

challenges improvement innovation good governance

Promoting Better Practice Program

REVIEW REPORT

WAGGA WAGGA CITY COUNCIL

AUGUST 2008



Department of Local Government

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1. INTRODUCTION

During the period August 2006 – May 2007 the Department conducted an investigation under section 430 of the *Local Government Act 1993* into Wagga Wagga City Council. The investigation report was issued in May 2007.

Recommendation two (2) of the investigation report states:

“That the Department conducts a review under the Promoting Better Practice Program to be undertaken six (6) months from the date Council provides its response to this report, as required by section 434 of the Local Government Act 1993. The review should consider and report on Council’s progress in implementing the recommendations of this investigation.”

Recommendation three (3) of the report states:

“That in the event the Promoting Better Practice Review reveals a situation whereby Council has not made satisfactory progress in implementing the recommendations, the Minister considers holding a Public Inquiry into Wagga Wagga City Council under section 740 of the Local Government Act 1993.”

Progress toward implementing most investigation recommendations could be assessed as part of the standard Promoting Better Practice Review methodology. Nevertheless, the standard methodology was modified to ensure a comprehensive review of progress in implementing the section 430 investigation recommendations.

2. ABOUT THE PROMOTING BETTER PRACTICE PROGRAM

Review objectives

The Promoting Better Practice review program is a review process that has a number of objectives:

- to generate momentum for a culture of continuous improvement and greater compliance across local government
- to provide an 'early intervention' option for councils experiencing operating problems
- to promote good governance and ethical conduct principles
- to identify and share innovation and good practice in local government
- to enable the Department to use review information to feed back into its work in identifying necessary legislative and policy work for the local government sector.

Reviews act as a "health check", giving confidence about what is being done and helping to focus attention on key priorities.

Review process

The review process was developed after extensive research into council performance measurements in Australia and overseas. There are essentially five steps in a review - preparing, assessing, checking, analysing and reporting. The review team examines local circumstances in order to understand the pressures on council and how the council has sought to manage that environment.

The process involves a Department of Local Government (DLG) review team evaluating the effectiveness and efficiency of the council's operations and giving feedback. This involves checking compliance, examining appropriate practices and ensuring that council has frameworks in place to monitor its performance.

The results of reviews are analysed and fed back to the elected council, the Director General of the Department of Local Government and the Minister for Local Government.

Wagga Wagga City Council Promoting Better Practice Review

Wagga Wagga City Council was asked to complete a strategic management assessment and a comprehensive set of checklists about key Council practices. The review team examined these and a range of other source documents prior to visiting Council, in order to gain a preliminary understanding on the pressures on Council and how the Council has sought to manage that environment.

The strategic management assessment tool asked Council to respond to four critical questions:

- How has Council determined its ambitions and priorities?
- How do these ambitions and priorities drive the Council's services and resources?
- How does Council use its corporate capacity and systems to drive forward the organisation in an ambitious, challenging yet managed way?
- How does Council measure the progress it is making with its agenda to ensure that its priorities are delivered and that service improvement is achieved?

Caroline Egberts and Aleksandra Valda, Senior Investigations Officers of the Department's Investigations and Review Branch, conducted the on-site component of the review from 4 to 8 February 2008.

The on-site review involved meetings with Council's Mayor and Acting General Manager, a briefing for senior staff, conducting interviews with councillors and staff, holding a councillor briefing session, attending a Council meeting and the reviewing of a number of Council's policies, documents, systems and practices.

A draft report was provided to Council for review and comment. This final version of the report incorporates minor modifications to the draft report. A copy of Council's response to the draft report has been included in this final version of the report in section 9 on pages 116 et seq.

Council has been asked to prepare an action plan to address the remaining recommendations and to provide the department with an initial report on its progress

in March 2009. Further reports are generally sought from councils at six monthly intervals. It is recognised that some recommendations may take a longer period to fully address because of the nature of the issues they address.

The report addresses the situation encountered in Council at the time of the field review (in February 2008). However, it is apparent from Council's comments in relation to specific recommendations, that it has already addressed some recommendations, especially those relating to the leadership of the organisation, and is well advanced in addressing others. This is commendable. However, the original recommendations remain in the final version of the report because the department has not verified the adequacy of the action taken. This will occur when Council submits its six monthly progress reports. The submission of progress reports is a standard element of the PBP program.

3. EXECUTIVE SUMMARY

The review team had the dual purpose of conducting a Promoting Better Practice Review and assessing Council's progress in relation to implementing the recommendations of the Department's Report on the section 430 investigation into Wagga Wagga City Council of May 2007 (section 430 investigation report).

The review team considered Council's leadership and strategic directions, as well as its operational capacity to achieve results. Key operational systems, policies and procedures were reviewed in the areas of: governance; planning and regulatory functions; asset and financial management; community and consultation; and workforce relations.

The review found that since the section 430 investigation, substantial progress has been made at the operational level. The review team commends the staff of Wagga Wagga City Council for investing significant efforts into working toward or completing the improvements recommended in the section 430 investigation report. A range of policies, systems and procedures have been reviewed and updated or created to better position Council to carry out its functions effectively and efficiently. However, at the time of the on-site visit, a number of the policies were in draft form and Council is encouraged to finalise these and monitor their implementation.

The review team found evidence to suggest leadership and management (both at the elected body and senior management levels) continue to be unstable and require urgent attention.

Council's Good Governance Framework document accurately states: *"The lintel stone of the structure is good leadership"*. The elected body of Council and the senior management team must work together to provide good leadership and direction to the organisation to enable it to perform its functions well in order to provide the services and infrastructure needed by the community.

Such an aspiration is not achievable if councillors continue to misunderstand their role. There was ongoing evidence to confirm this was the case. Of main concern is the perception that the elected body of the Council does not work well with Council management and staff. The dichotomy of "us and them" does not align with the provisions of the *Local Government Act 1993* and can stand in the way of Council

achieving its charter consistent with section 8 of the Act. Instances of councillors inappropriately involving themselves with operational matters were also noted.

Since the section 430 investigation the relationships between the Mayor, councillors and the then General Manager, Mr Phillip Perram, worsened resulting in the termination of Mr Perram's contract of employment.

At the time of the review, all of the senior management positions in Council, with the exception of the Director Asset Services, were vacant or filled under 'acting' arrangements. The recruitment of the executive management positions is vital to the stability of the organisation, as is the need to establish constructive relations between management and councillors.

Within this context it is also difficult to see how Council could have addressed the issues raised during the section 430 investigation relating to declining community confidence and support.

After careful consideration, notwithstanding leadership and management concerns, the review team does not recommend a Public Inquiry under section 740 of the *Local Government Act 1993* at this stage. In making this recommendation, we have had regard to the following:

- the substantial progress made across the organisation as set out in the remainder of this summary and the body of the report
- the appointment of a new General Manager provides an opportunity for the elected body to improve leadership
- the next local government election is in September 2008. Some councillors indicated to the review team that they did not intend to stand for re-election. The implementation of the recommendations of this report will fall to a new Council.
- at the 2008 election, the number of councillors to be elected will be reduced from 15 to 11
- a number of Council's systems, policies and procedures are new. These require time to be implemented and lead to change.

However, the review team urges councillors (both individually and collectively) and the newly appointed General Manager to exercise positive leadership in accordance with Council's legislated Charter.

The review team recommends that the Department closely monitors Council's progress to ensure sustained implementation of the recommendations of this report. This could include the Department carrying out a focussed Promoting Better Practice Review at a later date.

In terms of Council's strategic direction, the review team has noted the commitment to the development of a longer-term strategic plan. This will address specific longer-term issues affecting the area, such as land release needs and urban salinity problems.

In the area of corporate governance, the review found an excellent framework of internal controls, which includes both policy and detailed action plans. It is important that this process continues and becomes an ongoing mechanism for assuring a good governance framework. The review also found better practice in the areas of: meeting various legislative compliance requirements; administration of delegations; and management of gifts and benefits. Council has innovative management planning practices, such as the use of the outcomes manager tool and community consultation mechanism for quarterly business reviews. By way of good practice, the review noted that Council has reviewed: the structure of its section 355 committees; its procurement practices; and introduced a best practice system for managing projects. The review has recommended improvements to: Council meeting practices; councillor development; and management of contractor performance.

In planning and regulatory services, the review team observed: the development of the new template Local Environmental Plan is well advanced; good development applications processing times; electronic follow up of development applications; actions undertaken in the area of management of urban salinity; good enforcement and prosecutions policy; enforcement of health regulation; the companion animals management plan; and the advocacy policy (this policy precludes councillors that advocate for a particular community group from participating in the decision making on development matters involving that group). Council's contributions plan appears to be well managed. The key issue Council needs to address is recruitment and staff

retention strategies in the planning area. Council should also consider reporting development applications turnaround times for applications determined under delegated authority. It should also consider articulating documented processes for development applications in which Council is an applicant and strategies for deferral of formal appeals (noting that this is not a major problem).

In the area of financial management, Council has a long-term financial management plan, but should continue to develop strategic business plans for all its businesses. Council should continue to develop asset management strategies and plans and link those plans to other strategic plans. It should also continue to develop a standardised numbered system for asset condition and plans of management for all of its community land. Importantly, Council should develop a comprehensive maintenance program for its assets. On a good practice side, Council has established an asset reference group comprising representatives of a cross-section of the organisation and has a sound land assets database, as well as identified sources for funding of capital works.

Council has accepted its role in social, cultural and recreational planning and has made a clear commitment to exploring and engaging in opportunities for economic and tourism development. It has also embraced an advocacy role aimed at securing the provision of services in the area by other tiers of government.

In terms of social planning and community engagement, Council has developed a comprehensive social plan and a draft Community Engagement Strategy. In this area Council has demonstrated excellent project management by preparing a detailed project brief to guide the development of its next social plan.

In 2005 Council outsourced its economic development function to the Commercial Response Unit (CRU) model. Despite issues raised around the tendering processes, outsourcing the function appears to have achieved outcomes and has been well received by businesses and government agencies. Council recently decided to return the function back under its direct management. Council is encouraged to evaluate the outsourcing model and the achievements of the CRU as a basis for determining future options for the delivery of economic development services.

Despite the difficulties surrounding the issues identified in the section 430 investigation report (particularly disharmony between the Council and the senior executive team), the staff of Wagga Wagga City Council appear to be a dedicated and motivated workforce. Relations between senior management and the Consultative Committee need to be improved. A range of new policies have been implemented and require monitoring.

The review team wishes to thank Council staff for their cooperation and assistance in completing the review.

4. RECOMMENDATIONS

AMBITIONS, PRIORITIES AND FUTURE FOCUS

Recommendation 1

Councillors must demonstrate commitment to Council's strategic plan and consider matters before the Council in the context of Council's strategic framework.

Recommendation 2

In the course of the scheduled reviews of its existing plans and reports, Council should ensure that these documents, where appropriate, align with the organisation's planning and reporting framework.

Recommendation 3

Council should also consider including in its strategic planning framework the monitoring of its own organisational capacity and skills to deliver on its priorities.

Recommendation 4

Council may consider including in future management plans information about service level variation.

Recommendation 5

Council is encouraged to consider key strategies to continue to improve governance systems.

Recommendation 6

Council should more widely advertise the community consultation forum for quarterly management plan reviews.

Recommendation 7

Council should review its Annual Report to ensure that it reports on the targets set in the management plan.

GOVERNANCE

Recommendation 8

To ensure organisational stability, Council must, as a matter of priority, recruit a senior management team. The Mayor and General Manager must support the team to forge a more stable, cohesive and productive leadership of Council. The elected body, led by the Mayor, must at all times maintain a positive and professional working relationship with the General Manager and Council staff.

Recommendation 9

Council administration, particularly the General Manager's unit, should be available to provide ongoing guidance to councillors regarding appropriate communication with staff concerning day-to-day business of Council.

Recommendation 10

Council should develop a structured training program for councillors and ensure that councillors, especially those newly elected, receive the appropriate level of guidance in relevant areas, including refresher training/workshops in areas that are identified as high risk, such as the appropriate interaction between elected councillors and Council staff. Council should also keep an accurate record of councillors' training attendance.

Recommendation 11

Council should formally adopt the statement of business ethics, provide a copy of it to all its service providers, and place a copy of the statement on its website.

Recommendation 12

Council's PBP review progress report should report on the application of the guidelines for handling complaints under the code of conduct.

Recommendation 13

Council should review its code of conduct in view of the recommendations of the section 430 investigation and Promoting Better Practice review and consider whether additional provisions to the code may be required.

Recommendation 14

Council should finalise its Gifts and Benefits Guidelines and distribute the document to all councillors, members of staff and Council delegates.

Recommendation 15

Council should use the information provided in the Department's Circular to Councils 04-16 and the Department's Pecuniary Interest Guidelines to assist councillors and staff complete their returns of interests accurately and in a timely manner.

Recommendation 16

Council should consider options to reduce the number of extraordinary meetings.

Recommendation 17

Council should consider adopting a different structure of its meetings to overcome the issues of order in the current meeting format.

Recommendation 18

Council should continue its work on the standardisation of committee procedures.

Recommendation 19

Council should measure the effectiveness of its risk management, fraud control and corruption prevention plan and report on the implementation of these controls as part of the Promoting Better Practice progress report.

Recommendation 20

Council should update its delegations register to enable an ongoing audit trail of the delegations.

Recommendation 21

Council should give priority to the development and adoption of a business continuity plan.

Recommendation 22

Council should publicly display successful tenders.

Recommendation 23

Council should, as a matter of urgency, develop and adopt policies and procedures for the management of contractors' performance.

Recommendation 24

Council should finalise and implement its draft Information and Communication Technology Strategic Plan and its draft Information Technology Operational Plan.

Recommendation 25

In terms of accurate record keeping and information management, as a matter of priority, Council should:

- finalise the following draft policy documents:
 - Incoming Correspondence and Documentation Procedure
 - Information Management Operating Standard for All Staff

- Information Management Guidelines for All Staff
- Official Minute-Taking for Meetings
- Continue its training program to ensure that all staff are trained to use and comply with the requirements of Council's information management system.
- The General Manager and executive team should monitor and support continued progress toward improving Council's information management system.

Recommendation 26

Council should finalise its Privacy Policy and Privacy Management Plan, as well as complete training relevant staff members and councillors on how to implement them effectively.

Recommendation 27

Council is encouraged to finalise the new policies it has recently developed in response to the Department's section 430 investigation and continue to use its policy register as a tool to track, review and update its policies. The review of each policy should include an assessment of the extent to which councillors and staff understand and use that policy.

Recommendation 28

Council's Policy for the Payment of Expenses and Provision of Facilities to Councillors is a good document. However, the next review of the policy should involve ways to make the language more accessible in places and encourage more training and development for councillors.

Recommendation 29

Council should refer to the draft model policy on access to council information recently produced by the Local Government Managers Australia (NSW) Governance Network (LGMA Governance Network), in association with the NSW Ombudsman and Privacy NSW, prior to finalising its own policy. (See DLG Circular to Councils 08-

15 at www.dlg.nsw.gov.au for more information.) Following the public exhibition of its draft Public Access to Information Policy, Council should finalise this policy and brief relevant staff members on how to implement the policy.

Recommendation 30

Council's guarantee of service should be promoted and be easily accessible to the community.

Recommendation 31

Council should finalise its Guidelines for Managing Complaints having regard to the comments in the Promoting Better Practice Review Report.

PLANNING AND REGULATORY

Recommendation 32

Council should continue to cooperate fully with the planning panel, including providing relevant background information relating to development applications under consideration by the panel, in a timely manner.

Recommendation 33

Any long-term changes to Council's planning powers should be aligned with the overall direction for the planning regime in NSW.

Recommendation 34

Council must establish an appropriate planning staff attraction and retention system and monitor its performance as an organisation in this regard.

Recommendation 35

In order to fully meet part of Recommendation 12 of the Department's section 430 investigation report with respect to the development of guidelines on appropriate communication between councillors and Council planning professionals, Council should develop communication guidelines that indicate the topic of councillor enquiry

and the names of staff nominated by the General Manager to provide that information.

Recommendation 36

Council should establish formal delegations for councillors to call up a development application.

Recommendation 37

The General Manager should report to the elected Council the processing times for development applications that are determined under delegated authority.

Recommendation 38

Once the planning decisions are returned to the elected Council, Council should establish the development assessment panel that consists of planners from other councils in the region, as recommended by the section 430 investigation report.

Recommendation 39

Council should review its planning delegations, as recommended by the Department's section 430 investigation report, once the planning panel is no longer in existence.

Recommendation 40

Council should conduct a review of its development assessment function as soon as there is a full staff complement in the planning and development section. It should also consider articulating documented processes for development applications in which Council is an applicant.

Recommendation 41

Council should formally adopt the compliance and enforcement policy that is currently in a draft form.

Recommendation 42

Council should renew its companion animals management plan.

Recommendation 43

Council should consider the benefits of establishing a companion animals advisory committee.

Recommendation 44

Council should consider the cost and benefits of pro-active follow up of outstanding cat and dog registrations.

ASSET AND FINANCIAL MANAGEMENT

Recommendation 45

Council should develop formal business plans for all its businesses.

Recommendation 46

Council should develop an asset management plan, which should be integrated with all other Council strategic plans.

Recommendation 47

Council should continue to work on the development of the standard condition assessment system for all its assets.

Recommendation 48

Council should continue to move towards the community standards approach to its asset maintenance.

Recommendation 49

As part of its forward asset management and financial planning, Council needs to address the shortfall in planned (versus estimated) maintenance.

Recommendation 50

Council should develop an information technology strategy in accordance with the requirements of the Australian Standard 7799, which highlights the need for an IT security framework and supporting policies and procedures.

COMMUNITY AND CONSULTATION

Recommendation 51

Council should, if it hasn't already done so, finalise and adopt its draft Community Engagement Strategy and draft Community Consultation Procedure. Appropriate mechanisms should be put in place to monitor and review their implementation.

Recommendation 52

Building upon its work toward developing service standards in the community services area, Council should develop standards for all its services.

Recommendation 53

The Tourism Strategy 2007-2010 should be placed on Council's website.

Recommendation 54

The General Manager and the senior executive team must take a stronger leadership role in the management of Council's economic development function, including ensuring that accurate and transparent records are kept.

Recommendation 55

In determining future options for the delivery of economic development services, Council should:

- a) evaluate the Commercial Response Unit model and its achievements in more detail and

- b) consider the NSW Rural and Regional Taskforce findings set out in its report to the Premier (March 2008), which included findings and recommendations relating to economic development in local government.

WORKFORCE RELATIONS

Recommendation 56

Council should consider strategies to encourage greater diversity within its workforce, in particular Aboriginal and Torres Strait Islander people.

Recommendation 57

The Wagga Wagga City Council draft Workforce Plan 2008/2012 should be strengthened to include more specific strategies with targets or be complemented by an annual action plan that sets out tasks, targets, responsibilities and timeframes.

Recommendation 58

If it hasn't already done so, Council should conduct its annual review of position description documents due in March 2008.

Recommendation 59

The newly appointed General Manager should demonstrate positive leadership and open communication by implementing a protocol to improve communication with the consultative committee and union representatives. This should include the discussion of issues on a regular basis, at least quarterly.

Recommendation 60

Council should distribute minutes of consultative committee meetings to councillors for their information. This will enable councillors to develop effective Council policy on industrial issues and remain informed about current issues and outcomes.

Recommendation 61

Council should prepare and implement an action plan to address the areas that require attention and follow up identified in its recent Employee Opinion Survey. Implementing the Employee Opinion Survey action plan should be a priority for Council and the consultative committee.

Recommendation 62

Council should review its Occupational Health and Safety Policy (last reviewed in 2004).

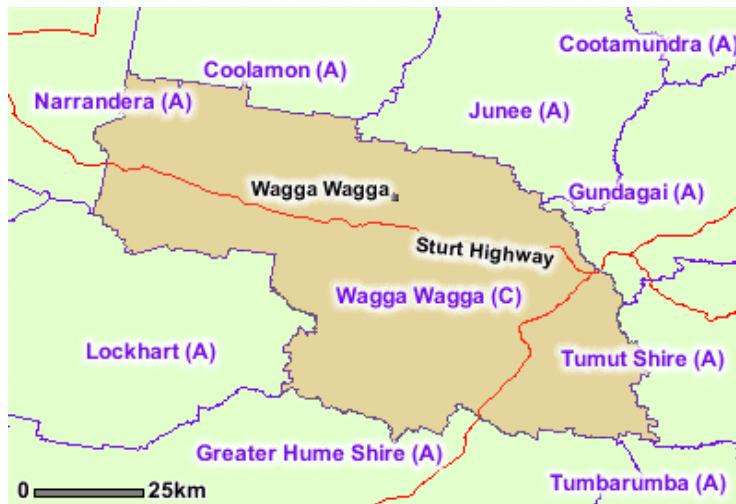
Recommendation 63

The panel of councillors delegated with the function of monitoring the performance of the General Manager should, in accordance with the contract of employment, prepare and send a statement to the General Manager regarding her performance review. This statement should also be tabled at the relevant Council meeting.

