

Budget Management Policy	
Approved by	ERA Water
First Approved	
Review Frequency	Every 2 Years
Last Reviewed	
Next Review	
Document Number	
Responsible Officer	
Policies Related	Financial Internal Controls
Applicable Legislation	Regulations 7, 9 and 10 of the Local Government (Financial Management Regulations 2011 & 2013)

1. INTRODUCTION

This policy provides clear direction to management and staff in relation to budget management and reporting performance against ERA Water's adopted budget.

2. POLICY OBJECTIVES

The intention of the Budget Management Policy is to provide management and staff with a framework to operate within in the following guidelines:

- Key Financial Indicator Targets should be achieved over a rolling five year period;
- The Operating Result should be positive or breakeven, over a rolling five year period while considering the Budget;
- Maintenance of existing assets is achieved and the Asset Sustainability Ratio as outlined in the Annual Business Plan is achieved over a rolling five year period.
- Long Term Financial Plan and the Asset Management Plan should be considered during the budgeting process.
- "User pays" ethos applies through critical analysis of fees and charges;
- Consideration of new loan borrowings should be consistent with prudent practice and only be considered to fund capital projects;
- The content, timing and process to be followed for reporting to ERA Water board on its performance against budget;
- The scope and conditions associated with the General Manager approving variations in activity (that are within the threshold limits and scope of the approved budget allocations) without obtaining ERA Water board approval ; and
- The process required to be followed as well as general guidelines in relation to the carrying forward of expenditure associated with projects included in the budget for the previous year.

3. POLICY STATEMENTS

3.1 Timing and Content of Budget Reporting to ERA Water Board

End of Quarter 1 & Quarter 3 : Budget review report presented in a manner consistent with the note in the Model Financial Statements entitled "Uniform Presentation of Finances".

End of Quarter 2: Budget Review report showing:

- a revised forecast of each item shown in the budgeted financial statements for the relevant financial year compared with estimates set out in the budget, presented in a manner consistent with the Model Financial Statements;
- Revised forecasts for the relevant financial year of the ERA Water operating surplus ratio, net financial liabilities ratio and asset sustainability ratio compared with estimates set out in the budget, presented in a manner consistent with the note in the Model Financial Statements entitled "Financial Indicators".

End of Quarter 4: Budget Review report showing

- The pre audit annual financial statements for the relevant financial year compared with estimates set out in the budget, presented in a manner consistent with the Model Financial Statements;
- Operating and Capital expenditure with +/- 5% variations from the Original Budget as at the end of the financial year.

3.2 Approval of variations outside the scope of the Budget

ERA Water Board approval must be sought and obtained before commitments are made that would result in

- activity outside of the budget limits or
- Revenue/Expenditure exceeds threshold of +/- 5% of the budget as set out in the Annual Business Plan for each business unit other than by way of Chart of Account or Job reallocations
- Capital Expenditure exceeds threshold of +/- 5% of the Program budget as set out in the Annual Business Plan.

In considering a request for a revision to its budget, ERA Water board will consider the impact the approval would have on the achievement of the targets for financial indicators established in ERA Water's original budget. It will also consider the capacity to increase other revenue or reduce other expenditure (either of a corresponding operating or capital nature as appropriate) to offset the variation and the merit of so doing.

3.3 Approval of variations within the scope of the Budget

Chart of Accounts:

Where circumstances so warrant, the General Manager in consultation with the finance manager of the host council may authorise variations in activity that are within the scope of approved limits for each Chart of Account providing that variations made do not :

1. In aggregate exceed approved limit, for that Business Unit or Program as outlined in the Budget.

Business Unit/Function:

Where circumstances so warrant (e.g. for reasons of urgent necessity) the GM may with the Finance manager of the host council authorise variations in activity that are within the scope of approved limits for budget items providing that variations made do not :

1. In aggregate exceed +/- 5% of operating expenditure for the Business Unit & +/- 5 % of Capital Program as outlined in the Original Budget.
2. Materially impact on the quality, quantity, frequency, range or level of service previously provided for or implicitly intended in the original allocation ; and
3. Impact on any explicit proposals ERA Water has included in its Annual Business Plan or has otherwise publicly committed to and accommodated in its budget.

