

# BUSINESS PLAN

2020 - 2021



**The 2020/21 Business Plan is the 2020/21 operationalisation of the 2020/25 Strategic Plan.**

The “why” for the LCLGA is “Collectively Building Stronger Communities”. This business plan focuses on how we can work with our members to deliver our why within a local government context for our members and the Limestone Coast Community.

Our members (in alphabetical order) are:

- > District Council of Grant
- > Kingston District Council
- > City of Mount Gambier
- > Naracoorte and Lucindale Council
- > District Council of Robe
- > Tatiara District Council
- > Wattle Range Council

The LCLGA is a wholly-owned subsidiary of our members under the Local Government Act (1999). This ownership structure means our equity and liabilities belong not just to the LCLGA but to our members as well.

There is a significant commitment from our members who are actively engaged in monitoring our progress, collaborating with us and each other in the delivery of our value proposition.

The current operating environment is extremely volatile, as detailed in the external and internal operating environment sections of our strategy and due to the current COVID-19 pandemic. The LCLGA recognises we will need to be very flexible as we seek to deliver value to our members during this challenging and rapidly changing time.

One of our strengths is our size and membership base, which should allow us to be flexible and agile to support and pursue opportunities on behalf of our members.

Over the last five years, the LCLGA has come through a growth and planning period. The next five-year planning horizon will be a focus and deliver period in the key result areas of building stronger communities, a stronger economy and member capability.

In a post-COVID-19 world, we believe these area’s of focus remain valid, acknowledging our strategy may need to be adjusted to meet changing priorities.

## OUR ROLE

**The LCLGA works with our members and achieves value by delivering projects, facilitating programs, being a conduit for communication, sponsoring projects or programs; and undertaking advocacy.**

Our members provide the directions for our activities to ensure we are aligned with their interest as contained in the approved strategic plan.

**The 2020/25 Strategic Plan was developed, considering the existing and emerging factors that may influence our strategy. These are factors, as identified by thought leaders such as CSIRO and Ernst and Young, are the ones that will most likely impact the delivery of our strategy for collectively building stronger communities.**

Ironically the likelihood of a pandemic was only referenced by the CSIRO as a “thought bubble” in a presentation on megatrends that will shape our world.

Since the Strategic Plan’s development, there has been a rapid and significant disruption to our operating environment due to the COVID-19 pandemic.

The Governor of New York State, Governor Cuomo quoted Winston Churchill on 12/4/2020 concerning the progress of the COVID-19 pandemic “Now this is not the end. It is not even the beginning of the end. But it is, perhaps, the end of the beginning”.

This statement sums up the current state of Australia and the World in our global fight to survive (literally and economically) this pandemic and to emerge in a thriving society.

The pandemic is a “Black Swan event”. A Black Swan event is a rare event with severe consequences that is not predicted, but with the benefit of hindsight appears to be obvious.

Despite learnings from previous pandemics, we are facing challenges from a subtle but critical change in the infection transmission efficiency of the virus within a globally connected world; and the world is seeking to adapt to this threat with varying degrees of success.

The problem, with all strategic responses that rely on adaptation, is understanding and matching the rate of change for effective decision making.

Decision making faster than the actual rate of change risks poor decisions from inadequate knowledge leading to wasted resources or ineffective strategies.

Typically, decision making occurs too late, and resources are not available, or decisions cannot address the scale of the problem.

The government’s decisions which aim to slow the rate of infection, reduce peak demand; and to protect the economy appear to have been successful (when compared to many other countries) to date at least in terms of reducing the national spread of the virus.

The economy has taken a significant amount of damage with estimates on the amount and duration of damage varying significantly from month to month.

Many small businesses have closed or are in hibernation, and nearly 25% of the workforce is now unemployed or under-employed. Industries reliant on exports such as timber, seafood, tourism, travel, accommodation and hospitality have been hit very hard due to the closure of borders (internal and external) and social isolation rules.

Some businesses have tried to adapt to new business models such as home delivery, noting it is challenging to adapt during a crisis due to the rate (as mentioned above) of change problem. For many businesses, they are trying to adjust while their financial capacity has been severely and unexpectedly eroded.