5. CONTEXT

Wagga Wagga, the largest inland city in New South Wales, is situated at a junction midway between Sydney (518km) and Melbourne (432km). The Wagga Wagga local government area is bordered by eight other local government areas.

Map 1 – Wagga Wagga City Local Government Area



Wagga Wagga was proclaimed a town in 1849, incorporated as a Borough in 1870 and proclaimed a City in 1946. On 1 January 1981, the existing City of Wagga Wagga was amalgamated with the adjoining Shires of Kyeamba and Mitchell.

Wagga Wagga City covers an area of 4,824 square kilometres and its estimated population in 2006 was 57,016 people (Australian Bureau of Statistics 2006 Census data). The City's growth rate was estimated at 1.4 percent during 2005/2006; 0.5 percent higher than the State average. Approximately 3.2 percent of residents identify as being of Aboriginal and Torres Strait Islander origin. People of diverse linguistic and cultural background also make up around 3.2 percent of the population. Over 40 percent of the population are under 25 years of age. With over 12.1 percent of the population aged 65+ years in 2004, Wagga Wagga was the 119th oldest local government area in NSW. It is estimated that in 2022 it will become the 95th oldest.

The name of the City is derived from the language of the Wiradjuri tribe, which was the biggest Aboriginal tribe in New South Wales, embracing the Riverina area. "Wagga", "Wahga" or "Wahgam" in Aboriginal dialect means "crow". The repetition of

a word was the method of expressing the plural or emphasis, thus Wagga Wagga means "crows" or "the place where crows assemble in large numbers". The symbol of the crow has been incorporated within Council's logo and general branding.

Today Wagga Wagga is known for its industrial, commercial, educational and defence facilities. It is home to the Army Recruitment Training Centre – Blamey Barracks, RAAF Base, Charles Sturt University, Riverina Institute of TAFE, two public art galleries including the Art Glass Gallery housing the National Art Glass collection, three theatres, two outdoor amphitheatres, two museums and the Conservatorium of Music.

Currently 14 councillors (including the Mayor) represent the community.

Council holds one ordinary meeting each month, in addition to the Policy and Strategy committee of which all councillors are members; the committee meets two weeks before the Council meeting.

Council employs approximately 396 full-time equivalent staff. In the past six years, the position of General Manager has been filled by five different people. At the time of the review, the position was filled with acting incumbents and recruitment action was underway to fill the position.

Council's organisational structure consists of four divisions:

1. Strategic and Community Services (planning, development, natural environment, regulatory, Riverina Regional Library, community services, tourism, marketing, human resources and corporate strategy). The Director's position is vacant.
2. Asset Services (service planning, procurement, civil assets, parks, recreation, building services and environmental services). The Director was acting as General Manager at the time of the on-site review in February 2008.
3. Corporate Services (support services, economic development, finance, information technology, council businesses – Airport, Oasis Regional Aquatic Centre, Livestock Marketing Centre). The Director's position is vacant.

The General Manager is directly responsible for the communications/media, governance and internal audit functions.

6. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS

This part of Council's assessment focussed on assessing: Council's strategic intent; a shared and realistic vision; the planning and prioritising it undertakes to ensure that it continues to deliver appropriate services to the community; a sustained focus on what matters; Council's clear ambition; ownership of problems and willingness to change; improvement integrated into planning, day-to-day management and reporting processes; flexibility and innovation; capacity and systems to continue to deliver performance improvement.

The review team also considered how this planning is integrated with day-to-day management to achieve results, how Council measures its performance and is accountable/responsive to the changing community needs.

Council's Strategic Direction

Council has a clearly articulated strategic direction that has been formulated in consultation with the community.

Council has a strategic plan "Towards 2010", which sets out its vision, mission, values and high level strategies to meet its strategic intent. The vision for Wagga Wagga is currently to create a "Centre of Excellence" that:

- encourages its people to be involved in providing a well positioned and prosperous community-focused lifestyle for everyone
- provides cohesive, enriched and forward thinking leadership
- proactively participates in partnerships to enhance all aspects of community life, particularly education
- facilitates employment and development
- engages its community to focus on 'best value' infrastructure and services
- employs, develops and retains people with a sense of pride, confidence and creativity

- contributes to the efficient and effective management of the environment, community and economy for both present and future generations.

Council has also developed a draft “Community Strategic Plan. Our City ... Our Tomorrow 2008/2018”, which is the basis for updating its strategic plan. The document proposes four (4) core spheres of activity: economic; social; environment; and governance. This is consistent with the strategic planning model proposed by the Department.

The draft Community Strategic Plan Working Document is well set out and easy to read. It sets strategic directions in the following four main areas: social; economic; environment; and governance; and seeks community feedback. At the time of the Departmental visit, the draft working document was on public exhibition and was displayed on Council’s website.

Councillors’ understanding of Council’s strategic direction

Based on the seven (7) responses to the councillor survey and councillor interviews, councillors in general demonstrated a clear understanding of Council’s strategic processes and their role in relation to it. Several councillors highlighted the importance of setting strategic directions and involving the community in the process.

Most of these councillors also reported that they had been actively involved in ongoing workshops with staff to review Council’s strategic directions. However, not one of these councillors was able to articulate Council’s vision or broad strategic directions, e.g. what Council wishes to achieve over the long term. One councillor expressed concern that Council was not adhering to its direction.

The review team also found evidence to suggest that some councillors were preoccupied with minor, short-term issues at the expense of the ‘bigger picture’. It is appropriate for councillors to seek to represent the concerns of individual constituents and their local communities by raising issues that have a more immediate or local impact. However, in doing so, it is important that they do not lose sight of long-term issues and considerations or the bigger picture.

Councillors must demonstrate commitment to Council's strategic plan and consider matters before the Council in the context of Council's strategic framework.

(Recommendation 1)

Integrated planning and reporting

Planning is a process to translate community needs and aspirations into council services. To be meaningful, plans must result in actions and outcomes for the community and not be done just to satisfy statutory requirements. Plans should be well integrated to strengthen the focus and achievement of outcomes.

If plans are not integrated they may work against each other to fragment and confuse responsibilities and targets, and undermine the achievement of a council's goals.

It is also critical that planning processes are linked to reporting processes to ensure that progress toward achieving those plans is accurately captured and then informs the development of future plans.

Following extensive consultation, the Department intends to release draft Integrated Planning and Reporting Guidelines later in 2008. These guidelines will describe the preferred model and provide assistance to all councils on how to implement the new model.

Council's planning and reporting framework

Wagga Wagga City Council has the elements of an effective strategic planning and reporting framework. Council's planning framework aligns with the hierarchy suggested, which includes a strategic plan, a management plan, business plans, individual performance and development plans.

Council has also expressed its willingness to align with the new integrated planning and reporting model in accordance with the Department's guidelines.

Council's key plans and reports appear very well integrated. For example, the vision, strategic goals and objectives of its strategic plan provide the framework for the programs and activities of the management plan. The annual report sets out

achievements of the previous year's management plan and lists reasons for any variation between targeted and actual performance.

The practical application of Council's planning framework appears evident. For example, there appears to be a good understanding and ownership among staff of the contents of the strategic and management plans and how they link to operational plans throughout the organisation. However, some older plans, such as the social plan that was produced in 2004, do not seem to be in alignment with the current strategic plan (see section 8.4 of this plan). In its scheduled reviews of relevant existing plans and reports Council should ensure that they align with Council's planning and reporting framework. **(Recommendation 2)**

Council should also consider including in its strategic planning framework the monitoring of its own organisational capacity and skills to deliver on its priorities. **(Recommendation 3)**

Management Plan

Each year councils are required to prepare a draft management plan with respect to their activities for at least the next 3 years and their revenue policies for the next year. Sections 403 and 404 of the Local Government Act require certain particulars to be included in a council's draft management plan.

Council's 2007/2008 management plan reflects the strategic themes: economic; environment; social; and governance; contained in the current strategic plan "Towards 2010".

These themes are further translated into specific action areas, with identified goals for each area. Each action is supported by key performance indicators and specific target units. The supporting budget information also identifies the funding sources for capital works and specific activities.

At the time of the review, Council was developing an integrated four-year management plan, which will operate as its medium-term planning instrument at the corporate level.

To build upon its good corporate planning practice, Council may consider including in its future management plans information about service level variations, which would give the Council and the community a snapshot of changes in services from the planned level. **(Recommendation 4)**

As mentioned earlier, Council's draft strategic plan 2008/2018 will be expanded to cover governance as one of the core areas of organisational activity. Within the context of Council's broader planning and reporting framework, the findings of the section 430 investigation, and the loss of corporate knowledge as a result of high staff turnover, Council is encouraged to consider key strategies to continue to improve governance systems. **(Recommendation 5)**

Performance management and reporting

Section 407 of the Local Government Act requires the General Manager to report to Council within 2 months after the end of each quarter as to the extent to which the performance targets set by Council's current management plan have been achieved during that quarter.

Wagga Wagga City Council uses the Outcomes Manager management planning computer software. This software is a tool that supports and streamlines the management planning process in a number of ways. Two examples are as follows:

1. The software assists to develop appropriate and measurable performance indicators.
2. The officer responsible for a particular action is given online prompts advising when that action is due for follow up or completion.

Council is also to be commended for its commitment to holding quarterly community consultation before the quarterly business review process. This enables the community to have a more direct and involved input into the Council business planning and monitoring process. However, the review team was advised that this mechanism is not extensively used by the community. Council is encouraged to explore options to promote public attendance in the quarterly management plan reviews, such as more diverse advertising or ascertaining whether the current format is useful and accessible. **(Recommendation 6)**

The review also found evidence that the elected Council is receiving the required quarterly reports in relation to the implementation of the management plan, which are supported with the report on organisational budget performance.

The review examined the 2006/07 Wagga Wagga City Council Annual Report. The Report seems to be well presented and easy to read. While it generally complies with the statutory requirements, it reports on whether high level strategies have been achieved, but does not appear to integrate well with the management plan strategies and does not report on any of the targets set in that plan. Council should review its Annual Report to ensure that it reports on the targets set in the management plan.

(Recommendation 7)

Council's Annual Report also includes an easy to read table listing the major actions undertaken toward completing the recommendations of the section 430 investigation. However, in the General Managers' message and throughout the body of the Report, Council stresses that the Department's investigation required "an extraordinary level of resources" that "limited the availability for other projects".

The section 430 investigation must be seen in the context that the Minister for Local Government and the Department continued to receive concerns from a large number of complainants about the performance and effectiveness of Council and was instigated after careful consideration. The recommendations of the section 430 investigation report should provide Council with guidance to refocus its priorities and resources in order to improve its performance.

Resource sharing and strategic partnerships

Wagga Wagga City Council is one of several councils in the Riverina Eastern Regional Organisation of Councils (REROC). Other REROC member councils are Bland, Coolamon, Cootamundra, Goldenfields Water County, Gundagai, Junee, Lockhart, Riverina Water County, Temora, Tumbarumba, Tumut, and Urana. The group facilitates collaborative and resource sharing projects among members to promote regional development.

Examples of resource sharing initiatives implemented by REROC to date have included group purchasing, human resource initiatives and information resources.

Council, in its strategic self assessment provided to the review team, indicates that it has identified a need to embrace leadership for the region by building and fostering strategic networks and working with all levels of government, non government and private agencies. This objective has been included in its draft Strategic Plan 2008/2018.

7. DELIVERING AND ACHIEVING

This part of Council's assessment focussed on: capacity and systems to deliver performance improvement; defined roles and responsibilities and accountabilities; modern structures and processes; resources follow priorities; performance information; risk managed appropriately; open to external challenge.

7.1 Governance

“Corporate governance refers to all the means by which entities are directed and controlled.” (Standards Australia, HB401-2004:12) Corporate governance is important because it enhances organisational performance; manages and minimises risks; increases the confidence of the community and the local government sector in the organisation; ensures that an organisation is meeting its legal and ethical obligations; and assists in the prevention and detection of dishonest or unethical behaviour.

A review was conducted of a range of aspects of Council's governance practices.

Good governance framework

In February 2007 Council adopted a Good Governance Policy and Framework to guide the way it performs its functions. The main elements of the framework are ethics and values, risk management and internal control, decision-making processes and monitoring and review.

Council is also aligning its processes and behaviors with the Australian Business Excellence Framework.

Leadership and direction

Council's Good Governance Framework document states, “The lintel stone of the structure is good leadership”. The elected body of Council and the senior management team must work together to provide good leadership and direction to the organisation to enable it to perform its functions well to provide services and infrastructure for the community.

The role of a councillor

As provided by the Local Government Act and reiterated in the section 430 investigation report, “councillors have two roles. One as a member of the governing body of council and the other as an elected person (section 232 of the Act). It can be problematic for councillors to balance these roles. Our observation of councillors undertaking their role at Wagga Wagga is that the role as an elected person seems to dominate”.

Another observation was that some councillors did not see themselves as part of Council, i.e. that the elected body was disconnected from the Council organisation. Evidence of this practice was also found by the review team. For example, the councillor survey asks various questions about Council and a number of councillors seem to make a clear distinction between the elected body and what they perceive to be the separate organisation of Council.

The dichotomy of “us and them” is not within the spirit and the provisions of the Act and may be counter productive to a healthy organisation.

The review team found evidence that since the section 430 investigation this remains as a major challenge for councillors and is therefore an ongoing source of concern for the Department.

Relationship between councillors, the General Manager and staff

The section 430 investigation found that “the relationships between the elected representatives of Council (individual or collectively), senior Council officers and Council staff has on occasions deteriorated to the extent that it has prevented the provision of efficient, effective and appropriate standards of governance for Wagga Wagga City Council”. This situation has had a range of negative impacts, including on the ability to effectively manage the organisation.

At the time of the review the instability of the senior management team was still a matter of critical concern. Since the section 430 investigation, the General Manager’s contract was abruptly terminated. At the time of the review all senior management positions, except the Director Asset Services, were vacant. At the end of the review

team's site visit the current incumbent of the Director Asset Services position was appointed to act as General Manager until the recruitment process for the permanent General Manager was undertaken. The Department has recently been advised that a new General Manager has been appointed.

To ensure organisational stability, Council must, as a matter of priority, recruit a senior management team. The Mayor and General Manager must support the team to forge a more stable, cohesive and productive leadership of Council. The elected body, led by the Mayor, must at all times maintain a positive and professional working relationship with the General Manager and Council staff.
(Recommendation 8)

Council uses its code of conduct to define appropriate conduct by its officials and guide relationships among its employees, as well as between councillors and Council staff. In April 2007 Council adopted a policy on the provision of information to councillors and interaction between councillors and staff in response to recommendation 11 of the section 430 investigation report. The policy appears to take into account the salient issues of the Departmental investigation report.

The review team tested the application of this policy by councillors and found evidence of inappropriate attempts by some elected representatives to influence Council staff. While these appear to be isolated occurrences, the review team wishes to stress again that councillors should refrain from getting involved in operational issues.

In addition, the findings of Council's Employee Opinion Survey conducted since the Departmental 430 investigation found that Council was lacking a culture of cooperation and trust. Poor relations between councillors and staff and senior management and staff appear to have contributed to creating such a negative culture (see section 8.5 Workforce Relations for more information about the employee survey).

Seven councillors, or around 50 percent of the elected body, completed the councillor survey. Three of those seven councillors described their relationship with Council staff as excellent. Two councillors reported that the relationship was very

good and two stated that they conducted their relationship with staff in a professional manner within the parameters of the code of conduct.

Council administration, particularly the General Manager's unit, should be available to provide ongoing guidance to councillors on appropriate communication concerning the day-to-day business of Council and take corrective action when necessary.

(Recommendation 9)

The appropriateness of the interactions between councillors and planning staff is discussed in further detail in the Planning and Regulatory section below.

Following the September 2008 local government elections, the newly elected representatives and newly appointed staff should receive relevant guidance/training regarding appropriate communication between the elected body and Council staff (see discussion below and recommendation 10 for more detail).

Councillor induction and ongoing training

Councillor knowledge and skills have a significant impact on the organisation's capacity to make sound and transparent decisions. New councillors require both induction and ongoing development to equip them with knowledge and skills required to properly carry out their duties and allow them to be effective members of Council's elected body. It is therefore appropriate that councils allocate appropriate resources to councillor training and development.

While Council ran information sessions for potential candidates for councillors, it has not provided structured induction training for councillors, particularly in relation to their specific role and responsibilities. Training has been limited and provided in an ad hoc fashion. In most cases councillor training has consisted of individual councillors attending external subject based workshops or conferences.

Three of the seven councillors who completed the councillor survey indicated that they had received adequate training and support and did not nominate any areas where they believed they could benefit from additional training and support. The remaining four councillors requested further training in understanding Council's finances, legislation (e.g. Local Government Act and Environmental Planning and

Assessment Act), Council's strategic directions, the role of a councillor, councillor induction and any relevant policy/legislation changes as they occur.

Attendance by councillors at internal workshops overall appears to have been poor. The review team acknowledges that the elected body of Wagga Wagga City Council consists of a number of long-standing councillors and two councillors who were, over a considerable period of time, senior employees of Council. Such experience is valuable. However, all councillors have an ongoing responsibility to keep up-to-date with rapidly changing issues, policies and legislation that should be considered when they are making decisions on behalf of the community.

Organisational records of councillor training provided to the review team were incomplete. For some workshops, councillor attendance has not been recorded at all. In the opinion of the review team, this is a matter of poor Council record keeping (which is addressed later in this report). It is essential that accurate records are kept of training held and attendance at that training.

In response to the Department's section 430 report recommendations, Council claims that the requisite training in the areas of code of conduct, tendering, planning legislation and resource management has been provided to councillors and relevant staff.

At the time of the review Council was developing a more structured training program across a range of topics for its elected members. The Department, in consultation with the Local Government and Shires Associations, is working on a Councillor Development Program to complement the training programs provided by individual councils. A practice note on this matter will be issued to all councils later this year. Council should finalise and implement its training program for councillors. The program should be reviewed and aligned with the Councillor Development Program when it is launched later in 2008.

Council should develop a structured training program for councillors and ensure that councillors, especially the newly elected ones, receive the appropriate level of guidance in relevant areas, including refresher training/workshops in areas that are identified as high risk, such as the appropriate interaction between elected

councillors and Council staff. Council should also keep an accurate record of councillors' training attendance. (**Recommendation 10**)

Ethics and values

Values

An organisation's values are an important part of its culture and essentially guide the way it carries out its business or performs its work. Wagga Wagga City Council has adopted seven (7) corporate values to underpin all that it does as an organisation.

These values are:

Accountability • Professionalism • Trust • Honesty • Respect • Cooperation • Fun.

As well as these adopted corporate values, Council is aligning its processes and expected behaviours with the eight (8) principles contained in the Business Excellence Framework. These are:

Leadership • Customers • Systems thinking • People • Continuous improvement • Information and knowledge • Corporate and social responsibilities • Sustainable results.

Council's values and principles are clearly set out in its Management Plan and progress against the Business Excellence Framework is reported on in the Annual Report. The 2006/2007 Report details a number of achievements including commendations, awards and reviews of business processes to improve efficiencies as well as cut costs.

Business ethics

A statement of business ethics can be an excellent tool for raising private sector awareness of public sector values. This is important because strong working relationships with the private sector are an essential part of building an efficient and cost-effective public sector.

Statements of business ethics are used as a method of setting the standard that all third parties are expected to apply when dealing with Council or acting on Council's

behalf. They must be communicated to third parties at the commencement of a business process.

Council has developed a draft Statement of Business Ethics and Principles of Business Excellence for contractors, their staff and business associates, which are linked to Council's Strategic Plan. The draft statement is not available on Council's website. Council should formally adopt the statement of business ethics, provide a copy of it to all of its service providers, and place a copy of the statement on its website. **(Recommendation 11)**

Code of Conduct

The Council's code of conduct adopted under the Local Government Act is important because it assists councillors and Council staff to understand the standards of conduct that are expected of them. From 1 January 2005, all councillors, staff and Council delegates are required to observe provisions consistent with the Model Code of Conduct for Local Councils in NSW.

Following consultation with councillors and staff, Council adopted its code of conduct in February 2005. The code is based on the Model Code of Conduct prepared by the Department of Local Government. The code's provisions are conveyed to staff and councillors in the induction training. Additional training was undertaken in 2007 resulting from the recommendations of the Departmental investigation. However, as previously indicated, not all councillors attended this training.

The review found evidence that Council has adopted a set of guidelines for handling complaints under the code of conduct, as well as the conduct committee charter. At the time of the review, the review team examined the process for handling one complaint under the code of conduct that was current at the time. It appears that the due process was followed. The review team recommends that at the time of the first progress report Council reports on the implementation of the guidelines for handling the complaints under the code of conduct. **(Recommendation 12)**

Council should review its code of conduct in view of the recommendations of the recent departmental section 430 investigation and Promoting Better Practice review

and consider whether additional provisions to the code may be required.
(Recommendation 13)

The review also revealed that the code contains some inaccurate references to the legislation (for example, reference to section 457 of the Local Government Act, instead of section 451 of the Act in section 6.9 of the code). The review of the code should seek to rectify such errors.