Whenever such changes are made, the following Budget Update must include information from the GM explaining the rationale for the decision

Emergency Event Expenditure

If an emergency event occurs due to an unexpected or unforeseen event such as storm, flood, fire or earthquake that results in critical urgent works to be undertaken to make safe, broken or damaged property, equipment or services the GM is authorised to make such expenditure within the limits of their financial delegations.

As soon as practicable a report must be prepared and submitted to the next ERA Board meeting, providing details of the event and the expenditure incurred.

3.4 Expenditure commitment prior to the budget approvals

No expenditure should be incurred/ committed unless the budgets have been approved

3.5 Guidelines in relation to the carry forward of expenditure authority associated with projects included in the budget for the previous financial year

Funding approval for budgeted activity not completed at the end of any budget year is forfeited unless approval to carry over the activity and associated budget allocation is granted by ERA Board.

While there may be one-off exceptions, operating activity budgeted for but not expended in a year generally should not be carried forward to the following year. Identifiable projects that will not commence in the year that they have been budgeted for should be re-evaluated and where warranted included in the budget for the following year at the time of its adoption. Similarly capital projects that have not commenced in one year should be considered against other competing priorities in determining the content of the budget for the following year rather than treated separately as carry forwards.

The scope and funding requirements of capital projects and major operating type activities that are committed or underway but not completed at the end of one financial year need to be reviewed and the projects/activities considered for carrying forward as soon as possible in the following financial year.

Any request for carrying forward activity need to clearly highlight whether the scope of each activity item and its associated funding quantum is proposed to be varied from that previously approved and if so the rationale. Any impact on the achievement of the targets for a financial indicator established in ERA Water's original budget for the current year should be identified.

4. LEGISLATIVE REQUIREMENTS AND CORPORATE POLICY CONTEXT

Regulations 7, 9 and 10 of the Local Government (Financial Management Regulations 2011 & 2013)
Budget Management Policy

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Financial Internal Controls Policy

Approved by	ERA Water
First Approved	
Review Frequency	Annually
Last Reviewed	
Next Review	
Document Number	
Responsible Officer	General Manager
Policies Related	Budget Management Policy
Applicable Legislation	

1. Introduction

Internal Controls are part of ERA Water's corporate governance framework and cover areas such as strategic management, business development, project management, finance, etc. Internal Controls are comprised of procedures to mitigate risks and provide reasonable assurance that operations are efficient and effective, assets are safeguarded, legislation and ERA Water policies/rulings are complied with and financial reporting is accurate and reliable.

Examples of the types of activities addressed are accounts payable, payroll, budgeting, and management reporting, banking and contracting. Financial Internal Controls are critical to effective risk management of ERA Water operations and promote the achievement of its goals and objectives.

ERA Water is committed to maintaining an effective Internal Control environment.

2. Policy Objectives

The intention of the Financial Internal Controls Policy is to provide management and the staff with a framework to operate within in the following guidelines:

- a) Mitigate risks relating to the stewardship off public resources so that they are adequately managed through effective internal controls.
- b) Provide framework for an effective internal control system which conveys to managers that they are responsible for ensuring that internal controls are established, documented, maintained and adhered to across the organisation and to all employees that they are responsible for adhering to those internal controls.
- c) Ensure the propriety of transactions, information integrity and compliance with regulations, achievement of ERA Water objectives through operational efficiency.

3. Legislative, Corporate Policy And Standards Requirements

- *Local Government Act 1999 - Sections 125, 126, 129 & 130*
- *Local Government (Accountability Framework) Amendment Act 2009 –Schedule 1 cl. 2.*
- *Local Government (Financial Management) Regulations 2011 r14 (e)*
- *Local Government (Financial Management) Variation Regulations 2013*
- *Better Practice Model – Financial Internal Controls for South Australian Councils*
- Related ERA Water Policies and Corporate Documents.
- Australian/New Zealand Standard AS/NZS ISO 31000:2009

4. Policy Statements

4.1 Risk Management Approach

ERA Water will maintain an Internal Control framework, which will be based upon a pro- active risk management culture. The types of risks identified in the framework will be those which may prevent ERA Water from meeting its objectives or not maximising its opportunities. The first risk area is financial management, for which internal controls will be identified, documented and managed. It is recognised that all risks cannot be eliminated, however the internal controls applied should reduce the likelihood of the risk occurring to within acceptable limits of risk.