The speed of change with the pandemic is dynamic and not fixed. Initially, decision making was very fast to contain the emerging threat, now this has slowed but will vary as required, for instance, if there is a second wave then we can expect decisions to be made very quickly.

**There will however remain a tension of wanting to return to a more “normal” state as fast as possible, driven by economic imperatives, while not wanting to risk a second wave of damage that would occur from a second lockdown.**

The decision making will, therefore, be one of balancing trade-offs between public health, speed of economic recovery and wanting to avoid the costs of second and possibly third waves of lockdowns as occurred in the Spanish Flu pandemic.

Each state will have a different rate of change, and globally, this will vary from country to country.

Expected phases through the pandemic:

## **1. CONTAIN**

Limit the spread, slow down the rate of infection, ensure there is sufficient medical resources to meet anticipated peak demand for services, help businesses and citizens survive as efficiently as possible.

## **2. CONSOLIDATE**

Peak demand is contained within medical capacity; there is a concerted effort to reduce and eliminate social transmission and avoid reoccurrence of exponential growth. This means keep in place restrictions for interregional and interstate travel and begin cautiously with a few areas lifting social restrictions to assess impacts. Noting that with every set of decisions, it will take two weeks for the effects to be observed.

## **3. TRANSITION**

Social restrictions begin to lift, inter and intrastate travel commences including for non-essential purposes, schools and work move back to relative normality (perhaps with new health monitoring requirements and some forms of social distancing and hygiene).

## **4. STIMULATE**

Focused investment from government to kick start the economy, looking for ways to inject money quickly into projects. Local government will be an ideal channel for investing in economy building infrastructure such as roads.

International travel will likely continue to be constrained until the risk of infection from other countries is low or a vaccine is available (at least 18 months based on current information).

## **5. A NEW NORMAL**

Unhindered international travel for non-essential purposes commences once a vaccine is developed or a new regime of testing and risk mitigation for international travellers. The economics of international travel will be altered due to the loss and consolidation of competition, increased cost of insurance, re-emergence of nationalist attitudes and additional costs of border control and security.

There is likely to be a rethinking of global risks and supply chains, new paradigms around managing pandemic risk and the creation of new tools to enable quick pandemic responses (such as digital social tracing).

There are some valuable learnings for the LCLGA in the development of our strategy and business plan. Possibly the most significant learning is the uncertainty we are still facing from COVID-19 and the need to be focused, and very aware of the changing external environment so we can be flexible as required.

All tiers of government are impacted throughout the pandemic both from a service provision, economic stimulus and community leadership perspective.

**Over the last five years, the LCLGA has been successful in delivering value to our members (as detailed in the strategic plan).**

Despite financial losses in recent years, the financial position of the LCLGA remains strong. However, with no increases to cover CPI or salary increases and sustained losses, a continuation of this approach will result in a need for a significant increase in members fees in the future or a reduction in LCLGA resources and services.

The LCLGA continues to receive excellent support from our members. The main variation from the strategic plan situational analysis is the impact of COVID-19.

We anticipate there will be pressure/direction on local government to use its resources and balance sheets to assist our communities during the COVID-19 recovery and transition phases.

This assistance will probably include local government being an initial catalyst for investment in economic capacity-building projects, employment and programs such as roads and social programs.

There will also be a continued focus to ensure costs are effective and efficient, that rates are capped, or any increases are limited, that hardship provisions are generous and that the capacity of Councils balance sheets are leveraged (increased borrowings).

It is likely, in this environment, the appetite for funding increases in members subscriptions for the LCLGA will be low and this was confirmed in a workshop with our members to validate the business plan assumptions and priorities.

It is also likely that government funding for projects will go through some significant changes with the first opportunity for increased funding (short-term) followed by a reduction in funding (longer-term).

The immediate impacts of COVID-19 on the LCLGA in recent months has been to shift to a virtual office, transitioning meetings to video conferencing, and projects to online delivery. This change was achieved quickly and efficiently, and many of the learnings from this process will impact the way we think about work, travel and communications in the future.

## DELIVERING VALUE

**Our members agree that our focus should be narrow and deep to deliver value, and this becomes even more important in an increasingly resource-constrained environment.**

This means we will apply our resources to those strategies that provide the greatest value to our members; and not take on additional responsibilities without considering the trade-offs (time, \$, risk or lost value from not doing another project).

