

2012
POLICY EXECUTIVE
REPORT TO ANNUAL
CONFERENCE

POLICY EXECUTIVE REPORT



Delegates and observers

Introduction



In accordance with past practice, the policy executive of the Local Government Association of Queensland (LGAQ) Ltd reports to its members at the Annual Conference on its strategic direction, major policies, achievements and financial position.

This is only the second full financial year post the incorporation of the LGAQ as a public company. As such, in discharge of their obligations under the Corporations Act 2001, the Directors of LGAQ Ltd have produced a separate report which is included in the Association's financial statements of the year ended 30 June 2012.

Annus mirabilis – that would be the only way of describing the year that was in the life of Queensland local government. That description is not given to hyperbole, rather it mirrors our sphere of government's whirly gig ride, comprised of the last six (dying) months of the Bligh ALP government, postponed local government elections, election of the Newman LNP State Government, the largest percentage turnover of Mayors and Councillors since World War 2 at the 28 April council poll, and the first six months of a reformist Newman Government that is looking not only to repair the state balance sheet, but remake the state in their own image in record time. Our patch was an extraordinary place over the past 12 months.

Of course, neither Australia, nor Queensland local government travels against the global economic and social tide. The nightly TV news headlines that trawl through the travails of the Greek economic tragedy, or the fiscal dilemmas in Spain, Italy, Ireland or Portugal have left Australians skittish and debt and risk adverse. Despite the fact the Australian and Queensland economies (not budgets) are held up globally as exemplars, our citizens take their lead from global events. That has created a rare dichotomy of fearing circumstances that do not exist domestically, a challenge for policy makers at all levels of government. In recent months, the unrelenting flow of news of job cuts in the State public sector and often misleading reporting of the slowing of the mining boom has exacerbated this challenge.

Despite poorly considered media comment, the once-in-a-century mining boom continues at a slightly slower pace with commodity prices and the Terms of Trade still at extremely favourable levels. In many ways that slight slowing could be a positive for other Australian dollar trade exposed parts of the State and national economies. It may also give councils

and their affected communities a moment's respite from what has been a rapid transformation of the economic, physical and social landscape of the Surat, Bowen and Galilee basins and North West mineral province. The boom has been and remains epic and beyond anything that has come before it.

It would be remiss not to comment on the massive fiscal consolidation occurring in federal and state budgets, Queensland included. At the federal level, the Gillard Government is deep within its \$40b reduction in federal outlays, undertaking the biggest one year fiscal correction in Australia's history. Whilst the conservative state governments in New South Wales and Victoria are mildly reforming their budgets, the Newman Government has swung the proverbial fiscal axe to bring the State's budget back into balance at the earliest possible time. These two developments, apart from impacting on funding available to councils, also frame the back drop against which councils' own frugality and parsimony are measured – rightly or wrongly. In a relative blink of the eye the broader public sector across the continent went from plenty to frugality – the music stopped.

Just as the LGAQ had predicted at last year's Annual Conference, it would be a hip pocket type of local government election - a one in 16-20 year type - and it was.

The April 28 local government elections were an end note to the amalgamation process and a furthering of the public's ritual flogging of politicians at all levels of government. Some of us thought that the electoral thumping of the Bligh government might have ended the community's political blood lust. It didn't. At the close of the 2012 council polls, 44 new Mayors and 249 new Councillors had been elected, an unprecedented result. Despite claims to the contrary, there was one universal defining issue during the 2012 council elections and that was the cost of living. Whilst amalgamations and a general community malaise were prevalent, they were secondary to the cost of living issue.

In most years natural disasters beset some part of Queensland's land mass. The last 12 months were no different with the La Nina weather system still present and above average rainfall recorded in many parts of the State. Indeed, some of the flooding in towns such as Mitchell and St George was the worst on record. Worst affected areas over the year were south west Queensland communities from Roma to the New South Wales/South Australian border, parts of South East Queensland, the coal fields (again), Far North Queensland and the Gulf. On the broader disaster front, six months of the last year was pre-occupied with the proceedings and final report of the Queensland Flood Commission of Inquiry (QFCI). That subject will be elaborated on at length later in this report.

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Federal Government



Year after year this report notes the increasing importance of the Federal Government as a funding source for Queensland councils. Two primary events over the last year have

reinforced the centrality of that premise. Firstly, there was the \$3.75 billion payment under the Natural Disaster Relief and Recovery Arrangements (NDRRA) to councils, representing the Federal's 75 percent share of the Queensland aggregate council bill for the last three disaster seasons. Secondly, and in some ways more importantly, the imposition of various restraints on council revenues by the former state government coupled with the abolition of the State Capital Works Subsidy Program on new council infrastructure spending, has made Federal local government payments that much more important to member councils.

In a more esoteric but important sense, the long term decline in federal taxation as a percentage of GDP poses a real long term threat to Canberra's financing of councils. As has been reported in the Australian financial media, Australia's tax to GDP ratio fell from 23.95 percent in the last year of the Howard government to 20.1 percent in the 2010-11 financial year. Moreover, even with the imposition of the Carbon Tax and the Minerals Resource Rent Tax (MRRT) from 2012/13, that figure will only increase to 22 percent of GDP. The relative shortfall between the low and high tax shares of GDP is equivalent to \$24 billion in revenue foregone in the current financial year. It is difficult to mount an argument as to how that is in the nation's or local government's long term interest given the growing back log in national and local infrastructure.

The commencement of the Carbon Tax on 1 July 2012 enroute to a full Emissions Trading System (ETS) in 2015/16 was an historic, albeit divisive, moment for councils and the nation. Whilst only 12 Queensland councils met the pollution thresholds to be directly affected by the new tax, any reform of this magnitude brings much angst and uncertainty. That certainly was the case in Queensland local government.

The consensus view amongst the State's largest 12 councils caught by the carbon tax provisions was that it would add between 1.5 and 2 percent annually to their cost of doing business. There were some strange aberrations thrown up by the landfill emission regulation, particularly in the case of the Cassowary Coast Regional Council where the Federal government's Carbon Tax enforcement agency sought to include the legacy waste from the Cyclone Yasi clean up. That would have imposed a \$2 million cost on that community. Only continued and forceful advocacy by the LGAQ lead to a reinterpretation of the definition of legacy waste.

Of course, no consideration of federal matters would be complete without mention of progress in the pursuit of a referendum question on the recognition of local government in the Australian Constitution. The last 12 months saw the tabling of the report of the Federal Government's Expert Panel on Constitutional Recognition of Local Government in December 2011. The Federal Government has taken its time responding to the Spigelman Report, which is of itself a concern.

At the time of writing, ALGA was awaiting a response from Federal Local Government Minister Simon Crean that a parliamentary committee be formed to deal with the issue of the response to the expert panel as well as other issues such as the need for a federally-funded public education campaign on the importance of constitutional recognition of local government and the timing of the referendum.

For its part, the LGAQ continued on with the second instalment of its local government image campaign which was funded by a second special member subscription levy.

ALGA, with the support of other state associations including the LGAQ, is pressing ahead with planning for a national campaign in support of the Yes case.

Finally, the Federal Government's release of the Ernst and Young Report entitled "Strong Foundations for Sustainable Infrastructure" at this year's ALGA General Assembly in Canberra has lead to fruitful discussions between senior representatives of Federal Treasury, Department of Regional Australia and LGAQ. Those discussions, while still developing and far from reaching fruition, are covering both council access to cheaper Federal debt funding and "start up" or project gap funding. If this line of thinking were to progress, it would represent an historic juncture in federal/local financial relations.

State Government



An extraordinary and tumultuous changing of the guard at the state level has meant a chaotic working environment for local governments since the last Annual Conference. The spectrum ranged from the last desperate acts of vengeance

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on local government and the LGAQ by the outgoing Bligh government to the whirlwind reformist zeal of the first Newman LNP Government. It is fair to say there was no rhythm or established pattern to governing over the past year, just seemingly unconnected events.

Over the life of the Bligh government, relations with local government continued to deteriorate, with the one exception being an unprecedented level of co-operation from former premier Anna Bligh during the 2010, 2011 and 2012 disaster seasons. During those long and very difficult weeks and months the LGAQ and the Bligh government acted as one, without the slightest hint of acrimony. That aside, so many of that government's decisions with respect to councils were venal and spiteful, driven by the malice towards the former lord mayor of Brisbane, Campbell Newman, and the LNP majority Brisbane City Council administration. Many of the former premier's most senior political advisers had worked in political roles at City Hall during the Newman years.

These decisions included applying a CPI freeze on South East Queensland water rates without reigning in their own skyrocketing bulk water prices, imposing requirements to broadcast all council meetings, artificially reducing the infrastructure charges for two bedroom residences well below the true costs of providing the infrastructure, exempting private schools and hospitals from councils' planning provisions and the doozy of them all, shifting councils' election date from 24 March to 28 April. That last act, based on polling that showed the March date was more favourable for the Bligh government to go to the polls, underlined the lack of regard and at times outright enmity toward councils. That said, the LGAQ's good working relationship with then local government and planning minister Paul Lucas over the last six months of the Bligh government delivered some sensible legislative change.

The Newman LNP State Government is unlike any other government Queensland has seen with the possible exception of the reformist ALP governments of the 1930's. Make no mistake this is a Government that supports free market policy. As such it is significantly different from previous ALP and National Party administrations which were, at their core, protectionist. The new State Government also unashamedly practices the representative, as opposed to the participatory democratic model. That is, they have a massive mandate, are not process bound and do not feel obliged to consult given their very recent majority. This represents a challenge to councils and the LGAQ. We should not wait to be asked for our views and need to anticipate what might be around the corner in policy terms. To that end, we will continue to remind the Government that it is a co-signatory to the Partners in Government agreement unveiled at this year's Civic Leaders Summit. That agreement places obligations on the Government and its agencies to not only talk the talk when it comes to proper consultation and partnership with local government, but to ensure it walks the walk as well. The LGAQ is determined to ensure that the Newman

Government's rhetoric, about empowering local government, before the election is backed up by proper resourcing and capacity building now that the LNP occupies the Treasury benches. We won't be played for mugs.

To date, the Newman Government has been a pro local government administration. No wonder given the Premier, Deputy Premier, Treasurer, Minister for Local Government and two other cabinet colleagues have local government roots. The signing of the Partners in Government agreement at this year's Civic Leaders Summit, very favourable amendments to the Local Government Act and the reversing of many of the former government's more obnoxious anti-council initiatives are testament to that relationship.

The new Minister for Local Government, the Hon David Crisafulli MP - himself a former deputy mayor of Townsville - has distinguished himself with his empathy, enthusiasm and commitment to visiting all councils and discussing matters with the LGAQ - a most encouraging start.

The stellar achievement for councils to date under the new administration has been the advent of \$475 million Resources for the Regions program which the LGAQ, along with the Queensland Resources Council, can take great credit.

Of course, it has not all been plain sailing. The cutting of the Skilling Queenslanders for Work training scheme was a blow to councils. And a number of council funding programs such as the vital Transport Infrastructure Development Scheme (TIDS) were cut in the September 11 State Budget. However, local government was not singled out for unfair treatment, nor were the cuts disproportionate. Moreover, many small but important council programs such as LAMP and RADF were renewed giving councils certainty around funding, though the LGAQ itself was not as fortunate - losing the funding that supported the appointment of a coordinating officer for the LAMP network. As a footnote, it is likely to be at least two years before any new State Government funding programs can be initiated given their budget woes.

Clearly the largest single issue the LGAQ dealt with the two state governments over during the past year was the QFCI. The LGAQ did marvellous work in representing councils during proceedings of the inquiry and special commendation goes to the LGAQ's Greg Hoffman PSM and King & Company solicitors. The fact that there were no adverse findings against any council or individual was testament to their good work. Importantly, \$750,000 of the \$1 million cost of our legal and specialist representation was paid for by LGAQ subsidiary LGM, greatly assisting our members.

The LGAQ also spent hundreds of thousands of dollars of its own resources from August to November 2011 ensuring that all of the recommendations of the QFCI Interim Report were met. Those invaluable and timely initiatives included a comprehensive

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online Disaster Management Kit for elected and appointed council officials, an online Communications Guideline, the Disaster Hub and Redundant Systems for Disaster Scenarios (RSDS). Beyond that, LGAQ is currently represented on four of the five Newman Government's QFCI Implementation Groups.

On a positive note, eight members of LGAQ staff including one from the Member Services Centre:

Lindsay Ruggieri
Michael Dickinson
Scott Leonard
Nancy Nystrom
Bron Browning
Greg Hoffman
Brent Reeman
Greg Hallam

were awarded the National Emergency Management Medal for their outstanding and conspicuous efforts during the January-February 2011 Natural Disasters. The team worked exceptionally long shifts to support councils, participate in the State Disaster Management Group; and ensure the ongoing running of the LGAQ at a time when our own premises was flooded.

Input into the development of an amended Local Government Act took up much of the Association's time over the past five months. Fortunately, and with due credit to our new Local Government Minister and LGAQ's excellent advocacy skills, the 2012 Amendment Act is a great improvement on its predecessor and faithful to the expressed desires of LGAQ and councils.

The State Government has received 19 submissions proposing de-amalgamations. Five have been referred by Local Government Minister David Crisafulli to the Boundaries Commissioner Mr Col Meng for investigation and report to the Minister by 28 November 2012. The areas to be investigated are the former councils of Douglas, Isis, Livingstone, Mareeba and Noosa. The LGAQ Policy Executive supports the Newman Government's approach to the possible de-amalgamation of councils.

The Policy Executive and Board

It was an epoch changing year for the LGAQ Policy Executive, with two thirds of the 2008-2012 executive having retired or suffering defeat at the 28 April poll. The class of 2012 includes four female and three Indigenous representatives, a first for both LGAQ and, for that matter, any state local government association in Australia. The new Policy Executive formally took office on 18 July and a new LGAQ Ltd Board was appointed with Crs Allan Sutherland and Ray Brown joining Crs Paul Bell and Margaret de Wit on that important Association governance body. Significantly, the past twelve months represented the last year of our president Cr Paul Bell's eight year term as President and 12 years as a Policy Executive member. Cr Bell will go down

in local government history as the hardest working president of the Association in its 116 year history as well as one of its most universally liked and respected leaders. He kept Queensland local government united during its most turbulent period since World War II and oversaw the implementation of a complete remake of the LGAQ's strategy, structure and operating model.



The outgoing policy executive had as its parting legacy an absolute commitment to ensure the Association was prepared for a change of state government and a large turn over of local government elected members at the 2012 poll. Many hundreds of hours of policy engagement work happened with the Leader of the Opposition, shadow ministers and LNP party officials over the past year. The LGAQ's 10 Point State Election Policy Plan was the cornerstone for all such discussions. Significantly, to date, much of the plan has come to fruition.

Immediately after the state election four LGAQ internal working groups were established to contribute to the development of the Newman Government's Machinery of Government (MOG), 100 day plan, legislative agenda and Regulation Reduction initiatives. The LGAQ gave all new ministers and their directors-general extensive written and verbal briefings upon them taking office.

Both the new and outgoing policy executive have placed increased focus and attention on improving local government's state wide productivity in light of state and federal efficiency drives, difficult economic circumstances and community expectations. The Finance Summit which adjoined the Civic Leaders Summit saw the launch of the LGAQ's increased efforts in this regard. This has been followed up by many articles and a major focus on this subject at this year's Annual Conference.

We have made an extraordinary effort to provide the best imaginable support for incoming mayors and councillors. The Mayoral and Councillor handbooks were completely rewritten and reformatted and made accessible via the web as well as through a specific smart phone app. We dispatched induction and welcome kits to every mayor and councillor. LGAQ officers personally rang all new mayors within days of them taking office and every new elected member was contacted personally by the Member Service Centre.

In all, LGAQ conducted 45 elected member induction workshops

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across the State, reaching 70 of Queensland's 73 councils and involving 250,000 km of travel by Association staff. We also conducted an outstanding Civic Leaders program in July of this year which again was extremely well attended.

Beyond all of that, the last elements of the LGAQ's additional independent support for mayors, councillors and CEOs were rolled out with Hayden Wright (elected member advisor) and Bob Abbot (mayoral advisor) joining Joan Sheldon AM (ethics advisor) as the LGAQ's "three amigos". There is no other parallel in Australia to this independent, confidential and free of charge service. The LGAQ stands alone in that regard.

Another milestone was the appointment of Heather Foord as the LGAQ's second ambassador. Heather made her first appearance at last year's Annual Conference and has spent the last year working alongside our first ambassador, Shane Webcke, taking the LGAQ and council message to all parts of the State. This initiative has been extremely well received by members.

The Association's fully or partially owned subsidiaries continue to service councils efficiently and effectively and in 2011-2012 made their largest ever financial contribution to the Association's revenues, enabling the Policy Executive to improve services while keeping increases in subscriptions to the CPI.

Importantly, all the final elements, (most significantly the Policy Representation and Engagement Process (PREP)) of the remake of the Association were completed over the past 12 months. Most pleasing to the Policy Executive was the work of both the Member Services Centre which has greatly improved customer satisfaction and of the Total Solutions Group's partnering with many councils to improve productivity and service standards.

The journey the outgoing policy executive embarked upon in 2009 in remaking the LGAQ into a truly customer-centric organisation has been realised. Whilst more can and will always need to be done to ensure the LGAQ remains faithful to the basic elements of its new operating model, the strategy-driven cultural and behavioural changes, systems structure and service realignments are now there for all to see and evident in the transactional analysis and thorough statistics generated through our Member Loyalty Programs.

