Integration Module.

CBC has further been enhanced through partnership with leading suppliers of specialist local government applications. These include Lagan (international leader in local government Citizen Response Management), Bang the Table (Australian leader in online community engagement solutions) and Browse Aloud (solutions to

enable website accessibility).

In May 2010, Resolute announced it had signed a partnership with the international leader in Government to Citizen (G2C) technology solutions, Irish based company Lagan. The Lagan Citizen Response Management system serves nearly 200 governments at local, regional, state and national level, primarily in the UK and North America, providing a range of solutions, cloud-based and mobile. Resolute will deliver the Lagan Software as a Service solution to Australian local government.

During FY10, Resolute core business continued to grow at a good pace. Infrastructure Services revenue grew by 46% achieving revenues of \$1.3M, up from \$0.9M in FY09. Web and Development Services achieved revenues of \$2.1M, a 20% increase on FY09 revenue of \$1.7M. Total FY10 Services revenue was \$4 million, down slightly on the previous year. This was due to the closure of the LG ONE business which had been severely impacted by the Queensland amalgamations.

The Resolute customer service team continued its focus on improving levels of service. Two customer surveys were undertaken during the year, providing valuable feedback and ideas for improvement. Overall Resolute's customers gave us a big tick.

Throughout the year, Resolute has continued to meet its commitment to pay a quarterly return of \$100,000 to LGAQ. It is the company's intention to continue this practice.

FUTURE GOALS

Resolute's major focus is to further strengthen and grow the services and solutions we can provide to local government, to improve our customer service and become an employer of choice so that we are able to attract and retain high quality staff.

QPG

QPG has now firmly embedded itself as a core element of the LGAQ's business offerings. The business has built

on its foundations of providing councils with local access to expertise in the areas of customer service delivery (including contact centre scoping and design), rates and shared services.

QPG has continued to invest in its cornerstone strategic partnership with the City of Ipswich Council. A strong focus on transforming the delivery of customer services has led to month on month improvements in a range of key delivery areas. A strong sense of teamwork, customer advocacy and tangible performance management typifies a relationship which is now heading towards its 3rd anniversary.

QPG has also advised the council on the development of its future customer service strategy, resulting in the council's decision to invest in a fully integrated customer contact centre. QPG provided design, architecture and business process management services to Ipswich and will shortly commence the delivery of a specialist training package. QPG also delivers the council's entire customer service function.

The business has maintained an interest in working within the utilities sector and has formed a strategic partnership with a major billing software provider to broaden the offering. Despite the disappointment following the failure of the original Water Reform Programme, QPG predicts a bright future in this emerging sector and sees significant scope for providing ongoing efficiencies.

QPG has delivered a strong financial performance for the year. Revenues remain firm at \$7m+ and the business has now reached a cash positive position - some 6 months ahead of forecast. This represents an excellent outcome for QPG, the LGAQ's newest business entity. QPG is recognised by Local Buy as a provider of contact centre and rates related services.

Chaired by Mr Jim Soorley, QPG's Committee provides the business with a depth of local and international experience.





LOCAL GOVERNMENT
ASSOCIATION
OF QUEENSLAND LTD