4.2 Roles and Responsibilities

ERA Water is responsible for approval of the Financial Internal Controls Policy and the General Manager for developing and maintaining an Internal Control framework, which ensures ERA Water objectives are achieved efficiently and effectively. Updates on changes to the framework will be presented to the Audit Committee prior to being presented to ERA Water for endorsement.

The General Manager and the Chairman of ERA Water must also sign the financial statements in regard to internal controls as required by *Local Government (Financial Management) Regulations 2011 r14*.

The Management Team must adopt a risk management approach to identifying and assessing risks and apply cost/benefit analysis in the development of internal controls. ERA Water employees must conduct their duties in accordance with internal control policies procedures and practices of ERA Water .

4.3 Elements of an Internal Control Framework

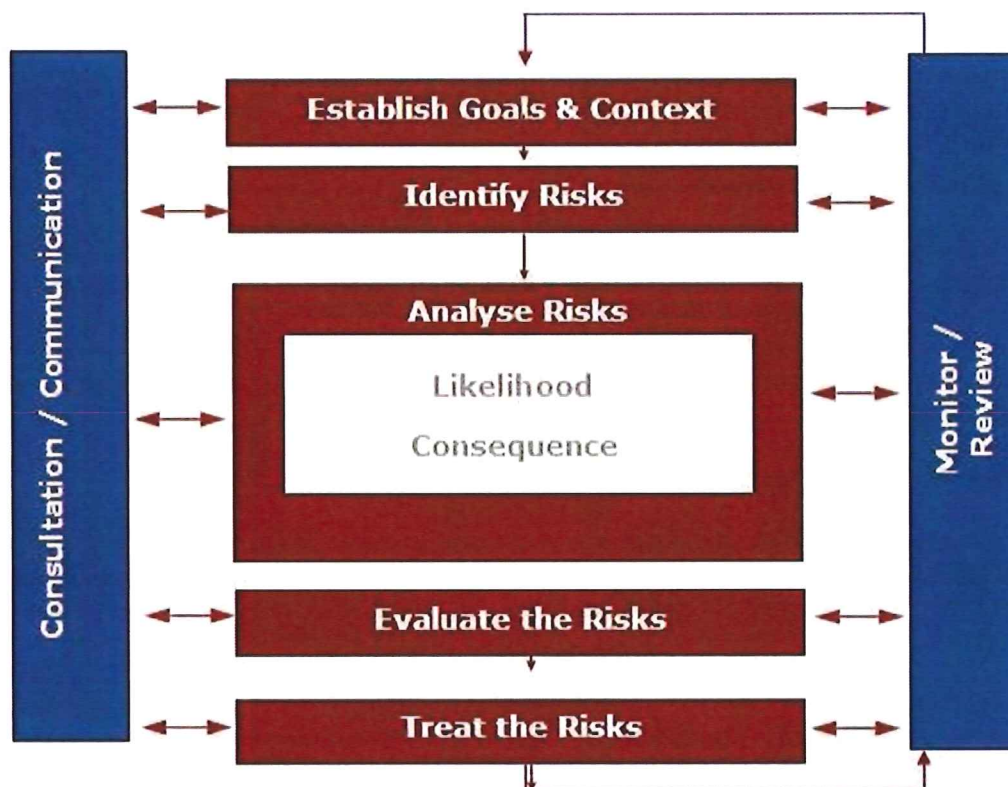
The essential elements of an effective Internal Control framework are:

- Structure and culture of ERA Water
- Delegations of Authority
- Policies and procedures;
- Trained and properly qualified staff
- Information Technology controls
- Review process e.g. internal audit;
- Liaison with auditors and legal advisors
- Management compliance assurance
- Risk identification and assessment.

4.4 The Risk Management Process

The process followed by ERA Water in developing the framework appears below in diagrammatic form extracted from Australian/New Zealand Standard AS/NZS ISO 31000:2009

The Risk Management Process



AS/NZS ISO 31000:2009

Establish Goals & Context – Effective risk management requires a thorough understanding of the goals and context of ERA Water to assist in establishing the assessment criteria for risk management.