As a final note, both the new Policy Executive and the Board adopted updated governance charters. Policy Executive members also committed to an upgraded personal level of involvement in the meetings of representative council groups in their executive electoral districts, supported by a range of LGAQ staff. Finally, a brand new meeting agenda and the use of the iPads were initiated at the first meeting of the new Policy Executive.

Directorate

The twin challenges of engaging a new State Government and an unparalleled turnover in elected member ranks have been an enormous challenge to the directorate over the past year, stretching our resources and sustainability to levels previously not tested. On each and every account Association staff met the challenge. Most importantly the directorate adhered to the new LGAQ business strategy and operating model no matter how challenging the circumstances. Members always came first.

As mentioned in the policy executive section, the "new order" is fully implemented and fully functional. To achieve that outcome a great deal of group, one-on-one and specialist training took place over the last year to ensure the culture and behaviours we aspire to came to fruition. Again, member feedback, formal and anecdotal has supported and buttressed those changes. The production of "The Way We Do Business" Code of Conduct and Service Standard early in 2012 was a seminal point in that journey.

The personal and individualised attention we offer all our customers, the commitment to understanding needs through in depth discussion, and subsequent validation prior to implementation of your ideas are all proof of the emergence of the new LGAQ. Everything is different, our conferences, seminars, one day events, training, the use of iPads, weekly Council Courier e-news – the list goes on!

One subtle yet very important change in the way the directorate operates has been the intensive use of data mining, most particularly through our Highrise CRM system and through our Faces and Places co-ordinator. All of this material is collected and analysed by our corporate planner and fed to the Policy Executive and senior management teams through two reporting tools known as "Score Board" - our external performance ranking - and "Dash Board" - our internal performance monitor. The whole process is linked to council segment group plans, individual council customer plans and ultimately to individual staff member performance appraisals.

After two years of intensive market research a contract was finally let for the construction of a new 2200sqm building immediately adjacent to the existing Local Government House. We will also undertake a \$2 million refurbishment of our existing premises. LGAQ subsidiary companies will occupy the new premises while LGAQ staff will remain in their current location. Both projects which are largely self funded are due to be completed in mid 2013.

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As in previous years the Association's outputs have been extraordinary:

- ✓ 280 Circulars
- ✓ 72 News Releases
- ✓ 17 Legal Opinions
- ✓ 78 Industrial Relations Commission Hearings
- ✓ 67 submissions to state and federal governments
- ✓ 2,850 attendees at LGAQ training courses/programs
- ✓ 13 accredited courses
- ✓ 35 short courses/programs
- ✓ 12,656 letters sent
- ✓ 1,400 letters received
- ✓ 42,452 inbound emails from councils
- ✓ 102,120 outbound emails to councils

All of this on top of the over 44,982 telephone calls and requests from members for support, assistance and advice.

Advocate Stream

Overview

The change to a Queensland LNP Government and the significant turnover of mayors and councillors at the 28 April local government election were the major influences on the Advocate stream's agenda over the year.

Advocacy Action Plan

The stream produced the 2011/2012 Advocacy Action Plan, a document that sets out the policy goals that LGAQ is pursuing on behalf of its members, and how we are going about achieving them. Since the first version of the action plan was produced prior to the March 24 state election, we have commenced reviewing and updating the document to reflect the post-election environment. The revised Advocacy Action Plan will detail the priorities of Queensland local government in response to the LNP Government's policy agenda as expressed in announced policy measures, new programs and the commitments contained in the 2012 State Budget.

Our advocacy activities prior to the state election centred on two goals: ensuring the LNP understood the priorities of local government in the formulation of its policy stances and securing parties contesting the election of the measures proposed in LGAQ's 10 point Election Policy Plan.

The former was given a boost when the LNP leader asked LGAQ to write a submission on how local government could be empowered to make key decisions that would influence the political, economic and social future of their communities. The result was the LNP's policy on Empowering Local Communities, the strongest policy statement ever in Queensland on the value of local government.

Election 10 Point Policy Plan

The LNP also endorsed eight points in the LGAQ's 10 Point Election Policy Plan. Most of these, including the Royalties for the Regions funding program and the commitment to support the Indigenous Leaders Forum, are already Newman Government policy.

Partners in Government Agreement

Following the election, LGAQ pursued an advocacy strategy with the new Government centred on the need for a new Partners in Government agreement with which to set the ground rules for how each sphere of government would work together to secure the state's future prosperity. The new agreement, signed by Premier Campbell Newman and Local Government Minister David Crisafulli in July, committed the Government and LGAQ to establishing and maintaining a process of negotiation and engagement based on:

- a set of principles, including mutual respect and cooperation, which underpins the relationship between State government and local governments;
- open and timely communication and consultation;
- an understanding of each others roles and responsibilities in situations where they may overlap.

Ministerial Briefing Papers

In addition to negotiations over the Partners in Government Agreement, LGAQ's advocacy focus included promoting policy changes through a series of 29 ministerial briefing papers for the incoming Government. The points contained in these papers, ranging from the importance of ongoing funding for regional arts programs to broader questions of the methods by which local government could achieve greater financial sustainability, contributed to the agendas of a series of meetings between ministers, directors-general and senior LGAQ managers in the weeks following the election.

Local Government Act

The LGAQ's Advocacy team also helped advise the Government in ensuring that reforms to the Local Government Act and the City of Brisbane Act gave effect to its policy of Empowering Local Communities. This included weekly meetings between LGAQ managers, the Director-General of the Local Government Department and senior department officials. The new Acts will come into force in late 2012.

Policy Representation and Engagement Process

Internally, the Advocate stream was able to introduce and bed down the operational reforms driven by its Policy Representation and Engagement Process, particularly in relation to how LGAQ's Policy Executive will engage with member councils and regional organisations of councils. This will see a revamped relationship

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between Policy Executive members and their District councils and increased support from LGAQ officers for Policy Executive members.

Intergovernmental Relations Strategy

Advocate managers also created LGAQ's first ever Intergovernmental Relations Strategy, which is aimed at reinvigorating the association's policy relations with both the Queensland and Australian Governments.

Infrastructure, Economics and Regional Development

Australian and State Government Infrastructure Funding

National Overview

The Regional Development Australia Fund (RDAF) supports infrastructure projects that enhance economic and community development in Australia's regions. RDAF Round One funding committed \$20.5M to seven projects throughout Queensland. After some delay, successful applications under RDAF Round Two were announced in June 2012. Seven Queensland local government projects, with a total value of \$129M, were selected to share \$30M of RDAF Round Two funding:

- \$7.8M towards Moreton Bay's \$45M 'The Corso' at the Lakes Construction;
- \$5M towards Torres Strait Island's \$24M Torres Strait Coastal Protection Works;
- \$5M towards Ipswich City's \$15M Robelle Domain Parkland Development;
- \$4.9M towards Central Highland's \$10M Emerald Airport Extension;
- \$4.9M towards Mackay's \$29M Mackay Regional Events Centre;
- \$2M towards Toowoomba's \$5.5M Toowoomba Regional Arts & Community Centre; and
- \$0.5M towards Somerset's \$1M Kilcoy Showground Facility Development.

Regional Development Australia has promised clearer guidance to round three applicants on how to best formulate and present their proposals to RDA committees. However at the time of writing, details on the proposed RDAF Round Three had not been announced.

The 2012/13 Federal budget committed funding to a number of established local government infrastructure programs, including:

- Roads to Recovery – which will be extended to 2018/19, with funding of \$350M per year, including \$71.2M to Queensland in 2012/13;
- Black Spots – which will deliver \$300M over five years, with \$59.5M in 2012/13, including \$12.1M to Queensland; and
- Identified Local Road Grants – which will deliver \$360M in 2012/13, including \$64.4M to Queensland.

2012/13 funding of \$15M will also go towards establishing a Brisbane-based Heavy Vehicle Regulator, which is discussed in more detail later.

Specific Federal budgeted transport projects in Queensland include:

- \$1.8 billion towards widening the Ipswich Motorway from Dinmore to Goodna;
- \$742M towards construction of the Moreton Bay Rail Link; and
- \$150M towards construction of a new interchange of the Bruce and Dawson highways.

A prospective development for local government in the area of alternative financing for new infrastructure came with the release of the Department of Regional Australia, Local Government, Arts and Sport discussion paper, Strong foundations for sustainable local infrastructure (Ernst & Young June 2012), which encourages Local (and State) Governments to look at innovative ways to finance projects in the future.

However, the options presented in this paper will require substantial development before they could be fully considered by councils as offering real alternative financing arrangements. This includes clearly quantifying the 'under-investment' situation across local government infrastructure and the need to establish sustainable service levels. LGAQ has commenced discussions with the Queensland Treasury Corporation (QTC) and the Department of Regional Australia, Local Government, Arts and Sport to progress this work and to identify any real opportunities for councils.

State Overview

At the State level there have been considerable changes to funding levels flowing from the State's 2012/13 budget announcements on 11 September. \$23.3M (37%) was cut from the Transport Infrastructure Development Scheme (TIDS) budget in 2012/13. The cuts also include the Regional Airport Development Scheme (\$2.9M), which has been abolished.

TIDS funding, which delivers local government road projects through the Roads Alliance, is budgeted at \$40M for 2012/13, down from \$63.3M in 2011/12. At the time of writing, reductions to specific TIDS categories had not been confirmed.

The separate Regional Safety and Development Program (RSDP), launched in 2010 and budgeted at \$143M in 2010/11,

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will now be restricted only to projects that are in delivery. At the time of writing, there had been no confirmation on which RSDP projects would be affected.

Similarly, the Flood Resilience and Safety Fund (\$2M), launched in 2010, has now been restricted only to projects in delivery.

Also announced were cuts of \$59.6M, over four years, from the Local Government Grants and Subsidies Program, acknowledging funding will continue over the next two years for restoration works on disaster damaged infrastructure.

On a positive note, in September, the Roads to Resources program was opened for applications from eligible local governments in resource regions, with up to \$40M available in 2012/13. The Association and members have long lobbied for a return of royalties to resources industry impacted local governments. Roads to Resources funding is expected to increase in future budget years. A number of currently excluded councils have written to the Minister to seek inclusion in the Roads to Resources program.

Economics and Finance

Financial Sustainability Research Project

As reported in 2011, LGAQ's Member Connect process identified financial sustainability as a significant issue affecting many councils. AEC Group and Orion Consulting Network were engaged by the Association in February 2012 to undertake a study into Local Government Financial Sustainability.

Preliminary research and an overview of this study were presented to councils at the LGAQ Finance Summit on 4 July 2012. Councils were also invited in August to complete an online survey and the survey results, together with data provided by the Department of Local Government and QTC, are being analysed by the consultants for preparation of preliminary findings to be presented at Annual Conference.

The final report will propose broad and segment focused strategies for improving Queensland councils' financial sustainability, and is due to be presented to the Policy Executive's December 2012 meeting.

Financial Assistance Grants

The Advocacy team has participated in discussion forums, working closely with the Australian Local Government Association (ALGA), to provide advice to the Australian Department of Regional Australia, Local Government, Arts and Sport on the planned review of Financial Assistance Grants to Local Government. It is understood that the Commonwealth

Grants Commission (CGC) review is expected to report in December 2013.

Financial Assistance Grants are provided under the Local Government (Financial Assistance) Act 1995 (the Act). The quantum of the grants pool changes annually in line with changes in population and the Consumer Price Index, so as to maintain its real per capita value. Financial Assistance Grants to local government across Australia between 1974/75 to 2011/12 inclusive have totalled over \$37 billion. 2011/12 grants for Queensland local government total \$426.78 million.

The CGC will undertake the review in two stages: (1) improving the impact of the Financial Assistance Grants on local government financial sustainability; and (2) identify options for improving the administration efficiency of the current process for determining the annual allocation.

LGAQ invited councils to provide comments and identify issues as input to the framing of the Terms of Reference and for a future submission to the review itself. The following issues were among those provided by members:

- Support use of an appropriate population factor;
- Include in the formula normalisation of the grant payments in recognition of natural disaster and other unusual events;
- The need for adequate indexation of the quantum of funding;
- Include consideration of timing of announcements and payments to make it easier for councils to budget, which would include State announcements;
- Any reductions in payments made to councils should be phased to allow councils to better manage the consequences and to alleviate the impact on the local community; and
- The issue of the respective merits of tied versus untied funding.

LGAQ will continue to advocate on behalf of members regarding this crucial program.

Queensland Commission of Audit

The Advocacy team undertook a detailed review of principles, policies and programs affecting councils to prepare an 88 page submission to the Queensland Commission of Audit in August 2012. The submission included the report by LGAQ's Red Tape Reduction Taskforce.

LGAQ's submission included the following recommendations to the Commission:

- Recognition and support for local government as a key contributor and partner in achieving the State's Four Pillar economic strategy;
- Continued State Government support for the local government empowerment agenda, including

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- delegation of powers with funding and/or provision for cost recovery to prevent cost-shifting;
- Protection of all current grant and subsidy programs and other funding to local government, and the quantum of funding from these revenue sources must at least be maintained in real terms, and where justified include a growth factor;
 - Special consideration of cases for funding essential community and strategic infrastructure to support minimum standards of public health, amenity and safety, and provide for economic growth;
 - Infrastructure funding to be determined on a whole-of-life basis, allowing for the proper construction, maintenance and on-going management of public assets;
 - Support to remove restrictions on local government own-source revenues and support in opening opportunities to increase own-source revenue, including user charging;
 - Continued State Government action on legislative reform, with an assessment of the role of local government to prevent cost-shifting and reducing the regulatory, compliance and reporting burden on councils;
 - Working with local government to find ways to restore the State's credit rating, including supporting local government in investigating alternative infrastructure funding / financing options;
 - Continued State Government support for local government in achieving efficiencies to provide better value for money, including through partnerships and innovations; and
 - Adoption by the State and local governments of agreed, appropriate performance metrics and options for efficient management and reporting (including open information sharing), while reducing the cost of the reporting task.

Office of Best Practice Regulator

The Advocacy team responded to a very short timeline to review a discussion paper and prepare a 76 page submission to the Office of Best Practice Regulator (OBPR) – Queensland Competition Authority review into reducing the burden of regulation. The submission included the report completed by LGAQ by its Red Tape Reduction Taskforce on this subject.

LGAQ also alerted the Department of Local Government to some of the potential impacts on local government, and potential conflicts with the Local Government Act, of matters raised in the OBPR discussion paper.

Greg Hoffman, General Manager Advocacy was nominated as LGAQ's official contact for further consultation with OBPR and LGAQ will continue to participate in the review. The OBPR report is due to be released as an interim report on 1 November

2012 and as a final report 31 January 2013.

Council Cost Index

LGAQ produces for its members an annual Council Cost Index (CCI). This is published as an LGAQ Circular and is used by councils in budget, procurement and other financial management applications. The index also provides a broad indicator of the average rate increase across the state, necessary to maintain current levels of service. The level of required increase assumes other revenue sources (including grants) increase in line with costs.

The CCI is a composite index calculated from a 50% weighted, 5 year moving average of changes in the CPI for Brisbane and the Road and Bridge Construction Cost Index for Queensland (ABS). This provides councils with a cost index that is suited to the typical council expenditure pattern (compared with the CPI alone, which is used in this formula due to its application in wage indexation).

More complex, multiple component indexes have also been calculated as part of LGAQ's work on the CCI and may be introduced in the future, but calculations have not produced cost index movements markedly different from those provided by the current two-component formula.

Water Policy and Reform

Queensland Water Regional Alliance Program

In late 2011, LGAQ secured State Government funding to undertake a local government and water industry led initiative to investigate a range of matters, including possible alternative institutional models for urban water service provision outside of South East Queensland.

The resulting project, the Queensland Water Regional Alliance Program (QWRAP), invited expressions of interest from three regional groupings of councils to participate in the program, which has the following objectives:

- To position Queensland as a lead agent in responding to the significant social, environmental and economic policy drivers impacting urban water provision in remote and regional communities; and
- To identify what institutional arrangements, taking into account the diversity of Queensland communities, will best secure urban water services to ensure among other things:
 - Political accountability;
 - Safety and reliability of supply;
- Management and technical capacity to appropriately respond to changing economic and technical regulatory

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- frameworks (including reporting obligations); and
- Capacity to provide for ongoing training, skills enhancement and development needs of staff.

These three regions (based around Longreach, Cairns and Bundaberg) have established technical and elected member working groups with 12 different councils participating in the program overall. Each of the pilot groups has taken a different approach toward the review process, with each group due to report back to their respective councils by mid 2013.

Legislative Framework and Reporting

In the lead up to the State election, LGAQ along with our industry partner qldwater continued to strongly advocate for an improved regulatory regime for the urban water service industry, based on the fact that existing regulatory requirements are complex, burdensome and in some cases either duplicate or contradict one another. The Department of Energy and Water Supply (DEWS) has indicated their willingness to pursue mechanisms to reduce red tape and the regulatory burden for service providers as well as explore and implement options to move the emphasis of the service provider regulatory framework from the approval of fixed inputs (mandatory management plans) to an outcomes focused approach. This may include an emphasis on performance monitoring and public reporting to achieve improvement in service standards.