Gifts and benefits

Council officials at some stage in their career may be offered a gift or benefit in the course of their work. The gift or benefit could be offered innocently, or in good faith, or could be offered in an attempt to influence the council official.

If council officials accept a gift or benefit, this can give rise to feelings of obligation on their part towards the giver. It can also create perceptions that they are or will be influenced because of the gift or benefit.

It is therefore important that councils develop a policy and procedures to guide and assist council officials in dealing with gifts and benefits and to support the provisions in the model code of conduct regulating gifts and benefits. From 1 January 2005 councils are required to maintain a gifts register to, as a minimum, record the receipt of gifts of more than nominal value.

Council adopted a gifts and benefits policy in November 2007. Draft guidelines have been prepared to help ensure that councillors, members of staff and Council delegates comply with the policy. An online register that records relevant details relating to gifts and benefits received by staff was inspected during the review. A sample of the supporting forms was also reviewed and they seemed to reflect that the register is accurately recording the gifts for which declarations have been made. At the time of the review, no declarations had been made by councillors. Councillors, members of staff and Council delegates should regularly be reminded of their obligation to declare gifts. **(Recommendation 14)**

Management of pecuniary interest

The *Local Government Act 1993* sets out the parameters that must be adhered to when council officials have a conflict between their public duty and private interests that constitute pecuniary interests. The Act requires that councillors and designated staff complete and lodge written disclosure of interest returns in the form prescribed by the Local Government (General) Regulation 2005 and to appropriately manage pecuniary interests when relevant matters arise. It is important that councillors and staff observe these requirements, as to not do so has the potential to seriously undermine the community's confidence in the integrity of local government and the decision-making processes.

Wagga Wagga City Council maintains a register of disclosure of interests returns by councillors and designated persons, as prescribed by section 449 of the Act. Council's code of conduct outlines a process for disclosures of pecuniary and non-pecuniary interests in Council and committee meetings.

During the review, councillors' and designated officers' written returns for 2006/07 were assessed. The assessment revealed compliance with legislative requirements and a great degree of attention to detail, including in the areas that were identified as highest risk during the recent audit of pecuniary interest returns by the Department of Local Government. Some of the good practices observed were the declaration of interests in leased properties and apparent cross-referencing of different interests.

One issue for Council's consideration is the reporting period on declarations of interest, which on some declarations are not consistent with the requirements of clause 181 of the Local Government (General) Regulation 2005. The reviewers have brought this to the attention of relevant Council managers and the undertaking was obtained that more guidance will be provided to councillors and staff for the 2008 declarations.

Council could use the information provided in the Department's Circular to Councils 04-16 and the Department's Pecuniary Interest Guidelines (June 2006) to assist councillors and staff complete their returns. (***Recommendation 15***)

Should Council become aware of any problems in the area of pecuniary interest returns, it may use the code of conduct refresher training to bring specific issues to its officials' attention.

Decision making

Organisational structure

It is the councillors' role collectively as the governing body to determine the organisation structure and the positions within that structure that are senior staff positions, as well as to allocate resources towards the employment of staff within the adopted organisational structure.

Wagga Wagga City Council reviewed and re-determined its organisational structure on three occasions in recent times: in 2001, 2004 and 2006. The current structure, which followed the most extensive and far reaching restructuring, was adopted in June 2006.

The executive management team is made up of the General Manager, the Director of Strategic and Community Services, the Director of Corporate Services and the Director of Asset Services.

As indicated previously, at the time of this review all of these positions, except the Director Asset Services, were vacant. In addition to this, the current incumbent of the Director Asset Services position was appointed to act as General Manager until the recruitment process for the position of General Manager was completed. Recruiting suitable person(s) to fill these positions is a critical priority. The Department has been advised that a new General Manager has been appointed since the on-site review.

Stable and effective leadership was identified by the majority of staff and some councillors interviewed as one of the main issues negatively impacting upon the organisation's morale. It was perceived that Council had not been viewed as the "employer of choice" for some time.

Council meetings

A key document covering Council's decision-making is its code of meeting practice. Council's code of meeting practice was last reviewed in June 2007. The code incorporates relevant provisions of the Local Government Act and the Local Government (General) Regulation 2005.

Council meetings are held on the third Monday of the month, with Policy and Strategy Committee meetings being held on the first Monday. Public participation is only allowed during the Committee meeting, but not during the Council meeting.

In 2007, Council had 11 extraordinary meetings, which was mainly due to the Departmental investigation and the termination of the contract of the previous General Manager. However, in 2006/07 and 2005/06 respectively, Council had 8 and 10 extraordinary meetings. The high number of meetings indicates that Council may not be able to go through its business effectively during ordinary meetings. The review team recommends that, together with its meeting format, Council considers options for reducing the number of extraordinary meetings. **(Recommendation 16)**

The review team observed the extraordinary meeting on 6 February 2008 and assessed records of randomly selected previous and subsequent Council meetings.

The chairing of the meeting of 6 February 2008 was somewhat disorganised, but allowed a great degree of freedom of expression by councillors on matters under consideration. In the meeting, some councillors needed to formally draw the attention of the Chairperson to irregularities in the proceedings of the meeting. This was mainly due to interruptions, several councillors being allowed to speak at the same time, and allowing debate without a motion. In spite of irregularities, councillors who felt passionately about issues were encouraged to express their views.

To facilitate the free exchange of views in an atmosphere of less stringent rules, Council may wish to consider changing the model of its meetings to one that is successfully implemented in several NSW councils. This model entails Council constituting itself into a committee of the whole (or several committees) shortly after the commencement of the Council meeting and resolving itself into a Council meeting at the end of the meeting. **(Recommendation 17)** In this fashion, the

discussion while in the committee mode can transpire more freely, without the danger that councillor conduct will be inconsistent with the legislative provisions. This needs stringent chairing in order to get through the business agenda.

The review team also assessed allegations that records of Council meetings are unlawfully changed. The examination of the minutes of the past meetings revealed that the minutes of previous meetings were confirmed at the subsequent meeting by resolution of Council and signed off by the person presiding at the subsequent meeting. This practice is consistent with the provisions of section 375 of the Local Government Act.

The review also examined the allegation that business papers for meetings were not circulated to councillors in the prescribed timeframe, in accordance with section 367 of the Act. This was checked and proven that the required notice before the meeting was followed.

As a general rule, meetings of Council and its committees are required to be open to the public. Where Council determines that a matter should be dealt with in confidential session, section 10 of the Local Government Act outlines the requirements for this determination.

Council meetings were closed to the public on 15 occasions in 2007. Part of the 6 February 2008 meeting, which the review team attended, was also closed to the public.

The review team's examination revealed that appropriate reasons for the closure were given on each occasion, the public was invited to make representations as to whether the part of the meeting should be closed, and the resolutions of the closed part of the meeting were published.

The conduct at Council meetings seems to be generally good. In the meeting of 6 February there was mature and respectful attitude among councillors, and between councillors and Council staff. A reasonable number of senior staff and executive support staff attended the meeting.

Councillors seem to be very careful about managing pecuniary and non-pecuniary conflict of interests, including perceptions of conflict of interest, at times erring on the side of caution. This is commended.

The review also observed that the use of the notices of motion was reasonable.

Committees of Council

Section 355 and advisory committees are an important way in which councils exercise their functions. Wagga Wagga City Council has reviewed the number and functions of its committees. Council currently supports or fully services twenty-two (22) section 355 committees. There is a register of committees that is regularly updated. All committees have a constitution. Committees have no delegated authority. All committee meeting minutes are reported to Council via a newsletter, with matters of a strategic nature that are handled by committees appearing in business papers.

Council is currently developing an operational manual for its committees, which will include Council's code of conduct, documented procedures and relevant training for committee members. The review commends Council's work in relation to the management of its committees and recommends that the committee standardisation work continue. (**Recommendation 18**)

Risk management and internal controls

Risk management

Councils are exposed to a wide range of risks as a consequence of their diverse functions. Risk management is about systematic identification, analysis, evaluation, control and monitoring of risks.

While risk cannot be entirely eliminated, councils should aim to establish a risk aware culture and to continually work towards establishing structures, processes and controls that cost-effectively reduce their risk profile, thereby protecting the interests of the organisation, the public and other key stakeholders.

There needs to be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks. The significance of specific risks varies from council to council.

The review examined the way Wagga Wagga City Council seeks to manage risk. The Departmental section 430 investigation report does not make specific recommendations regarding risk management. Within the framework of the organisation-wide response to the investigation, Council engaged an independent expert consultant to conduct the business risk assessment and help the organisation develop a three-year audit plan. Council subsequently developed the risk management framework (which is part of Council's Good Governance Framework).

The framework comprises risk management policy and a risk management plan for 2007/2008. The policy contains implementation guidelines. Risk is assessed as strategic or operational in all areas of Council's structure ('risk owners'). The plan identifies risk management controls and specific actions planned for 2007/08. Council's audit committee has been changed to the "Audit and Risk Management Committee". Discussions with various senior staff disclosed a high level of risk awareness.

The review team recommends that Council continues with implementation of this good tool. (**Recommendation 19 – continues below**) The review team will follow up on the implementation of Council's risk management framework as part of the review action plan and progress report that Council will be required to submit following the tabling of the final review report.

Fraud control

Fraud is a crime involving the dishonest obtaining of a financial or other benefit by deception. The benefit might be of a direct or indirect value. Fraud wastes funds and resources and can damage an organisation's reputation and competitiveness. It is important that fraud risks are identified and managed effectively and that supervisors and staff are kept up-to-date on known and emerging risk areas, as well as on strategies for properly managing those risks.

As part of its Good Governance Framework, in August 2007 Council developed a fraud control and corruption prevention policy and plan to address the risks of the drain on resources Council is entrusted with and loss of integrity and reputation. The plan identifies the specific responsibilities of the General Manager, Manager Corporate Governance, Internal Audit Officer, Audit Committee, managers at different levels, staff and the external auditor in ensuring the implementation of the fraud control and corruption prevention plan.

At the time of the review there was insufficient time for Council to measure the effectiveness of the plan. The review team recommends that Council continues implementing its fraud control and corruption prevention plan and that Council reports on the implementation of this framework as part of the progress report that Council will be required to submit following the tabling of the final review report. ***(Recommendation 19 – also see above)***

Internal audit

Internal audit provides for systematic scrutiny of an organisation's operations, systems and performance. It assists in ensuring that service standards are met, data records are accurate and complete, and established procedures are both adequate and being followed.

Council does not have an internal auditor position or function, but has identified the need to develop such a program in the near future.

Council's approach to internal controls is to "ensure that the risks faced by the Council are reduced to an acceptable level". Therefore, internal audit is concentrated on areas of the greatest risk.

The assessment of compliance and achievement of the effectiveness of internal controls falls to individual managers, with Council's Corporate Governance section to conduct independent reviews of internal controls every 3 years.

Council's internal control guidelines identify that controls can only provide reasonable assurance regarding the achievements of organisational objectives and compliance with the law due to inherent flaws of the process and its dependence on

human judgement. However, Council's internal controls aim to create an environment of compliance. To that effect, Council's Manager Corporate Governance has developed a series of tools to assist managers and staff in carrying out the control activities.

Council has an audit committee (now audit and risk management committee), which meets regularly. There is also in place a three-year rolling plan of scheduled audits. Audit reports are submitted to the committee and to the elected Council for comments.

Legislative compliance

A fundamental principle of good public administration is that public officials comply with both the letter and the spirit of the law. To facilitate compliance with legal requirements, councils and their senior staff should ensure that:

- management commitment to compliance is clear and unequivocal
- the legal requirements that apply to each activity for which they are responsible are identified (including updates reflecting changes to the law) and documented (preferably in detail, but as a minimum by reference to relevant provisions)
- all staff are kept fully informed, briefed and/or trained about the key legal requirements relevant to their work
- staff are made aware of the potential repercussions of non-compliance with legal requirements that apply to them, and
- record-keeping systems and practices that capture evidence of compliance and non-compliance are in place.

It is important for councils to consider what systems they have for identifying their compliance obligations, for staying on top of legislative changes and for ensuring they are meeting those obligations on an ongoing basis.

Wagga Wagga City Council currently has an advanced system for systematically identifying and reviewing its compliance obligations. Council subscribes to several licences with the "LawTracker" email service, which provides regular email summaries of legislative changes. These changes are circulated by Council's

Corporate Governance section to relevant managers generating a workflow. Managers must advise the governance section of the action taken, even if no further action is required. This ensures an audit trail of Council's legislative compliance activities.

One part of Council's Good Governance Framework is an organisational compliance policy. The policy is intended to apply to all areas of Council operations, covering compliance with Commonwealth and State legislation, directions, statutory reporting obligations, Council's codes and policies, contracts, funding agreements, relevant standards, as well as with the obligations of fidelity. Within this policy framework, Council has developed a comprehensive compliance program.

Council's compliance with its program is monitored through the three-year audit plan. The plan is reviewed annually to ensure ongoing appropriateness and effectiveness. The review of the program is the responsibility of the Manager Corporate Governance.

Delegations

The power of delegation is an important tool that assists council officers to carry out the functions of the council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the Act and regularly reviewed to ensure they remain current.

Council has in place a pro-active electronic system for registering and controlling the delegations of its officials, which is available on Council's interface screen. Managers and staff can check the delegations relevant to their positions and positions of their staff. The reviewer observed a number of useful features of the system (such as enquiry and reporting systems, as well as a system for regular updating of the register), which seem to be fully utilised. To further enhance the system, Council may consider updating the electronic system to enable an ongoing audit trail of delegations at all times. **(Recommendation 20)**

Business continuity

The development of the business continuity plan is currently underway in Council. The project plan has been developed by Council's Corporate Governance section and, once adopted, should assist the organisation manage the impact of adverse events on its operations. The review team recommends that Council give priority to the development and adoption of this plan. **(Recommendation 21)**

Protected disclosures

Protected disclosures are an important means by which councils demonstrate commitment to ethical practice. They also can act as an early warning system for management.

Council has an internal reporting policy to assist staff in making disclosures about alleged corrupt conduct, maladministration or serious and substantial waste of public money under the *Protected Disclosures Act 1994*. The policy reflects the current reporting options.

Council informs its councillors, staff and council delegates of the requirements and protections of the *Protected Disclosures Act 1994* through staff induction and training programs.

Procurement, disposal of assets, tendering, contract management

Procurement, disposal of assets, tendering and contract management are areas of any organisation's operations where benefits passing between the public and private sectors may provide ample opportunity and incentive for corrupt dealings. Non-existent or weak policies and procedures for the procurement, disposal of assets, tendering and monitoring of contractors' performance and failure by organisations to conduct risk assessment and regular audits of those policies and practices have been identified by the regulatory agencies as areas of the highest risk. In addition, weak and unchecked policies and practices may provide additional opportunities and incentives for circumventing the procedures and making that circumvention harder to detect.

The basis on which decisions to purchase and dispose of assets, as well as the tendering and management of contractors' performance should be made transparent to both organisational staff and external observers. These procedures should therefore be well documented, opportunities for corrupt conduct identified and defences and safeguards put in place at the points of highest risk. The policies and their practical application should be regularly observed and evaluated for effectiveness, as well as for efficiency and economy.

The review looked at whether the Council has in place policies and procedures that address the areas of procurement, disposal of assets, tendering and contract management, as well as whether these policies and procedures are reflected in practice. The review also assessed two tender files to check compliance with legislative requirements. Importantly, recommendations 16, 17 and 18 of the section 430 investigation report recommended that Council, as a matter of priority, review its tendering procedures (recommendation 16); that its tender assessment panel consist of a majority of persons independent of Council where the Council has a significant interest in a tender (e.g. where council staff or business units tender to provide a Council service) (recommendation 17); and that Council provide training to its staff in relation to tendering processes (recommendation 18).

Since the investigation under section 430 of the Act, Council has conducted a review of all its procurement policies and practices. The new procurement manual distinguishes between simple purchases (with a value of under \$150,000) and complex purchases (with a value of \$150,000 and over). The step-by-step approval process for simple purchases is contained in the manual. Complex purchases follow the Local Government Managers Australia (NSW) toolkit.

In addition, since the Department's section 430 investigation, purchasing has become a centralised function, while before the investigation each section of Council was responsible for its own purchases. The centralisation of the function adds an additional element of control and the standardisation of the process.

As recommended by the section 430 investigation report, Council's tendering practices were reviewed by its audit and risk management committee in January

2008 and further refined by its internal audit committee in June 2008. The audit report is scheduled to be presented to council at its August meeting.

A further section 430 investigation recommendation with respect to tendering was that Council tender assessment panels should consist of a majority of persons independent of Council where Council staff or business units tender to provide a Council service. To this effect, Council's procurement policy, adopted in November 2007, states the following:

“When Council is outsourcing a service it currently provides itself, and a tender proposal is received from an internal party comprising Council employees, the Tender Evaluation Committee must comprise a majority of suitably qualified independent members.”

At the time of the review there were no tenders in which Council staff or business units were competing to provide a Council service.

The third key recommendation of the section 430 investigation related to the training of councillors and relevant staff in relation to their roles and obligations in relation to tendering procedures. Council records reviewed demonstrate that training has been organised for councillors and level 2 and 3 managers. However, as outlined earlier in this report, poor record keeping means that the review team has been unable to substantiate the number of councillors or staff that attended this training.

The assessment of two tender files during the review (the Bellfrayden Bridge replacement and the green waste processing tenders) revealed that the relevant requirements of the Local Government Act and the Local Government (General) Regulation 2005 were complied with. Although, Council should publicly display successful tenders. **(Recommendation 22)**

Council should, as a matter of urgency, develop and adopt policies and procedures for the management of contractors' performance. **(Recommendation 23)**

Project management

Recommendations 19 and 20 of the Department's section 430 investigation report into Wagga Wagga City Council operations related to the organisation's project management. The report recommended that Council develop a system for the management and monitoring of Council's projects and that staff undertake formal training in project management.

At the time of the review, an organisation-wide project management system was developed and formally launched on 8 February 2008. Prior to the formal launch of the system, a project management steering committee was formed within Council and a day's training in project management fundamentals organised for level 1, 2 and 3 managers. In addition, a needs analysis was performed on the day. The needs analysis provided the basis for the development of the consultant brief and for the subsequent development and implementation of the project management framework. Australian College of Project Management (ACPM) was selected to assist Council with the development and implementation of the project management system.

Council's project management system comprises a nine-step process. The steps are supported by the required documentation and risk management assessment tools for each phase of the project. The system is available electronically on Council's intranet; it includes the built-in 'hold' points with the 'go'/'no go' options allowing for approval for each stage as applicable. The system is generic, designed to suit any form of project undertaken by Council, which could range from the delivery of a road to organising a community event.

With regard to training in project management, a series of three two-day workshops for approximately 36 identified project managers across the organisation were planned for the first quarter of 2008. In addition, with the aim of providing a corporate knowledge and skill base above the standard user level, Council has undertaken to adopt a training regime that will include a number of project management champions at Certificate IV and Diploma level in project management (mainly a select group of senior staff).

Information management

'Information management' is an umbrella term that encompasses all the systems and processes within an organisation for the creation and use of corporate information.

Effective information management (including creation, collection, storage, retrieval and dissemination of electronic and paper based information) is critical to achieving an organisation's mission and objectives. It also contributes to improving the efficiency of business processes, meeting the demands of compliance regulations and the capacity to deliver more services.

Policies in relation to the protection of personal information and public information consistent with relevant legislation should also be put in place.

Information and communications technology

Information and communications devices include computers/notebooks, phones (landline and mobile), two-way radios, facsimile machines, scanners, photocopiers/multi function devices and personal digital assistants.

There are approximately 400 PCs in use across Council, which are leased on a four (4) year term. These are spread over 18 sites. Council operates a number of servers to support the operations, which are leased on a five (5) year term. The following major systems are in place:

- Technology One Financials/Property
- Aurion HR and Payroll
- Microsoft Exchange
- Dataworks – document management
- Documap – plan management
- Belvoir – Livestock marketing
- Prismarque – Oasis Swimming Complex
- Fleetmex – fleet management
- Citrix – external access
- Lantern – content management system for the Internet and intranet
- ESRI ArcGIS.

These are all industry standard, state of the art systems that adequately meet Council's current information technology needs and form a sound basis for the future. Council does not therefore plan to replace any of these systems in the short to medium term.

Council has recently prepared a draft Information and Communications Technology Strategic Plan, which aims to better align this technology with Council's vision, strategic directions and operational goals.

Council has also prepared a draft Information Technology Operational Plan. The plan analyses the current situation, future applications and computing trends to make conclusions and recommendations to ensure Council's information technology system is well placed to meet Council's current and future needs in this area.