The process used to create focus and value in this business plan uses the following approach:

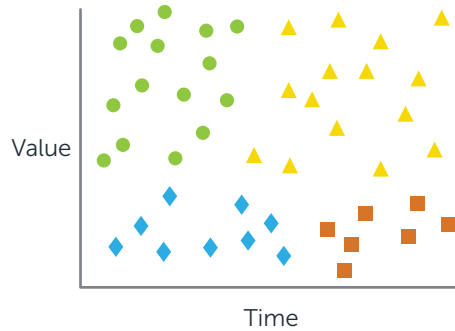
1. Should we be responsible for implementing the strategy?
2. What is the relative value of the proposed work?
3. What is the trade-off, and is this acceptable?

## 1. SHOULD WE DO IT?



- > Benefits more than one member?
- > Is it consistent with our why?
- > Should others do this?
- > Are we the best to do this work?
- > Do we have the resources?
- > Are the risks acceptable?
- > Endorsed by member Councils

## 2. RELATIVE VALUE



- > Fit with why?
  - > Number of members?
  - > Significance of benefit?
  - > Effort required
  - > Start date = Time
- } = Value

- Highest value, shortest time
- ◆ Low value, quick wins
- ▲ Average value, average time
- Least value, longest time

## 3. OPPORTUNITY COST / TRADEOFF



### Impact of saying YES

- > What is the lost value by saying yes?
- > What additional costs are involved?

**Our members were asked which of our activities are strongly aligned with our why and provide the greatest benefits.**

This approach is still developing and will become more sophisticated, the more it is used.

In terms of the LCLGA Projects (see table 1), they are ranked in order of alignment and value, noting that each of these projects also receive external funding.

For our Programs (see table 2), these are not generally funded via grants and include ongoing work with member committees, their alignment and value is ranked in table 2.

TABLE 1 LCLGA PROJECTS

NAME	SHOULD WE DO THE WORK?	STRATEGIC ALIGNMENT	IMPORTANCE (VALUE AND EFFORT)	RANK
Destination Development and Economic Recovery	Yes	Very Strong	Essential	1
Star Club	Yes	Strong	Important	2
Sports Academy * (Subject to funding)	Yes	Strong	Important	3
Leadership *	Unsure	Average	Nice to do	4
Substance Misuse Limestone Coast *	Yes, but maybe a better fit elsewhere	Average	Nice to do	5

\*These projects have commitments from LCLGA and external funding for up to three years.

Projects that are classed as essential and important are priorities, noting we are committed to supporting the Leadership and SMLC projects for their current funding cycle.

# LCLGA PROGRAMS

TABLE 2 LCLGA PROGRAMS

NAME	SHOULD WE DO THE WORK?	ALIGNMENT	IMPORTANCE (VALUE AND EFFORT)	RANK
Regional growth (incl. regional recovery strategy)	Yes	Very Strong	Essential	1
Regional roads	Yes	Very Strong	Essential	2
Regional Waste	Yes	Very Strong	Essential	3
Joint Planning Board (new)	Yes	Very Strong	Essential	4
Regional health plan (new)	Yes	Very Strong	Essential	5
Shared capability (new)	Yes	Strong	Important	6
Cross Border Partnership	Yes	Strong	Nice to do	7
Climate change strategy revamp	Mixed	Weak	Nice to do	8
Red meat cluster	Mixed	Weak	Nice to do	9

Programs assessed as essential and important will be prioritised, and other areas will be more of an opportunistic approach, as long as, the work does not detract from the higher-rated programs.

## **KEY RESULT AREAS**

The strategic plan identifies three key result areas to focus and support our why of collectively building stronger communities.

They are, building:

- > Sustainable Communities
- > Stronger Economy
- > Member Capability

## **BUILDING SUSTAINABLE COMMUNITIES**

A sustainable community has resilience, leadership, a healthy environment, optimistic mindset, community well-being, connected and inclusive with built environments where we want to live and that others want to join.

Over the 2020/21 year, building sustainable communities in a rapidly changing COVID-19 environment within a local government environment will be the focus.