30 Year Strategic Plan for Water

As part of the LNP Government's 100 Day Plan, in late August, the Minister for Energy and Water Supply, the Hon Mark McArdle, MP, announced that a 30 year "Strategic Plan" would be developed for the water industry in Queensland. The plan will focus on a vision for affordable, secure, sustainable and high quality water and sewerage services throughout the state. To commence the development of the plan, a discussion paper will be released in December 2012 seeking the views of local government, industry and the community. LGAQ will of course respond to the discussion paper and continue to be front and centre in ensuring that the needs of the local government water industry are heard by the State during the development of the plan.

Water Partnership Agreement

Following the State election, LGAQ, qldwater and DEWS have recognised the need to renew (and update) the Urban Water Services Project Memorandum of Agreement that was signed in June 2010. The Urban Water Services MOA promotes a partnership approach between government and industry to tackle common challenges including a focus on:

- Transparent and streamlined regulation and reporting regime resulting in elected member buy-in and better decision making at a local, regional and state level;
- Improved transparency of pricing structures, adequate investment in infrastructure and sustainable institutional

arrangements for service providers that support the long term sustainability of their water assets / infrastructure;

- Promotion of skills development and careers pathways resulting in improved attraction and retention of skills within the water industry; and
- Opportunities for the local government water sector to consider innovative service delivery models while continuing to own and manage these assets and provide acceptable levels of service to all local communities.

The renewal of the MOA is timely, given the Newman Government's goal of red tape reduction and local government empowerment. It is intended that the new version (with a new set of priorities for the urban water services industry) will be signed in the later part of 2012.

Fluoridation Program

The State Government announced in the September Budget that it intends to achieve savings of \$14 million in 2012-13 from a decision to make voluntary the participation of councils in the Queensland Water Fluoridation Program, which, in 2007, mandated the fluoridation of public water supplies where the supply serviced populations of 1000 or more persons.

At the time of writing LGAQ was still awaiting information from the State Government about how the program would be implemented.

Road Reform, Heavy Vehicle Management and Freight

National Heavy Vehicle Regulator (NHVR)

The National Heavy Vehicle Law was passed by Queensland Parliament on 23 August 2012 to establish the office of the National Heavy Vehicle Regulator (located in Brisbane) as the single national regulator. The Law also sets out the scope, principles and national standard laws to apply across all jurisdictions for the operation and regulation of heavy vehicles.

More detailed laws and regulations are to be set out in a further Bill (currently being drafted) and in Ministerial Guidelines (to be drafted and approved by the Standing Council on Transport and Infrastructure (SCOTI) in the first half of calendar 2013). This second Bill is expected to also go to Queensland Parliament in later 2012.

The 1 January 2013 NHVR implementation date will see the NHVR regulator's board and administrative office functions established. The actual regulatory operational framework

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including all guidelines and tools is expected to be in place by 1 July 2013.

Councils both as managers of roads and in some cases as operators of heavy vehicles, including in relation to fatigue management matters, will be impacted by the new laws.

LGAQ has been active in participating in ALGA's Roads and Transport Advisory Committee and in discussions with the NHVR Project Office, Department of Transport and Main Roads and its Road Freight Industry Council, Council of Australian Governments (COAG) Heavy Vehicle Charging and Investment Office and its Transport Consultative Forum, as well as the Queensland Transport and Logistics Council. LGAQ was invited to be a member of the COAG Transport Consultative Forum and is represented by the General Manager – Advocacy.

These discussions continue and include developing suitable implementation guidelines and tools to assist councils to comply with the new requirements.

Level Crossing Interface Agreements

LGAQ engaged with rail infrastructure authorities (Queensland Rail and QR National) to facilitate, on behalf of member councils, the establishment of Interface Agreements.

An Interface Agreement for level crossings is a requirement under the Transport (Rail Safety) Act 2010. Council, as the responsible road manager for locally controlled roads, is required to enter into an Interface Agreement with the rail infrastructure manager to manage the safety risks at level crossings. The legislative requirement is effective as of 1 September 2012 and applies to 46 councils.

To assist this process, LGAQ worked with the Department of Transport and Main Roads and Queensland Rail to develop guidance material and an Interface Agreement template. At the time of writing, the majority of councils (54%) had executed Interface Agreements with Queensland Rail and the remaining councils were in the final stages of negotiation.

LGAQ also provided feedback on QR National's Interface Agreement, which applies to seven councils. Wherever practical, consistency with the Queensland Rail Interface Agreement was sought to minimise the administrative burden on these seven councils.

The Advocacy team will continue to work with the relevant rail infrastructure authorities to support the negotiations with councils.

The Roads Alliance

This year the Roads Alliance celebrates its 10th anniversary. Since 2002 the Roads Alliance has become a valued partnership between State and local governments through

continued political investment and support from the Department of Transport and Main Roads (TMR), the Association and individual local governments. The importance of the Alliance partnership being illustrated by the Director-General of TMR – Mr. Michael Caltabiano – stepping into the role of Chair of the Roads Alliance Board for 2012.

Following the turmoil created by natural disasters during 2011, this year's Roads Alliance activities have focused on consolidating gains in program delivery, asset management and road safety. 2012 also saw the LGAQ make representations to the incoming LNP Government about the need to continue the Roads Alliance arrangement and protect TIDS funding as a critical funding stream to councils into the future.

As stated above, 2012 marks the 10 year anniversary of the Roads Alliance and as a consequence of this milestone, the Roads Alliance Board commissioned a formal review of the Roads Alliance, focusing on its operational framework, strengths, weaknesses and opportunities for the future. The review exercise has recently been completed by the project consultants, de Chastel & Associates, with the findings to be presented at the Regional Roads Group Assembly as part of LGAQ's 2012 Annual Conference. The Final Review Report will be circulated to all Regional Road Groups (RRGs) by the end of October 2012.

Other key highlights of the Roads Alliance include:

- Over half a million dollars of state-wide Capability Development Funding being quarantined specifically for bridge asset management initiatives. Thirteen RRGs accessed this funding for various activities including expert bridge inspections, bridge inspection training and asset management software;
- The establishment of the Cape York Regional Transport Group incorporating many of the Indigenous local governments on the Cape, replacing the informal Regional Organisation of Councils of the Cape York (ROCCY) RRG;
- Several dedicated workshops convened by the Australian Road Research Board (ARRB) to assist RRGs operationalise their NetRisk road safety data into broader roads and transport planning processes;
- Formal agreement by the Roads Alliance Board to consolidate TIDS funding categories into "one bucket" whereby RRGs will be given greater autonomy to direct investment towards regional transport infrastructure priorities; and
- The establishment of the Roads Alliance Road Asset Valuation Project, which will leverage and duplicate the Department of Transport and Main Roads road asset valuation methodology to the benefit of councils. More specifically, local governments will be able to access a quality and proven valuation process which has the confidence of the Queensland Audit Office. This will provide councils with a consistent methodology to satisfy reporting requirements.

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In addition to the above, the Roads Alliance Board also approved a number of RRG initiated capability development proposals with funding from the Roads Alliance state-wide Capability Development Fund, including:

- Rockhampton RRG and Wide Bay/Burnett RRG receiving \$40,000 and \$48,125 respectively, to develop a Road Safety Strategic Plan & Action Plan;
- South West Queensland RRG receiving \$35,000 to undertake a RRG Performance Review;
- Eastern Downs RRG receiving \$75,000 to complete the RRG's Road Safety Partnership project and to undertake Road Safety Officer Training;
- Outback RRG receiving an annual total of \$174,873 for three different training and design workshops, asset management applications and the development of the Central West Queensland Regional Transport Plan;
- Southern RRG receiving \$222,134 to undertake the third stage of their Pavement Deterioration Study; and
- Far North Queensland RRG receiving \$138,823 (over two years) to extend their Regional Procurement Coordinator Program.

The next 12 months will be challenging for the Roads Alliance given the overall reduction in 2012/13 TIDS funding. The Association is pressing the State Government for the restoration of TIDS funding in future budget years. The Association will also be looking very closely at the recommendations of the 10 Year Review Report for ways to enhance the unique benefits the Roads Alliance partnership offers.

Resource Regions Initiatives

Royalties for the Regions Program and Environmental Impact Statement Trigger Guidelines

Pre the State election and as part of the LGAQ's 10 Point State Election Local Government Policy Plan, the Association lobbied strongly for a commitment to a five year, \$150 million per annum program aimed at supporting critical infrastructure and stronger communities in resource regions. These efforts were successful with the announcement of the comprehensive Royalties for the Regions program as follows:

- Resource Community Building Fund – to deliver improved community infrastructure (\$170 million over four years, then \$100 million annually).
- Roads to Resources – to enhance safety, connectivity and capacity of roads servicing resource communities (\$285 million over four years, then \$100 million annually).
- Floodplain Security Scheme - for flood mitigation such

as building levees, flood bypasses, flood mitigation dams, flood retention basins and other key projects to protect Queensland communities from flooding (\$40 million over four years, with \$40 million being sought from the Federal and \$20 million from local governments).

Following the announcement of the program, LGAQ's advocacy efforts turned to informing the State Government's implementation framework for the initiative. This included commentary on draft guidelines for the three programs. The State Government gave favourable consideration to the Association's views for eligible funding to cover all community infrastructure, including water and sewerage, and for delivering road infrastructure through the Roads Alliance. This is reflected in the final program guidelines.

The State Government proposes to review all Royalties for the Regions guidelines after the 2012-13 pilot round. As part of this review, LGAQ will continue to advocate for streamlined application processes that entrust more funding authority to councils.

Importantly, LGAQ hopes the review will give further consideration to using a proportion of Royalties for the Regions funding to support councils in case managing Environmental Impact Statement (EIS) processes. Given the increase in significant projects requiring EIS processes in resource regions, LGAQ considers this a practical solution that avoids additional costs for government or industry.

The Association canvassed this idea in correspondence to the Honourable Jeff Seeney MP, Deputy Premier and Minister for State Development, Infrastructure and Planning. While acknowledging the merits of this proposal, the Deputy Premier confirmed the LNP's position of using the funds only for infrastructure. Despite the initial setback, LGAQ will develop this idea in anticipation of the review.

On a related matter, the Coordinator-General's office has recommended fast-tracking EIS processes in line with the State Government's commitment to cut red tape. In responding to the draft recommendations, LGAQ reiterated the need for assistance to councils in supporting delivery of any fast-tracking initiatives. The Association also highlighted that streamlining should not compromise project conditioning for local impacts and that improved council engagement remained critical for quality outcomes. LGAQ will continue to lobby the Coordinator-General's office to ensure this is achieved.

The Association provided feedback to the Department of Environment and Heritage Protection on amendments to its guideline on EIS triggers for resource activities. LGAQ noted the positive steps towards capturing staged expansion of resource projects in the EIS triggers. More work is needed on integrating

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cumulative impact assessments in the decision criteria. LGAQ intends to engage with the State Government to influence better coordination of cumulative impact assessments across agencies.

Growing Queensland's Resource Communities Forum

As part of the Association's industry collaboration efforts, LGAQ joined with the Queensland Resources Council to co-host the "Growing Queensland's Resource Communities – Mayors and Industry Leaders Forum". The event attracted 230 delegates and proved successful in continuing dialogue between local, State and industry leaders on the challenges and opportunities of resource sector growth.

Delegates heard presentations and panel discussions on topics such as the role of the GasFields Commission, environmental management of resource activities, statutory regional planning approaches, future directions in exploration activity and impacts on community infrastructure and services. The forum also featured keynote addresses from the Honourable Jeff Seeney MP, Deputy Premier, and Minister for State Development, Infrastructure and Planning and the Honourable Andrew Cripps MP, Minister for Natural Resources and Mines.

The Association will continue to leverage the collaboration with the Queensland Resources Councils to facilitate positive relations between industry and councils.



LGAQ Tour of Surat Basin

In August 2012, LGAQ's Advocate staff completed a tour of the Surat Basin. The Surat Basin region is a focal point for coal seam gas developments as well as expanding power generation and coal mining operations. Hosted by Western Downs Regional Council, the LGAQ team visited Braemar power station, Origin Energy's Talinga gas fields, the Cameby Downs mine and Kogan power station. Staff also had the opportunity to see affordable housing projects and resource workforce accommodation sites.

The meetings with representatives from both Western Downs Regional Council and Maranoa Regional Council were particularly insightful. Both councils noted the limited engagement of councils in the approvals processes for temporary work camps and the difficulty in delivering housing to reflect the demographics and life-cycle of resource operations. The pressures on local infrastructure and the capacity constraints with staff moving to higher paying jobs in the resources sector were also discussed. The trip was a valuable experience and will better inform LGAQ's advocacy efforts with government and industry on behalf of member councils.



Economic and Regional Development

Digital Readiness Survey

LGAQ partnered with the Broadband Today Alliance (BTA) in undertaking a recent digital readiness survey of local government. BTA is a Sunshine Coast Regional Council led initiative, taking in over 130 councils and 65 affiliate organisations across Australia.

The survey also serves as a useful checklist across council operations to help prepare and get the best from the digital economy.

The survey revealed a concerning lack of awareness and understanding due to a number of factors, including resources to effectively inform and engage the community.

The Association's Regional and Economic Development Survey launched in September to inform the Economic Development Strategy, has followed on from this exercise to better understand members' about their priorities and levels of investment in this area.

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A number of local government NBN planning resources have also been made available through LG Online to assist member councils.

International Economic Development Conference

The Association has provided in kind support to the development of the first Economic Development Australia/Economic Development Australia, New Zealand International Economic Development Conference & Awards held in Cairns from 17th to 20th September. The event entitled “Driving Economic Leadership in the Asian Century – How are you positioning your region?” was attended by many Queensland councils as well as LGAQ’s entity GovCloud.

Collaborative Regional Development Framework

With member councils, LGAQ has long advocated for closer engagement with the Regional Development Australia (RDA) framework since the inception of the Queensland RDA network in March 2010.

Despite representations, arrangements for RDA implementation were sealed with a bilateral agreement between the Federal and State Government only. LGAQ would like to see a tripartite agreement in the future, reflective of the arrangement achieved in South Australia.

Queensland operates under a complex array of regional organisations focused on regional development representing a substantial financial investment from councils. As there is no formal structure, unlike in other states, this investment is often not acknowledged.

The Association’s Advocacy Action Plan (produced prior to the State election) reflects upon the need for improved recognition and engagement of local government as a key partner in the RDA Committee Network by the Federal and state governments.

A survey of Queensland councils and RDAs commissioned by LGAQ reported in November 2011 that 59% of respondents thought that there was scope for the relationship between local government and RDAs to grow.

Specific roles identified included the ability to jointly identify regionally significant infrastructure and funding assistance and improved communication into the regional planning process. Opportunities to partner in investment attraction, the provision of targeted business support and business planning were further areas identified by the respondents.

The Association remains keen to enhance relationships between the three levels of government and recognition of local governments’ contribution to regional development

across the state. RDA forums hosted by both the Federal and state governments in Queensland during August heard from a number of RDA representatives agreeing that a more formal arrangement should be negotiated in order to better leverage the efforts of all three levels of government.

Meanwhile, LGAQ has stepped up its engagement with Regional Organisations of Councils (ROCs), recognised in recent changes to the Association’s Constitution, new engagement protocols, the Corporate Governance Charter for its Policy Executive and the hosting of an annual ROC Assembly. The Association has also undertaken to develop its own Regional and Economic Development Strategy and has established a State Advisory Group.

Whilst the Association has been working in this space for some time, LGAQ has long been aware of both the opportunities and potential conflicts the RDA arrangements hold for local governments. LGAQ has made various representations on behalf of members including to the RDA Fund Review.

With the upcoming Federal election it is timely for local government in Queensland to identify what it wants from a federally driven regional development framework and funding program. Member feedback indicates that the current arrangements could be significantly improved.

LGAQ Regional and Economic Development Strategy (REDS)

The Association has recently embarked upon a consultation exercise to better understand the economic and regional development priorities of members, and particularly identify key advocacy responses required from LGAQ. It is intended for this engagement exercise to intensify as LGAQ moves towards finalising its Advocacy Action Plan in the later half of 2012 and commences the development of its 2013 Australian Government Election Queensland Local Government Policy Plan.

Other elements of LGAQ’s REDS include:

- Local government Economic Development Survey - in conjunction with this, a survey of all councils was launched to gain valuable feedback as to the priorities and levels of investment by local government in economic and regional development activities. A report will be finalized by the end of September, the outcomes of which will be communicated to members and incorporated into the REDS.
- LGAQ’s Regional and Economic Development Advisory Group (REDAG) – was recently established consisting of elected members and professional officer representation from across Queensland councils as well as Economic Development Australia. As with most LGAQ Advisory Groups, the role of REDAG is to assist the Association in identifying current and future

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policy issues and advocacy priorities which LGAQ may consider pursuing on behalf of members. The Advisory Group will be convened on an 'as needs' basis, however there will be at least one physical meeting per year, with regular online, teleconference and written communication.

- Economic Development and Investment Attraction Guidelines - in response to demand from members and positive feedback on the award winning publication "Incorporating Economic Development into Local Government Planning" produced by LGAQ in 2006, the Association has engaged the AEC Group to produce a revised version of the Guidelines. This new training resource has been developed to be used online and will be incorporated into the LG Online portal for use by members. New content has been incorporated to reflect the current economic and legislative climate including targeted material for segment groups of member councils, a focus on the digital economy, sustainable resource communities and regional investment attraction.

The Guidelines contain a number of practical case studies, downloadable worksheets and a downloadable workbook. It is envisaged that a series of workshops and online training forums will later be produced to build upon these current member service offerings.