Council should finalise and implement its draft Information and Communication Technology Strategic Plan and its draft Information Technology Operational Plan.
(Recommendation 24)

Council's Internet and E-Mail Usage Protocol, originally prepared in 2004, outlines the protocols for staff to follow in using the email and Internet systems. This protocol appears to have been regularly reviewed. A Mobile Phone Usage Protocol was prepared in late 2007 and was reviewed in January 2008. Council also has systems and procedures in place to monitor and protect against inappropriate use of communication devices.

An Information Services Security Protocol has been prepared to ensure the appropriate protection of Council's various information systems.

Record keeping and information management

Council is required to make and keep full and accurate records of its activities in accordance with section 12 of the *State Records Act 1998*. Council must establish and maintain a records management program that conforms with best practice standards and codes.

The Australian Standard on Records Management (AS 4390) defines recordkeeping systems as 'information systems which capture, maintain and provide access to

records over time'. This includes managing both physical (paper) records and electronic documents.

Both the Department's section 430 investigation report and the report 'Overview of Wagga Wagga City Council's governance structures, Daly Research Systems, May 2006' found that Council's record management systems were poor. The Daly report concluded that there appeared to be a lack of accountability in relation to information management processes, record management systems and the management of complaints.

Council primarily uses the Dataworks computer software and a paper based file system to capture, maintain and provide access to its records. Council has also embarked on a significant archiving project in consultation with Charles Sturt University, as well as a project to improve the way Council captures oral data and information.

To document and improve current practice, as well as respond to comments in the Department's section 430 Investigation Report, Council in late 2007 drafted a number of policy and guideline documents. The draft documents are:

- Incoming Correspondence and Documentation Procedure
- Information Management Operating Standard for All Staff
- Information Management Guidelines for All Staff
- Official Minute-Taking for Meetings.

Council also has a Records Disaster Recovery Plan prepared in accordance with the standard on Counter Disaster Strategies for Records and Recordkeeping Systems. All of these documents are well presented, easy to read and appear to cover the essential components of an effective information system.

The review team was informed that these documents have been used as the basis of staff training around how to use Council's information management system more effectively.

While Council is to be commended on its recent efforts in this area, the review team found evidence that these changes still need to be fully implemented and adhered to by all staff. For example, in one instance Council was unable to provide the review

team with key Council documents because they could not be located on Dataworks (i.e. economic development documents – see section 8.4 for more detail). In another instance, it was observed that original copies of critical and sensitive documents were not on a Council file.

It is imperative that Council finalise the above policy documents and ensure that all staff are trained to use and comply with the requirements of Council's information management system. Training in this area should stress that compliance with the *State Records Act 1989* is the responsibility of every employee and aim to foster a culture where accurate and effective record keeping/information management is an intrinsic part of each employee's modus operandi. The General Manager and executive team should monitor and support continued progress in this area.

In summary, in terms of accurate record keeping and information management, as a matter of priority, Council should finalise the following draft policy documents:

- Incoming Correspondence and Documentation Procedure
- Information Management Operating Standard for All Staff
- Information Management Guidelines for All Staff
- Official Minute-Taking for Meetings
- Continue its training program to ensure that all staff are trained to use and comply with the requirements of Council's information management system.

The General Manager and executive team should monitor and support continued progress toward improving Council's information management system.

(Recommendation 25)

Privacy management

The *Privacy and Personal Information Protection Act 1998* ("PPIPA") provides for the protection of personal information and for the protection of the privacy of individuals. Section 33 of the PPIPA requires all councils to prepare a Privacy Management Plan. Council adopted the Model Privacy Management Plan in 2000. The model plan provides for regular reviews.

Council developed a draft Privacy Policy and draft Privacy Management Plan in late November 2007. Both documents are easy to read and appear to comply with the legislation. The review team was advised that the policy and plan document existing Council policy and practices. Council has commenced organisation-wide training to ensure that staff members and councillors meet their obligations under the policy and plan.

Council should finalise its Privacy Policy and Privacy Management Plan, as well as complete training relevant staff members and councillors on how to implement them effectively. (**Recommendation 26**)

Performance monitoring and accountability

Monitoring and review processes are important in ensuring that Council is operating appropriately and that Council is accountable to the community for its actions.

Council's performance management and reporting framework has been set out in section 7 of this report - Council's Ambitions, Priorities and Future Focus. Other ways in which Council monitors its performance and is accountable are covered below.

Policy register – Summary of Affairs

Council's own policies, formal protocols and operating standards are important mechanisms for guiding Council to carry out its functions and responsibilities as set out in various pieces of legislation.

Councils are required to publish a "Summary of Affairs" in the Government Gazette each six months. This is a requirement of the *Freedom of Information Act 1989*. Apart from being a statutory requirement, the preparation of a "Summary of Affairs" is an important governance and internal control process, as it requires Council to identify and list each of Council's current policy documents. Agencies (including councils) must have copies of their current policies available for public inspection.

The process of identifying and listing each policy is valuable because it gives Council the opportunity to review the listing for any omissions and any policies that are no longer required. Council should ensure the "Summary of Affairs" is available to staff

and councillors so that they can be kept up to date on the matters on which Council has a policy.

“Summary of Affairs” statements for June and December 2007 were prepared by Wagga Wagga City Council and published in the Government Gazette. Council has a comprehensive list of policies to support and guide its operations.

Council has also developed an excellent policy register, which records the following information for each policy:

- Policy reference details
- Council resolution number
- Policy name
- Responsible directorate
- Adopted Date
- Next review date
- Location on intranet.

This is an extremely useful tool for helping to ensure that policies are regularly reviewed, easily located and accessible to all staff.

In response to the section 430 investigation, Council has been proactive in identifying gap areas and has subsequently drafted new policies in a number of areas. Many of these have been highlighted throughout this report. Council is encouraged to finalise these policies and continue to use the register as a tool to track, review and update its policies. Assessing the extent to which councillors and staff understand and use recently developed policies is critical to their success and an important part of this monitoring process. (***Recommendation 27***)

Expenses and facilities policy

A policy on the payment of expenses and provision of facilities to the Mayor, Deputy Mayor and councillors is a requirement under section 252 of the Local Government Act.

Wagga Wagga City Council's current policy on the Payment of Expenses and Provision of Facilities to Councillors is a good policy. It adequately meets the requirements of the legislation and guidelines governing development of such policies and also displays some elements of good practice. For example, the policy includes an expenses claim form for councillors and a table that summarises all expense categories and the monetary limits that apply to each. The table increases the transparency and accessibility of the policy to the public. The policy is also well structured and contains clearly articulated reimbursement and approval processes.

It is noted that Council was responsive to concerns raised by the Department in early 2007 in relation to councillor legal expenses. Council subsequently amended the draft policy to clarify that no legal expenses would be provided for legal action initiated by a councillor or in the event of an outcome unfavourable to a councillor.

Council's policy for 2006-2007 was one of forty-five (45) policies reviewed in August 2007 by officers of the Department of Local Government and was rated as a 'good' policy. The policy was among the ten (10) best policies reviewed.

Areas for improvement in terms of Council's policy could include making the language of the policy more accessible in places and encouraging more training and development for councillors. **(Recommendation 28)**

Public Access to information

Under section 12 of the *Local Government Act 1993*, members of the public are entitled to have access to the majority of council documents. A full list is set out in the Act. Other documents may be accessed unless the council determines that an inspection of the document would be contrary to the public interest or one of the other exceptions listed in the Act applies.

Inspection of council documents is generally free of charge when inspected at council offices during business hours. However, should copies be required, the council may impose reasonable copying charges. Most councils have their own website where some of these documents may be available.

In November 2007, Council prepared a comprehensive and well set out draft Public Access to Information Policy, which guides staff in responding to requests for

information and access to documents. The draft policy outlines entitlements under the *Local Government Act 1993*, the *Freedom of Information Act 1989* and the *State Records 1998*. It is anticipated that when Council adopts the draft policy it will be put on public exhibition. The draft Policy is accessible on Council's website.

The Local Government Managers Australia (NSW) Governance Network (LGMA Governance Network), in association with the NSW Ombudsman and Privacy NSW, has recently produced a draft model policy on access to council information. Council may wish to refer to this policy prior to finalising its own policy. More information about the draft model policy is set out in Council Circular 08-15, which is available on the Department's website at www.dlg.nsw.gov.au . **(Recommendation 29)**

Wagga Wagga City Council, as required by the *Local Government Act 1993*, has a Public Officer to assist people to gain access to Council documents.

The public can also use the *Freedom of Information Act 1989* to apply for access to Council documents if they cannot be obtained under section 12 of the *Local Government Act 1993*. Council also has a Freedom of Information Coordinator to ensure any requests for information made under that Act are handled in accordance with that Act. In the last two years, Council received twenty-seven (27) such requests, of which only two (2) were refused due to non compliance.

Sufficient evidence was also provided by Council to demonstrate that it regularly places public notices in local media to provide the community with information and/or inviting feedback on a range of matters.

Customer service standards

Councils, along with their other roles, are service providers. Customer service standards set a level of expectation within the community, as well as provide guidelines for staff performance. These standards help councils to communicate:

- what services they provide
- the terms for receiving/accessing a service
- the standard of service that customers can expect

- how services can be accessed
- how complaints can be made and
- how council will deal with any complaints it receives.

Council is currently developing service standards in the community services area. Such standards should be developed for all services and incorporated in a “Guarantee of Service” and/or within Council’s Complaints Management Policy. Council’s guarantee of service should be promoted and be easily accessible to the community. **(Recommendation 30)**

Complaints handling

An effective complaint handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction to provide a useful source of information and feedback for improving the council’s service.

As mentioned above, the Daly report about governance structures concluded that there appeared to be a lack of accountability in relation to the management of complaints.

Council adopted a Complaints Management Policy in November 2007. The policy clearly defines different types of complaints, who will deal with each type of complaint and how. The policy includes a three tier review system, which allows the matter to be referred on if not successfully resolved. The policy accurately differentiates complaints from requests for service. Training has been provided to Customer Service and Community Services staff and is being extended to other relevant staff.

Council is developing further operational guidelines to help implement the policy. These guidelines should include service standards, performance targets for handling complaints, how complaints will be recorded and regular reporting of complaints statistics to management and the elected Council. The reporting of complaints to management and Council should include, where warranted, recommendations and evidence for changes to relevant Council procedures or policies that are the subject of the complaint. Council may also consider reporting the outcome of performance

targets in its annual report. Council's complaints management documents should be promoted and be easily accessed by the community.

In summary, Council should finalise its Guidelines for Managing Complaints having regard to the comments made in the Promoting Better Practice report.
(Recommendation 31)

7.2 Planning and other regulatory functions

Council exercises regulatory functions in relation to a range of activities within its area. The efficiency and probity of Council's regulatory functions is important for effectively managing Council's responsibilities and for preserving public trust in Council and its staff. Regulation is important to achieve a wide range of social, economic and environmental goals.

A review was conducted of a range of aspects of Council's regulatory practices including:

- *Council's planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Companion animals*
- *Environmental management*
- *Enforcement practices*

Council planning instruments and policies

Council is required by section 73 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) to keep its planning instruments and policies, such as local environmental plans (LEP) and development control plans (DCP), under regular and periodic review.

Wagga Wagga City Council adopted its current LEP in 1985, with several subsequent amendments to it.

In addition to the LEP, Council has a number of Development Control Plans (DCPs), which are the policy documents that guide development decisions. The section 430

investigation report contested that Council's DCPs tended to control the development decision through sub-zones, rather than provide policy guidance.

The section 430 investigation report was highly critical of this situation, which appeared to provide flexibility in the planning process (e.g. Council could easily modify its DCPs with insufficient controls to the process), but did not provide for sufficient and necessary rigour to the planning process. It enabled ad hoc planning decisions that may put the Council in a position of not being able to address issues such as a conflict of interests (e.g. through extensive use of local consultants who may also represent the interests of developers). The lack of rigour in the process also had the potential to undermine the planning objectives of the LEP and could leave the Council open to legal challenges.

At the time of the departmental investigation, and the subsequent Promoting Better Practice review, Council was reviewing its LEP, in accordance with the requirement by the NSW Minister for Planning that all LEPs in NSW adopt a standard template.

The shortfalls of the strategic planning situation encountered by the departmental investigators, coupled with the deficiencies in Council's development assessment process and questionable attempts by elected councillors to influence the decisions by Council planning staff, led the departmental investigators to recommend that the Minister for Local Government request the Minister for Planning to consider revoking some of Council's planning powers under section 118 of the *Environmental Planning and Assessment Act 1979* and appoint a planning administrator or panel until such time as the Council's new LEP was adopted.

This recommendation was accepted and a three-person planning panel independent of Council was appointed by the Minister for Planning. At the time of the Promoting Better Practice review, the panel had a role in overseeing the drafting of the new template LEP and in determining development applications (a) where a significant departure from the Council DCP was required and (b) that were of the value of over \$10 million.

The situation at the time of the review was that there was a three-pronged planning system whereby some development decisions were made by the planning panel,

some by the elected council and some by Council's planning department under a delegated authority.

In spite of some feeling of resignation by Council for having 'lost' power over Council's own development process with the appointment of the panel, the overall reaction to the existence of the panel was a positive one. It was recognised that this has acted as a 'circuit breaker' to the previous situation, which was criticised by the section 430 investigation. Especially in view of the shortage of staff in Council's planning section, the prevailing view was that the panel was enabling:

- a degree of stability to be achieved in the Council's short-staffed planning department
- avoidance of political interference and
- the development of more rigorous Council processes.

Council should continue to cooperate fully with the planning panel, including providing relevant background information relating to development applications under the panel's consideration in a timely manner. **(Recommendation 32)**

Some strong views expressed to the review team were that the panel's powers should be extended to all planning matters that are currently within the responsibility of the elected Council.

The review team's view is that any long-term changes to Council's planning powers should be aligned with the overall direction for the planning regime in NSW. **(Recommendation 33)**

The review found evidence that the key considerations in Council's long-term planning process are population servicing needs, land release issues and one issue which is specific to the Wagga Wagga circumstance – the management of urban salinity. This issue is discussed further in the report, under the Environmental Management heading.

Members of the public can obtain land use planning information on Council planning policies on the website and at the front counter.

Council's planning instruments identify exempt and complying development.

Planning department staffing

The most striking problem encountered by the review in the area of planning and development was the lack of staff in Council's planning department, particularly at the manager and director level. Shortly before the review, several divisional directors and section managers, as well as town planners, left the Council. In the absence of relevant staff, the review team found it difficult to fully assess and comment on the Council's planning function using the standard program methodology. The review team did not think it was appropriate to contact former council staff who currently work for other NSW councils, as well as in other States, or in the private sector. There was no one to answer some of the reviewers' questions or to complete some sections of the review checklist. The review findings are therefore based on interviews with some remaining staff (some of those staff have since left the organisation) and document assessment.

The commentary in the introductory section of this report about the need for the organisation to recoup and stabilise mainly relates to the planning department, in addition to Council's highest executive level. This will be the key challenge for the new General Manager. While the shortage of planning staff is not uncommon to the local government sector in NSW, the situation in Wagga Wagga City Council is extreme.

At the time of the review, Council was in the process of recruiting several overseas planning experts.

Council must establish appropriate strategies to attract and retain planning staff and monitor its performance as an organisation in this regard. **(Recommendation 34)**

One of the recommendations (recommendation 12) of the section 430 investigation report was that the guidelines to govern communication between councillors and Council staff should include protocols to guide the interaction between elected representatives and Council's planning professionals.

In response to the investigation report recommendation, Council adopted a new policy on the provision of information to and interaction between councillors and staff in April 2007. This policy is generic in nature and therefore only marginally meets the specific investigation report recommendation. In view of the confusion that still seems to exist among councillors with respect to the appropriate level of communication with Council planning staff, the review team recommends that, in addition to the above policy, Council develop detailed guidelines indicating the subject of the enquiry and the names of staff nominated by the General Manager who can provide advice to councillors. **(Recommendation 35)** Below is an example of a possible format of such guidelines. Guidelines should be updated and circulated to councillors as appropriate.

Subject	Officers	Name	Phone No
General enquiries	General Manager		
Council meeting arrangements	Manager Support Services		
Budget issues	Director Corporate Services		
Development applications	- Director Strategic and Community Services - Manager Strategic Town Planning and Development		

Development assessment

As indicated in the previous text, at the time of the review, development applications in Council were processed at three levels. Major projects (over \$10M value) or those involving significant departure from Council's DCP were referred to the planning panel. The majority of development applications were determined under delegated authority. In the absence of the relevant planning staff, the review team estimated

that over 90 percent of applications were determined under delegated authority. Applications are referred to Council automatically if 5 objections are received, as well as applications that the General Manager, on recommendation by the relevant manager, determines should be referred to Council.

However, there is no formal process in Council delegations for councillors to call up a development application. Council should establish such a delegation. **(Recommendation 36)** In some councils, it is considered that there should be a consensus between three or more councillors for a development application to be called up by council.

Council has an advocacy policy that states that if a councillor is advocating on behalf of the applicant (whether an individual or a group) that councillor should consider the nature of the relationship with the proponent and manage the matter in accordance with the Local Government Act and the Code of Conduct.

Council has also developed a comprehensive development assessment manual that should be of assistance to the newly recruited staff in the planning section.

Council currently provides for electronic follow up of development applications under consideration.

The turnaround times are monitored monthly by the Manager Planning and Development (position vacant) and turnaround times of applications determined under delegated authority reported to Council management only. The review team recommends that the General Manager should also report the turnaround times to Council. **(Recommendation 37)** Any legal action involving development applications is reported to Council.

The recommended benchmark for processing development applications is 40 days. The NSW State average for 2005/06 was 51.1 days and Wagga Wagga group's average (for the purpose of the NSW Department of Local Government's comparative information publication) was 41.14 days. In 2004/05 Wagga Wagga City Council's average was 36.77 days (the median number of days was 28). Development application turnaround times are reported to the Department of Planning.

In terms of the number of development applications processed, in 2004/05 Wagga Wagga City Council processed 1,416 applications, compared to its group's average of 860 and the State average of 705 applications.

Council provides for the review of applications under section 82A of the EP&A Act in addition to providing information to applicants about the availability of reviews.

Recommendation 23 of the section 430 investigation report recommended that Council should establish a development assessment panel that consists of planners from other councils in the region.

In response, Council advised that at its meeting of 12 June 2007 it resolved to place the draft IHAP charter on public exhibition following assessment of the discussion paper on IHAPs in NSW. EOIs were sought from suitably qualified and experienced experts, as well as directors from regional councils. The IHAP was to be established by the end of 2007.

At the time of the Promoting Better Practice review in February 2008, Council had not established such a panel. The reason given to the review team was that such action would be undertaken once the planning panel was appointed by the Minister for Planning. This is accepted. However, once the planning decisions are returned to the elected Council, the development assessment panel that consists of planners from other councils in the region should be established, as recommended by the section 430 investigation report. (**Recommendation 38**)

Recommendation 24 of the section 430 investigation report recommended that Council should review its delegations on development application decisions with a view to providing greater delegation on development matters to its planning professionals; the report also recommended that Council should develop procedures to govern how contentious development matters would be dealt with.

In response, Council advised that a review of delegations was to be conducted in June and July 2007 with a report to be provided to Council after that time addressing all delegations regarding development applications.

However, at the time of the Promoting Better Practice review in February 2008, Council advised that the review of its planning delegations found that the existing delegations were appropriate for the current circumstances where major planning decisions were made by the external planning panel. Council should review its planning delegations, as recommended by the section 430 investigation report, once the planning panel is no longer in existence. **(Recommendation 39)**

To minimise formal appeals, Council staff discuss issues with applicants prior to issuing determinations and use mediation in the event of appeals.

Council does not have in place an independent assessment panel for development applications, as there has been no need for that mediation mechanism. However, it would consider putting one in place, either at a local or regional level, should the need arise.

Council should consider conducting a review of its assessment function as soon as the planning department has the full staff complement. It should also consider articulating documented processes for development applications in which Council is an applicant. **(Recommendation 40)**

Section 94 plans

Council has in place a section 94 contributions plan and a register. It has also adopted a policy on fixed development consent levies and guidelines for the making of assessments under section 94 of the Environmental Planning and Assessment Act. Council monitors section 94 contributions to ensure they are spent within a reasonable time and in the appropriate area.

Environmental management

Wagga Wagga was one of the first councils in Australia to recognise the symptoms and the impact of urban salinity and to devise a management plan to deal with the causes and effects of urban salinity.

Urban salinity is the result of the combination of heavy soils with small catchment discharge points, which prevents groundwater leaving easily, making the area susceptible to groundwater problems. In a balanced groundwater system, the rainwater is used by the vegetation – the water remains several metres below the soil surface. Extensive vegetation removal (through farming and aggressive urban development) led to the disruption of this balance, causing the watertables (the watertable is the upper zone of the groundwater) to rise closer to the surface. Below the watertable, layers of rocks, sand and gravel are saturated with water. The application of additional quantities of water through rainfall, over-watering, further native vegetation clearing and several other factors, make the watertable rise, thus increasing the concentration of dissolved salts that are normally found in soil and rocks.