Identify Risks – Identify the risks most likely to impact on the achievement of ERA Water's objectives.

Analyse Risks – Assess effectiveness of risks in terms of likelihood and consequence to identify the current risk level.

Evaluate Risks – Determine whether the risks are acceptable or unacceptable and document findings.

Treat Risks – Treat risks by one of the following methods - discontinuing activity that generates it, reducing likelihood of occurrence, reducing consequence of occurrence, transfer the risk or retain the risk.

Consultation/Communication – These are important elements to ensure that all stakeholders understand why actions are required. These stakeholders include all staff and elected members.

Monitor/Review – Responsible officers must be identified for each internal control and provide feedback to managers on progress with controls. The Managers monitor the effectiveness of risk treatments and report progress to the Management Team and the Audit Committee at regular intervals.

5. Review of Policy and Database of Internal Controls

ERA Water's Internal Control Policy will be reviewed annually. The database of internal financial controls will be reviewed at least every twelve months to ensure all controls are current and appropriate and the Management Team and the Audit Committee will be informed of the outcome of each review and updated regularly on progress with action plans identified during the reviews.

6. Support with Development of a Risk Management System

To assist in the development of a risk management system the Local Government Association website should be referred to identify the current recommended risk management database of internal controls and supporting documentation.

7. Availability of Policy

This Policy will be made available for inspection at ERA Water's offices and via ERA Waters Constituent Councils.

CONTRACTS AND TENDERS POLICY	
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Related Policies and Procedures:	1. Code of Conduct for ERA Water Members 2. Financial Internal Controls Policy 3. Public Policy Consultation & Communications 4. Budget Management Policy 5. Fraud and Corruption Prevention Policy

1. INTRODUCTION

- 1.1 In compliance with Section 49 of the Local Government Act 1999 (**Act**), ERA Water should refer to this policy (**Policy**) when acquiring goods, works and services. The Threshold values do not include GST.
- 1.2 Section 49 (1) of the Act requires ERA Water to prepare and adopt policies on contracts and tenders on matters which include:
 - 1.2.1 the contracting out of services; and
 - 1.2.2 competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
 - 1.2.3 the use of local goods and services.
- 1.3 Furthermore, Section 49 (a1) of the Act requires ERA Water to develop and maintain policies, practices and procedures directed towards:
 - 1.3.1 obtaining value in the expenditure of public money; and
 - 1.3.2 providing for ethical and fair treatment of participants; and

1.3.3 ensuring probity, accountability and transparency in procurement processes.

1.4 This Policy seeks to:

1.4.1 define the methods by which ERA Water will generally acquire goods and services;

1.4.2 demonstrate accountability and responsibility of ERA Water to constituent councils and ratepayers;

1.4.3 ensure fairness and equitable treatment of all parties involved in procurement processes of ERA Water ;

1.4.4 enable all procurement processes to be monitored and recorded; and

1.4.5 ensure that the best possible outcome is achieved for ERA Water.

1.5 This Policy does not cover:

1.5.1 non-procurement expenditure such as sponsorships, grants, funding arrangements, donations and employment contracts; or

1.5.2 the disposal of land and other assets owned by ERA Water; or

1.5.3 the purchase of land by ERA Water.

2. **POLICY OBJECTIVE**

ERA Water aims to achieve advantageous procurement outcomes by:

2.1 enhancing value for money through fair, competitive, non-discriminatory procurement processes;

2.2 promoting the use of ERA Water resources in an efficient, effective and ethical manner;

2.3 making decisions that ensure probity, accountability and transparency in ERA Water's procurement processes;

2.4 advancing and/or working within ERA Water's economic, social and environmental policies;

2.5 providing reasonable opportunity for competitive local businesses to supply to ERA Water ;

2.6 appropriately managing risk; and

2.7 ensuring compliance with all relevant legislation.