Environment, Planning and Social Policy

Response to the Queensland Floods Commission of Inquiry final report

The Queensland Floods Commission of Inquiry (QFCI) final report was released on 16 March 2012. The final report included 177 recommendations covering a range of matters including land use planning, building, mining, emergency management and dam management issues. Of the 177 recommendations, 123 relate to areas of State Government responsibility, 56 relate to local government responsibilities, 8 relate to Federal Government responsibilities and 7 relate to private entities. Many of the recommendations are directed at both State and local governments or are dependent on action by the State to establish a consistent framework for implementation at a local level. The State Government committed to implementing the Commission's recommendations.

The State Government, as part of its response to the final report, endorsed the establishment of five implementation groups to deliver the Commission's recommendations. These implementation groups are: Planning Implementation Group; Building Implementation Group; Environment and Mining Implementation Group; Emergency Management Implementation Group; and Dams Implementation Group. Each implementation group is chaired by the responsible agencies' Director-General (generally) and is responsible for reporting projects related to specific recommendations.

The LGAQ was invited to be a member of four of the five State Government Implementation Groups responsible to deliver the State Government recommendations identified in the QFCI final report. Although the LGAQ does not report directly on any recommendations in the State Government Implementation Groups, the Association is involved in relevant State led subgroups / projects responsible for implementing recommendations that will affect local governments (e.g. regulation of levees, review of SPP1/03). The LGAQ, where practicable, is engaging senior council officers to inform these subgroup processes to ensure local government interests are well represented.

The recommendations identified as being the primary responsibility of local government vary in specificity and delivery, with some identified for individual councils, others not being directive (i.e. 'should consider'), and others depending on whether the State implements the recommendation. Due to "no one size fits all" response to these recommendations, councils are currently empowered to decide what needs to be done based on risk and available resources. Subsequently, the LGAQ has not had a proactive role in the delivery of these local government recommendations.

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In regards to those recommendations in the QFCI final report identified specifically for local government implementation, the LGAQ Policy Executive resolved to maintain the position that each council is empowered to respond to each of these recommendations as necessary and as they see fit.

Conferences and Events

Smart Growth Assembly – Mayors and Property Industry Leaders Forum

On 1 June 2012, the LGAQ and the Property Council of Australia held the inaugural Smart Growth Assembly - a breakfast, forum, and lunch that brought together leaders in local government, the property industry, and the Queensland State Government.

The Assembly focused on Queensland's new political landscape and what it means for the State's development and featured several of the State's new mayors and two key Newman Government Ministers.

The Minister for Local Government, the Hon. David Crisafulli MP, and Assistant Minister for Planning Reform, Ian Walker MP, outlined their visions for how the growth of Queensland cities and regions should be managed as the State enters a new era of prosperity.

The new mayors of Sunshine Coast, Cairns, and Redland, as well as mayors from the high growth areas of Brisbane, Logan, and Gladstone, also addressed the Assembly through a moderated panel session.

The Assembly was very well attended and delegates heard from a range of speakers who outlined the opportunities to build stronger partnerships across industry and government.

Planning and Development

Planning Reform, Regional Planning, and Regulatory Simplification

In line with the State Government's priorities, including empowering local government and reducing regulatory burden, the Department of State Development, Infrastructure, and Planning has committed to a number of significant new programs and projects. This includes a fundamental shift in the approach to statutory regional planning, developing a new state interest framework and legislative reform, and providing targeted support to local governments. As part of this shift, the LGAQ has been engaged by the State Government in a wide range of policy, planning and development related forums and working groups.

In May 2012, in collaboration with the Council of Mayors (SEQ), the Association participated in a forum facilitated by Assistant Minister for Planning Reform, Ian Walker MP. The critical needs of local government in the planning framework were outlined during the forum for the State, structured on four key areas being: plan making, referrals, development assessment, and third-party appeal rights.

The Sustainable Planning and Other Legislation Amendment Bill 2012 (the Bill) was introduced in September 2012. The Bill contains many of the LGAQ and council requested reforms including improved concurrence agency arrangements, improved discretionary powers for local government deciding properly made applications, and the introduction of an alternative dispute resolution process in the Planning and Environment Court for minor disputes. Aside from the changes outlined in the Bill, it is also anticipated the LGAQ and council requested amendments to the Statutory Guideline for Making and Amending a Local Planning Instrument and the Queensland Planning Provisions will be completed imminently.

Associated with the improved concurrence agency referral arrangements outlined in the Bill, the LGAQ has had ongoing participation and representation in the working groups related to the review and justification of development assessment concurrence agency referral triggers. The Association supports and commends the work the Department of Transport and Main Roads, the Department of Environment and Heritage Protection, and the Department of Natural Resources and Mines (DNRM) have accomplished in streamlining and reducing development assessment concurrence agency referral triggers.

Queensland Coastal Plan

The incoming LNP State Government made an election commitment to revisit the Queensland Coastal Plan and work in partnership with local government and industry on a long-term vision for the planning, management and sustainable use of land located in the state's coastal areas. As such, the Minister for Environment and Heritage Protection, the Hon. Andrew Powell MP, endorsed the establishment of a working group to assist the review of the coastal plan that included membership of State Government departments, development industry peak bodies and the LGAQ.

The LGAQ also secured membership of key council local government representatives on the working group, including senior officers from Gold Coast, Sunshine Coast, Moreton Bay, Brisbane, and Townsville councils.

Although a work in progress, the third stakeholder working group meeting held in September 2012 indicated the intention to revise the Coastal Plan as recommended by the LGAQ submission, including: reducing the scope of the existing State Planning Policy; maintaining core matters for coastal protection

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and; providing greater flexibility to empower local government to make local decisions. The revision of the existing State Planning Policy will also now likely be included in the Natural Hazards component of the future “single” State Planning Policy. While awaiting the drafting of the “single” State Planning Policy, the department has also indicated interim provisions will be drafted to suspend some existing provisions which have created uncertainty to both local government and the development industry.

Development Assessment Process Reform

The Development Assessment Process Reform – Operational Works and Large Subdivisions (DAPR-OWLS) project was a \$2 million State Government funded project. Managed by the Council of Mayors (SEQ) in partnership with the LGAQ, the DAPR-OWLS project aims to reduce assessment timeframes by a minimum of 25% for large subdivision (20 lots or greater) and the majority of operational works applications.

The project team has worked closely with councils and developers to analyse current assessment timeframes, workshop potential improvements with project stakeholders and develop a streamlined assessment process for large subdivisions and associated operational works. These improvements are collectively known as the Development Partnership Process, which includes the following key stages: Pre-application Design Process; Streamlined Assessment Process; and Risk Based Operational Works. Through a more efficient use of resources and shorter assessment timeframes, these reforms are proving to deliver large time and financial savings to both councils and the development industry.

Fourteen local governments are currently participating in the DAPR-OWLS project. Gladstone, Mackay, Gold Coast, Ipswich, Logan, Moreton Bay, Redland, Sunshine Coast, and Townsville councils are piloting both the subdivision and operational works improvements. Brisbane, Scenic Rim, Lockyer Valley, Somerset, and Toowoomba councils are focused on the operational works improvements. To ensure the process improvements are embedded and sustained, the project team has worked with each participating council to ensure the necessary council officers experience the new process and improvements first-hand.

The DAPR-OWLS project was originally scheduled to finish in early August 2012. Although development of the project tools and improvements has been completed, the LGAQ and Council of Mayors (SEQ) deemed it necessary to make representations to the State Government to grant funding to extend the project to ensure the current participating councils have the necessary support to complete the pilot process. Based on the success of the project to-date, the development industry provided unequivocal support for our representations to continue the project and potential extension to all Queensland high growth

local governments.

Although securing a one-month extension of the project until the State budget was handed down, the State Government did not approve the proposed extension. Realising the benefits of the project continuation for local government, the Council of Mayors (SEQ) and the LGAQ have committed to the project's continuation into 2013, albeit with a restricted work schedule due to subsequent funding and resource limitations.

Queensland Schools Planning Commission and Review of the Guidelines on Arrangements for Infrastructure External to State Government Sites and Non-State Schools

Recognising the importance to councils of both forward engagement and planning, as well as infrastructure subsidies related to State Government sites and non-state schools, the LGAQ identified the review of the Guidelines on Arrangements for Infrastructure External to State Government Sites and Non-State Schools as a key priority in the LGAQ's Advocacy Action Plan 2011/2012 as well as the LGAQ's 2012 State Election Local Government Policy Plan.

As part of the LNP's election commitments, the Queensland Schools Planning Commission has been established, inclusive of representation by the LGAQ. The Association is optimistic that an improved process for communication to local government about forward educational facility planning will be achieved. The Association will continue to advocate on local government's behalf over the need for infrastructure subsidies related to infrastructure provision for educational facilities as well as other State Government sites in this forum.

Infrastructure Funding Reform and the LGAQ Infrastructure Charges Think Tank

The LGAQ has maintained a high level of communication with both its members and the State Government on all aspects of the infrastructure funding reform process. In order to continue to liaise and advocate effectively for local government, the Association has established an Infrastructure Charges Think Tank. The inaugural meeting of the Think Tank was held on 7 September 2012 and consists of membership by elected members or senior officers from the following eleven (11) local governments: Brisbane, Cairns, Gold Coast, Logan, Mackay, Moreton Bay, Redland, Rockhampton, Sunshine Coast, Toowoomba, and Townsville. The Think Tank aims to provide recommendations to the State Government for change / improvement related to the implementation of a permanent infrastructure funding framework.

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In specific response to a request for feedback by the Department of State Development, Infrastructure and Planning (DSDIP) on a proposed deferred payment mechanism, the LGAQ engaged the members of the newly formed Infrastructure Charges Think Tank. Based on input from members, the LGAQ, in principle, supports the introduction of such a mechanism if optional for councils to use. However, the Association also outlined potential problems and unintended consequences with the proposed deferred payment mechanism as currently drafted.

Strategic Cropping Land (SCL)

Since the implementation of the Strategic Cropping Land Act 2011 and State Planning Policy 1/12: Protection of Queensland's strategic cropping land in January, the LGAQ has maintained representation on the State Government's SCL Stakeholder Advisory Committee and continues to participate in discussions with this group. The Association is committed to advocating on local government's behalf, and seeks to ensure that a review of the legislation will occur in-line with regulatory simplification of the planning industry, and if evidence suggests that it is not protecting strategic cropping land or is a burden on local government.

Building

The Association continues to be represented on the Queensland Building Industry Consultative Group and maintains a satisfactory working relationship with Building Codes Queensland. The LGAQ has also maintained a small group of local government officers to participate in our "building matters' network" in order to assist in better understanding the challenges local government faces in relation to building and ensure that the LGAQ is advocating for the best possible outcomes.

Utilising the building matters network and working closely with the Queensland Water Directorate, the Association has made representations to Building Codes Queensland in response to the State Government's proposal to regulate building work constructed near local government and water distributor-retailer assets through the Queensland Development Code. It was identified in this submission that the State must be cognisant of the need for both the applicable local governments and water distributor-retailers to be involved in the development of technical specifications, as it is ultimately the responsibility of these organisations to maintain safety and reliability of the assets.

Additionally, the Association has made representation to the Transport, Housing, and Local Government Parliamentary Committee in response to the State Government's Inquiry into the Operation and Performance of the Queensland Building Services Authority. The LGAQ highlighted to the Committee that the Association is a stakeholder in the current Queensland Building Service Authority's (QBSA) internal review of operations. Further, the Association reiterated the preferred model for Building Regulation in Queensland to the Committee, which

despite being developed in 2006, is still relevant.

The LGAQ has also made a number of representations to the State Government in response to the proposed Queensland Development Code Mandatory Part 3.5 – Construction of Buildings in Flood Hazard Areas. Of most significance, was a request to ensure that local governments were provided with adequate guidance about how this code interacts with councils' planning documents and the implications for development in councils' declared flood hazard areas. It is expected that the State Government, through the Flood Commission of Inquiry Building Implementation Group and Planning Implementation Group will continue to liaise with the LGAQ on the most effective means to engage local government and ensure early training in respect of the application of the code.

Swimming Pool Safety

The Association maintains its representation on the Pool Safety Council and will, through this body and Building Codes Queensland, advocate for a review of the swimming pool safety legislation if evidence suggests that it is not increasing pool safety and continuing to be a burden on local government.

Plumbing

The Association continues to be represented on the Queensland Plumbing Industry Consultative Group and maintains a satisfactory working relationship with Building Codes Queensland.

In June last year, the State Government proposed changes to the Standard Plumbing and Drainage Regulation 2003 in order to allow for more types of plumbing work to commence without a permit from local government. After ongoing advocacy with the State, the Association is satisfied that the proposed changes, anticipated for implementation on 1 November 2012, have been amended to reflect local government interests.

National Broadband Network

The Association has continued as a stakeholder in the Broadband Today Alliance (BTA), a group formed by local governments in Queensland taking an active role in building digital awareness and digital skilling for 'broadband today'. Recently, the Association worked with other BTA stakeholders to develop a guide template conditions for telecommunications infrastructure appropriate for use by local government in various development assessment situations.

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Environment and Health

Natural Resource Management

Stock Route Network Reform

The Stock Route Network Management Bill 2011 was introduced to Parliament late in 2011 and referred to the Parliamentary Committee for review. The LGAQ made submission and gave evidence to the Parliamentary Committee hearing in Brisbane and was in attendance at the Longreach hearing. The committee's recommendations were favourable to key issues on which LGAQ had sought reconsideration; however the Bill lapsed when the State elections were called.

The Newman government has made a commitment to reintroduce the Bill around the end of 2012 / early 2013. Prior to its reintroduction, the State has engaged with the LGAQ to seek resolution of the outstanding issues. The LGAQ undertook state-wide local government consultation with support from the State during July / August to gain consensus on potential solutions.

At an August meeting between the LGAQ, State, and AgForce, the following matters were agreed:

- Removal of the Primary A fenced designation and restrictions to static grazing that the designation conveys;
- Retention of a scale of between 1.5% and 3% of the value of the adjoining land - thereby providing greater opportunity for councils to achieve full cost recovery;
- The provision, with conditions, of the adjustment of the percentage split between State and local government retention of revenue from Grazing Authorities for those councils that will fall well below cost recovery;
- The introduction of a minimum fee where rent and rate values are so low, that the cost of administering the Grazing Authority alone will not be recovered; and
- The State retains its capital investment fund (however the State could only guarantee this for the 2012 / 13 financial year).

Biosecurity Legislation

The Biosecurity Bill 2011 lapsed after the announcement of the State government elections. The State has taken no specific action to reintroduce the Bill since the election of the Newman Government.

Queensland Invasive Plants and Animals Management MoU

In May 2010, LGAQ, Biosecurity Queensland (BQ) and the Regional Natural Resources Management Groups Collective (RGC) 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.

In 2011, the LGAQ commenced state-wide review sessions in partnership with Biosecurity Queensland and the Regional Groups collective. The review sessions raised multiple issues indicating that the trusted status of Biosecurity Queensland by Queensland councils had substantially deteriorated, in particular, the management of the expenditure of the local government precepts which total approximately \$5M per annum.

The LGAQ Policy Executive has put forward a motion to the 2012 Annual Conference seeking consensus to advocate for the removal of the requirement for local government to pay a precept to the State.

State Land Pest Management Framework

Biosecurity Queensland has prepared a framework for the management of invasive species on State managed lands in direct response to local government's ongoing concerns about poor and uncoordinated management practices on State managed lands. The LGAQ formed a small review committee to provide important input into the final document.

The LGAQ are also representing local government on the reformed State Land Pest Management Committee to oversee the implementation of the framework and its objectives.

Flying Fox Management

A major spotlight was shone on flying foxes and their management as a result of the Hendra virus outbreak in 2011. An amendment to the Land Protection Act was introduced to Parliament by the Member for Dalrymple to allow for the destruction of flying foxes by landowners. The response from councils has been substantial, opposing the proposed amendment and calling for better regional management and improvements to the permitting process.

The LGAQ has undertaken broad consultation with council staff and recently forwarded a submission to the Agriculture, Resources and Environment Parliamentary Committee.

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Revitalisation of the Natural Resource Management Roundtable

The roundtable is an informal group of peak industry group representatives that has been in place for more than five years. After meetings with Newman Government Ministers, the roundtable has been recognised as a valuable high level forum to work with the State on key NRM issues. The group has revitalised its membership and now has representatives from LGAQ; Regional NRM Groups Collective; Queensland Farmers Federation; Queensland Conservation Council; Queensland Resources Council; AgForce; and Queensland Tourism Industry Council.

Natural Asset Management

Caring For Our Country

The Federal Government has undertaken a major review of the Caring for our Country program ahead of the development of the 2013-2017 Business Plan. The LGAQ has participated in further consultation and working group meetings and provided a submission seeking a partnership approach with local government and direct access to grants funds.

National Wildlife Corridors Plan

The Federal Government released a draft plan for a national framework for the establishment of wildlife corridors. The Association's submission on the plan expressed concern at the plan not being appropriately financed and the potential for the diversion of funds currently being used to strengthen areas of core habitat toward the establishment of corridors, which are a lesser priority overall.

Climate Change

National Climate Change Adaptation Policy Leaders Workshop

With the Federal Government's current Climate Change Adaptation program nearing completion, the Department of Climate Change and Energy Efficiency engaged the Australian National University to run a National Climate Change Adaptation Leaders Workshop to assist them in identifying the key outstanding national issues for climate change adaptation policy and funding programs.