Increased salinity causes damage and deterioration to buildings, roads, bridges, underground pipes and other structures through saline water crystallising in the material. Salinity also affects agriculture, parks and sports grounds. This in turn increases building costs due to the need for protective works and use of higher specification materials.

Urban salinity was first recognised as a problem in Wagga Wagga in the early 1990s. At the time of the review, in February 2008, urban salinity was one of the key considerations for Council's strategic land use planning, in terms of future land release strategies and the necessary work associated with managing salinity issues. The work of the Council's environmental management section surrounding salinity will inform Council's new LEP and will have an input in any future land releases, requirement for new development and, consequently, house prices in the area.

The key work Council has been undertaking is the monitoring of the worst affected areas through 143 boreholes throughout the Council area, education and enforcement.

Enforcement

In the exercise of their functions under the Local Government Act and other relevant legislation, councils are required to ensure compliance with legislation and, where necessary, take enforcement action.

Councils must properly deal with allegations about unlawful or non-compliant activities, which include activities that are prohibited or unauthorised, or contrary to the terms of a consent, licence or approval, or other instrument of permission issued pursuant to lawful authority. Failure to properly deal with such allegations, in addition to being poor administrative practice, could expose a council to liability for compensation and the expense of litigation. The way in which councils exercise their enforcement powers also plays an important part in the public's perception of councils. Alleged inconsistencies in responses to non-compliance issues are a major source of complaints about councils.

The enforcement practices of councils must be resolute and demonstrate a consistent approach and transparency. Those practices must signal the position taken by the particular council regarding specific issues. It is good practice that councils and other agencies with enforcement powers set out in a considered way a policy to be used to ensure rational and consistent decisions are taken. An enforcement policy should deal with the manner in which a council will carry out its enforcement functions, the procedural steps that may be involved, the circumstances in which a council will institute court proceedings and the manner and circumstances in which discretions may be exercised.

Wagga Wagga City Council has a draft enforcement and prosecutions policy. The policy provides a number of tests in the determination process to guide enforcement personnel's decision making. While this practice is commended, the review team recommends that Council should adopt its draft policy as soon as possible
(Recommendation 41)

Council takes a risk approach to determining its enforcement priorities. There are regular, pro-active monitoring programs for areas identified as higher risk (e.g. septic systems). Other areas are addressed in a responsive manner (e.g. food premises, where the regulatory monitoring is in the process of being returned to the NSW Food Authority).

There is evidence of information sharing between various sections of Council around specific issues. The review team was advised that elected councillors refrain to a great degree from getting involved in enforcement matters.

Swimming Pools

Wagga Wagga City Council has adopted a risk management approach and relies on information received on suspected non-compliance with swimming pools regulation. Council has advised that the number of recorded non-compliances in this area has been minimal. Council has also advised that, consistent with its risk management approach, should the need arise it would consider the benefits of establishing a planned swimming pool inspection program, with the associated shift of resources to this area.

Offences relating to swimming pool barriers are included in Council's enforcement policy as offences where enforcement action can be taken without prior warning. Other, minor, offences relating to swimming pools (e.g. resuscitation chart not provided) require that a warning be issued to the owner/occupier.

Council's website contains information on pool and spa safety, as well as for pool and spa maintenance.

Companion Animals

Wagga Wagga City Council has a companion animals management plan in place. The plan expires in 2008 and should be renewed. **(Recommendation 42)**

Council should consider the benefits of establishing a companion animals advisory committee. **(Recommendation 43)**

Seized animals are handed over to the RSPCA, which is bound by the *Companion Animals Act 1998* in terms of the regulatory provisions for the minimum holding period and for trying to find alternatives to euthanasia of unwanted animals.

Departmental records show that Council seems to report regularly on companion animals issues. It also appears that the euthanasia rate of cats and dogs in the Council area has consistently dropped by about 10% each year over the last few years. This is a commendable trend, which should continue.

The review team notes the report generated by the NSW Companion Animals Register shows that 46% of cats and 30% of dogs that reside in the Council area are identified only (microchipped) and not registered. We understand that the data contained on the Register is not perfectly accurate. However, this is a potential source of income for Council to conduct its companion animals management activities, considering that the current lifetime registration fee for an entire animal is \$150. Section 10B of the Act provides that if a companion animal that is required to be registered is not registered, the council of the area in which the animal is ordinarily kept may give the owner of the animal a notice, in the approved form, requiring the owner to register the animal within 28 days after the date the notice is given.

We recommend that Council consider the cost and benefits of a pro-active follow up of registrations for unregistered cats and dogs in its area. **(Recommendation 44)**

7.3 Asset and financial management

Under its charter, Council has a responsibility to raise funds for the purposes of carrying out its functions. This can be achieved by the fair imposition of rates, charges and fees, borrowings and grants. The Council is also the custodian and trustee of public assets and must effectively account for and manage these assets.

A review was conducted of a range of aspects of Council's practices in the areas of:

- *Financial management*
- *Asset management*
- *Information technology*

Overview of financial position

A review of Council's 2005/06 financial statements revealed that its operating results before capital items were close to \$3.4 million (or \$13.1 million after continuing operations). Council's overall financial position is sound, with all financial indicators around or better than industry standards.

Council's unrestricted current ratio (UCR) measures the adequacy of its working capital and the ability to satisfy obligations in the short term. As at 30 June 2007 the UCR was 5.11, whereas as at 30 June 2006 and 30 June 2005 it was 4.62 and 5.44 respectively. This ratio is considered to be sound. A good UCR is greater than 2, whereas a ratio of 1.5 to 2 could be of concern if other indicators are not adequate.

The Debt Service Ratio (DSR) as at 30 June 2007 was 0.05% (0.06% as at 30 June 2006 and 1% as at 30 June 2005). This indicator assesses the degree to which revenues from ordinary activities are committed to the repayment of debt. A DSR of less than 10% is good. Although Council's DSR is below 10%, it does not necessarily indicate a capacity to borrow. This scenario needs to be considered in the context of long-term commitments, funding options, current operating results and cash flow projections.

The Rates and Annual Charges Outstanding Percentage (RACO%) as at 30 June 2007 was 5.45%, a decrease from 5.61% at 30 June 2006 and 6.07% at 30 June 2005. The RACO% assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. A benchmark for rural councils is less than 10%.

The overall audit opinion for 2006 was that Wagga Wagga City Council's general purpose financial report has been prepared in accordance with the requirements of Division 2 of Part 3 of the Local Government Act; that it was consistent with the accounting records; and that there were no material differences in the accounting record or the financial reports that came to the auditors' attention during the course of the audit.

Long-term financial planning

To support its application for a special rate variation, in 2005 Council adopted a ten-year financial plan. The plan provides the forecast for Council's estimated activities; growth in estimated property base, financial assistance grants allocation and contributions over the period of the plan; user fees and charges; interest on investments; borrowing costs; staff costs; fuel and energy costs; capital items; Council's business activities; and items requiring additional funding.

Council's borrowings are relatively low. As at 30 June 2006 the total loan principal outstanding was as follows: Internal loans – general fund: \$2,221,000; external loans – sewerage fund: \$219,000.

Council is mindful of the opportunities provided through borrowing to fast track the implementation of its capital priorities, but also of the little scope within the ten year financial forecast to support new borrowings other than those funded from additional revenue sources or from restricted activities or functions, including sewerage.

Council's policy on borrowings limits Council's debt servicing costs to a maximum of 10% of discretionary revenues. The ten-year Financial Plan proposes new borrowings of \$28M in 2007/8 and 2008/9 to assist in funding major infrastructure upgrade projects.

Council's long-term financial plan is updated yearly through annual budgets. Its performance against its budget (and the long-term financial plan) is monitored through quarterly budget performance reviews that are reported to management and Council. The reports include financial performance, business activity statements for Council businesses and monthly investment summaries and reports on investment performance.

Council consults with the community in a variety of ways on major capital projects: through public exhibitions surrounding its management planning process; other strategic plans (e.g. Open Space plan and Recreation Plan); and development of section 94 contribution plans. In its financial planning, Council identifies funding sources for capital works.

Financial policies

Council has debt recovery, hardship and overdraft policies.

Council's investment policy provides the guidelines for investing its funds. The objectives of this policy are: to confirm the regulation relevant to the management of Council's investments and the range of authorised investments; to set boundaries for exposure to market risk, credit risk and duration risk within the investment portfolio and the 'single party' exposure of the portfolio to individual institutions or products; to establish a framework for monitoring the investments; and to confirm delegations and other relevant governance matters in relation to Council's investments.

Council's investments policy provides that all investments are to be made in accordance with section 626 of the *Local Government Act 1993* the Ministerial Order under the Act of 29 July 2005; the *Trustee Amendment (Discretionary Investments) Act 1997* – sections 14A(2), 14C(1) & (2); clause 212 of the Local Government (General) Regulation 2005; and Local Government Code of Accounting Practice and Financial Reporting (sections 11.3.4 and 11.3.5 – Requirement for a Prudent Person Approach).

Business activities (Council businesses, joint ventures and public-private partnerships)

Council operates four businesses: the Oasis Swim Centre (cat. 2), Wagga Wagga Airport (cat. 2), the Livestock Marketing Centre (cat. 2) and Sewerage (cat. 1). Council has operations manuals for some of its businesses. Other businesses operate to accredited management systems, but it does not have formal business plans for each of its businesses (with the exception of the sewerage) and should develop such plans. **(Recommendation 45)** The plan for the Livestock Marketing Centre should take into account any feasibility studies Council may conduct about the future use of the Centre in the regional context. The budgets for Council businesses are maintained and audited separately.

Council participates in the joint venture of West Riverina Regional Library; this is a cooperative between nine local government bodies, with Wagga Wagga City Council being the administrative host council.

Following the tendering process under section 55 of the Local Government Act, Council has entered into a partnership with Tannix Alliance for the design, construction, operation and management of three sewerage sites in the local government area. This is a performance based contract. Under the partnership, Council maintains the 24 hour complaints line, manages the community aspect of the business and is responsible for the environmental aspects of the business and organises the third party quality testing of the discharge. The environmental aspects of the operations of the sewerage scheme are reported to the Department of Environment and Climate Change.

Council manages other, smaller sewerage plants in the City (e.g. the Uranquinty plant).

Asset management

Asset management is a systematic process to guide the planning, acquisition, operation, maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over their entire lives. It involves effective coordination of the council's financial and engineering resources.

Council currently does not have a comprehensive asset management plan and is in the process of developing such a plan. The review team encourages Council to develop such a plan, which should be integrated with other organisational strategic plans. **(Recommendation 46)** For the purpose of developing a comprehensive plan, Council has established an asset reference group from a cross section of Council senior staff who bring to the process the perspectives of fair value, depreciation, financial management and IT platform.

Council maintains a register of assets and is working on a standard condition numbering system for all its assets, with narrative descriptors for each class of asset. The review team recommends that this work continue. **(Recommendation 47)** Council re-values its assets annually.

Council's asset maintenance program is currently occurring in some areas, but not in all. The review team was informed that Council was working towards moving away

from the technical approach to asset maintenance to the community service standards approach. This approach is supported. **(Recommendation 48)**

In developing the asset management plan, Council needs to take into account that at 30 June 2007 the overall amount required to bring all of Council's assets to a satisfactory standard was estimated to be \$102.554 million.

As previously indicated, Council has been in the process of determining and documenting the condition of all its assets. While Council's infrastructure assets may currently be in a reasonable condition, it is noted that the estimated annual maintenance requirements (other than sewerage) was \$22.5 million, but that the current allocation was \$10.5 million. The gap between estimated maintenance to actual maintenance funded was a shortfall of \$12 million. This has the potential to pose long-term challenges in terms of infrastructure replacement and is an issue Council should address as part of its forward asset management and financial planning. **(Recommendation 49)** In doing so, Council needs to weigh the costs of investing in infrastructure renewal over the medium term against the potential costs of failing to do so over the long term.

Council's written down value (WDV) of each asset class at 30 June 2007 was:

Roads, Bridges & Footpaths	37% (compared to 37% in 2006 and 36% in 2005)
Stormwater Drainage	75% (compared to 75% in 2006 and 76% in 2005)
Water Supply Network	0%
Sewerage Network	64% (down from 83% in 2005 and 85% in 2004)

The Department considers that a WDV below 50% may be cause for concern. This is because once an asset has been substantially depreciated there may be deterioration that requires major reconstruction.

Land assets management

Council has a comprehensive register of the land it owns or has under its care and control, as well as a register of leases and licences for the land it owns or controls.

The use and management of community land is one of the fundamental responsibilities of councils. This should be consistent with the provisions of the Local Government Act. The Department's *Practice Note No 1 – Public Land Management* deals with this issue and is available on the Department's website.

Council has management plans for its community land.

Information Technology as asset

Council does not have a comprehensive information systems/technology strategy to support its corporate goals. In this sense, Council should follow best practice as defined by the Department of Premier and Cabinet and in Australian Standard 7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures (**Recommendation 50**) However, Council is continuously reviewing the system to reflect the changing nature of technology.

7.4 Community and consultation

A council's charter requires that a council:

- Provides services after due consultation
- Facilitates the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government
- Actively promotes the principles of multiculturalism
- Plans, promotes and provides for the needs of children, and
- Keeps the local community and State government informed about its activities.

The review of Council's activities in this area looked at the various aspects of Council's community and consultation functions, namely, at social and community planning and reporting about Council activities; methods Council uses to involve and determine the views of its community; customer service; management of tourism; and economic development.

Community service provision

The Australian Bureau of Statistics data estimated that the City's growth rate was 1.4 percent during 2005/2006, 0.5 percent higher than the State average. Approximately 3.2 percent of residents identify as being of Aboriginal and Torres Straight Islander origin. People of diverse linguistic and cultural background also make up around 3.2 percent of the population. Over 40 percent of the population are under 25. Over 12.1 percent of the population was aged 65+ years in 2004. It is projected that this group will grow from its current 6,945 to around 11,323 by 2022 (63 percent growth).

Council provides a range of human services and infrastructure across the local government area and in some cases acts as a regional service provider. These include the Wagga Wagga City Library, Civic Theatre, Art Gallery, Museum of the Riverina, Family Day Care, the Oasis Aquatic Centre, youth services, support services for older people and those with disabilities and services for indigenous people.

Council has accepted its role in social, cultural and recreational planning and has made a clear commitment to exploring and engaging in opportunities for economic and tourism development. It has also embraced an advocacy role aimed at securing the provision of services in the area by other tiers of government. In 2006/2007 successful grant applications totalled \$259,000, which included partnership projects such as Families First and the Tenant Participation Project.

Council's commitment to achieving its charter is acknowledged and commended.

Social and community planning

Legislative requirements

Clause 200(2) of the *Local Government (General) Regulation 2005* requires all councils to develop a social/community plan. This plan must be prepared in accordance with guidelines issued by the Department.

The guidelines require councils to prepare a plan that examines and prioritises the needs of the local community, as identified through research, including a demographic analysis and consultation with the local community. The guidelines

require a plan to be prepared at least every 5 years. It must also specifically discuss the needs of the seven target community groups that may be disadvantaged in some way.

Wagga Wagga City Council Social Plan 2003–2008

Overall, the Council's Social Plan, which covers the period 2003 to 2008, complies with Departmental guidelines. However, the plan was not submitted to the Department on time.

The Social Plan demonstrates comprehensive research and consists of the following documents:

1. Community Profile
2. Executive Summary
3. Identification of Local Issues
4. Action Plan
5. Disability Action Plan
6. Appendices.

The methodology used to develop the plan is clearly outlined and there is evidence of active input from all target groups in the consultative process. Council has also considered State Government policy and planning frameworks and consulted with key government agencies.

While Council did not undertake a regional planning approach to the development of the Social Plan, on-site interviews indicated that in practice Council has consulted and worked with neighbouring councils to address issues of regional significance.

The Executive Summary mentions a review of effectiveness of the previous social plan. The findings of this review do not appear to be reproduced or referred to in any of the other social plan documents.

The Plan contains strategies appropriate to Wagga Wagga's demographic profile. In particular, Council has innovative strategies in place to address the current and ongoing needs of those groups who represent a significant and growing proportion of

the community such as Aboriginal and Torres Strait Islander people, young people under 25 and residents aged 65+ years.

In relation to the range of issues covered, the plan goes beyond the statutory requirements. Council is carrying out strategies to address additional issues such as housing, health, safety, recreation, leisure, culture, education, training, employment and community life.

The Plan contains clearly identified actions, timeframes and who is responsible for their implementation. External government and non-government agencies, where appropriate, have also been allocated responsibility for specific social plan actions. Mechanisms and timeframes for monitoring and evaluation, including when the Plan will be reviewed, have also been included.

The Plan (i.e. the six documents listed above) is readily available to the community on the Council's website. However, the amount of detailed technical language and complexity of concepts in parts of the document may make it inaccessible to many residents. For example, even the Executive Summary is 38 pages long and not easy to digest.

Council is encouraged to explore ways to make its next Social Plan more accessible to the community. For example, some councils have produced plain English fact sheets or brochures on key high need areas in the community, such as young people and youth services.

Integration of Council's Social Plan with other key Council plans and reports

As mentioned earlier in this report, Council's draft Community Strategic Plan Working Document 2008/2018 is consistent with the Department's Integrated Planning and Reporting Framework and covers the four core spheres of Economic, Social, Environment and Governance.

These spheres are reflected in Council's 2007/2008 Management Plan. The Management Plan also includes an "Access and Equity Statement" (as required by Departmental guidelines). In accordance with the guidelines, the Statement should list priority initiatives identified in the social/community plan that Council is to

implement. Progress toward those initiatives should then be reported in Council's Annual Report.

Council's Statement is essentially a statement of intent that quotes the general legislative requirements but does not list specific initiatives as required. While Council states that access and equity outcomes have been tagged throughout Council's monthly Management Plan Performance Report, only very high level tasks are identified in the Social section of the management plan. For example, the main task listed is to report on the Social Plan and actions.

The Management Plan also does not appear to list the key priority task it is committed to in its 2006/07 Annual Report. That is, the development of its Community Social Plan 2009 – 2013.

Council's 2006/07 Annual Report, in the Performance Against Objectives section, lists five high level access and equity strategies and highlights Council's major achievements in these areas. The report also contains an excellent Access and Equity Statement and Report for 2006-07. Council is commended for the number of achievements in this area.

However, there are no apparent linkages between the broad strategies in the Performance Against Objectives section reported on earlier in the Annual Report and Council's previous management plan and the strategies listed in the Access and Equity Statement and Report. This could be achieved by including an extra column in the Access and Equity Statement table on pages 62-65 to identify which higher level strategy(ies) each of the lower level strategies and achievements are linked to.

Overall, while Council's achievements in this area appear to be outstanding, it is difficult to determine which initiatives Council originally set out to achieve, what resources it set aside in the budget for such initiatives and how well it has achieved its original targets. This limits effectiveness, transparency and accountability in this area.

Community Social Plan 2009 – 2013

Council's Community Services Division has demonstrated excellent project management by preparing a detailed project brief to guide the development of

Council's Community Social Plan 2009 – 2013. Council should also have regard to the issues raised by the review team in this report when preparing its next Social Plan.

Community participation

Councils have statutory obligations to communicate and consult with their communities. Effective community engagement can mean greater community support for the planned directions and resultant actions that are taken.

Council has recently (December 2007) prepared a draft Community Engagement Strategy, which details the manner in which Council provides information to and seeks input from the community and other external stakeholders.

The Strategy is comprehensive and appears well integrated with Council's Community Strategic Plan and Management Plan.

To complement the Strategy, Council has also prepared a draft Community Consultation Procedure. This document aims to provide Council staff with guidance in the planning and delivery of effective consultations. Council should, if it hasn't already done so, finalise and adopt its draft Community Engagement Strategy and draft Community Consultation Procedure. Appropriate mechanisms should be put in place to monitor and review their implementation. **(Recommendation 51)**

Council successfully uses various mechanisms to provide information to the community and encourage input from residents and ratepayers. These include:

- Daily media releases highlighting activities.
- A monthly talkback session on the local radio station. Residents/listeners may phone in to discuss any matter of concern with the Mayor and General Manager.
- Quarterly community newsletters, as well as newsletters to accompany rate notices to residents.
- Council committees. Twenty-two (22) committees with community representation regularly provide advice to Council.

- Community members can address Council's Policy and Strategy Committee Meetings. These meetings are held once a month.
- Quarterly community consultations provide a forum where community members can be informed of Council activities and discuss matters with councillors and staff.
- Village consultations are held on a rotating basis each quarter.
- City of Wagga Wagga City-Wide Issues Survey conducted, October 2007. This survey captured the views of two hundred and nine (209) community members across a range of issues. It will be used to inform the preparation of Council's new Social Plan.
- Council's website provides a comprehensive range of information, which is well presented and easy to navigate.

Building upon its work toward developing service standards in the community services area, Council should develop standards for all its services. **(Recommendation 52)** These should be incorporated in a "Guarantee of Service" and reflected in Council's Complaints Management Policy.