3. **PROCUREMENT PRINCIPLES**

ERA Water must have regard to the following principles in its acquisition of goods and services:

3.1 *Obtaining Value for Money*

3.1.1 This is not restricted to price alone.

- 3.1.2 An assessment of value for money must include, where possible and where relevant, consideration of:
- 3.1.2.1 the contribution to ERA Water's long term plan and strategic direction;
 - 3.1.2.2 Key Financial Indicators & Budget available;
 - 3.1.2.3 any relevant direct and indirect benefits to ERA Water, both tangible and intangible;
 - 3.1.2.4 efficiency and effectiveness of the proposed procurement activity;
 - 3.1.2.5 the performance history, and quality, scope of services of and support/ warranties provided by each prospective supplier;
 - 3.1.2.6 timeliness;
 - 3.1.2.7 flexibility / adaptability;
 - 3.1.2.8 sustainability;
 - 3.1.2.9 fitness for purpose of the proposed goods or service;
 - 3.1.2.10 whole of life costs;
 - 3.1.2.11 ERA Water's internal administration costs;
 - 3.1.2.12 technical compliance issues;
 - 3.1.2.13 risk exposure; and
 - 3.1.2.14 the value of any associated environmental benefits.

3.2 *Efficient Procurement Practices*

Standard tender and contract documentation will be used wherever possible to ensure consistency for the ERA Water and the market.

Procurement Practices must adhere to the Contracts and Tenders Policy and Purchase Order Guidelines.

3.3 *Risk Management*

The ERA Water will adopt sound risk management principles in its procurement activities consistent with the corporate risk management plan.

3.4 *Probity, Ethical Behaviour and Fair Dealing*

ERA Water will act in an open and transparent manner in its procurement activities. Suppliers will be treated fairly and equitably in any procurement process. ERA Water will comply with all legislation relevant to the procurement process.

Officers engaged in purchasing will at all times undertake their duties in a professional, ethical, honest and impartial manner, act responsibly and exercise sound judgment by observing the highest standards of integrity, probity and professional conduct in line with the Staff Code of Conduct. All discussions and negotiations will be conducted with impartiality, fairness, independence, openness and integrity.

Officers will not engage in any activity that would create a conflict between personal interests and the interests of the ERA Water.

ERA Water employees are bound by a Code of Conduct which addresses issues such as conflict of interest, gifts, hospitality and improper influence.

3.5 *Accountability, Transparency and Reporting*

All appropriate records and documentation will be kept and recorded in the ERA Water's records management system. Confidentiality will be maintained at all times throughout the process and afterwards in accordance with statutory requirements (where relevant) and procurement process contract requirements, except where disclosure is required by law.

3.6 *Ensuring compliance with all relevant legislation*

ERA Water will ensure that all purchasing activities are conducted in accordance with legislative and common law responsibilities.

3.7 *Encouragement of the development of competitive local business and industry*

Where the ERA Water's assessment of two or more suppliers on the evaluation criteria applicable to a particular procurement are comparable, ERA Water may consider the following in determining the successful supplier:

- 3.7.1 the creation of local employment opportunities;
- 3.7.2 increased availability of local servicing support;
- 3.7.3 the likelihood of effective and efficient communications with the supplier for good contract management;
- 3.7.4 the stimulation of economic growth within the local area;
- 3.7.5 the use of local goods and services; and/or
- 3.7.6 the short and long term impact of the procurement on local businesses.

3.8 *Environmental protection*

ERA Water will seek to:

- 3.8.1 adopt purchasing practices which conserve natural resources;
- 3.8.2 align the ERA Water's procurement activities with principles of ecological sustainability;
- 3.8.3 purchase recycled and environmentally preferred products where possible;
- 3.8.4 integrate relevant principles of waste minimisation and energy;
- 3.8.5 foster the development of products and services which have a low environmental impact;
- 3.8.6 provide leadership to business, industry and the community in promoting the use of environmentally sensitive goods and services.

3.9 *Occupational, Health & Safety*

ERA Water will only engage suppliers who demonstrate that they are able to maintain a level of work health and safety practice acceptable to ERA Water. As a minimum, this will be compliance with the *Work Health and Safety Act, 2012* and all associated regulations and ERA Water's policies and procedures adopted for compliance with the ERA Water's and its employees' obligations under this Act and regulations.