The LGAQ was invited to present on key Queensland local

government needs and was one of only three local government representatives at the workshop. A report to the Federal Government has been submitted on the outcomes and recommendations of the workshop.

ALGA National Climate Change Policy, Strategy and Annual Action Plan

The Association continues to work with ALGA and the other state associations in the implementation of the Climate Change Strategy. ALGA has recently released the Local Council Risk of Liability in the Face of Climate Change – Resolving Uncertainties by Baker and Thomson as a result of the group's work.

Coastal Climate Change Adaptation Decision Pathways Project

Townsville City Council, LGAQ, and the Department of Environment and Heritage Protection (DEHP) were granted \$345,000 to plan for reducing the impacts of coastal hazards and sea level rise through the Federal Government's Coastal Adaptation Decision Pathways Program. The "Coastal Hazard Adaptation Strategy Pilot Project" will provide substantial material to assist Queensland coastal councils in the preparation of Coastal Hazard Adaptation Strategies required under the new "Queensland Coastal State Planning Policy". The project will deliver:

- a compendium of adaptation options for high-risk areas;
- a standard cost-benefit analysis method for assessing the economic feasibility of options; and
- a process for determining optimal timing for implementation of different adaptation options over the 100 year time frame.

The project will be completed on 31 October 2012 and materials from the project will be widely disseminated.

Coastal Councils Adaptation Taskforce Establishment

The Coastal Councils Adaptation Taskforce (C-CAT) establishment process was on track for launch in the 2012/13 financial year; however a decision was made to place the process on hold due to the timing of the local government and State Government elections and subsequent review of the Queensland Coastal Plan.

To-date, the LGAQ and C-CAT Establishment Committee have completed the Queensland Coastal Councils Climate Change Adaptation Activities Survey and Findings Report; endorsed the C-CAT Purpose, Role and Objectives; finalised the C-CAT Operational Model; and prepared the C-CAT Action Plan.

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Productivity Commission Inquiry into Barriers to Effective Climate Change Adaptation

The Federal Government launched a Productivity Commission Inquiry to examine the regulations and policies that may be barriers to effectively adapting to the impacts of climate change and examine the costs and benefits of options to remove those barriers. The Commission was to examine the costs and benefits of the options to address those barriers where it is feasible to do so, including a 'no change' (maintaining the status quo) option and assess the role of markets (including insurance markets) and non-market mechanisms in facilitating adaptation, and the appropriateness of government intervention.

The LGAQ has met with the Commission and provided submissions during the public consultation phase and on the draft report. The final report was tabled in Parliament on 20 September and must be released to the public within 25 days. The LGAQ attended the presentation of the Commission's findings which disappointingly downplayed the role of the Federal and state governments in removing regulatory and other barriers.

Carbon Tax

The Clean Energy Legislative Package was passed by the Federal Government in November 2011 resulting in the introduction of a price on carbon. The Association continued to advocate for measures to reduce the impacts of the carbon tax on local government and worked closely with the Department of Climate Change and Energy Efficiency (DCCEE) to ensure council staff had access to information directly from the department. The key activities the LGAQ has undertaken on behalf of councils regarding the introduction of a price on carbon include:

- negotiating local government information and training sessions in three key centres with staff from DCCEE;
- negotiating solutions to the implications of disaster waste on councils otherwise not triggering the carbon emissions threshold;
- undertaking local government energy use benchmarking with responses from 27 councils;
- preparing a Carbon Price Summary Analysis of Implications for Local Government document;
- updating the Carbon Management Guide for Local Government 2012.

Social Policy

Measuring Community Wellbeing

The LGAQ completed a community wellbeing pilot survey in late 2011 in four local government areas by telephone and

in person in one other council area. The five councils that participated represent a cross-section of local government in Queensland and included Sunshine Coast, Isaac, Gladstone, Longreach, and Wujal Wujal councils.

The pilot survey is part of the LGAQ's Community Wellbeing Indicators Project that aims to enhance the capacity of Queensland local governments to understand their communities' wellbeing, improve citizen engagement, and strengthen councils' ability to measure progress in achieving community aspirations.

The pilot survey findings were pleasing and clearly demonstrate the value of understanding and measuring community wellbeing and to help local government achieve their goals.

The LGAQ is currently developing a research proposal to build on this initial work in partnership with the Australian Centre for Excellence in Local Government (ACELG). It is anticipated the research will demonstrate how a community wellbeing indicators survey template may be adapted for use by all local governments and be used to measure, analyse, and assess the progress of community wellbeing in a local government area. The ACELG has indicated in-principle support and funding for the proposal.

Disability Access and Inclusion

The LGAQ is currently undertaking an investigative project exploring local governments' human rights and legal obligations to reduce barriers to participation by people with disability and creating more inclusive communities. Currently five local governments have access and inclusion plans.

The investigative project is exploring councils' capacity to ensure legislative compliance, potential risks and potential economic benefits. An initial engagement workshop was held for South-east Queensland councils in mid-2012 and hosted by Brisbane City Council, at which the Anti-Discrimination Commissioner presented to delegates.

Vision for Public Libraries

The State Library of Queensland in partnership with the LGAQ and Queensland Public Libraries Association developed "The Next Horizon - vision for public libraries 2013-2017", a new vision for Queensland public libraries into the future. This positioning paper replaces the existing 'Expanding Horizons: 2008-2012'.

Consultation occurred with council staff throughout the state. It is anticipated this collaborative visioning document will be completed by the end of 2012.

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Aboriginal and Torres Strait Island Councils Representation & Engagement

The Association continued its commitment to improving its engagement with and representation of Aboriginal and Torres Strait Island Council members. Through the efforts of a dedicated team of Advocacy staff to these councils, LGAQ increased significantly its level of direct engagement with councils and supported the record attendance of these councils at LGAQ's annual conference and a record number of motions from these councils being submitted to conference. Each of these motions (dealing with Alcohol Management Plans, community housing, Knowledge Centres and rates recovery) were endorsed at conference and actioned accordingly.

Aboriginal and Torres Strait Islander Councils Indigenous Leaders' Forum (ILF)

The ILF was established by the LGAQ to ensure it would become more informed of the specific concerns identified by Aboriginal and Torres Strait Islands councils in order to more effectively assist and advocate on behalf of these members. The forum was also designed to leverage the collective will and effort of participating councils in order to maximise the benefits for councils and provide a focus for identifying opportunities for collaboration amongst councils.

The Association's Advocacy Action Plan 2011/2012 as well as the Association's 2012 State Election Local Government Policy Plan identified the ILF as a significant local government entity and in March, the State Government made a commitment to recognise and collaborate with the ILF.

The second biannual ILF occurred in Cairns on 22 and 23 May 2012. All 16 of the Aboriginal and Torres Strait Islander councils were represented, with a total of 67 delegates in attendance. The Association also welcomed the participation of both Hon. David Crisafulli, Minister for Local Government and Hon. Glen Elmes, Minister for Aboriginal and Torres Strait Islander and Multicultural Affairs and Minister Assisting the Premier. A specific commitment was made by the State Government to roll out the LGAQ's HR Advance system across each of the Aboriginal and Torres Strait Islander local governments. In addition, delegates at the ILF identified the following as key priorities for their sector:

- The formation of a Financial Sustainability Taskforce;
- The formation of a Workforce and Capacity Building Taskforce and the engagement of a project management officer;
- The formation of an Alcohol Management Plan (AMP) sub-committee and commitment from the State Government to review Alcohol Management Plans; and
- An investigation of the additional role and responsibilities

undertaken by Aboriginal and Torres Strait Islander local governments.

The most significant demonstration of the Association's increasing commitment to this segment of members was the proposal at Annual Conference to change the constitution to allow for the increase in representation of these councils from one to two representatives on the LGAQ Policy Executive. The endorsement of this proposal by all councils further served to recognise the transition of these councils from community councils to local government councils with the same status as all other councils in Queensland.

Land Tenure

Land tenure in Aboriginal and Torres Strait Islander communities is a complex matter as currently there are many Acts controlling land use rights. In August 2012, the LGAQ commissioned research to assist the Association to better understand land tenure in order to clearly articulate to our members the implications of legislation and various tenure types, as well as advocate to the State Government appropriate land tenure outcomes on behalf of the Aboriginal and Torres Strait Islander local governments.

The Aboriginal and Torres Strait Islander Land Holding Bill 2012 (the Bill) was introduced into parliament in August 2012. The Bill mainly seeks to simplify and correct anomalies in land holding leases, anecdotally called 'Katter leases', but is also intended to provide continued access for Aboriginal and Torres Strait Islander councils to government facilities on transferred land, and the ability to subdivide Deed of Grant in Trust (DOGIT) land to facilitate development. A presentation, conducted in Cairns at the Torres Strait Island Regional Council offices, was coordinated by the Association to provide members with a firsthand opportunity to discuss the Bill with senior officers within the Department of Natural Resources and Mines. The Association is also currently developing a response for the Agriculture, Resources and Environment Parliamentary Committee to reflect the views of our members about the Bill.

Animal Care and Protection and Other Legislation Amendment Bill 2012

The Animal Care and Protection and Other Legislation Amendment Bill 2012 was introduced to Parliament in June this year. Despite animal welfare not normally identified as a core business of local government, the LGAQ made representation to the Agriculture, Resources and Environment Parliamentary Committee due to concerns with the lack of consultation associated with the Bill and the apparent need for the State Government to expedite the legislative amendments. In particular, the Association highlighted that Queensland's Aboriginal and Torres Strait Island local governments are responsible for a wide range of public administration functions

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and community leadership roles, which are unique to Aboriginal and Torres Strait Island cultures and outside of the standard operations of other local governments. Further, the Association outlined the establishment of the Partners in Government Agreement whereby recognition would be given to these unique functions.

Conferences and Events

National Human Resources Conference

In collaboration with the local government associations from all the other states across Australia, a National Human Resources Conference for local government was convened on the Gold Coast in May 2012. This biennial event was held in lieu of a Queensland local government state HR conference and, apart from the usual learning and development opportunities offered by a conference of this nature, allowed delegates to leverage the experience and successes of other local governments across Australia through networking and presentation opportunities.

The increased attendance at the expanded national conference also allowed for greater investment in quality presentations and learning opportunities not available to the smaller state conference. Delegates at the conference endorsed the unique learning opportunities offered from interacting with local governments from other states and voted unanimously to continue to hold these national conferences every two years. LGAQ was assigned responsibility for convening the next conference in 2013.

Workforce

Workforce Knowledge Group

A Workforce Knowledge Group was established to ensure workforce-related activities across the three streams of LGAQ were mutually advantageous and to leverage the collective capabilities of the various personnel within LGAQ to enhance the quality of output from the activities of all streams on workforce matters. The group determined to measure its success through the significantly improved, practical outcomes for members. These included the expanded offerings through HR Advance, the HR metrics initiative, Enterprise Bargaining campaigns and legislative change agendas.

Productivity Places Program (PPP)

LGAQ continued to provide support to councils during the final year of this three year program (run over 4 years) designed to improve the capacity of local governments through formal

Vocational Educational Training (VET) training of staff.

PPP was a Federal Government initiative structured to provide additional training places targeting higher level qualifications through industry led arrangements that are fully contestable and hence allowing industry/employers to directly influence the selection of training providers.

The LGAQ was initially contracted by the Department of Education and Training in September 2008 and negotiated an arrangement to distribute \$2.56 million of PPP funding across the sector. Due to the success of the arrangement, this contract was varied in June 2010 and again in March 2011, increasing the total agreement value to \$13.77 million for local government in Queensland.

Round 3 in 2011 was extended to pick up the training requirements of the Queensland Water Entities, with six organisations receiving funding.

This very successful program was underpinned by an especially-designed variable funding model which allowed councils to select the qualification (94 were selected across councils) and preferred training provider (contracts were entered into with 67 providers, with many having multiple contracts), thus creating an industry led, demand driven system.

50 councils participated in Round 3, up from 41 in Round 1, together with 6 water entities. By the conclusion of the project, funding under this initiative would have up-skilled in excess of 10 percent (3,953) of the Queensland local government workforce. This particular brokerage arrangement allowed LGAQ to deliver 33 percent above the contracted number of places and leveraged just over \$2 million in additional funding from the sector.

This model has proven so successful that it was adopted as a template for a subsequent \$2m Strategic Investment Fund grant from Skills Queensland to further support up skilling of existing workers across Queensland councils. This project is expected to be completed prior to 2014 and will increase the number of skilled personnel within Queensland local government with minimal cost to councils.

Workforce Planning

As far back as 2008, the benefits of effective Workforce Planning were identified by LGAQ as an emerging need for local governments. Analysis of the data gathered through the annual census (see data collection below) demonstrated trends, issues and concerns that supported the benefits of strategic and practical interventions at the local, state and possibly national levels.

LGAQ co-ordinate the attendance of workforce planning experts and presenters at national and state HR conferences in

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efforts to engage with councils on this important matter as well as presentations by LGAQ personnel to elected members and CEOs and senior managers at appropriate forums.

In 2011, the second phase of a co-ordinated approach to workforce planning was instigated with the piloting of a HR Metrics program amongst a number of participating councils. The data gathered as a result of the annual census, its analysis as well as the HR metrics program supported a successful submission to Skills Queensland for a grant to develop/adopt a template for workforce planning in local government in Queensland and to pilot the template amongst a significant number of Queensland councils.

This grant was approved and the planning project began in April with plans to have a minimum of eight councils completing their inaugural workforce plan in the ensuing twelve months.

Workforce Development

National Level

The Association noted a significant increase in interest at the national level in the issue of workforce development/capacity building, and played a significant role in representing Queensland local government at national workforce development forums and meetings.

LGAQ collaborated with other state associations on a range of workforce development strategies and contributed significantly as a member of the Australian Centre for Excellence in Local Government (ACELG) Workforce Development Consultative group.

This group is charged with developing a National Local Government Workforce Development Strategy to be designed around the themes of attraction, retention and skills development and be enabled by information, funding and where appropriate legislation.

LGAQ together with other local government associations supported the following as prerequisite to a successful national strategy:

- Sharing and coordination of information between jurisdictions;
- Sharing of best practice;
- National workforce data collection.

The former AMIAG (comprised Industrial relations managers from all the state local government associations) was reformed as a National Local Government Workforce Development Group with a charter to work collaboratively to enhance workforce capacity building in local government. This group is considered essential to protect and advance the interests of local government given the increased level of attention given

to this topic at the national level by the federal government and COAG.

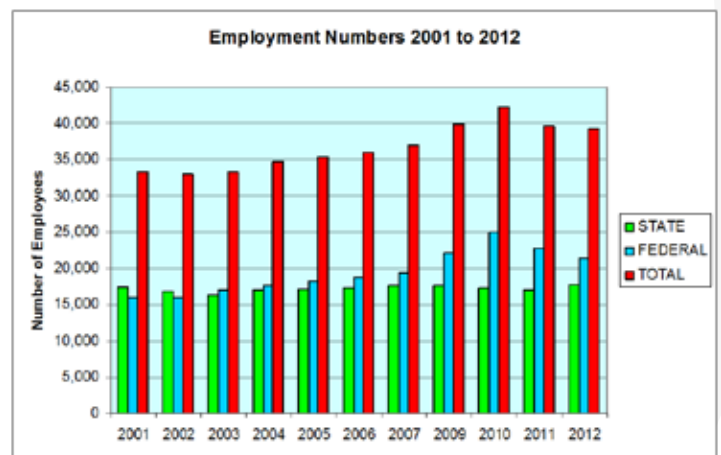
This group met on three occasions to share learnings, advance current and identify further options for collaborative projects as well as provide collective responses to workforce matters at the national level.

Data Collection

LGAQ conducted its annual Workforce Census as well as its annual Skills Shortage survey. The former is used by the Association for a wide range of representation purposes with the Workforce Skills survey outcomes informing the State Government Vocational Education investment into the local government sector.

The 2012 figures showed a further overall decline in numbers, continuing the decline first recorded in 2011 but directly attributed to the transfer of staff from South East Queensland councils into the newly established Water Entities.

Note: More detailed analysis of the data showed the decline was significant in South East Queensland with slight increases being recorded in resource and rural councils.



Note: 80 percent of the workforce is employed in councils with greater than 500 employees, with 12 councils employing in excess of 1,000 staff.

The Skills Shortage survey delivered an annual report on critical skill shortages across the sector. It allowed LGAQ to identify sector wide and regional shortages including establishing time series data across such indices as:

- Current and future skill shortage occupations;
- Time and level of difficulty in filling vacancies;
- Drivers/reasons behind the current shortages;
- Turnover levels;
- Levels of over award payments;
- Level of ATSI, ASSI, NESB, Disabled participation;
- Number of apprentices and trainees;

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- Extent of the LLN (foundation skills) problem;
- Number of workers employed under 457 visas and in what occupations; and
- Detailed list of occupations (professional and skilled workers) in demand now and expected to be in demand in future.

This information was analysed and, together with key trends extracted from the Annual Workforce Census, formed the basis of advice and recommendations supplied to the State Government with the mutual aim being to make the VET system more flexible and responsive to the changing needs of the local government sector.

Information supplied within this Skills Plan for the LG sector supported the submissions for further funding to address specific workforce issues (training, ageing and the need for effective workforce planning) on behalf of the sector.