Cultural planning

The Wagga Wagga City Council Cultural Plan (2006-2015) was adopted in 2006 and is available on Council's website. It is a well presented document that appears to contain clear action plans to improve and promote cultural opportunities throughout the local government area. The Plan also describes linkages to other Council plans such as the Management Plan and Social Plan.

Community safety and crime prevention

Safety and crime prevention were identified as key issues in Council's Social Plan and are of ongoing concern. In response Council has prepared a draft Community Safety and Crime Prevention Plan 2007-09. Developed in partnership with community members and key service providers, the Plan is well presented and appears to contain clear action plans to foster a safer and more cohesive community.

Council has also recently formed the Wagga Wagga Safe Committee, which specifically aims to identify solutions for the reduction and management of alcohol related crime and violence in Wagga Wagga's Central Business District. The Committee, chaired by the Mayor, has 13 representatives from a range of key stakeholders in the community including young people.

Tourism

Wagga Wagga is described as a “Visitor Hub more than a Tourist Destination”. Last financial year Council spent \$304,700 on tourism programs. Key activities included empowering local industry with skills and tools, refining visitor services, developing local ambassadors, targeting group based visitation and tours, and co-hosting the Inland Tourism Awards. Council also has a Marketing and Tourism Committee.

The Tourism Strategy 2007-2010 was adopted by Council in May 2007. This Strategy contains a clear action plan with specific actions, timelines, responsibilities, resources and targets. Actions scheduled for implementation during the 2007/2008 financial year are highlighted as a priority in Council's 2007/2008 Management Plan. Council should place its Tourism Strategy on its website. **(Recommendation 53)**

Economic Development

Strategic approach

Council has demonstrated a leadership role in economic development and fostering business growth in the City. In 2001, Council established the Commercial Strategy Committee (consisting of representatives of the business community) to provide advice to Council on how to stimulate local business growth and to attract new business to the City.

The Acceler8_Wagga Wagga, A Blueprint for Economic Growth to 2008 was adopted by Council in 2003 to stimulate economic growth in the city in a strategic manner. The blueprint sets out eight core strategies to grow local business capacity, develop new industry sectors linked to global growth and improve Wagga Wagga's recognition beyond the city.

The blueprint appears to be integrated with Council's 2007/2008 Management Plan, which highlights specific strategies and targets to be achieved. Council's 2006/07

Annual Report details achievements against these targets. Overall the report states that Council's "strategic approach to attracting industry to the City has resulted in over \$44M worth of capital investment and 85 jobs created in the City in the past year". Some examples of these new industries/businesses are Vinidex's plastic pipe manufacturing facility, Special Packaging Services and the Commonwealth Bank's National Agri-Business Customer Centre.

Outsourcing of the Commercial Response Unit (Recommendation 8 - Section 430 Investigation report)

In April 2005 Council outsourced its economic and business development functions and activities to the Commercial Response Unit P/L ("The CRU").

Council's website states:

"The focus of the CRU is to foster new developments in the city by simplifying the process for new developments and working with Council to ensure the most seamless approach is taken. The CRU is also engaged by the Council to work on longer term strategies for the city aimed at ensuring the city continues to prosper - our objective is to be recognised as the pre-eminent regional city in Australia within the next 5 years."

Recommendation eight of the section 430 investigation relates to the manner in which the CRU was outsourced. This matter, as recommended, was referred to the Independent Commission Against Corruption (ICAC) for consideration. No action was required by Council in relation to this recommendation.

The Department referred this matter to the ICAC, which undertook a review of the issues raised in the section 430 report. The Commission has previously dealt with this issue and Council provided information that resulted in no further action being taken by the Commission.

However, the issue of poor record keeping in relation to the exclusion of the Director and relevant staff of the then CRU from any involvement in the tendering process had not previously come to the attention of the Commission.

The Commission wrote an advice letter to Council about this matter. The ICAC has stressed to Council the importance not only of ensuring that an employee who is a

potential tenderer is excluded from all discussions of the tender, but that this fact is properly recorded. The Commission does not intend to take any further action.

On March 2008 Council wrote to the Department advising that Manex meetings are now fully minuted and tender documentation provides guidance for employees who are potential tenderers.

Despite the issues surrounding the manner in which the economic development function was outsourced, the model is innovative.

Agreement for the provision of economic and business development services

Council entered into a three-year agreement with the CRU, which expired in April 2008. The company is contracted to provide economic and business development services as specified in the agreement.

The agreement is linked to Acceler8_Wagga Wagga Blueprint. The agreement commits the CRU to implementing actions in the following areas of the strategy:

- New and existing business development
- Networking
- Biotechnical development
- E-Business development
- Wealth from Water
- Logistics
- Defence.

Specific projects the CRU is contracted to implement include:

- Annual Biotechnical Festival
- Annual Wagga Agricultural Innovations Park dinner
- Approximately 35 business development trips to or from Wagga (travel/accommodation)
- Annual Gala Dinner
- 40 breakfasts/dinners
- 40 meetings
- Quarterly Welcome to Wagga functions

- Website management
- Economic Development Incentives (see policy)
- Research
- Development of marketing and promotional material.

Reporting arrangements include meeting fortnightly with the General Manager/executive management (Manex), providing regular reports to Council. Reports are to include progress against targets and performance indicators in the Acceler8_Wagga Wagga Blueprint and the agreement.

Council was unable to provide the review team with sufficient information to assess how well this agreement or contract is being managed. Council was unable to provide the team with a copy of the Acceler8_Wagga Wagga Blueprint or any of the reports prepared by the CRU for Council. A number of Manex minutes were examined and did not appear to reveal any items specifically relating to the management of this contract and more importantly the achievement of economic development outcomes. The acting Director responsible for this area was also unable to provide detailed information relating to the management of this project.

With Council's consent, copies of these documents were supplied to the review team by the CRU. The standard of project management and record keeping in relation to the ongoing management of this contract is clearly unacceptable. This inevitably reduces transparency and accountability. Council basically appears uninformed and not in control of the economic development function.

Performance of the Commercial Response Unit

Given the limited information available due to Council's poor recordkeeping, the review team could not assess the extent to which the CRU is meeting its targets and obligations in relation to the agreement.

However, a general appraisal of the action plans, monthly reports and annual reports provided appear to indicate that the CRU is performing at a high level to meet the set targets and performance indicators.

Feedback from members of the Commercial Strategy Committee about the performance of the CRU has been reported as positive. A senior representative from

a NSW government agency reported that a range of stakeholders found the CRU to be a professional organisation that was successfully delivering economic development outcomes for the city.

Current status

On 31 March 2008 Council resolved to end the CRU contract on its expiry date and manage the delivery of economic development services in-house until a report about the future proposed method of delivery of such services is presented to Council for consideration in June 2008.

The way forward

Given Council's decision to return the economic development function under its direct management, it is even more critical that the General Manager and the senior executive team take a stronger leadership role in this area, including ensuring accurate and transparent record keeping. **(Recommendation 54)**

In considering future options for the delivery of economic development services, Council should evaluate the CRU model and its achievements in more detail. **(Recommendation 55a)**

Council is also encouraged to consider the NSW Rural and Regional Taskforce findings set out in its report to the Premier, March 2008. Under its terms of reference, the Taskforce undertook a review in the rural areas of NSW outside the Hunter, Illawarra, Central Coast and Sydney. The report provides a number of recommendations for the consideration of the NSW Government intended to address challenges of service delivery for communities outside the major urban centres. This includes considerations relating to economic development. **(Recommendation 55b)**

7.5 Workforce relations

Councils have a number of legislative responsibilities in relation to their role as an employer. Council is required to conduct itself as a responsible employer.

A review was conducted of a range of aspects of Council's workplace relations practices, including: workforce planning; human resources strategy and policies; secondary employment policy; job descriptions and job evaluation; recruitment and

selection processes; staff development; grievance management; and occupational health and safety.

Overview of the organisation

Legislative requirements

The *Local Government Act 1993* requires that a council determine its organisational structure, the positions within that structure that are senior staff positions and allocate resources towards the employment of staff (section 332). A council may re-determine its structure from time to time (section 333).

Council (the elected body) is responsible for the appointment of its General Manager (s334(1)). The General Manager may appoint or dismiss senior staff only after consultation with the council (s337).

Wagga Wagga City Council reviewed and re-determined its organisational structure on three occasions: in 2001, 2004 and 2006. The current structure, which was the most extensive and far reaching, was adopted in June 2006. Aimed at improving service delivery standards and efficiencies, ninety-three (93) positions at a range of levels in the organisation were redesigned or created. Seventy-nine (79) staff were affected and had to apply for a position in the new structure. As at 20 November 2006, twenty-six (26) staff took redundancies at a total cost of \$1,098,300.

Senior management

The executive management team is made up of the General Manager, the Director of Strategic and Community Services, the Director of Corporate Services and the Director of Asset Services.

At the time of the on-site review, all of these positions, except the Director Asset Services, were vacant. In addition to this, the current incumbent of the Director Asset Services position was appointed to act as General Manager until a recruitment process was undertaken. The Department has recently been advised that a new General Manager has been appointed.

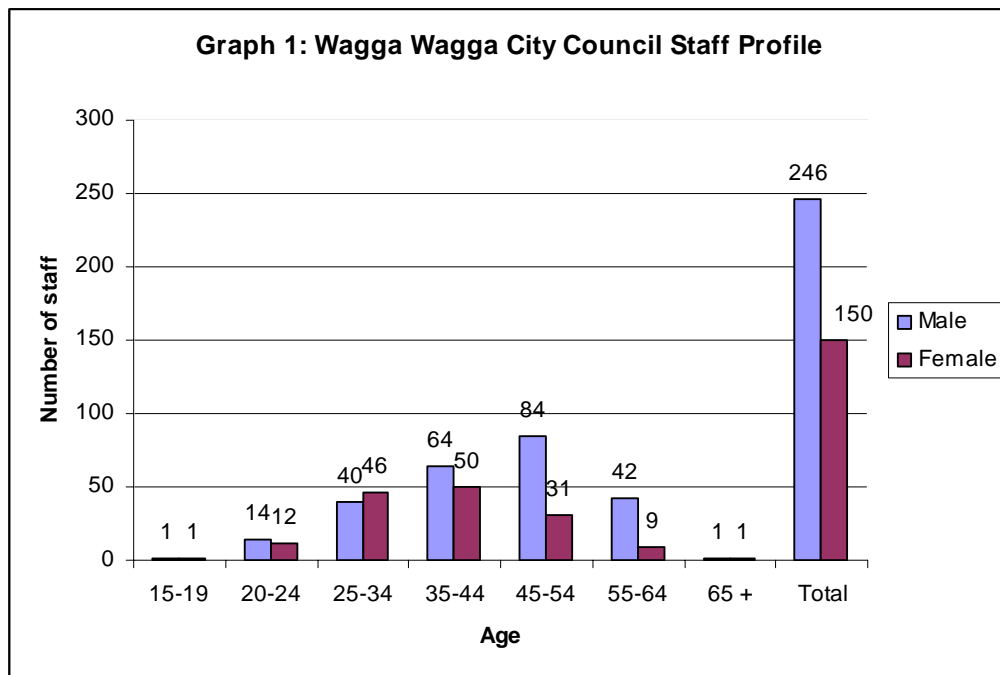
Recruiting suitable person(s) to fill these positions is a critical priority. Stable and effective leadership was identified by the majority of staff and some councillors

interviewed as one of the main issues negatively impacting upon staff morale. It was perceived that Council had not been viewed as the “employer of choice” for some time (see recommendation 8 above).

To increase the organisation’s capacity to achieve its strategic and corporate goals, it is essential the newly appointed General Manager build a cohesive senior management team that works well with Council (the elected body). (Recommendation 8 above refers).

Staff profile

Council employs 396 equivalent full-time (EFT) staff. The age and gender profile of these staff is displayed in graph 1.



While the majority of staff (80 percent) are aged between 25-54 years, thirteen (13) percent are aged 55 years and over. Notably, two (2) staff are aged 65 years and over. Council employs 150 females, which represents thirty-eight percent of the total workforce.

Council advised that it does not employ any: Aboriginal and Torres Strait Islander people; people of culturally and linguistically diverse origins; people with physical disabilities. While Wagga Wagga’s broader demographic profile is relatively homogeneous, it does have a comparatively high proportion of Indigenous people.

Council should consider strategies to encourage greater diversity within its workforce, in particular Aboriginal and Torres Strait Islander people.

(Recommendation 56)

Throughout 2006/2007 staff departures (excluding casual turnover) from Wagga Wagga City Council were as follows:

Reason for leaving	Total
Resignation/retirement	61
Redundancy (involuntary)	2
Redundancy (voluntary)	32
Employment terminated	5
Death of employee	1
Employment abandoned	1
TOTAL DEPARTURES	102

Source: Wagga Wagga City Annual Report 2006/07

This represents a turnover of twenty-six (26) percent of Council’s overall workforce in one year. Even without taking redundancies into account, the turnover represented seventeen (17) percent of its total workforce. Factors leading to such a significant level of turnover should be considered in Council’s overall human resource management and in particular its workforce planning.

Workforce planning

All councils are exposed to a number of workforce issues, such as:

- the shortage of specialised skills in certain areas, such as in the area of planning
- an ageing workforce
- a change in workload for certain sections as council's and government priorities change
- increases in career opportunities outside the area.

Wagga Wagga City Council is not immune to such factors. For instance, approximately twenty-seven (27) percent of its workforce will be aged over sixty-five (65) years within the next fifteen (15) years. Council has tackled the issue of skills shortage in the planning area by recruiting planners from the United Kingdom.

At the time of the review a draft Workforce Plan 2008/2012 had been prepared. It was anticipated that this plan was to be submitted to Council for consideration and adoption in the near future.

The draft plan is very comprehensive in establishing the need for Council to have a workforce plan to address a range of issues including those listed above. National, state and local data and information are provided. The plan presents a very comprehensive and holistic model for a workforce plan. This is complemented by a diagram of how the plan should integrate with Council's strategic and management planning.

Current strategies to maintain and improve Council's workforce are listed and include meeting its annual target to provide trainee, apprentice and cadet opportunities, the provision of scholarships and an Enabling Leaders Program targeted at up-skilling employees. The plan also lists some strategies to contribute toward succession planning. It has developed a succession plan for the key positions of General Manager, Director Strategic and Community Services, Director Corporate Services, Director Asset Services, Strategic Planning Co-ordinator, Senior Town Planner, Town Planner, Asset Planning Co-ordinator (Civil) and Asset Planning Co-ordinator (Environmental).

However, the plan falls short of providing clear strategies relating to how Council will maximise the suitability and capacity of its workforce to meet its strategic aims and priorities. Appendix 1, Attraction and Retention Program and Appendix 2, Succession Plan present excellent theoretical models but don't provide a plan for the way forward. For instance, Appendix 1 concludes by stating Council will develop its own Value Proposition based on interviews and the findings of its Employee Climate Survey. It does not refer to a timeframe, who will be involved and how it will link back to the plan. Appendix 2 is similar in its lack of specificity in particular key tasks and timeframes. (**Recommendation 57**)

Human Resource Policies and Practices

General policies and practices

Council has procedures in place to manage its human resource needs. These are available on its intranet through the Employee Self Service system and in hard copy form. At the time of the on-site visit Council was recruiting for a Human Resources Manager.

Recruitment and selection

During the 2006/2007 financial year, 133 staff joined the organisation, 62 in a permanent capacity. Council has documented policies and procedures relating to recruitment. A full review of the recruitment and selection process was completed in October 2006 resulting in the devolution of general recruitment tasks to Divisional Managers. As part of the introduction of these changes, all relevant staff were re-trained in recruitment and selection.

The procedures are documented in Council's Recruitment, Selection and Appointment Operating Standards

Two recruitment files were checked. Both files indicated that these particular selection processes had been undertaken in a manner consistent with Council's guidelines and procedures.

Several position description documents were also reviewed. These documents are well presented and contain the key elements of a good position description. They are

reviewed on an annual basis and were last reviewed in March 2007.
(Recommendation 58)

Employee induction

In September 2006 the first full-day induction program was conducted. The program is complemented by an employee induction training resource handbook, which was last updated in April 2007. The program includes general and on-site induction, as well as the Induction Buddy Program. The day session covers topics such as Council vision and mission, business excellence, performance planning and development; occupational health and safety; compliance and responsibility; Council systems, the Employee Self Service system and review of the induction program.

An innovative part of the induction program is a Family Focus Welcome, which occurs bi-monthly. This allows new staff to bring their family to work for afternoon tea to meet the Executive and obtain an informal briefing on Council's vision and directions.

Training

The Local Government Award (clause 23) requires each council to develop a training plan and budget in cooperation with the council's Consultative Committee. The Award prescribes factors to be taken into account when preparing the plan. Overall, the plan should support the achievement of the council's objectives.

The Wagga Wagga City Council Corporate Training Plan January 2007 – December 2008 was sighted. The plan is comprehensive and appears to align with the award and Council objectives.

During 2006/2007, Council provided significant training to employees in Business Excellence to enhance Council's capacity in implementing the Business Excellence Framework. Council also continued to seek Federal funding to enable it to provide nationally recognised qualifications to current employees as part of the existing worker traineeship program. In 2006/2007 approximately 12 employees were engaged in Certificate III in Civil Construction.

Employee remuneration

The Local Government (State) Award 2004 requires that Council has a salary system that determines how employees are paid and requires that an “employee shall be paid the salary system rate of pay that recognises the skills the employee is required to apply on the job”.

During 2006/2007 Council finalised its Salary and Progression System, which was ratified by the Industrial Relations Commission in March 2007. The system is reported to provide a simple, user-friendly system for staff and their supervisors. Training workshops on how to implement the system were held with supervisory staff in 2007. The system involves assessing each staff member’s performance against an Individual Performance and Development Plan on a regular basis.

Employee relations/communication

It is important that organisations have effective means of communication with staff. Effective communication systems will typically use a range of channels to disseminate and gather information.

Consultative Committee (Recommendation 22 - Section 430 Investigation report)

Where a council has established a consultative committee in accordance with the Local Government (State) Award 2004, the aim of the consultative committee is to provide a forum for consultation between the council and its employees. The functions of the consultative committee are about day-to-day management issues such as award implementation, training, job redesign, performance management systems and hours of work.

The Report on the Section 430 Investigation into Wagga Wagga City Council found that the consultative committee was not effectively used during the 2006 organisational restructure for the purpose it was established. The report recommended that Council ensures that it is effectively consulting with the consultative committee in accordance with the purpose for which it is established under the Award.

In response to this recommendation Council presented a draft protocol to improve communication with the consultative committee at its September 2007 meeting for its consideration and feedback.

The constitution and membership of Wagga Wagga City Council's Consultative Committee was examined and found to be appropriate to its aim and purpose. Meetings are held monthly with the exception of January. Minutes of the September and October 2007 meetings were well presented and included tasks, responsibilities and timeframes relating to relevant issues. While no meeting was held in December 2007 the next meeting was held in February 2008 as per the constitution.

The review team met with staff and management representatives of Council's Consultative Committee. Both staff and management representatives agree that the section 430 investigation was a positive intervention and presented an opportunity to improve relations between employees and management. However, given staff/management relations over the past few years, employee representatives remain sceptical. It was reported that the protocol would not be "worth the paper it was written on if management doesn't abide by its terms". The appointment of a new General Manager who demonstrates positive leadership and open communication was seen as critical to gaining the trust of employees. **(Recommendation 59)**

While it is inappropriate for councillors to be members of consultative committees, Council should distribute minutes of consultative committee meetings to councillors for their information. This will enable councillors to develop effective Council policy on industrial issues and remain informed about current issues and outcomes. **(Recommendation 60)**

Council relations with the United Services Union (Recommendation 21 - Section 430 Investigation report)

The Report on the Section 430 Investigation into Wagga Wagga City Council found that the rapport between union representatives and Council's General Manager was not good. The report recommended that Council improve its relationship between the management team, particularly the General Manager, and the United Services Union representatives by meeting to discuss issues on a regular basis, at least quarterly.

As mentioned above, Council has established a protocol for working and meeting with the United Services Union.

Employee opinion survey

Employee surveys can be an effective tool to gauge job satisfaction, overall staff morale and seek suggestions of areas for improvement.

Council recently contracted Insync Surveys to carry out an employee opinion survey. The key objectives of the survey were to:

- Measure employee attitudes across a range of key cultural and performance dimensions
- Align management and employee expectations in order to facilitate greater productivity within the workplace environment
- Benchmark results against other organisations in the Insync Surveys' database so performance can be measured against external standards and
- Allow workplace satisfaction variables to be measured (or benchmarked) over time.

The response rate was 40 percent. Key areas for concern for employees were retaining skilled employees, valuing employees, creating a culture of cooperation and trust, the provision of incentives and rewards, and improvements since the organisational review.

Three specific recommendations were made to address these concerns as follows:

1. Senior managers should become involved in discussing the results of the survey with employees to improve communication.
2. Senior and middle managers should recognise staff contribution whenever and wherever possible.
3. The senior management team should take a focused role in getting to the bottom of what may be causing a lack of trust amongst employees, as well as looking at ways of further improving communication and cooperation between departments.