The objectives and proposed strategies in the strategic plan focus on climate adaptation, regional health plans, and completing our committed "incubator projects" which are the Sports Academy, Leadership Program and Substance Misuse.

Due to the uncertainty from COVID-19 and our member's ratings relative to other work, it is proposed to defer the Climate Adaptation Strategy to the 2021/22 financial year.

## **LONG TERM OBJECTIVES (STRATEGIC PLAN BY 2025)**

1. The regional climate adaptation strategy outcomes are achieved
2. Government policy and investment reflect our members priorities
3. Regional health plan outcomes are achieved
4. Incubator projects are successful and self-sustaining

## **SHORT TERM OBJECTIVES (STRATEGIC PLAN BY 2020/21)**

1. Regional health plan is approved
2. Our networks, members and stakeholders are connected and engaged
3. Incubator project outcomes are successful
4. Our members and stakeholders are supported to access stimulus packages
5. The governance, effective management and capabilities of sporting clubs continues to improve (Star Club)

## **PERFORMANCE INDICATORS**

1. The extent that the government listens and incorporates Limestone Coast priorities in decision making
2. Our relative share of grants
3. Member rating of our effectiveness in keeping them and stakeholders connected
4. Incubator project outcomes delivered



TABLE 3 BUILDING SUSTAINABLE COMMUNITIES

STRATEGY	TACTICS	APPROACH	TIMING	RESPONSIBLE
Engage with stakeholders	<ul style="list-style-type: none"> <li>&gt; LGASA and SAROC meetings</li> <li>&gt; Regional Executive Officers meetings</li> <li>&gt; Green Triangle Freight Strategy</li> <li>&gt; Local Members (regular meetings)</li> <li>&gt; Key Stakeholders (SA Gov and Industry)</li> <li>&gt; Create a social media presence to share stories</li> </ul>	Communication and advocacy	<ul style="list-style-type: none"> <li>&gt; Every month</li> <li>&gt; Every two months</li> <li>&gt; Every quarter</li> <li>&gt; As required and as opportunity presents</li> <li>&gt; As required and as opportunity presents</li> <li>&gt; Ongoing</li> </ul>	Executive Officer
Star Club Program	<ul style="list-style-type: none"> <li>&gt; Deliver the program to over 300 clubs in the Limestone Coast</li> </ul>	Program	Ongoing	Starclub Field Officer
Deliver incubator projects (Sports Academy, Leadership and SMLC)	<ul style="list-style-type: none"> <li>&gt; Project plans as agreed with Board and funding bodies</li> <li>&gt; Adapt projects for a COVID-19 environment</li> </ul>	Project and sponsorship	Ongoing Review with each change in requirements	Dedicated Project Managers
Regional health plan is approved	<ul style="list-style-type: none"> <li>&gt; Complete the consultation</li> <li>&gt; Present the final plan for approval (LCLGA and Health)</li> </ul>	Program	Sep-20 Dec-20	Program Coordinator & Council steering Group
Access funding for our region, members and	<ul style="list-style-type: none"> <li>&gt; Develop a funding database</li> <li>&gt; Work with partners to develop proposals to access funding</li> </ul>	Project	Ongoing	Executive Officer and Project Managers
Implement a proactive advocacy program (duplicated across all KRA's)	<ul style="list-style-type: none"> <li>&gt; Identify and agree on advocacy priorities</li> <li>&gt; Develop an advocacy position and program</li> </ul>	Advocacy	Aug-20 Dec-20	Executive Officer
Sponsor the delivery of the South Australian Coastal Councils Alliance	<ul style="list-style-type: none"> <li>&gt; Supervise the project coordinator and expenditure</li> <li>&gt; Support the Executive Committee</li> </ul>	Program	Ongoing	Executive Officer

## **BUILDING A STRONGER ECONOMY**

A strong economy relies on human capital (skills, knowledge and innovation), financial capital (investment), productivity (more from less), realising local competitive advantages, entrepreneurialism, value clusters, increased supply chain value capture from exports, capturing local value (buy local); and attracting spend from outside our area (investment and visitation).

The significant work we have done over the last three years in Tourism and especially international markets is under threat and maintaining relationships will be essential to sustain the value from this investment in the longer term. Nevertheless, the immediate to medium-term focus shifts to interregional and interstate travel and the emerging travel bubbles such as with NZ.