4. PROCUREMENT METHODS

Generally, open and fair competition is best achieved by undertaking a tender process so that all interested parties have an opportunity to bid. However, there may be procurements in which a tender process will not necessarily deliver the most advantageous outcome for ERA Water – in such instances, other market approaches may be more appropriate.

The ERA Water may, having regard to its Procurement Principles and any other factors considered relevant by the Board, in its absolute discretion determine to utilise one or more of the following procurement methods:

4.1 *Direct Purchasing*

- 4.1.1 This is where ERA Water purchases from a single source, without first obtaining competing bids.
- 4.1.2 This method may be suitable for low value, low risk goods and services, and where the supplier already has a successful service history with ERA Water. This method may also be suitable where time restrictions prohibit a more open procurement process or where only one supplier is identified in the market as being able to provide the particular goods, services or works required by ERA Water.

4.2 *Quotations (Informal)*

- 4.2.1 This is where ERA Water obtains quotations from prospective suppliers.
- 4.2.2 Generally, a minimum of three quotations will be sought.
- 4.2.3 Where possible, ERA Water must insist on written quotes.
- 4.2.4 If a written quote cannot be obtained, ERA Water must keep detailed written records of the oral quote obtained, including details of the commercial terms of the quote.
- 4.2.5 This method may be suitable where time restrictions prohibit a more open procurement process or where only a small number of suppliers are identified in the market as being able to provide the particular goods, services or works required by ERA Water.

4.3 *Request for Quotations (RFQ)*

- 4.3.1 This is where ERA Water obtains written quotations from prospective suppliers.
- 4.3.2 Generally, a minimum of three written quotations are sought for transactions over \$ 10,000 and at least one quotation for transactions under \$ 10,000 and over \$ 1,000. (See 7.1)
- 4.3.3 This method may be suitable for simple, largely price-based purchases.

4.4 *Requests for Expressions of Interest (REOI)*

- 4.4.1 This is where Board issues an open invitation for proposed goods, works and/or services.
- 4.4.2 This method may be used where there is potentially a large market for the proposed goods and/or service, and ERA Water would like to be able to prepare a short list of suppliers to then invite to participate in a tender process. This method may also be used where ERA Water has details of the outcome it wants to achieve from procurement but is unsure of the best method of achieving that outcome and requires the suppliers with sufficient expertise to put proposals forward in relation to this.
- 4.5 *Request for Tenders (RFT)*
 - 4.5.1 This is where ERA Water issues a request for tenders for proposed goods, works and/or services.
 - 4.5.2 ERA Water may issue a "Select" Request for Tender where it has already issued a REOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers.
 - 4.5.3 Otherwise, ERA Water may issue an "Open" Request for Tender.
- 4.6 *Panel contracts*
 - 4.6.1 This is where ERA Water establishes panel arrangements with a select group of suppliers – generally, this occurs once ERA Water has completed its appointment of such suppliers in accordance with this Policy, and can include either:
 - 4.6.1.1 a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or
 - 4.6.1.2 The prequalification of certain suppliers who may or may not be engaged on terms to be agreed.
 - 4.6.2 Once a panel has been established, ERA Water may purchase the particular goods, works and/or services through such panel arrangements in line with the Purchase Order Guidelines. Quotations (Informal) must be obtained as mentioned in 6.2 for any purchases from the panel.
- 4.7 *Strategic alliances*
 - 4.7.1 This is where ERA Water undertakes procurement through contract arrangements already established and administered by other organisations, including:
 - 4.7.1.1 LGA Procurement;
 - 4.7.1.2 a purchasing group of which ERA Water is a member;
 - 4.7.1.3 Board Solutions;
 - 4.7.1.4 Procurement Australia;
 - 4.7.1.5 State Government contracts.