The above recommendations predominantly relate to the overall organisation results and it is therefore also important that planning for the way forward is not limited to the above recommendations. A number of other areas were also identified as requiring consideration and appropriate action. The employee opinion survey could

also serve as a positive focus for the consultative committee and help to achieve optimal employer/employee relations. **(Recommendation 61)**

Grievance handling procedure

A grievance handling policy or procedure can help to resolve problems within the organisation and minimise future grievances by taking preventative or corrective action. Council's Grievance Procedure is set out in its Equal Employment Opportunity Management Plan, which is available to staff via the intranet.

Equal employment opportunity (EEO)

Section 345 of the Local Government Act outlines what the council's EEO plan is to include. Of particular significance are the requirements related to collection and recording of appropriate information (see related commentary in this report on the need for a HRIS) and the setting of goals and targets (see comments throughout this report regarding the importance of determining KPIs, setting targets and monitoring/analysing performance).

Council's EEO Management Plan was reviewed in June 2007 to update its content to better align with Council's corporate direction. It appears to align with the requirements of the legislation and progress against the plan appears to be reported upon in Council's Annual Report.

Occupational Health and Safety (OH&S)

The *Occupational Health and Safety Act 2000* and *Occupational Health and Safety Regulation 2001*, require both employers and employees to work to stringent safety requirements. Council is required to develop written safe work procedures.

The review did not involve a comprehensive audit of Council's occupational health and safety (OH&S) practices. However, the review team did consider a range of matters to gain an understanding of Council's OH&S system. These included Council's policy on OH&S obligations, the operation of its OH&S Committee and reporting on workplace safety.

Council adopted an Occupational Health & Safety Policy in August 2004. It is an easy to read two-page document. It outlines Council's responsibilities in relation to

occupational health and safety and describes Council's Occupational Health and Safety Management system. The document has not been reviewed since 2004. Council should review its Occupational Health and Safety Policy. (**Recommendation 62**)

However, as reported in its 2006/07 annual report, Council has a pro-active Occupational Health and Safety Risk Management system, which includes 30 trained representatives elected by employees across Council, as well as employer representatives. Procedures are subject to continuing review and change.

The system has worked well and operates like a senate with issues being solved prior to committee meetings. It creates a strong awareness and culture committed to work place safety.

An OH&S committee has been established and meets quarterly in accordance with its constitution. The review team inspected the minutes of the meetings of the committee. The business of the committee appears well documented and includes incident reports. Council's 2006/07 Annual report contains information about workplace safety activities, including statistics on compensation claims and hours lost due to incapacity.

Secondary employment

Section 353 of the Local Government Act states the requirements for both the General Manager and staff in relation to secondary employment. Section 353 (1) of the Act stipulates that a General Manager must not engage in outside employment or contract work without the approval of council. Section 353 (2) and (3) require staff to notify the General Manager of the employment and work. The General Manager may prohibit a member of staff from engaging in such employment or work.

Council has a secondary employment policy, which is available on its intranet.

Performance Reviews of General Manager (Recommendations 9 and 10 - Section 430 Investigation Report)

Consistent with the Act, a General Manager is employed on a performance based contract of up to five-years. Section 338 of the Act sets out the nature of contracts for senior staff. A Standard Contract of Employment for General Managers of Local

Councils in New South Wales came into force from 1 July 2006. A Standard Contract of Employment for Senior Staff (other than General Managers) of Local Councils in New South Wales came into force from 1 September 2006.

The section 430 Investigation Report found that the Mayor had not adequately undertaken reviews of the performance of the former General Manager and had acted in breach of the General Manager's contract. Council as a whole is responsible and equally accountable regarding this aspect of the breach of the General Manager's contract. The following recommendations were made:

“9. That the delegation to the Mayor under section 377 of the Act:

‘To, on behalf of the Council, supervise the General Manager in terms of the Local Government Act 1993 and council's policies and delegations and the General Manager's contract of employment.’

be rescinded and instead undertaken by the elected representatives in total.

10. That, in the alternative, the delegation be amended to allow it to be undertaken by a panel of councillors to be selected from their number.”

Council resolved to revoke the delegations to the Mayor referred to in recommendation nine (9) and as per recommendation ten (10) resolved to delegate to a panel of councillors and former mayors serving on the current Council the function of supervising the General Manager in terms of the Act and Council's policies and delegations, and the General Manager's contract of employment.

In accordance with the General Manager's contract of employment, this panel is responsible for preparing and sending a statement to the General Manager and for tabling at a Council meeting. The statement should set out:

- the panel's conclusions about the General Manager during the period under review
- any recommendation to the Council to vary the performance measures as a consequence of the performance review and

- any directions or recommendations made by the Council to the General Manager in relation to the employee's future performance of the duties of the position. **(Recommendation 63)**

Since the section 430 investigation and prior to the review team's visit, the services of Mr Phillip Perram, General Manager, were terminated. It was not within the scope of this review to determine whether the termination was handled in accordance with Mr Perram's contract or not. This is a matter to be determined by the two parties with reference to their own independent legal advice. It nevertheless exemplifies the findings of the Departmental investigation of a poor relationship between the Mayor, councillors and the General Manager.

Exit interviews

Employee exit interviews are an important part of human resource management and the monitoring of employee retention and satisfaction. Avoidable losses can result from employee job dissatisfaction, poor management practices, the lack of advancement opportunity, and sometimes, personal harassment by or conflict with a co-worker or manager. The unnecessary loss of talented staff is a significant cost to Council.

Information gained from exit interviews, if consistent over time, may provide valuable pointers for developing and reviewing Council's human resource management policy. It may also help to clarify possible concerns in the culture of the organisation. The data can be gathered in a structured way by using either a questionnaire or interview, or perhaps both.

Wagga Wagga City Council conducts exit interviews with all staff that leave the organisation.

Overview of the organisation

In summary, Council staff have been through very challenging times (restructure, tense interactions between elected councillors and Council's senior management, turnover in senior management). It is now time to move on in a positive way and create stability and an environment that produces positive outcomes.

8. SUMMARY OF COUNCIL'S PROGRESS IN IMPLEMENTING THE RECOMMENDATIONS OF THE SECTION 430 INVESTIGATION

In addition to conducting a Promoting Better Practice Review, the review team undertook a thorough review of Council's progress in relation to the implementation of the recommendations of the section 430 investigation into Wagga Wagga City Council. The review team commends the staff members of Council who have invested significant efforts to respond to the recommendations of the section 430 investigation report issued in May 2007. As exemplified in this report, a whole range of policies, systems and procedures have been reviewed and updated or created. This work has been complemented by a series of training workshops to ensure the successful implementation of these. At the time of the site visit a number of the policies were in draft form and Council is encouraged to finalise these and monitor their implementation.

While substantial progress has been made at the operational level, the successful implementation of a large number of the investigation recommendations relies on effective leadership and positive relationships between the Mayor, councillors and the newly appointed General Manager. The essential element to this is that all councillors understand and maturely carry out their roles in accordance with the Act. The review team has found evidence since the section 430 investigation that this remains a major challenge for councillors and is therefore an ongoing source of concern for the Department. The establishment of a new and stable executive management team remains another critical challenge and a priority.

Attendance by councillors at training (including specific training recommended in the section 430 report) overall appears to have been very poor. Seven of the fourteen councillors accepted the review team's invitation for an interview. Some of the councillors interviewed asserted that the section 430 report was not correct in its

conclusion that since 1999 two distinct opposing groups had formed on Council. Irrespective of the validity of either assertion, interviews with the seven councillors and staff members indicated the lack of a coherent elected body that is capable of respecting each others' experience. On the contrary, the interviews with councillors reflected ongoing divisiveness and counter productive (and at times) immature accusations. The review team also found evidence of some councillors not understanding their role by continuing to interact with staff about operational matters contrary to Council's new policy and training in this area.

The review team acknowledges that the elected body of Wagga Wagga City Council consists of a number of long-standing councillors, previous mayors and former senior employees of Council. Such experience can be valuable if shared constructively for the purpose of meeting Council's charter and mission rather than used to illustrate the deficiencies of one's peers.

All councillors, irrespective of their experience, have an ongoing responsibility to act maturely in the role as councillors and to keep up-to-date with rapidly changing issues, policies and legislation that should be considered when they are making decisions on behalf of the community. Furthermore, they should demonstrate positive leadership by attending and supporting the training that Council staff have worked tirelessly to organise.

While a public inquiry (which was contemplated at the time of the section 430 investigation should Council not implement the investigation recommendations) is not recommended at this stage, the review team recommends close monitoring of the ability of Council's elected body to carry out their roles and functions in a mature and positive manner. The review team also recommends that the Department closely monitor Council's progress to ensure sustained implementation of the recommendations of this Promoting Better Practice Review Report and, if necessary, conduct a focussed Promoting Better Practice Review at a later date.

A Public Inquiry under section 740 of the *Local Government Act 1993* remains an option open to the Minister should progress not be satisfactory or if concerns raised in the section 430 investigation and in this report continue to affect Council's operations.

A detailed assessment of progress toward achieving each section 430 recommendation is contained in the relevant section in the body of this report. A summary of findings is presented in Table 1.

Table 1. Wagga Wagga City Council' progress in implementing section 430 investigation recommendations

Recommendations		Council response	Review team findings
1	That Wagga Wagga City Council be given six (6) months from the date council provides its response to this report, as required by section 434 of the Local Government Act 1993, to take the appropriate steps to do such things arising from the recommendations contained in this report.	<p>The recommendation is not one that the Council is capable of implementing and it is under no statutory obligation to inform the Minister how it will implement the recommendation.</p> <p>However, Council has developed a comprehensive program to ensure all recommendations are effectively and positively addressed – program outlined in this response</p>	<p>The review team has verified that Council provided a response to all recommendations.</p> <p>The extent to which each of the recommendations has been implemented is assessed in the relevant section of this report .</p>
2	That the department conducts a review under the Promoting Better Practice Program to be undertaken six (6) months from the date council provides its response to this report, as required by section 434 of the Local Government Act 1993. The review should consider and report on council's progress in implementing the recommendations of this investigation.	<p>The recommendation is not one that the Council is capable of implementing and it is under no statutory obligation to inform the Minister how it will implement the recommendation.</p> <p>However, Council advises that</p> <ul style="list-style-type: none"> - a gap analysis has been undertaken - action plan developed to meet PBP program benchmarks - areas for improvement identified in 430 report have been reviewed - draft good governance policy, framework and action plan have been placed on public exhibition <p>Council has also decided to:</p> <ul style="list-style-type: none"> - implement the action plan by 20 August 07 - participate in REROC peer review of its achievements to be conducted by Tumut CI - undertake internal review based on PBP checklists in November 07 <p>at the conclusion of public exhibition of draft good governance policy, to consider submissions and determine final policy.</p>	<p>No action required by the Council.</p> <p>This report documents the finding of the Promoting Better Practice review which commenced in February 2008.</p>
3	That in the event the Promoting Better Practice	The recommendation is not one that the Council is	No action required by the Council.

Recommendations	Council response	Review team findings
<p>Review reveals a situation whereby council has not made satisfactory progress in implementing the recommendations, the Minister considers holding a Public Inquiry into Wagga Wagga City Council under section 740 of the Local Government Act 1993.</p>	<p>capable of implementing and it is under no statutory obligation to inform the Minister how it will implement the recommendation.</p> <p>However, Council advised its intention to achieve a satisfactory review result.</p>	<p>While a public inquiry is not recommended at this stage, the review team recommends close monitoring of Council's progress to ensure sustained implementation of the recommendations of the Promoting Better Practice Review Report.</p> <p>An inquiry remains an option open to the Minister should progress not be satisfactory or if concerns raised in the section 430 investigation and in this report continue to affect Council's operations.</p>
<p>4 That the Minister requests the Minister for Planning to consider revoking Wagga Wagga City Council's planning powers under section 118 of the Environmental Planning and Assessment Act 1979 and appoint a planning administrator or panel to determine development applications where an amendment to the DCP is required until such time as the council's new LEP is adopted. In considering this recommendation the Minister should take into account the planning issues raised in this report and any other pertinent planning concerns the Minister or the department may have.</p>	<p>The recommendation is not one that the Council is capable of implementing (Council obtained legal advice on this matter) and it is under no statutory obligation to inform the Minister how it will implement the recommendation.</p> <p>No action required by Council.</p> <p>Council objected to this recommendation.</p>	<p>No action required by the Council. The Minister for Planning established the planning panel as recommended.</p>
<p>5 That the Minister considers an amendment to the Local Government Act 1993 that prohibits senior staff from standing for election as councillors at the council at which they were employed for a minimum period of four years after leaving council's employment.</p>	<p>The recommendation is not one that the Council is capable of implementing (Council obtained legal advice on this matter) and it is under no statutory obligation to inform the Minister how it will implement the recommendation.</p> <p>No action required by Council.</p> <p>Council objected to this recommendation.</p>	<p>No action required by the Council.</p>
<p>6 That the Director General considers investigating and reporting to the Minister regarding enforcement options for breaches of the tendering</p>	<p>The recommendation is not one that the Council is capable of implementing (Council obtained legal advice on this matter) and it is under no statutory</p>	<p>No action required by the Council.</p>

Recommendations		Council response	Review team findings
	provisions of the Local Government Act 1993 and Local Government (General) Regulation 2005.	obligation to inform the Minister how it will implement the recommendation. No action required by Council.	
7	That the Minister considers amending the legislation in the event the report referred to in recommendation 6 provides an option that is practically and procedurally viable.	The recommendation is not one that the Council is capable of implementing (Council obtained legal advice on this matter) and it is under no statutory obligation to inform the Minister how it will implement the recommendation. No action required by Council.	No action required by the Council.
8	That the Director General refers the matter of the outsourcing of the Commercial Response Unit to the Independent Commission Against Corruption for its consideration.	The recommendation is not one that the Council is capable of implementing (Council obtained legal advice on this matter) and it is under no statutory obligation to inform the Minister how it will implement the recommendation. No action required by Council. Council objected to this recommendation.	No action required by the Council.
9	That the delegation to the Mayor under section 377 of the Act: <i>'To, on behalf of the Council, supervise the General Manager in terms of the Local Government Act 1993 and council's policies and delegations and the General Manager's contract of employment.'</i> be rescinded and instead undertaken by the elected representatives in total.	Not applicable – Council has adopted recommendation 10 below.	N/a.
10	That, in the alternative, the delegation be amended to allow it to be undertaken by a panel of councillors to be selected from their number.	Council resolved to revoke the delegations to the Mayor referred to in the recommendation; delegate to a panel of councillors and former mayors serving on current council the function of supervising the employment of GM under LGA 1993, current policies and delegations, and the	The review team notes Council's decision and recommends that the panel, in accordance with the General Manager's contract of employment, prepare and send a statement to the General Manager regarding her performance review. This statement should also be tabled at the relevant

	Recommendations	Council response	Review team findings
		<p>GM's contract of employment.</p> <p>Written notice to be given to the Minister about the revocation and new regime.</p>	<p>Council meeting.</p>
11	<p>That council prepare, as a matter of priority, a written policy and set of procedures to govern the communication between councillors and council staff that takes into account the salient issues raised in this report.</p>	<p>Council at its meeting of 12 June 2007 resolved to place the draft policy on public exhibition and submit a report to council at the close of exhibition period.</p> <p>Council has sought best practice models from Gosford, Parramatta, Warringah and Wollongong councils and policy prepared.</p> <p>At the conclusion of the exhibition period Council was to consider the submissions received and determine a final policy.</p>	<p>While the review team verified Council's progress in this area, further progress is required. The review findings and recommendations are detailed under the Governance and Planning and Regulatory headings of the report.</p>
12	<p>That, within the guidelines to govern communication between councillors and council staff, council include protocols to guide the interaction of elected representatives with the public and council's planning professionals in relation to planning matters.</p>	<p>Council at its meeting of 12 June 2007 resolved to place draft policies listed below on public exhibition and submit a report to council at the close of exhibition period.</p> <p>Policies for exhibition: Lobbying of councillors, media, guidelines for dealing with code of conduct complaints and conduct committee charter</p> <p>Council has sought best practice models from Gosford, Warringah and Wollongong councils and ICAC discussion paper.</p> <p>At the conclusion of the exhibition period Council was to consider the submissions received and determine a final policy.</p>	<p>A policy on interaction between councillors and staff was prepared and adopted in April 2007.</p> <p>The policy specifies protocols for the elected members to deal with planning staff on planning matters. Council has also developed and adopted policies to guide the interaction between elected members and the public: the Lobbying of councillors policy (May 2007).</p> <p>The review team tested the extent of the policy's application as part of the standard Promoting Better Practice methodology. The review findings and recommendations are detailed under the Governance heading of the report.</p> <p>Further follow up on the recommendation of the PBP review will be required.</p>
13	<p>That council's senior staff and elected representatives undertake training and/or</p>	<p>Draft policy prepared for public exhibition, training course information including content and</p>	<p>Council records demonstrate that a number of internal and external workshops and councillor</p>

Recommendations		Council response	Review team findings
	workshops to discuss and learn about appropriate interactions by reference to the relevant legislation and policies such as the code of conduct.	attendees completed (indicative cost: \$8,500). Training to be completed within 3 months after adoption of policy. Training provider to be sourced to provide the training. Cost to be finalised in accordance with Council's procurement procedures.	training was organised on the topics of the code of conduct, contracts and tendering, planning legislation, resources management. However, not all councillors attended the training and workshops. The review team observed a pattern of non-attendance (e.g. some councillors not attending any of the workshops and training organised for them). This is commented in more detailed in the previous text, under the Governance heading of the report, and appropriate recommendations made.
14	That all existing council staff and elected representatives undertake formal training regarding the code of conduct.	Training course information, including content, attendees obtained (indicative cost: \$45,000). Training to be completed by 31 October 2007. Induction training reviewed to include a more comprehensive segment on the code of conduct. Code of conduct training to be built into the corporate training plan for all councillors and employees.	Council records demonstrate that the recommended training was organised on 28 October 2007, but that only eight councillors attended this training. The review findings and recommendations concerning councillors' attendance at trainings are detailed under the Governance heading of the report and appropriate recommendations made for further follow up.
15	That council's management develops guidelines for the assessment and management of complaints under council's code of conduct.	Discussed in council meeting of 12 June 2007 and resolved to source the best practice model from Strathfield Council. Draft guidelines developed for public exhibition. Draft conduct committee charter also developed for public exhibition. At the completion of exhibition period, Council to consider submissions received and determine a final policy.	Council has adopted a set of guidelines for dealing with complaints under the code of conduct as well as the conduct committee charter. At the time of the review the reviewers examined the handling of one complaint under the code which was 'on foot' at the time. The process seemed to follow Council guidelines.
16	That council conducts a review of its tendering procedures and practices as a priority to be undertaken by its newly formed audit committee.	Action plan prepared. Key milestones: July 07 – initial intro training for councillors and identified staff; Oct 07 – audit committee review; Nov 07 – standardised documentation.	Council has conducted a comprehensive review of all its procurement policies and procedures, including its tendering procedures. The audit of Council tendering procedures was carried out in 2008, with the audit report to be presented to Council following the audit.
17	That council tender assessment panels consist of a majority of persons independent of council	The tender assessment panel specs to be included in standardised tender documentation in	Council has adopted the procurement policy which contains this provision. At the time of the

Recommendations	Council response	Review team findings
	Nov 07 following the audit committee review.	review, there were no tenders that would meet this criteria.
18 That council provides training to council staff and councillors so that they gain an understanding of their role and obligations in relation to tendering processes.	Tendering training course information completed. Indicative cost: \$22,000. Immediate introductory training to be provided to councillors and identified staff with comprehensive training to be provided following the audit committee review. Cost to be finalised in accordance with Council's procurement procedures.	Council has scheduled the requisite training for all relevant staff.
19 That council's management develops a system for the management and monitoring of council's projects	Detailed action plan prepared for a comprehensive project management system. Milestones: 1. Develop consultants' brief (3 weeks); 2. Scope project management system (4 weeks); 3. Training for management (6 weeks); 4. review and implementation of recommendations on project management system, including staff training (7 weeks).	The review found that Council has developed and put in place a comprehensive system for the management of projects. The system was launched on 7 February 2008. Further recommendations concerning the implementation of the Council's project management system are contained in the body of this report.
20 That all relevant council staff undertake formal training regarding project management.	Training course information, including the content and cost (indicative: \$40,500) have been completed. Immediate introductory training provided to staff. Comprehensive training to be provided within 6 months. Cost to be finalised in accordance with Council's procurement procedures.	Following the launch of the project management system, Council has scheduled the requisite training for all relevant staff. The review team's comments and recommendations concerning the implementation of the Council's project management system are contained below in the body of the report.
21 That council's management improves its relationship between the management team, particularly the General Manager, and the United Services Union representatives by meeting to discuss issues on a regular basis, at least quarterly.	Protocol established regarding working and meeting with United Services Union. Quarterly meetings established.	Protocol verified. While United Service Union representatives support the introduction of the protocol they remain sceptical about its implementation. To create an environment of trust. It is important that the new General Manager and senior managers implement the protocol and discuss

Recommendations		Council response	Review team findings
			issues on a quarterly basis.
22	That council ensures that it is effectively consulting with the consultative committee in accordance with the purpose for which it is established under the Award.	Protocol established. Communication commenced with USU to agree on and implement protocol.	As outlined above at recommendation 21, protocol has been established but implementation requires monitoring.
23	That council establishes a development assessment panel that consists of planners from other councils in the region.	Council at its meeting of 12 June 2007 resolved to place the draft IHAP charter on public exhibition following assessment of the discussion paper on IHAPs in NSW. EOIs sought from suitably qualified and experienced experts as well as directors from regional councils. IHAP to be established by the end of 2007.	At the time of the review Council had not established such panel. The reason given to the review team was that such action would be undertaken once the planning panel appointed by the Minister for Planning. This is accepted. However, once the planning decisions are returned to the elected council, Council should establish the panel recommended by the section 430 investigation report.
24	That council reviews its delegations on development application decisions with a view to providing greater delegation on development matters and develops procedures to govern how contentious development matters will be dealt with.	<p>Council established a timetable to review delegations in conjunction with the public exhibition of IHAP charter.</p> <p>Review of delegations to be conducted during June and July 07. Report to be provided to council after that addressing all delegations regarding development applications.</p>	Over 90% of development applications are already approved under a delegated authority leaving only 10% that are contentious or sufficiently significant to be reported to Council or the planning panel. Delegations have been reviewed and considered to be sufficient for the current circumstances. Council should review its planning delegations once the planning panel is no longer in existence.