The economic advantages of our region are unchanged. We continue to be mostly unaffected by drought and have higher levels of water security than many regions in Australia. We have soil with little degradation, and we have not had fire or flooding to the same extent as some other areas in Australia and our ocean resources are in reasonable shape when compared to other areas.

We also have a diverse economy which means we are generally more resilient to shocks than many other regional areas in Australia.

Growth enabling factors such as migration and access to capital are potential constraints to growth in the longer term.

## **LONGER-TERM OBJECTIVES (STRATEGIC PLAN BY 2025)**

1. The outcomes of the regional growth strategy and action plan are achieved
2. Waste is a source of economic growth and competitive advantage
3. Regional land-use planning is effective and agile
4. The required investment in regional road infrastructure are achieved
5. The value of tourism to the region continues to increase
6. Mutually beneficial cross border partnerships are developed

## **SHORT TERM OBJECTIVES (STRATEGIC PLAN BY 2020/21)**

1. The Limestone Coast economy recovery plan is delivered
2. Destination marketing strategy is approved, and implementation commences (with an initial focus on COVID-19 recovery)
3. Regional Roads Strategy is updated and approved
4. A preferred regional waste solution is identified
5. Collaboration opportunities on cross border projects are agreed
6. Joint Planning Board is approved by the Minister and established

## **PERFORMANCE INDICATORS**

1. Joint Planning Board is established (Regional Plan to commence development in 2021/22)
2. Our members are successful in attracting funds and implementing stimulus projects.
3. Federal and State Members support our members advocacy priorities.
4. Regional roads strategy is approved, and funding achieved.
5. Destination marketing strategy is completed,
6. COVID-19 recovery plan objectives are achieved
7. Regional waste options analysis is completed
8. A clear position on cross border collaboration with neighbouring Victorian Councils is developed.

TABLE 4 BUILDING A STRONG ECONOMY

STRATEGY	TACTICS	APPROACH	TIMING	RESPONSIBLE
Implement and develop the Economic Growth Strategy (COVID-19)	<ul style="list-style-type: none"> <li>&gt; Revise growth strategy with a COVID-19 lens with working group</li> <li>&gt; Advocate on priorities</li> <li>&gt; Seek and support funding for priorities</li> <li>&gt; Facilitate economic growth information sharing (with RDA)</li> <li>&gt; Undertake approved projects</li> </ul>	Program and Project	Jul-20  Ongoing  Ongoing  Ongoing	Executive Officer and Working Group Chair
Review and update the Regional Transport Strategy and database	<ul style="list-style-type: none"> <li>&gt; Scope the review with the Roads and Transport Working Group</li> <li>&gt; Engage resources to undertake the review</li> <li>&gt; Review is completed and approved by the Board</li> <li>&gt; Roads funding applications prepared and submitted</li> </ul>	Program	Aug-20  Aug-20  Dec-20  Dec-20 to Apr-21	Executive Officer and Working Group Chair
Develop a regional waste strategy	<ul style="list-style-type: none"> <li>&gt; Review the UniSA report and feed into the LEGATUS review</li> <li>&gt; Assess appetite for risk, funding and co-investment</li> <li>&gt; Options paper completed and presented for approval</li> </ul>	Program	Oct-20  Feb-21  Apr-21	Executive Officer and Working Group Chair
Destination Marketing Strategy	<ul style="list-style-type: none"> <li>&gt; Implement the approved interim plan (COVID-19 recovery)</li> <li>&gt; New plan presented for approval</li> <li>&gt; Implement the approved plan</li> </ul>	Program	Continues until the new plan is approved  Oct-20  From Oct-20	Destination Manager
Implement a proactive advocacy program (duplicated across all KRA's)	<ul style="list-style-type: none"> <li>&gt; Identify and agree on advocacy priorities</li> <li>&gt; Develop an advocacy position and program</li> </ul>	Advocacy	Aug-20  Dec-20	Executive Officer
Establish the Joint Planning Board (JPB)	<ul style="list-style-type: none"> <li>&gt; Seek ministerial approval to establish a JPB</li> <li>&gt; Appoint JPB Directors</li> <li>&gt; Developed a JPB Business Plan for member approval</li> <li>&gt; Start process to secure Regional Plan development expertise</li> </ul>	Project and Sponsorship	Aug-20  Sep-20  Dec-20  Mar-21	Executive Officer
Green Triangle Freight Action Plan	<ul style="list-style-type: none"> <li>&gt; Attend meetings and link into Roads Working Group</li> </ul>	Advocacy	Ongoing	Executive Officer
RDALC Deliverables	<ul style="list-style-type: none"> <li>&gt; Work with RDALC on agree deliverables</li> <li>&gt; Participate on committees as required</li> </ul>	Program and Advocacy	Ongoing Ongoing	Executive Officer
Cross Boarder Partnerships	<ul style="list-style-type: none"> <li>&gt; Scope possible partnership dimensions</li> <li>&gt; Cross boarder strategy and agreements in place</li> </ul>	Project	Dec-20  Jun-21	Executive Officer
Red Meat Cluster	<ul style="list-style-type: none"> <li>&gt; Provide facilitation support for cluster organisation</li> </ul>	Program	Ongoing - meetings every 1/4	Program Coordinator