The collection of these data sets is unique. No other state collects this sort of information - and consequently no other state has been able to access the levels of funding that the LGAQ has as a result.

Industrial Relations

The trend of marked industrial relations reform that has been a feature of local government workforce management since the 2006 advent of the “doomed” WorkChoices reforms continued during 2010/11 with the former government acting to cement its desired Industrial Relations environment as soon as practicable given the pending 2012 State election.

Accordingly, the Association spent considerable resources engaging with councils and the State to develop and implement its own strategy for facilitating an industrial relations system that conformed with the adopted principles of:

- A contemporary and relevant system;
- A system that valued local government employees;
- A system that allowed local government to compete for talent in its workforce;
- A system that was not overly administrative burdensome; and
- A system that promoted a level of flexibility (with localised enterprise bargaining as its centrepiece) to allow local circumstances to be considered in local arrangements.

Considerable effort was also expended in engaging with elected members on the importance of strategic management of Industrial Relations (Enterprise Bargaining as well as general award and legislative matters). This was considered necessary to ensure suitable support for the enterprise bargaining agenda of local government that was being implemented at the local level as well as ensuring support for the industry-wide activities that were being conducted on behalf of all councils.

The Association prepared a comprehensive briefing for the new State Government on its preferred industrial relations environment for local government and engaged with representatives of the then-opposition and subsequent new Government in relation to this environment. The benefits of this proactive approach has reaped early dividends for the sector in relation to changes associated with the abolition of the Local Government Appeals Tribunal in favour of the Industrial Relations Commission.

The Association also made submissions to and appeared before a number of Parliamentary Committees on various workforce matters including an examination of the performance of the Crime and Misconduct Commission and reform of the State and local government sector appeals regimes.

The Association also progressed its research in anticipation of its application into a single new local government award.

Workplace Health & Safety

LGAQ made several written submissions and provided regular input at a number of forums relating to the new harmonised Workplace Health & Safety regulations that took effect in January 2012.

A number of briefing sessions were also held on the new laws for council representatives.

Media and Intergovernmental Relations

Constitutional Recognition of Local Government

The campaign to achieve financial recognition of local government in the Australian Constitution will ramp up over the coming year as the proposed referendum on the issue draws near. LGAQ has completed its Local Government Image Campaign aimed at prepositioning the sector ahead of the referendum. The results of market research show that the campaign has succeeded in changing the community’s regard for local government. A Newspoll survey late in 2011 by the Expert Panel established by the Federal Government to investigate the constitutional recognition issue found that Queensland was the only state where a majority of people were likely to vote “Yes” in a referendum on the issue. In its report to the Government, the panel used this result to identify an “apparent correlation” between efforts to improve community recognition of the value of local government and shifts in support for constitutional recognition. LGAQ is working with other state associations

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and ALGA on a comprehensive communications and political strategy to further promote constitutional recognition.

Intergovernmental Relations

The LGAQ's first ever intergovernmental relations strategy was one significant initiative from this segment. The strategy, created as part of the association's internal reorganisation, is aimed at strengthening relationships between Federal and state governments at both a political and administrative level. Strengthening LGAQ's intergovernmental relations capabilities and focus will continue to be a key goal of this segment. In the lead up to next year's federal election, LGAQ will focus on gaining commitments from all parties regarding significant policy outcomes for local government. In the longer term, LGAQ is committed to building on this initial work to ensure the Association and its members have a significant presence in national policy developments affecting local government.

Media and Communications Staff Network

One ongoing initiative is the creation of a formal network of media and communications staff across Queensland councils. This network has proved crucial in ensuring that the key messages arising from the image campaign and subsequent campaigns have sufficient impact "on the ground" in individual communities. It will also be invaluable in pursuing the community-by-community national campaign needed for success in the referendum on constitutional recognition of local government. The second network forum held in May 2012 included guest speakers - Regional ABC News Editor Shelley Lloyd, former Brisbane lord mayor Jim Soorley and media academic and online journalism expert Professor Mark Pearson. LGAQ plans to run regular forums as a means of encouraging professional development among media and communications officers. We are also providing online tools for better communication and peer support between media and communications officers.

Assist Stream



Delivering daily support, advice and assistance for Members lies at the heart of the work of staff in the Assist Stream. Over the last 12 months several major projects have been completed to further bolster the Associations' customer service and support capabilities helping us to better respond to member enquiries.

Central to this service offering is our Members Service Centre which will celebrate its first birthday in November. In recognising that many Councillors and council staff prefer to seek advice in different ways the Association has invested in new training and systems to improve the manner in which we receive, handle and respond to member enquiries. We have also taken direct action to combine our LG Online and general enquiry services so as to provide an easier to access and seamless customer experience.

Through ongoing training and needs analysis we have been improving our first-call response rates – in simple terms making information more accessible so that the person who answers the phone or opens the email is also able to answer the question. This reduces the frequency of call transfers and improves customer experience. When a call transfer to one of our many subject matter experts is required a recent investment in new software has significantly improved this process. Additional investments were also made in both email and SMS systems to improve communication with members.

The Members Hotline is available to take your call anytime during business hours: Please call us on 1300 542 700 or email ask@lgaq.asn.au

Supporting the 2012 local government election processes also consumed significant resources and attention. On election night the Association coordinated an online tally room that linked in directly with the Electoral Commission of Queensland (ECQ) data feeds. Utilised by both councils and many media organisations the election data and associated analysis proved valuable in both the lead up to, and immediately following the declaration of the polls. See: <http://elections.lgaq.asn.au/>

Immediately following the local government elections the Association's comprehensive induction program was rolled out. This program contained several key elements including:

- Elected Member Kits – provided free of charge to all Councillors and CEO's the kits included several resources to support and inform Councillors.
- Elected Member Handbook – was re-written to reflect the latest legislative changes and was provided to all Councillors on the USB contained in the kits as well as for the first time as an interactive online resource and a mobile phone app.
- Councillor Webdesk – this Councillor specific part of LG Online was further updated with several additional

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resources and video content to support newly elected Councillors

- Elected Member Training – a state-wide 2 day induction program was developed and delivered in excess of 45 regional centres for the first time utilising iPads for content delivery.
- Elected Member Census – a survey to help profile the elected member class of 2012-2016.



Supporting both newly elected and returned Councillors, LGAQ's trio of advisors for elected members continued to provide a confidential support and assistance service throughout the year.

Ethics Advisor Joan Sheldon, Elected Member Advisor Hayden Wright and Mayoral Mentor Bob Abbot each undertook an extensive council engagement program which included attendance at several local government conferences, participation in a number of elected member training sessions and dedicated visits to select councils.

The direct contact details for Joan, Hayden & Bob were included on custom business cards included in the elected member kits provided to all Councillors and CEO's – their details are also available on the Councillor Websesk website and by contacting the LGAQ Members' Hotline.

Industrial Relations

The Assist stream has continued to deliver and enhance its significant depth of Workforce and Workplace related services.

Some of the particular highlights of this have included:

- Dealing with in excess of 2000 council IR helpdesk queries
- 78 appearances before the Queensland Industrial Relations Commission

- Launch of LGAQ's new Enterprise Bargaining Alert service

The Association's online HR Advance service has continued to be utilised by an increasing number of councils. HR Advance service milestones have included:

- The launch of a council tailored LGAQ HR Advance research newsletter service
- Addition of approximately 80 new template policies/guides

These product improvements within HR Advance have led to a 100% increase in the number of documents downloaded from the site, and a 30% increase in the number of licences held by council staff when compared to the preceding year.

The Association has also launched a new Workforce portal on LG Online which consolidates all LGAQ's Workforce related services in the one location and has helped to better explain the breadth of services and support available to councils.

At an industry level the Association has supported members through:

- The production of submissions to a parliamentary committee review regarding a number of amendments to the *Industrial Relations Act 1999*, and which led to the adoption of one LGAQ proposed amendment to the Act regarding the Enterprise Bargaining regime under that Act.
- The Review of approximately 25 Awards pursuant to the QIRC's Award Review Process.
- The participation at the national level in Fair Work Australia's review of the Local Government Industry Award - 2010 [Modern Award].
- The attainment of a class ruling from the ATO regarding the treatment of portable LSL payments between councils for PAYG taxation purposes.
- Development and delivery of the 2012 Workforce Forum.

LG Online

Continues to act as our primary online space for local government staff and Elected Members in Queensland. The service continues to deliver timely updates and trusted advice from LGAQ in addition to a number of premium online services including:

- Legal Opinions - containing hundreds of specialised opinions produced by King & Company, as requested by member councils
- Legislation and Commentary - LGA, SPA and IPA complete with expert commentary
- Local Buy Contract Directory - access to an expansive list of tendered arrangements, approved contracts and suppliers details provided by local government procurement specialists, Local Buy

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- GovNet - direct access to the State Government's Information Portal, Data Hub and Spatial Information portal - for all council staff and Elected Members
- The Roads Alliance information portal - home to background information, current documents and news updates

The last 18 months has seen steps taken to evolve LG Online from a predominantly information-based portal to a more interactive space - home to tools, resources and databases to assist council staff with the day to day operation of council business. The first of these exciting new online resources and tools are now well established and being used regularly by many council staff –

- Delegations Register - a complete register of all possible delegations from council to CEO, and from CEO to employees or contractors developed and updated by King & Company
- GRANTSconnect - a contemporary set of online resources and tools to aid council staff and elected members to more easily find grants and funding opportunities, associated tools, resources and supporting information.
- Councillor Handbook - now available as an easily navigated online resource as well as a downloadable document
- NDRP Database - an extensive collection to research new ideas for NDRP funding requests and to encourage the sharing of ideas.

Intranet

A new Intranet was established as a tool to better support the way the Association conducts its internal business and shares its information. The intranet provides a central storehouse for forms, templates, policies, procedures as well as council contact information. The new tool has also assisted in distributing news and staff announcements.

Councillor Webdesk

Launched at last year's Annual Conference Councillor Webdesk is a dedicated service within LG Online built especially for Elected Members.

During the election period earlier this year Councillor Webdesk was the home of the LGAQ Tally Room and election resources.

Recent additions to the site have included:

- 'Councillor Handbook' available as a web tool and on mobile devices.
- Information and resources about getting involved in policy processes and issues, and

- Resources and videos used to support the recently delivered state-wide Elected Member Update sessions.

Councillor Webdesk is accessible at www.qldcrs.com.au or via the links from the LGAQ website and LG Online.



Environmental Health

Waste

The industry waste levy was repealed by the new government and this became effective 1 July 2012. Legislation surrounding the levy is currently being reviewed and this is likely to occur by November 2012. The current Queensland Waste Strategy recognises the levy as a tool to reduce waste so it also needs to be reviewed. The government has indicated that a new "industry led strategy" will be prepared. It is not known at this stage what this means but it is unlikely that a new levy will be proposed. The government has given an undertaking that a levy will only be introduced if it is taken to an election.

The carbon liability scheme commenced 1 July 2012 and affects those councils with landfills that emit more than 25k tonne CO₂e. Calculating carbon liability for these sites is not a simple process but council waste managers have used those tools available to calculate liability. Those councils close to (or over) the threshold, who have not done so already, are proposing to install gas capture equipment to reduce carbon liability where possible. Green waste collection schemes are also being considered to ensure that methane generating material is not disposed to landfill.

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Animal Management

There have been a number of problems with the poorly written *Animal Management (Cats and Dogs) Act 2008* and these are currently being raised with the State government for change. These mostly involve the required QCAT process which is not working well for councils.

Clandestine Laboratories

Queensland Police notify councils when a clandestine laboratory is discovered but there is dispute as to who handles the remediation of these sites. Negotiations on an agreed pathway are currently being made with Queensland Health (QH).

Asbestos

Asbestos regulation in a non workplace setting involving less than ten square metres was devolved to local government in 2006. At that time it was realised that local government was not insured to carry out any work with asbestos so an agreement was put in place that allowed QH to manage the devolved activities on behalf of local government. This five year agreement has now expired but there has been no movement from QH to change the legislation and remove any devolution of powers. This issue is currently being managed and an outcome should be known in coming months.

Environmental Protection

The previous government commenced a project known as "Greentape Reduction" and the first of a number of stages went through Parliament recently. The biggest impact, however, is likely to be with the next stage which will see those Environmentally Relevant Activities (ERAs) currently devolved to local government being deregulated. This has a number of implications, least of which will be the impact on more than 120 environmental health officer positions and a potential loss of revenue to local government in excess of \$5 million. Of most concern is the environmental impact if proactive audits of these premises are not carried out. Local government will still be expected to manage nuisance complaints at these premises but will have no income stream with which to carry out this work.

Food Safety

A number of councils have introduced food business rating schemes, also known as scores on doors (Brisbane and Logan have introduced "Eatsafe"). Many other councils are also interested in such a scheme and QH are now developing a Regulation to provide for such schemes. The issue facing those councils that have the schemes in place is that their schemes ask food business owners to go beyond legislative compliance to get a 5 star rating. QH are not satisfied with this and feel that legislative compliance is the most that can be asked. Those councils that have the schemes in place indicate that feedback

from business owners and the broader community is positive and such schemes are successful.

EH Newsletter

A regular newsletter aimed at environmental health officers is prepared by the Principal Advisor Environmental Health to keep officers informed of relevant issues. The first edition was sent in September 2012 and now has more than 200 subscribers. It is hoped (depending on content) to continue the newsletter on a monthly, or at least quarterly, basis.

Local Area Multicultural Partnership (LAMP)

The last 12 months has been a very active one for the LAMP Network, with some of the key activities and achievements including: a formative evaluation of the Coordination of LAMP (2009 - 2012), planning and delivery of two LAMP Summits hosted within the Logan City Council and Scenic Rim Regional Council areas; and the compilation of 47 LAMP Project Showcases which are available on LG Online. The LGAQ has also expressed support for the draft Multicultural Recognition Bill in December 2011, which was reintroduced to parliament in August 2012.

The Association was successful in securing continued funding for a further 3 years for the 13 LAMP funded councils through the Department of Aboriginal and Torres Strait Islander and Multicultural Affairs (DATSIMA).

Arts and Culture

A new communications strategy was adopted in this policy area that included reviewing and updating Arts and Culture content on *LG Online*, establishing direct contact with council officers through group email, targeted phone calls and undertaking significant travel to meet with council staff.

These improved engagement strategies resulted in a 12% increase in the awareness of the Association's Arts & Culture support services to 79% with 92% of respondents stating they had been in direct contact with the Association's Arts and Culture Advisor.

Key deliverables achieved included:

Support: Development of an online professional development workshop series, which has been held every three months. Workshop topics in 2012 have included *Public Art Policy Writing*, *Embedding Cultural Plans across Council Portfolios*, and *Surviving the Funding Jungle*.

Advocacy: Through consultation with council staff, a response

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the Federal Government's *National Cultural Policy* was submitted on behalf of local government in Queensland.

Brokerage: Developing relationships between councils (e.g. Toowoomba and Lockyer Valley councils to discuss the potential of delivering the *Seniors Superstar* project in these regions) and internally within councils (e.g. Logan City Council, bringing together the Community Development and Cultural Facilities staff to discuss the potential partnership and joint funding of a QLD Music Festival project), across portfolios, has also been a key focus of the role.

Communication: A review and refresh of the format and content of the LG Online web pages and monthly eNews was conducted over the past 12 months. Face to face meetings with councils has been a key target. LGAQ Senior Advisor, Arts and Culture travelled to and held meetings at 31 councils.

Strategic Visioning: LGAQ has hosted and contributed to a number of strategy development forums, impacting the future of arts and culture within local government in Queensland.

Youth

In 2011 the LGAQ delivered its annual youth development conference in September at Caloundra on the Sunshine Coast. The conference was attended by more than 70 delegates over three days, providing service support and development opportunities to council based workers and other relevant personnel within the sector. This was the eighth year of the conference uniting workers to participate in professional development sessions to enhance their knowledge and better guide their practice.

In late 2012 LGAQ launched its new online community, to enhance and complement the eight Regional Youth Networks

established in 2011. The platform was developed in response to councils' request for a platform that can facilitate open dialogue, sharing of resources and valuable insights into the way councils respond to community issues and needs. The community has proved to be beneficial for those working within the youth and community sectors providing activity highlights and policy updates.

From December 2011 – June 2012 the LGAQ continued its face-to-face engagement with councils facilitating eight Regional Youth Network forums across the state and meeting with a large number of councils in the region. Following the inception of the networks in 2010 these forums have focused on strategic action plans, processes and regional capacity building. Furthermore, they have identified ways for improved communication and regional project mapping assisting better informing LGAQ's support and advocacy efforts.

The Youth Advisor has also supported those local government workers who transitioned to the Youth At Risk Initiative (YARI) State funding stream, which affected the delivery of services across Queensland. Numerous submissions to the State government were made on policy matters, as well as providing input into broader sector development functions during the previous 12 months. A revamped edition of the Youth eNews – which is a regular youth specific bulletin -- has also attracted a greater readership with circulation to more than 700 workers across the state.