5. CONSIDERATIONS FOR ERA WATER

The appropriate method of procurement will be determined by reference to a number of factors, including:

5.1 *Value of the purchase*

Value of Purchase (\$) per annum	Possible Method of Procurement	Agreement/ Contract
≤ \$1,000	Direct Purchasing	No
>\$1,000≤ \$10,000	Request for Quotation (RFQ) – At least 1 written quotation	No
> \$10,000 ≤ \$ 100,000	Request for Quotation (RFQ) – At least 3 written quotations	Yes
> \$ 100,000	Request for Expressions of Interest (REOI) and Request for Tenders (RFT)	Yes

The value of the purchase will be calculated as follows:

- single one-off purchase – the total amount, or estimated amount, of the purchase (excluding GST);
 - multiple purchases from the same supplier under the same contractual arrangement – the gross value, or the estimated gross value, of the purchases (excluding GST); or
 - ongoing purchases over a period of time (more than 2 purchases every 6 months) from the same supplier under the same contractual arrangement – the annual gross value, or the estimated annual gross value, of the purchases (excluding GST).
- 5.2 cost of an open market approach compared with the value of the acquisition and the potential benefits of an open market approach;
- 5.3 the particular circumstances of the procurement activity;
- 5.4 the objectives of the procurement;
- 5.5 the size of the market and the number of competent suppliers;
- 5.6 ERA Water's leverage in the marketplace;
- 5.7 time constraints;
- 5.8 a global assessment of the risks associated with the relevant activity and /or project, including the risk profile of the procurement and any risks associated with the preferred procurement method.

6. RECORDS

ERA Water must record written reasons for utilising a specific procurement method in all cases where it uses a procurement method other than Select or Open tendering for transactions over \$ 100,000.

7. EXEMPTIONS FROM THIS POLICY

This Policy contains general guidelines to be followed by ERA Water in its procurement activities. There may be procurements in which an open market process will not necessarily deliver best outcome for the ERA Water, and other market approaches may be more appropriate.

In certain circumstances, the General Manager may waive application of this Policy and pursue a method which will bring the best outcome for ERA Water. ERA Water must record its reasons in writing for waiving application of this Policy.

8. DELEGATIONS

The ERA Water officers have delegated financial expenditure pursuant to Section 137 of the Local Government Act 1999. Approvals from the General Manager is required for transactions in excess of the relevant Manager / Officer's delegation

9. PRUDENTIAL REQUIREMENTS

Prudential management requirements are incorporated into ERA Water's existing risk management processes with the obligations set out in ERA Water's Risk Management Programme Framework, "Risk Watch", Financial Internal Controls Policy, Budget Management Policy and Fraud & Corruption Prevention Policy.

10. FURTHER INFORMATION

- 10.1 This Policy will be kept on the ERA Water's website for the public to view.
- 10.2 The Policy if revised, altered or substituted will not affect works, services or tenders already commenced.
- 10.3 Notwithstanding the above, ERA Water may revise or review this Policy at any time (but not so as to affect any process that has already commenced).

<p style="text-align: center;">Public Policy</p> <p style="text-align: center;">Consultation & Communication</p>	
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File:	
Policies Related:	Budget Management Policy
Applicable Legislation:	Local Government Act 1999 Federal Privacy Act 1998

1. Purpose

The purpose of this policy is to outline the ways the ERA Water publicly consults with its stakeholders to achieve accountability in accordance with the requirements of the Local Government Act 1999.

This policy does not replace or overrule the specific public consultation processes that are required and documented in legislation. *Section 50 of the Local Government Act 1999 sets out minimum requirements for the public consultation policy.* In some instances the legislation only states that consultation should occur according to the ERA Water's consultation policy with no reference to specific requirements. In these instances, the Board will determine the most appropriate community consultation method taking into account value, cost, resources, timing and likely community interest.

Public consultation does not imply shared decision making by ERA Water board (Board) with the community. The Board is the body ultimately charged with decision making. Public Consultation, aims to ensure that the Board is aware of the views of stakeholders to make informed decisions.

2. Definitions

"Public Consultation" means consultation carried out in accordance with the provision of *section 50 of the Local Government Act 1999*, which sets out the process the Board will follow in cases where the Act requires that the board must carry out consultation. (A summary of these requirements is attached as appendix 1)

"Stakeholders" include ratepayers, residents, and all people who live, work, study, conduct business or use the services, facilities and public places in the Town of Walkerville, Norwood Payneham and St Peters and Burnside as well as agencies and groups that are customers of ERA Water ..

"Communication" is the provision of information by ERA Water to stakeholders in a timely and accessible manner. Communication includes but is not limited to advertisements, articles in local or Council newspapers, letters, brochures, phone calls, signage displays and electronic media.