## **BUILDING MEMBER CAPABILITY**

**Building our capability focuses on increasing the availability and access to resources, reducing costs, improving performance, developing new skills and knowledge, leveraging our member's abilities for collective benefits; and developing and growing our employee's capabilities across our region.**

Over the next financial year, our members will come under increasing pressure from social, political and economic perspectives.

Our members are very supportive of the LCLGA, assisting them to access scarce resources, reduce costs and secure needed skills.

## **LONGER-TERM OBJECTIVES (STRATEGIC PLAN BY 2025)**

1. Members can access scarce or hard to source skills and expertise
2. Members capabilities are increased through collaboration, knowledge sharing and skills
3. Local employees' skills and expertise are developed and retained in the region
4. Members are well-positioned to respond to the outcomes of the SA Productivity Commission

## **OBJECTIVES (BUSINESS PLAN – 2020/21)**

1. Priority skills and resource sharing and funding arrangements (including grants) commenced
2. Shared procurement delivers improved value
3. Elected members knowledge and engagement with each other is improved
4. Members collaborate effectively through LCLGA forums, committees and working groups
5. Our members are prepared for the impacts (if any) from the SA Productivity Commission review into local government

## **PERFORMANCE INDICATORS (BUSINESS PLAN)**

1. Resource sharing has started with performance improvements evident
2. Benefits achieved in shared procurement exceed individual processes
3. Funds are secured to support services
4. Elected members are supported in improving their knowledge and networks
5. Members rate forums, committees and working groups highly
6. The extent that our members are prepared for any outcomes from the SA Productivity Commission review

TABLE 5 BUILDING MEMBER CAPABILITY

STRATEGY	TACTICS	APPROACH	TIMING	RESPONSIBLE
Deliver member forums	<ul style="list-style-type: none"> <li>&gt; Board meetings</li> <li>&gt; CEO Forums</li> <li>&gt; Chair Forums</li> <li>&gt; Member briefings</li> <li>&gt; Member working groups</li> </ul>	Facilitation	Every two months Every three months Every three months As required As required	Executive Officer
Members communications and dashboard	<ul style="list-style-type: none"> <li>&gt; Social media communications</li> <li>&gt; Performance dashboard developed</li> </ul>	Com's and project	FB Trial - review in Apr-21 Dec-21	Executive Officer
Trial shares sourcing in priority areas	<ul style="list-style-type: none"> <li>&gt; Scope an identified shared sourcing project</li> <li>&gt; Test the market on the proposed model</li> <li>&gt; Approval (CEO's and Board) to proceed with sourcing activity</li> <li>&gt; Undertake procurement</li> <li>&gt; Assess outcomes and applicability to other sourcing activities</li> </ul>	Facilitation and Project Management	Sep-20 Oct-20 Oct-20 Mar-21 Jun-21	Executive Officer
Implement a proactive advocacy program (duplicated across all KRA's)	<ul style="list-style-type: none"> <li>&gt; Identify and agree on advocacy priorities</li> <li>&gt; Develop an advocacy position and program</li> </ul>	Advocacy	Aug-20 Dec-20	Executive Officer
Coordinate and implement models for shared and hard to source resources	<ul style="list-style-type: none"> <li>&gt; Identify and prioritise areas</li> <li>&gt; Develop shared funding model for targeted areas</li> <li>&gt; Implement model's as approved</li> </ul>	Project Management	Sep-20 Dec-20 Feb-21	Executive Officer
Provide analysis, advice and advocacy positions	<ul style="list-style-type: none"> <li>&gt; Keep engaged and aware of issues that impact our members</li> <li>&gt; Provide information to members</li> <li>&gt; Develop advocacy positions on behalf of members</li> <li>&gt; Make submissions as required</li> </ul>	Advocacy	Ongoing	Executive Officer