Delivering for Members

Working with you

Since March, the LGAQ has travelled



6 times around the world visiting our members

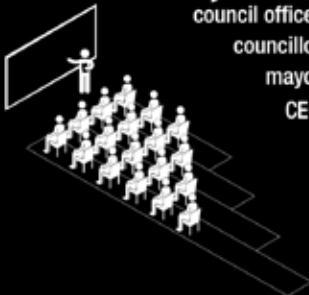


We've already visited **90%** of the association's members around Queensland and we are on the way to visit the rest

Providing Training

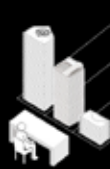
2,150

council officers
councillors
mayors
CEOs



Lending a hand

Every **2½** minutes, a phone call is answered



Every **3** minutes, an email is answered

Every **90** minutes, a letter is received



Through **circulars**, members are kept up to date with enough information



to fill a **BOOK**

17

comprehensive legal opinions helping guide and inform councils



Making a difference

67

submissions



to state and federal Government

78

Industrial relations commission



hearings



16/19

of the State Cabinet have sat down with the LGAQ on behalf of members



(The other 3 have portfolios unrelated to Local Government)

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Advance Stream

General Overview

2011-12 has seen growth of LGAQ's established business solutions and the successful start-up of new initiatives.

On the back of extensive member consultation LGAQ transformed the way it delivers its professional consulting services and now provides a wide range of services and expertise under the Total Solutions banner. By bringing together LGAQ's internal specialists, along with access to the industry's best minds, the Total Solutions team now delivers services to councils across Queensland, both large and small, rural and urban.

This year, in partnership with Learning Seat, we also launched a brand new online training solution that has already been used by many councils and will continue to develop as councils share course content with each other.

2011 also saw the establishment on another brand new service, GovCloud, an innovative cloud computing solution designed especially for local and state government.

There was strong growth in the established businesses as they continue to develop new services and councils look for ways to be more efficient and effective.

The highlights of each solution in the Advance offering are listed below.

Subsidiaries



LGM Queensland

LGM Queensland (LGM) is a legal liability self insurance scheme owned and operated for the sole benefit of Queensland councils and local government controlled entities. 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 local government Councillors, 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.

During 2011/12 LGM continued to focus on its priority objectives of providing local government specific cover, maintaining relative cost stability for members and directly assisting members to minimize claim costs through effective risk management. The scheme's operating structure, which continued to include a \$2 million self-insured retention, assisted in insulating members from the ongoing insurance cost impacts of local and overseas natural disasters.

LGM's risk management services continue to increase in importance as the period since the significant public liability law reforms of 2002 and 2003 grows longer and the attitudes of courts moves further in the direction of claimants. Data shows that increasing numbers of very large liability claims are being pursued against councils. Procedural failures in areas such as maintenance, roadworks safety and development approvals can leave councils and LGM exposed to significant liability costs.

LGM has expanded its range of risk management resources in specific operational areas such as footpath management, contractual indemnities and labour hire arrangements. These resources are backed up by direct, on the ground member support provided by Regional Risk Coordinators and the RiskMap risk management software. Both of these support services are jointly funded with Local Government Workcare and demonstrate the member benefits able to be delivered by the two local government self-insurance schemes working together.

At the time of preparing this report the latest audited financial statements of LGM were as at 30 June 2011 and showed net member equity of \$15.8 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

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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.

LGW shares with LGM a core objective of maintaining cost stability for members. Despite a very challenging cost environment this was again achieved during 2011/12 with no increase occurring in the average scheme contribution rate. Since 2009 Queensland has experienced a very significant increase in workers' compensation common law claims and claims for psychological injuries. This resulted from the failure of workers compensation legislation to properly respond to unfavourable claim patterns and court judgements, and the increased activity of plaintiff lawyers. The new Queensland Government is conducting an inquiry into Queensland's workers compensation system and LGW has joined with the LGAQ in calling for a greater focus on genuine work related injuries and the direction of resources to more seriously injured workers.

LGW has continued to work closely with members on improving workplace health and safety management through use of the Safe Plan system. An updated version of Safe Plan was released to maintain consistency with Queensland's nationally harmonised WH&S legislation. The Safe Plan auditing program has also been reviewed and will see LGW's WH&S professionals visiting more members to undertake onsite assessments and provide system enhancement reports.

During the year the LGAQ coordinated a self-insurance licence mid term self-assessment of LGW's claims and injury management processes. As part of the self-assessment a number of WH&S management system audits were also conducted at member workplaces. The self-assessment outcomes were reported to the workers compensation regulator, Q-COMP, and showed LGW continuing to provide a high standard of services to members

At the time of preparing this report the latest audited financial statements of LGW were as at 30 June 2011 and showed net member equity of \$22 million.

Queensland Local Government Health Plan

In mid 2010 the LGAQ, in conjunction with Health Link Consultants and the national health insurance fund HCF, launched the Queensland Local Government Health Plan. The Plan involves a new approach to reducing health insurance costs by establishing an excess refund pool that will refund the policy excess payable by Plan members if they need to go to hospital. This allows plan members to achieve significant premium savings by taking on a policy excess with their hospital cover but not being required to meet the cost of the excess if they need to make a claim for hospital treatment. The excess

refund pool used to refund policy excess payments made by Plan members is funded by the Plan's supporting health fund, HCF.

This approach to health insurance provides councils with an additional workplace benefit specific to local government and supports efforts to identify councils as attractive employers. The plan is open to council employees and elected members.



LGIS — A Strategic Initiative of LGAQ and QTC

Operational since 2005, Local Government Infrastructure Services Pty Ltd (LGIS) is a joint initiative of Queensland Treasury Corporation and the Local Government Association of Queensland.

LGIS' primary objective is to support local government with a range of infrastructure consultancy and procurement services across the following key areas:

- Water
- Waste
- Roads
- Demand management
- Disaster management and infrastructure recovery

LGIS Board Members at 30 June 2012 were:

Mr David Jay, OAM, Chairperson
Mr Roger Short
Mr Brian Guthrie
Mr Greg Hallam, LGAQ
Mr Phillip Noble, QTC

STAFF

Mr John Curran, Chief Executive
Mr Anthony Coates, Director, LGIS Operations, and LGIS has access to QTC staff on an as needed basis.

Year Highlights

Over the twelve month period, LGIS continued to provide advisory and project management services to both State and local governments and in response to client demand, provided a number of new services to clients. In particular, LGIS is providing practical assistance in relation to compliance

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and reporting obligations under the *National Greenhouse and Energy Reporting (NGER) Regulations 2008* and the *Clean Energy Act 2011*. In support of this new offering LGIS also developed a one day training workshop focusing on waste and carbon implications for local government. The workshops were held in Rockhampton and Brisbane and featured a number of speakers from Federal and state government departments and agencies, Dr Zeppel from the University of Southern Queensland and the LGAQ.

The following summarises the major areas that LGIS was involved in during the year.

Local Government Projects

Water and Wastewater Treatment Plant Projects

Over the year, LGIS assisted a number of local governments with business case development, procurement and project management processes for water and wastewater treatment plants.

Natural Disaster and Relief and Recovery Arrangements (NDRRA)

During the year, LGIS continued to provide a number of services to assist local governments impacted by the natural disasters that occurred in Queensland over the 2010 and 2011 period. In particular, LGIS is assisting 12 councils to assess and document over \$750 million worth of damage caused by these flood and cyclone events. Completing the recovery task has been a massive undertaking for councils, the QRA and LGIS as the scale of the damage was significantly above historic annual averages.

Other Advisory Assignments

In addition to the above, LGIS also delivered a number of advisory assignments to various local governments. This work included business case development, financial analysis and procurement support.

State Government Projects

ClimateSmart Home Service (CSHS)

In April, LGIS received advice from the Department of Environment and Heritage Protection that the CSHS was to be wound down ahead of its scheduled closure date of 31 December 2012. In accordance with the Department's request, the final service was delivered on 6 August 2012 bringing the total number of services delivered for the whole program to 344,371.

LGIS management of the CSHS will now focus on the program's 12 month defects and liability period, which is scheduled to conclude on 5 August 2013.

Over the last twelve months LGIS' management of the Climate Smart Home Scheme Service was recognised with the receipt of a number of State, National and Internal awards. *These are outlined below.*

In addition, more recently, LGIS was the recipient of both the 2012 Queensland and National iAwards for green IT and sustainability.



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Local Buy

Queensland councils have continued to use Local Buy Services during the 2011/2012 Financial Year through its contracted arrangements. Local Buy has in place 40 contracted arrangements including Telecommunications, Engineering Consultancy and Microsoft Software Licensing and now a number of additional contracts including contracts for flood damage relief and pipes and pumps and concrete products. Local Buy in conjunction with the sister organisations in the other states have bought an electronic quotation system called vendor-panel which has been very well used by many of the Queensland councils.

Important Projects Undertaken During 2011/2012 Include:-

- Local Buy continued to review Electricity Tariff Arrangements for several local authorities, generating considerable savings on councils' energy costs.
- Local Buy has created a new contract arrangement for Project Management which has the potential to provide significant savings for council project work.
- Local Buy held its annual Procurement Conference in March 2012 with a large turnout of procurement professionals from across the state. A regional seminar was also held in Rockhampton

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

Local Buy was engaged to assist councils with a variety of Probity and Tendering services throughout the year.

In the coming year, Local Buy intends to continue 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 13 staff. The Board of Directors met six times during the year and comprised of the following members:

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



GovCloud

Operational since September 2011, GovCloud Pty Ltd (GovCloud) is a joint initiative of private company Pacific Technology Group Pty Ltd (PacTec) and the Local Government Association of Queensland.

GovCloud was created to provide leading cloud based solutions and services to assist local governments, agencies and utilities achieve their strategic, operational and financial objectives.

Cloud computing is the delivery of computing services through the Internet. The traditional purchasing of physical IT products is being replaced by business models where governments or agencies share the cost of common resources. This means that a council no longer has to buy, manage and maintain expensive hardware and software and can access scalable capacity as required. GovCloud delivers information technology infrastructure and applications "as a service" to councils. For most councils, this will result in reduced costs because individual members will no longer pay for items where the cost can be shared.

- Infrastructure as a Service – computing power, backup, storage, archiving
- Software as a Service – hosted email, mobile document management and other applications
- Professional IT Services
- Disaster management and Business Continuity
- Creation and use of intellectual property and knowledge through the collection and analysis of council data

Board Members

Mr Greg Hallam, LGAQ Chairman
Mr Brent Reeman, LGAQ
Mr Jock O'Keeffe, PacTec

Human Resources

Mr Scott Wilkie, Chief Executive
Mr Lou Boyle, COO
Resolute and PacTec staff

Year Highlights

This year has been successful for GovCloud achieving the following milestones:

- Incorporation and Corporate development including marketing and digital collateral
- Product development including Australian first "cloud

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- partnership” with Telstra Ltd
- Further product development including energy/carbon, digital council papers
- Market development across Australia now on procurement panels in Queensland, South Australia and NSW with further expansion contemplated in Victoria and New Zealand
- High profile Redundant Systems for Disaster Scenarios (RSDS) Project to provide cloud based solutions for 10 disaster affected councils which has received national press coverage
- Considered “thought leader” in Government focussed cloud solutions in demand for conference presentations and discussions around innovation in Government across Australia
- Participant in Queensland Government policy discussions on IT services and cloud computing
- Significant revenue growth on path to profitability in 2013



Propel Partnerships

Propel Partnerships has enjoyed another very positive year. The joint-venture exceeded its business plan and continues to evolve as a core component of the Association’s commitment to providing its members with relevant solutions to the challenges that the local government sector is currently facing. The highlight of the FY was the presentation of a direct financial efficiency dividend to the City of Ipswich Council following another exceptional year in the operations of the *Services Queensland Partnership*. The dividend was in excess of \$500,000.

Propel is dedicated to helping local government in Queensland to deliver financial and operational efficiencies across a broad range of routine administrative functions, something which is now more relevant than ever before given the enormous financial pressures that our tier of government is under. Propel can assist councils with: developing strategies to support business change – including the realization of hard financial benefits; customer service enhancement and call centre design/implementation; shared administrative services –whether across individual council functions or across council boundaries; rates and arrears management; disaster management support to assist

with contingency planning; 24/7 out-of-hours services.

Propel was created in 2006 as a joint venture company with Aegis Services Australia, a global business services organization. The LGAQ has a controlling 66.67% stake in the business. Propel’s Committee has strong representation from both the public and private sectors which enables a sharp focus on balancing political priorities with the need to drive financial efficiencies on behalf of our clients. Committee Members are:

Mr Jim Soorley – Chairman (appointed by LGAQ)

Mr Ian Leckenby – Independent Board Member (appointed by LGAQ)

Mr Brent Reeman – LGAQ

Mr Christopher Luxford – CEO of Aegis Services Australia/NZ

Mr Steve Crowe – CEO Propel Partnerships/Resolute I.T. (non-voting member)

Staff and Offices

Propel has enjoyed a period of strong growth during this financial year. Its direct staffing establishment has increased to 9. The business is co-located with Resolute I.T. in Fortitude Valley and delivers a substantial range of administrative services from its primary operational site in the Ipswich CBD. Propel also has operational responsibility for the management of a further 70 staff in the City of Ipswich.

Project Delivery and Highlights for 2011/12

The highlight of the year was the presentation of a tangible financial efficiency dividend to the City of Ipswich Council in recognition of the outstanding performance of the *Services Queensland Partnership*. The 10 year arrangement with Ipswich acts as a benchmark in Australian local government. The wide-ranging partnership with Propel demonstrates how councils can deliver consistently excellent levels of service to its entire customer base whilst simultaneously delivering hard financial benefits. Propel now delivers a substantial range of administrative functions from within an industry leading customer contact centre in the heart of Ipswich’s CBD. Services include: all customer services; property rates; rates arrears; multiple licensing functions; box office services; various payment services. Propel has been working very close with Ipswich to reduce the level of rates arrears. This process has been exceptionally successful. The *Services Queensland Partnership* between Propel and Ipswich is now approaching its 5th year of operations and is now considered to be an established and proven operating model. Ipswich is to be congratulated on being an early adopter of such an innovative concept and is now reaping the benefits of its first mover status. The arrangements in Ipswich are now attracting a high level of

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interest from councils and other government agencies around Australia and New Zealand.

Propel has also been working closely with the LGAQ to leverage the shared services capacity which the *Services Queensland* model enables. Conference delegates may be interested to know that the LGAQ's Member Services Centre (MSC) is operated under a managed services arrangement by Propel Partnerships. This initiative enables councils to access a wide variety of information via a single point of contact without having to navigate to an LGAQ officer first. This saves members time with approximately 80% of all contacts with the MSC resulting in immediate resolution. Of course, detailed specialist and technical advice remains a core feature of the LGAQ's service offering to its membership, and the MSC is able to quickly direct complex enquires to an appropriate specialist. Propel has also taken over operational responsibility for the delivery of Resolute I.T.'s helpdesk, again leveraging a single technology and infrastructure environment which results in financial and operational efficiencies. This helpdesk services a large number of Level 1 technical enquiries for councils throughout the state.

Propel has also delivered a number of important consultancy engagements during the course of the 2011/12 FY on behalf of Queensland councils. Of particular note was the construction of a fully costed business case for Redland City Council. This activity has seen Propel and RCC employees working very closely for some 9 months with a view to developing a financially viable integrated customer services centre. Propel's recommendations have been unanimously accepted by RCC's Councilors and Executive Team. This project demonstrates Propel's detailed understanding of the operational and political impacts of major business transformation initiatives. Propel has also delivered customer service consultancy on behalf of UnityWater.

Integration Strategy with Resolute I.T.

Following the LGAQ's decision to restructure its wholly owned information technology entity, Resolute I.T., at the end of the FY 2010/11, the CEO of Propel Partnerships was asked to undertake a comprehensive business transformation project with a view to establishing the viability of integrating Resolute I.T. into Propel Partnerships. Following a sustained program of activity during the FY 11/12, Resolute's performance has undergone a significant turnaround. As a consequence of this, it remains the Association's ambition to absorb Resolute I.T. into Propel Partnerships. This will result in lower operating costs, more efficient project delivery and a more transparent governance structure via a single Committee/Board.

Financial Performance

Propel has again delivered a strong financial performance for the year and has exceeded its business plan. Operating revenues increased to \$8.012m and the consolidated net position of

the business resulted in positive distributions amounting to \$838,500 being paid to Propel's shareholders in the joint venture. This represents approximately \$900,000 of new revenues for the FY 2011/12.

Propel's Future

Propel remains confident that it can continue to build on the excellent foundations which have now been laid. The business is currently focused on building new products which will enable all councils in Queensland to access a full service 24/7 out-of-hours customer service environment. This will also incorporate a disaster management support function which will enable councils to build more dependable contingency plans in the event of an emergency/disaster. Propel is also building rates/rates arrears service offerings which will enable councils to benefit from shared service arrangements and the lower transaction costs that will result from sharing technology and resources.

The planned integration with Resolute I.T. represents an exciting opportunity to leverage existing client relationships with a view to offering the Association's membership a more comprehensive range of tailored offerings. Propel remains committed to working with councils in Queensland to lower operating costs and to ensure that service provision remains a viable proposition well into the future.



Resolute Information Technology Pty Ltd

Resolute I.T. is an information technology business which works with over 40 councils in Queensland. The business manages all of the LGAQ's internal ICT requirements and hosts and develops LGOOnline via innovative cloud computing arrangements with GovCloud. Resolute works with a broad cross section of councils, regardless of whether they are located in urban/metropolitan areas or are in more remote locations. Resolute also has a strong track record of providing a broad range of core ICT services to Indigenous councils. The business understands how councils operate and is uniquely positioned to assist with the complex task of making the most of your ICT infrastructure.