**The LCLGA derives its funds from three sources. They are members subscriptions, grants and specific project and program funding.**

The LCLGA has been steadily reducing its cash reserves through a real reduction in members subscriptions over the last five years.

The 2020/21 financial year will also have a reduction in funding from LGASA and Rubble Royalty refunds. This is a reduction in annual revenue for the LCLGA of approximately \$80,000 pa.

The loss of in Rubble Royalties reimbursements represents a significant reduction in costs to our members and revenue to the LCLGA via the LGASA.

The LCLGA continues in 2020/21 to received \$42,000 from the LGA SA to support regional activities, and this is very much appreciated.

As detailed in the strategic plan and based on current patterns of income and expenditure, the LCLGA will draw down its cash reserves to minimum cash levels in six to seven years assuming there is a CPI increase in members subscriptions each year.

This minimum cash level is the point where the LCLGA can discharge its liabilities and cover windup costs for the Association, resulting in no liability to our members.

Our members have provided strong feedback that in the current COVID-19 environment, a 0% nominal increase is the desired outcome, and this is what has been delivered in this business plan.

They have also advised that a loss is acceptable and this business plan has a forecast deficit of \$116,953 with a net reduction in cash to \$541,000 by year-end. This forecast assumes starting cash will be in the order of \$700,000.

This is about \$350,000 above the calculated minimum cash holdings, which we will reach in three years if current patterns of income and expenses continue.

## The Business Plan has applied the following assumptions.

- > 0% nominal increase in members subscriptions.
- > Costs where known are included, all other costs are escalated by CPI or other appropriate escalators.
- > Annual CPI, in March for Adelaide, was 2.4% however, with the recent disruptions to the economy, we are assuming it will be around 1.4%.
- > We have recently revised staff PD's in line with the new strategy and benchmarked their salaries relative to the average salaries our members pay staff for similar roles. As this has only recently occurred, we have assumed a CPI adjustment from 1/7/2020.
- > That most social distancing rules will remain in place until at least September with a continued high reliance on video conferencing. We have amended our travel and accommodation costs based on this assumption.
- > Early indications are the Road Safety Program will not proceed as it is unlikely to attract grant funding.
- > That the Sports Academy will receive an additional \$50,000 in state funding and this will provide an opportunity to employ a person at 0.6 loading to support the Academy and Star Club Program. If it doesn't receive this funding, the program will be adjusted accordingly.
- > That Council Staff on Working Groups and Committees can participate in the approved work program.
- > Attending international trade operator events to promote the Limestone Coast will be done through virtual events in 2020/21.
- > The Office requirements will be assessed in 2020/21 with a decision for commencement in 2021/22. If an earlier decision is required, this will be taken to the Board for approval with a revised budget.
- > The any additional costs for new projects or programs, such as procurement will be funded by Councils or will need separate approvals from the Board to utilise members equity.
- > Project oncost are recovered at 15%.

## SURPLUS & LOSS

INCOME	TOTAL
Member subscriptions	642,670
Grants	464,914
Other	162,914
Interest	15,000
Funds Carried Forward	53,000
<b>TOTAL</b>	<b>\$ 1,337,707</b>

EXPENSES	TOTAL
Advertising and Marketing	3,000
Audit and Accounting Fees	14,000
Bank Fees	720
Computing & IT	15,000
Consultancy	6,000
Rent	30,000
Governance	18,000
Insurance	10,200
Miscellaneous	6,000
Postage	480
Project Costs	545,886
Printing / Stationery	9,600
Seminars	6,000
Subscriptions	1,800
Telephone	8,040
Training	10,077
Trade Shows	
Travel	20,000
Vehicles	57,420
Wages (TRP)	677,852
Liability contributions (leave)	14,585
<b>TOTAL</b>	<b>\$ 1,454,660</b>