After a difficult period in FY 2010/11 (post-GFC market conditions and the impact of major disaster events), Resolute IT has undergone a major business transformation programme during Q3/Q4 of FY 2011/12. This has resulted in a pleasing turnaround in both the operational and financial performance of the business. The comprehensive nature of the re-organisation should be viewed through the prism of the LGAQ's determination to ensure that all of its commercial entities remain relevant to

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the evolving needs of the Association's membership. In short, the business needed to be refreshed from top to bottom. A key aspect of the transformation strategy was to establish whether the future of the business lay in the closer integration of Resolute IT with Propel Partnerships. Propel's CEO has been working closely with the Association throughout the FY 2011/12 and it has been established that the two businesses will be merged into a single entity at some stage in the future. This will offer the Association's membership a much broader range of service offerings from a single entity.

Resolute has enjoyed a strengthening of key relationships with a number of major local government clients throughout Queensland during the FY 2011/12 and has been successful in generating exciting new revenue streams in both the public and private sectors. The business has also been working on a number of new products which will support councils during major disasters and has invested in its ability to assist councils with capitalising on the benefits associated with cloud based computing.

The LGAQ took the decision to dissolve Resolute's Board during the business transformation cycle and has replaced it with an Interim Board consisting of the following members:

- Greg Hallam – (Chairman) LGAQ
- Brent Reeman – LGAQ
- Steve Crowe – CEO Propel Partnerships/Resolute I.T. (non-voting member).

Staff and Offices

Resolute has restructured its senior management team to ensure that it has an appropriate balance of commercial management expertise, senior business development capacity, project management capability and a tightly utilised technology development/delivery skills base. The team currently has 20 staff, consisting of 18 FTE and 2 contractors. There has been a deliberate strategy of reducing the business's dependence on short-term/high cost contractors. Resolute has consolidated its operational sites into a single location and now shares premises and facilities with Propel Partnerships from offices in Fortitude Valley. Regional offices in Bundaberg and Toowoomba have been closed as they were no longer considered to be financially viable.

Major Project Initiatives

The 2011-12 FY has primarily been concerned with stabilising the business to ensure its future success. As such, the clear operational focus of the management team has been concerned with the successful completion of a number of major projects which had commenced in the 2010/11 FY. This has been a successful strategy which has seen Resolute strengthen its relationships with a number of major local government clients. Resolute is now enjoying a high degree of repeat business from

both pre-existing and new clients throughout Queensland. Whilst stability is important, the business has also been carefully expanding its consulting and managed services capabilities in the private and not-for-profit sector. This strategy has resulted in securing high value work with a mining company and Medicare Local. This diversification has been an important feature of Resolute's ability to strengthen its financial position during Q3 and Q4 of the 2011-12 FY. The business has also been focused on re-orientating its managed services arrangements with the LGAQ in respect of the support requirements for LGOnline and Council Business Centre modules. This strategy will secure the future of these important products and services into the foreseeable future. Finally, Resolute has played a key role in delivering the Disaster Hub system to 9 councils in Queensland and has now reached a significant milestone in the roll-out to 5 councils of new resilience based ICT products relating to the NDRP funded RSDS initiative (Redundant Systems for Disaster Scenarios). All councils are encouraged to consider the benefits of utilising Disaster Hub and/or RSDS to complement their contingency planning strategies.

Resolute has now signed a Partnering Agreement with the Kana Corporation, an international market leader in customer relationship management (CRM) technologies for government organisations. Resolute is now able to offer local government in Queensland a citizen centric technology solution which more closely matches the modest scale vs tight budgetary requirements which all councils are now grappling with. In brief, councils are no longer restricted to a choice between marginal 2nd tier products and high-end enterprise ICT platforms which are essentially too large and/or too expensive for small to medium sized councils to accommodate in the long-term.

Financial Performance

Resolute's financial performance in the first two quarters of the 2011-12 FY continued to reflect the true extent of the financial and operational difficulties experienced by many technology businesses in FY 2010-11. It was these challenges which ultimately led to the Association's decision to undertake a major change initiative. Prior to the formal restructure (commenced by Propel Partnerships in Q3), Resolute recorded an operating loss of \$740k during Q1/Q2 of the 2011-12 FY. Following detailed discussions between Brent Reeman and Propel Partnerships about an appropriate turnaround strategy, the formal restructure of the business commenced in January 2012. Monthly operating losses were immediately stemmed and carefully considered business development initiatives were implemented. The business was profitable in Q3/Q4. Resolute ended the 2011-12 with an operating loss of \$704k. Given the momentum behind the change programme, the business is expected to return to profit in the 2012/13 FY.

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Professional Solutions

Total Solutions

Total Solutions is LGAQ's professional consultancy service which delivers a wide range of products, services and projects which are designed to assist member councils to improve their operations or in situations where they may not currently have available capacity or resources. These services are optional and are generally provided to councils on a fee for service basis or as a commercial business offering.

Total Solutions is comprised of the following Business Units:

- Workforce Solutions – Includes general HR consulting, IR consulting, Enterprise Bargaining, investigation services, salary reviews and an executive coaching service for council CEO's and Senior Executives
- Business Solutions – Undertakes strategic management, performance appraisals and reviews, implementation of the Business Excellence Framework, efficiency performance scans, organisational development and structural reviews, re-design and re-engineering, change management and team building
- Capacity Solutions – Provides staff where councils immediately require skilled staff in hard to fill roles or have a temporary requirement (e.g. HR Officers)
- Recruitment Solutions – A high quality recruitment and placement service to assist councils to meet their human resource requirements
- Performance Solutions – Works with councils to improve performance, meet legislative obligations and increase financial return through effective financial management and sustainability, asset management, governance, internal auditing, policy development, community plans and community engagement
- Training Solutions – LGAQ is a Registered Training Organisation (RTO) which provides accredited courses, non-accredited courses, short courses and on-line training

Through the establishment of Total Solutions, LGAQ has brought together all of its professional service solutions which are supported by appropriate systems, technology and people to provide expert services to our member councils. The range of service offerings provided by Total Solutions continues to grow in response to the needs of our member councils.

Total Solutions has worked with over 35 councils and undertaken over 50 projects since its inception in 2011. The number of projects undertaken by Total Solutions with councils increases on a daily basis and we continue to identify and respond to any need for additional services and establish and maintain close working relationships with experts in all relevant fields.

Council performance, financial sustainability and the community perceptions related to these topics are now well established local government themes. Total Solutions continues to work with councils on a daily basis to improve their performance, positively influence community perceptions of council's management and performance and demonstrate compliance with council's statutory requirement to demonstrate continuous improvement.

Training Solutions

Responses and contributions from the two regional groups representing member councils have led to a range of emerging learning and development issues for councils. As a result of those issues, registration of a new diploma course is underway (human resource management). This has also led to the establishment of some new services to assist in workforce development plans, a review of current position descriptions and performance appraisal systems in councils. In addition to this, LGAQ Training Solutions has again revised its range of services and products to ensure contemporary and quality outcomes remain a key outcome for our members.

The 2012-2013 LGAQ Professional Development and Consultancy Services Reference Guide was launched. Personal copies were posted to all Mayors and Councillors with a personalised letter from our Chief Executive Officer and certificates of attendance for those elected members who attended the Elected Member Update (EMU) workshops. Council HR officers and other senior officers received copies through their membership of the Learning and Development Committee (South East Qld) and Organisational Development Committee (North Qld) and continue to be distributed via visiting LGAQ consultants and staff. Additional copies are available at Annual Conference. Alternatively, an electronic copy is available if required.

New Initiatives

In anticipation of changing responsibilities for CEOs and council managers, increased leadership skills and strategic management services have been established and are available. Workforce development consultancy services continue to respond to specific requirements from our council members. These include Training Needs Analysis [TNA] workshops and processes. Leadership programs and workforce development audits have been undertaken in response to requests, towards a review of councils' current systems to better reflect on their "return on investment".

LGAQ continues to offer procurement training – which again, continues to receive excellent feedback particularly in reflecting councils' current policies. In addition, LGAQ is now seeking to extend its scope as an RTO into Human Resource management; a further reflection of the diverse changes for staff

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and managers in our member councils in Queensland. New courses/services will be available from the end of 2012, with an extended network of RTO's to respond to increasing demands across a broader range of services.

LGAQ Learning Solutions continues to build and attract excellent feedback and evaluations from our member councils about quality and response times.

Diploma Courses

LGAQ continues to increase the number of enrolments in the Diploma of Project Management. This is attracting stronger demand and excellent feedback.

The Diploma of Local Government (Planning) course continues to attract strong and consistent growth – towards enabling and supporting paraprofessional roles in councils. We welcome the ongoing support of the Planning Institute of Australia (PIA) and the Department in delivery of this program.

LGAQ has revised the content of its Diploma of Local Government (Health and Environment). There has been reduced numbers, a result of unavailability of staff, but in light of concerns to build on skills from our member councils we continue to promote and market this course. As with all courses and services we can deliver in any council location in the state subject to minimal numbers. We continue to achieve ongoing support of the Institute of Environmental Health (IEH Qld) – and we look forward to presenting at their national conference in November.

To date, over 1,430 graduates have received a formal qualification from LGAQ. Over 2,600 individuals attend our courses annually.

Projects

Disaster Management

LGAQ continued to play a significant role in disaster management throughout 2012. Throughout the past season, and on-going reconstruction and recovery work, LGAQ assisted its members by providing a range of support services and representation. These covered the following:

- Information and advice prior to and throughout the events;
- Management of the council-to-council support system;
- The coordination and delivery of a number of critical services by LGAQ's subsidiaries, including web-site management, call centre services, engineering and disaster response services and procurement panels for reconstruction;
- Lobbying on NDRRA funding, particularly the day

labour issue resulting in the successful recognition of day labour costs for 2010-11 events;

- Representation on the State Disaster Management Group;
- Representation on the State Disaster Coordination Group;
- Representation on the various sub-committees that report Cabinet Working Group;
- Representation to the Queensland Reconstruction Authority and associated departments;
- Conduct of the fourth Disaster Management for Local Government Conference;
- Ongoing lobbying for funding and resources;
- Distribution of the Disaster Management for Councils Resource;
- Development of MOUs with key partners including Red Cross and RSPCA;
- Managing the \$20million in funding received for post disaster Community Recovery and Engagement activities; and
- Ongoing assistance for councils to access Natural Disaster Resilience Program (NDRP) funding.

Advancing Asset Management in Local Government

In 2010 the Federal Government approved to provide \$2.695 million from the Local Government Reform Fund (LGRF) to support the development of core asset management plans (AMPs) for key infrastructure assets managed by 44 non-Indigenous Queensland councils and to assist 17 Indigenous councils to improve their asset management capacity. Specifically, the project outcomes include:

1. Measure the current asset management capability against the National Asset Management Assessment Framework (NAMAF); and develop action plans to assist in completing milestones towards improved asset management;
2. Develop asset management plans for all infrastructure asset classes;
3. Incorporate whole of life costing, community planning processes and asset management planning into budgeting processes;
4. Further develop the asset management planning skills of councillors and officers;
5. Provide for specific activities, including the development of 10-year financial plans for Indigenous local governments.

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The project has been recognised as both a success and a very good example across Australia under the national LGRF program, and in June 2012, the Federal Government approved the project's final report. In addition to all of the project milestones having been completed, other activities that have been initiated include:

1. The Maintenance Management Improvement Project (at one non-Indigenous council) designed to reduce reactive maintenance by scheduling proactive maintenance; and
2. Building Condition Assessments for several Indigenous councils.

For the majority of the councils, the work undertaken on this project has exceeded the items contained in the project's implementation plan. While project funds are available, the LGAQ will continue to facilitate regional asset management meetings to promote ongoing managing for financial sustainability.

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 during 2011/2012.

However in a major blow for local government, the State Government's Skilling Queenslanders for Work apprentice and trainee initiative has been discontinued for 2012 and beyond. 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. With the support of the one-off Government Apprentice Program in 2011 specifically for flood and cyclone-impacted councils, funding assistance over the 14-year program duration totaled over \$170 million and resulted in over 13,000 additional training opportunities.

Healthy Workplaces Initiative

The LGAQ Healthy Workers Initiative is funded under the National Partnership Agreement on Preventive Health (NPAPH) and administered by Queensland Health. The LGAQ Healthy Workers Initiative has employed a healthy workers advisor since July 2011. The primary purpose of the LGAQ healthy workers advisor is to:

- o Build the capacity, capability and willingness of local governments to improve workplace wellness and enhance the capacity of workers to make healthy lifestyle choices through the delivery of a range of evidence based workplace

wellness strategies.

- o Support local government workplaces to deliver the Queensland Workplaces for Wellness Initiatives, including enhancing access to support tools and resources.
- o Advocate with local governments for the development and implementation of comprehensive workplace health promotion initiatives and promotion of best practice case examples.
- o Work with and identify opportunities to support the Healthy Communities Initiative (HCI) within local governments.

The following is a list of achievements from the past year:

- Development and implementation of the LGAQ's 'Well@Work Program – resources and templates are available for councils to utilise.
- Development of a healthy catering policy, guidelines and resources, 'Smarter Serve' – this has been disseminated to all councils and has been implemented within the LGAQ.
- Development of a breastfeeding-friendly at work policy, guidelines and resources– this has been disseminated to all councils and has been implemented within the LGAQ.
- Four council case studies related to workplace wellness have been developed and advertised.
- Inaugural LGAQ Healthy Leader Awards were delivered – Tina James from Townsville City Council and Paul Wyles from Brisbane City Council were highly commended for their strong leadership in creating healthy workplaces.
- Twelve councils have taken up the QUIT smoking program available through the Queensland Workplaces for Wellness Program.
- LGAQ Healthy Workers webpage and monthly e-newsletter with valuable information about implementing sustainable workplace wellness initiatives has been made available to 'wellness champions' from all councils.
- Community Wellbeing Symposium has been developed and will be held in November, 2012 at QUT. There will be a focus on creating healthy workplaces, with case studies and workshops providing key points and strategies to overcome barriers.
- Live Well Lead Well professional development course for leaders within council has been developed and will be delivered as a pilot program in November 2012.

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Healthy Communities

The Healthy Communities Project aims to build the capacity of Queensland councils to create healthy communities across local government business. A number of initiatives have been delivered to date including;

- **Building Wellbeing Forum**, August 2011. 74 delegates representing 24 Queensland councils. The notion of leadership was strongly endorsed as critical to creating a focus for health across council portfolios, providing direction, facilitating collaboration and driving change through the community plan and related planning instruments.
- **Healthy Communities Motion** endorsed by LGAQ Annual Conference 2011 calling for continued awareness raising about the broad range of factors that impact on community wellbeing; recognition by State and Federal Government of the social and financial implications for local government; and ongoing assistance and communication to ensure an effective inter-government approach
- **Network established** to support the 19 Qld councils funded by the Federal Government Healthy Communities Initiative under the COAG National Partnership Agreement on Preventive Health
- **Healthy Leader Awards** initiated to raise awareness of the importance of leadership in creating healthy communities and to encourage and reward those in local government who have made an important contribution in this area. \$40,000 sponsorship agreement secured to provide outdoor gym equipment for elected member category prize. Professional development offered for Senior Manager and Officer categories.
- **Five Demonstration projects** funded (approx \$25,000ea) by LGAQ to offer insights into potential healthy community activities for local government. Projects were selected on their ability to showcase commitment, best practice, innovation and the opportunities they present to other Queensland councils for replication, support or capacity building:
 - 'Get Active Gold Coast' Mobile Physical Activity Finder
 - Aurukun Shire Council - 'Woyan to Country' traditional pathways project
 - Sunshine Coast Regional Council - Empowering Partners to Create Healthier Communities: A Geographic Toolkit
 - Gladstone Regional Council - Friendship, Fun & Fitness Groups
 - Redland Open Space Strategy: A physical activity approach to planning public open space

- **Promotion of key messages** via communication strategies including Healthy Community web-pages, case studies, circulars, fact sheets and conferences including Community Wellbeing Symposium and partnership with Alliance for Healthy Cities conference plenary and LGAQ Annual Conference workshop
- **Supporting training and professional development** opportunities including spatial information, population health for staff and 'Live well-Lead well' for council leaders

The project is funded by Queensland Health until December 2012.

Community Development & Engagement Initiative (CDEI)

In response to the series of natural disasters in 2010-2011, LGAQ successfully advocated for funding to support a community to recover. Unprecedented funding from both State and Federal Government (through Natural Disaster Relief and Recovery Arrangements) has been provided to LGAQ to manage a pilot community development recovery program (CDEI) which provides funding to support 17 (of the most affected) councils to employ 25 Community Development Officers and the delivery of a range of programs, activities, events and initiatives to support community recovery and build resilience.

From July 2011, through the CDEI, councils have recorded over 100,000 points of engagement with communities and stakeholders through the delivery of a range of activities such as: community consultations, memorials, community gardens, arts programs, health and wellbeing activities, placemaking and community education & training.

LGAQ has ensured the delivery of the initiative through our management of the program including:

- Administering \$11m in funding for local councils
- Assisting councils with the recruitment of 25 community development officers
- Providing induction training, resources and ongoing advice to councils to assist successful delivery of the funding in their local communities
- Reviewing and Reporting on activities being undertaken by councils across the state on a monthly and quarterly basis to State and Federal Government
- Delivering 11 forums and learning events for the CDEI funded workers and others to develop skills and knowledge, showcase best practice, explore challenges and solutions.

The CDEI is funded until 30th June 2013.