<b>S&amp;L</b>	<b>\$ -116,953</b>
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## MEMBERS SUBSCRIPTIONS

MEMBERS	SUB'S	TOURISM	STARCLUB	PROGRAMS	HERITAGE *	RDALC *	2020/21	2019/20	CHANGE
City of Mount Gambier	72,985	29,194	13,270	15,924	24,702	24,093	180,168	180,168	0
District Council of Grant	35,530	14,212	6,460	7,752	2,476	11,729	78,159	78,159	0
Wattle Range Council	58,493	23,397	10,635	12,762	9,903	19,309	134,499	134,499	0
Naracoorte Lucindale Council	39,958	15,983	7,265	8,718	4,951	13,190	90,065	90,065	0
District Council of Robe	15,758	6,303	2,865	3,438	9,903	5,202	43,468	43,468	0
District Council of Tatiara	34,458	13,783	6,265	7,518	2,476	11,375	75,874	75,874	0
District Council of Kingston	17,820	7,128	3,240	3,888	2,476	5,883	40,435	40,435	0
<b>TOTAL</b>	<b>\$ 275,002</b>	<b>\$ 110,000</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>	<b>\$ 56,887</b>	<b>\$ 90,781</b>	<b>\$ 642,668</b>	<b>\$ 642,668</b>	<b>\$ 0</b>

\*Under review but as they are a pass-through it does not impact the surplus or loss

## GRANTS AND OTHER INCOME

	LGA	TOURISM	STARCLUB	ACADEMY	LEADERSHIP	SMLC	HERITAGE	TOTAL
Grants	42,000	88,914	56,000	100,000		173,000	5,000	464,914
Other				42,500	119,623			162,123
Interest								15,000
<b>TOTAL</b>	<b>\$ 42,000</b>	<b>\$ 88,914</b>	<b>\$ 56,000</b>	<b>\$ 142,500</b>	<b>\$ 119,623</b>	<b>\$ 173,000</b>	<b>\$ 5,000</b>	<b>\$ 642,037</b>

## FUNDS CARRIED FORWARD (VIA PROJECT LIABILITIES)

Tourism	20,000
Leadership	33,000
<b>TOTAL</b>	<b>\$ 53,000</b>

## SOURCES OF INCOME



- 48% Member Fees
- 35% Grants
- 12% Other
- 4% Funds Carried Forward
- 1% Interest

# EXPENSES

Most expenses are driven by salaries, administration and project expenses which is usual for an industry association of the LCLGA type.

The breakup of expenses are:

## ALLOCATION OF EXPENSES



- 48% Salary TRP and Training
- 38% Projects
- 7% Admin and overheads
- 4% Vehicles
- 2% Rent
- 2% IT and Utilities

## PROJECTS & PROGRAMS

	INCOME			EXPENSES	NET
	MEMBERS	GRANTS	OTHER	PROJECT COSTS (Inc Salary)	
Tourism	110,000	88,914	20,000	217,968	946
Star Club	50,000	56,000		59,905	46,095
Sport Academy	0	100,000	42,500	198,147	-55,647
Leadership	0	0	152,623	162,623	-10,000
SMLC	0	173,000		172,616	384
Programs	60,000			101,198	-41,198
RDALC	90,781			90,781	0
Heritage	61,887	5,000		66,887	0
<b>TOTAL</b>	<b>\$ 372,668</b>	<b>\$ 422,914</b>	<b>\$ 215,123</b>	<b>\$ 1,070,125</b>	<b>\$ -59,420</b>

## PROGRAMS

PROGRAMS	NON-SALARY EXPENSES
Growth	2,000
Roads	20,000
Waste	20,000
JBP	0
Health	0
Shared Capability	2,000
Cross Border	0
Red Meat	0
<b>TOTAL</b>	<b>\$ 44,000</b>

## CASHFLOW

The opening cash has been adjusted to include the impact of cash carried forward from project liabilities.

### 2020/21 CASHFLOW FORECAST