City of Wagga Wagga

12 August 2008

Senior Investigations Officer
Investigations & Review Branch
NSW Department of Local Government
Locked Bag 3015
NOWRA NSW 2541

Attention: Ms Alex Valda

URGENT & CONFIDENTIAL

Dear Ms Valda
Department of Local Government's Promoting Better Practice Review Report
- Wagga Wagga City Council

I refer to your letter of 25 July 2008 and the provision of the Draft Wagga Wagga Promoting Better Practice Review Report.

Enclosed is Wagga Wagga City Council's Corporate Response to the Draft Report which has involved input from both Councilors and Senior Staff.

I note your advice that should Council be in a position to provide its response in a shorter timeframe that you would endeavour to provide a fast turnaround of the Final Report. As indicated in our conversation, this will enable the tabling of the Final Report at the August meeting of Council, and within the term of the current Council.

Further, I confirm your advice that Council's response will be reproduced in its entirety within the Final Report.

In relation to the Draft Report I note that there are two factual errors:

1. Under heading "Context", last paragraph, Council's total operating budget in 2008/09 is \$80.7 million and its capital budget is \$55.3 million;
2. Recommendation 36 (pg 66, paragraph 3) incorrectly states that Councilors must exclude themselves from participation in discussions and voting on matters in relation to advocacy matters. Council's Lobbying of Councilors Policy (copy attached) does not require Councilors to exclude themselves from participation in discussions and voting on the matter but rather "if a Councilor has followed the steps outlined in this Policy, the Councilor may

Department of Local Government

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participate in discussion and voting on the matter/development application/draft LEP/draft DCP". Reference is made to the inconsistency throughout the report of the relativity of time in which the review was undertaken and the report was received. For example, paragraph four on page six refers to "evidence to suggest leadership and management (both at the elected body and senior management levels) continue to be unstable". Both Council and Senior Management would rebut this statement in the current environment where a positive, collaborative working relationship has been established resulting in strong leadership and cohesion. The above statement does not reflect the changes that have occurred since February 2008 and the new leadership structure and culture that has now been established at Wagga Wagga City Council.

Should you require clarification or have any enquiries please do not hesitate to contact me. I appreciate your advice that this matter will now be expedited by the Department.

Yours sincerely



Lyn Russell PSM FAIM FLGMA
General Manager

**Wagga Wagga City Council's response to Department of Local Government's
Promoting Better Practice Review**

RECOMMENDATION	PAGE NO.	RESPONSE
Ambitions, Priorities and Future Focus		
1. Councillors must demonstrate commitment to Council's strategic plan and consider matters before the Council in the context of Council's strategic framework	25-26	The inclusive process of developing both the Community Strategic Plan 2008/18 and the 2008/2012 Council Management Plan has been an important tool in assisting Councillors to better understand the strategic element of their role as elected representatives. A Councillor induction weekend in Albury in October 2008 will represent the next step in the learning journey for the newly elected Council. This weekend will also be supplemented by training to be provided by the Department of Local Government (DLG) in November 2008.
2. In the course of the scheduled reviews of its existing plans and reports, Council should ensure that these documents, where appropriate, align with the organisation's planning and reporting framework	27	<p>Council has adopted the proposed DLG's Option 3 Model "Integrated Planning and Reporting" so as to facilitate a comprehensive planning and reporting framework for Council.</p> <p>Council utilises a cascading hierarchy of plans encompassing:</p> <ul style="list-style-type: none"> • At the highest level, the Community Strategic Plan 2008-2018 which was unanimously adopted by Council on 26 June 2008; • From which actions for Council's 2008-12 Management Plan are derived. This Plan was unanimously adopted by Council on 26 June 2008; • Drilling down from the Management Plan are Divisional Business Plans against which Individual Performance & Development Plans are generated.

RECOMMENDATION	PAGE NO.	RESPONSE
		<p>In addition to the above hierarchy of plans there are various other plans which are also aligned to the hierarchy of plans. These include the 2009-2013 Community Social Plan which was adopted by Council on 26 June 2008.</p> <p>As part of the development and review process, Council has adopted a model whereby all Council plans and reports are directly aligned to Council's adopted Community Strategic Plan 2008/2018 with linkages to the NSW Government's State Plan.</p> <p>Outcome Manager is used as the reporting tool against the Management Plan and reports are provided to Councillors and the community on a quarterly basis.</p>
<p>3. Council should also consider including in its strategic planning framework the monitoring of its own organisational capacity and skills to deliver on its priorities</p>	<p>27</p>	<p>Council has adopted a proactive approach in investigating its organisational capacity for service delivery with a number of strategic projects already being instigated. These projects include workforce planning (skills assessment, succession planning and skill development), customer service strategy (including identification of service levels and delivery), long term accommodation options and resource sharing opportunities and strategies.</p> <p>Council has a strong commitment to continuous improvement and utilises the Business Excellence framework as a pivotal tool in Council's planning and performance framework.</p> <p>Active participation by Council in the CEO and Joint Local Government Business Excellence Network will enable the development of best practice in external process and outcome benchmarking and will be a feature of the review process.</p> <p>Council looks forward to providing regular six monthly reports to the DLG on progress in achieving the better practice review outcomes.</p>
<p>4. Council may consider including in future</p>	<p>28</p>	<p>This is an area which has been identified as one for organisational</p>

RECOMMENDATION	PAGE NO.	RESPONSE
management plans information about service level variation		improvement. Consideration continues to be given to how the organisation can best implement and report against service levels and the reporting of those. The use of the Outcome Manager software will be an important tool in addressing this challenge. Council is in the early stages of implementing a comprehensive customer service strategy which will include measurement of customer service levels and development of service level agreements.
5. Council is encouraged to consider key strategies to continue to improve governance systems	28	A report is being prepared to go to the Internal Audit Committee in the next stage of the Good Governance Plan. This report will place more emphasis on ethics, self controlled behaviour and be self-driven and moderated. An Internal Auditor will commence employment in August 2008, further strengthening Council's capabilities.
6. Council should more widely advertise the community consultation forum for quarterly management plan reviews	29	A Community Engagement Policy was adopted by Council on 31 March 2008. Council will be further investigating the implementation of strategies for the effective engagement of community members in the quarterly management plan reviews. Council already uses a number of engagement strategies including media releases (provided to print, television and radio media), interviews, Council's web page and advertising in the print media. Council will also be enhancing its Village Community Consultation Program commencing in October 2008, which will further strengthen community engagement on the Management Plan and create an open forum for community members to discuss issues and provide feedback.
7. Council should review its Annual Report to ensure that it reports on the targets set in the management plan	29	The Annual Report derives its data from Council's corporate reporting tool, Outcome Manager. Each Management Plan action is recorded in Outcome Manager and reported against on a quarterly (report to Council) and annual basis (report to Council and Annual Report). Each action is noted as being achieved or not achieved. If the action is not achieved an explanatory note as to the reason is provided.

RECOMMENDATION	PAGE NO.	RESPONSE
		Council refers to its response to recommendation 4 above and confirms that it is moving towards a model which sets and reports on specific targets which will enable greater relevance, transparency and accountability to the community.
Governance		
<p>8. To ensure organisational stability, Council must, as a matter of priority, recruit a senior management team. The Mayor and General Manager must support the team to forge a more stable, cohesive and productive leadership of Council. The elected body, led by the Mayor, must at all times maintain a positive and professional working relationship with the General Manager and Council staff.</p>	33	<p>Council has recently implemented a five directorate structure and has successfully recruited a Director Corporate Services, Director Environmental and Community Services and Director Commercial and Economic Development. It is also in the final stages of recruiting a Director of Planning. These appointments will impact positively on the organisation and provide stability, leadership and direction.</p> <p>The Mayor and General Manager have developed a positive, collaborative working relationship through weekly meetings to review programs and set direction.</p> <p>In addition initial one on one meetings between the General Manager and all Councillors were conducted so as to determine issues and priorities. This has enabled the establishment of an improved working relationship between all parties.</p> <p>An initial performance assessment of the General Manager has led to the confirmation of her appointment to the position which was formally endorsed by Council.</p> <p>In addition, the adoption of Council's Interaction Policy together with the new Model Code of Conduct will assist in this process.</p>

RECOMMENDATION	PAGE NO.	RESPONSE
<p>9. Council administration, particularly the General Manager's unit, should be available to provide ongoing guidance to councillors regarding appropriate communication with staff concerning day to day business of Council.</p>	<p>34</p>	<p>The recent appointment of a Director Corporate Services has provided additional experience and resource in this area. The organisation structure has been amended to ensure that the level of support to both Councillors and the General Manager's Unit are streamlined and coordinated. Improved levels of communication are apparent and the weekly Councillors' Bulletin is an effective communication tool.</p> <p>A staff training session titled "Managing Councillors Expectations" was conducted with Level 3 managers during July 2008, with a view to improving the overall level of support and advice to Councillors.</p>
<p>10. Council should develop a structured training program for councillors and ensure that councillors, especially those newly elected, receive the appropriate level of guidance in relevant areas, including refresher training/workshops in areas that are identified as high risk, such as the appropriate interaction between elected councillors and Council staff. Council should also keep an accurate record of Council of councillors' training attendance</p>	<p>36</p>	<p>Council adopted a Councillor Training and Development policy in March 2008 which outlines the requirement for Councillors to attend training, together with providing a framework for annual planning of Councillor training programs.</p> <p>For 2008, work is currently underway in preparing a comprehensive 2-day Councillor induction conference, which will be delivered in late October. This is intended to provide the new Council with specific local understanding as well as an appreciation of their governance responsibilities and obligations. A session at the workshop will be conducted by the Institute of Company Directors. This workshop complements the proposed DLG post-election seminar which will be hosted in Wagga Wagga in November 2008.</p> <p>In addition, a detailed training program to address the specific skill needs of the new Council is being prepared and will commence in early 2009.</p>

RECOMMENDATION	PAGE NO.	RESPONSE
<p>11. Council should formally adopt the statement of business ethics, provide a copy of it to all its service providers, and place a copy of the statement on its website</p>	<p>37</p>	<p>Council's Statement of Business Ethics and Principles of Business Excellence was finalised in November 2007. It is distributed with all tender documents via the Tenderlink tender document management system, published on Council's Internet site and is being distributed to all of Council's creditors.</p> <p>It is proposed to present the Statement of Business Ethics to Council for formal adoption in August 2008.</p>
<p>12. Council's PBP review progress report should report on the application of the guidelines for handling complaints under the code of conduct</p>	<p>37</p>	<p>The Council initially adopted the new Model Code of Conduct in July 2008 and the new Council will review the Code in November 2008.</p> <p>Future reports on progress against the Best Practice Review will provide reports on Council's progress in implementing complaint handling guidelines.</p>
<p>13. Council should review its code of conduct in view of the recommendation of the section 430 investigation and PBP review and consider whether additional provisions to the code may be required</p>	<p>38</p>	<p>Council adopted the new Model Code of Conduct in July 2008 and will review the code in November 2008 to consider whether additional provisions may be required.</p> <p>Code of Conduct training will be specifically included in the 2009 Councillor training plan, with the DLG post-election seminar expected to provide an overview of the model code.</p>
<p>14. Council should finalise its Gifts and Benefits Guidelines and distribute the document to all councillors, members of staff and Council delegates</p>	<p>38</p>	<p>Council's Gifts and Benefits Policy was adopted by Council on 19 November 2007. The Gifts and Benefits Guidelines/Process was also noted by Council at the same meeting.</p> <p>Council records all gift declarations in its corporate information management system and reports can be generated from this system to provide the necessary management information.</p> <p>The Gifts and Benefits policy and process will be included in the Councillor training and development program noted above in recommendation 10</p>

RECOMMENDATION	PAGE NO.	RESPONSE
15. Council should use the information provided in the Department's Circular to Councils 04-16 and the Department's Pecuniary Interest Guidelines to assist councillors and staff complete their returns of interests accurately and in a timely manner	39	Councillors have recently received the forms for completion for the year ending June 2008. The documentation included a copy of the DLG Circular 04-16 and also a copy of the 06/07 return.
16. Council should consider options to reduce the number of extraordinary meetings	41	Council is currently looking at best practice options in relation to the number and timing of Council meetings with Councillors expressing a preference for being involved in strategic workshops. This process includes a review of the committee structure of Council. It is envisaged that this review process will be effective in reducing the number of extraordinary meetings. In this regard, only four extraordinary meetings have been held in 2008, two of which dealt solely with the appointment of the new General Manager.
17. Council should consider adopting a different structure of its meetings to overcome the issues of order in the current meeting format	41	The proposal to review the Code of Meeting Practice with a view to encouraging a greater opportunity for the free exchange of views will be considered as part of both the review of the Committee structure and by the newly elected Council in October/November this year.
18. Council should continue its work on the standardisation of committee procedures	43	Council is continuing to review the effectiveness of its committees and the standardisation of committee processes. Operational manuals were distributed to all committees in July 2008.
19. Council should measure the effectiveness of its risk management, fraud control and corruption prevention plan and report on the implementation of these controls as part of the Promoting	44-45	Council is currently developing a new risk management framework which contains measurement of effectiveness of its risk management program. This recommendation will be a priority for the newly appointed Internal Audit Officer.

RECOMMENDATION	PAGE NO.	RESPONSE
Better Practice progress report		
20. Council should update its delegations register to enable an ongoing audit trail of the delegations	47	Investigations are underway to enhance the existing delegations register to provide an effective audit trail.
21. Council should give priority to the development and adoption of a business continuity plan	48	Council has now given priority to the development and adoption of a business continuity plan commencing in August 2008.
22. Council should publicly display successful tenders	50	Council has a procedure for the opening of Tenders and has always displayed tenders received on its Notice Board in the Civic Centre. A similar procedure has now been adopted for the public display of the successful tenderer in accordance with the LGMA Procurement Module.
23. Council should, as a matter of urgency, develop and adopt policies and procedures for the management of contractors' performance	50	<p>A set of contract management guidelines have been developed and implemented together with a training plan for the management of contractors' performance which is in the process of being facilitated.</p> <p>Contractors' performance is managed as part of the contract or agreement under which they were engaged. Council recently introduced a robust Project Management System (as featured in this report) which assists with the management of contractor performance specific to projects. This includes project delivery on time and within budget and addresses departures from agreed deliverables.</p> <p>Contractors' performance is an area where Council is actively seeking improvement including consideration of guidelines provided by the Newcastle City Council and features of Contract Management systems offered by best practice software providers. Recent examples of good contractor performance management include the construction of the \$400k amenities block at Tarcutta, the system for management of external plant hire</p>

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		<p>contractors and the management of the kerbside collection contract specifically in response to DLG Circular 08-17 regarding the installation of reversing cameras in collection vehicles.</p> <p>For the Sewer 2010 project (a \$40M project to upgrade Council's sewer network) a Contract Administration Manual has been prepared by which the performance of the contractor is managed. The manual provides a chronology of actions which is used to ensure the contractor achieves the required milestones in accordance with the contract.</p>
<p>24. Council should finalise and implement its draft Information and Communication Technology Strategic Plan and its draft Information Technology Operational Plan</p>	<p>53</p>	<p>Both the Information and Communication Technology Strategic Plan and the Information Technology Operational Plan will be reviewed and adopted by the Executive Team during August 2008. The Information Technology Services Manager will then proceed with implementing both plans as part of his Individual Performance Plan.</p>
<p>25. In terms of accurate record keeping and information management, as a matter of priority, Council should:</p> <ul style="list-style-type: none"> • Finalise the following draft policy documents: <ul style="list-style-type: none"> - Incoming Correspondence and Documentation Procedure - Information Management Operating Standard for All Staff - Information Management Guidelines for All Staff - Official Minute-Taking for 	<p>55</p>	<p>The Incoming Correspondence and Documentation Process has been finalised and distributed to staff.</p> <p>The Information Management Operating Standard for all staff has been finalised and distributed to all staff.</p> <p>The Information Management Guidelines for All Staff have been finalised and distributed to all staff.</p> <p>This policy is currently under review and will be finalised within six months.</p>

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<p>Meetings</p> <ul style="list-style-type: none"> - Continue its training program to ensure that all staff are trained to use and comply with the requirements of Council's information management system • The General Manager and executive team should monitor and support continued progress toward improving Council's information management system 		<p>Council has adopted a proactive approach to ensuring that staff are trained in and comply with Council's information management system. This is facilitated through ongoing, regular training opportunities provided to existing and new staff with ongoing support from members of the Records Team and Dataworks Key Users.</p> <p>Executive support for the corporate information management initiatives is strong and continues with the evolution of the systems.</p>
<p>26. Council should finalise its Privacy Policy and Privacy Management Plan, as well as complete training relevant staff members and councillors on how to implement them effectively</p>	56	<p>The Privacy Policy and Privacy Management Plan (PMP) have been finalised and training has been held for relevant staff members and will be provided to incoming Councillors post-election.</p> <p>A review of the PMP is currently underway and an internal training package to be rolled out to all staff is being prepared.</p>
<p>27. Council is encouraged to finalise the new policies it has recently developed in response to the Department's section 430 investigation and continue to use its policy register as a tool to track, review and update its policies. The review of each policy should include an assessment of the extent to which councillors and staff understand and use that policy</p>	57	<p>Council's policy register is maintained utilising in-house software. The policies referred to have continued to be presented to Council during 2008 with the following policies adopted since February 2008:</p> <ul style="list-style-type: none"> • POL 108 Public Access To Information Policy • POL 116 Mayoral Discretionary Fund Policy <p>A policy review was commenced in January 2008 to comprehensively review all Council policies and a number were rescinded in July as a result of this review. Further, development of new policies and ongoing review of existing policies continues as a result of this proactive review.</p>

RECOMMENDATION	PAGE NO.	RESPONSE
<p>28. Council's Policy for the Payment of Expenses and Provision of Facilities to Councillors is a good document. However, the next review of the policy should involve ways to make the language more accessible in places and encourage more training and development for councillors</p>	58	<p>Agreed. Ongoing reviews of the Policy for the Payment of Expenses and Provision of Facilities to Councillors will be printed in "plain English" and ongoing training for councillors will be incorporated into in-house training sessions.</p>
<p>29. Council should refer to the draft model policy on access to council information recently produced by the Local Government Managers Australia (NSW) Governance Network (LGMA Governance Network), in association with the NSW Ombudsman and Privacy NSW, prior to finalising its own policy. (See DLG Circular to Councils 08/15). Following the public exhibition of its draft Public Access to Information Policy, Council should finalise this policy and brief relevant staff members on how to implement the policy</p>	59	<p>Council's Public Access To Information Policy was adopted on 31 March 2008, and was prepared with reference to the model policy as noted.</p> <p>Relevant staff have been thoroughly briefed on this policy and trained in the legislation governing access to information. Further training will be delivered to the general staff in conjunction with proposed training for the Privacy Management Plan noted in recommendation 26 above.</p>
<p>30. Council's guarantee of service should be promoted and be easily accessible to the community</p>	60	<p>A comprehensive Service Quality project has been commenced which focuses on the implementation of a service culture across the entire organisation, and which includes regular gathering of feedback and perceptions/expectations from all customers. Service Level Agreements and Service Standards will be developed for the entire organisation as a result of</p>

RECOMMENDATION	PAGE NO.	RESPONSE
		this project which will address the issue of “guarantee of service”.
31. Council should finalise its Guidelines for Managing Complaints having regard to the comments in the Promoting Better Practice Review Report	61	The existing Complaints Management Policy and process is currently undergoing a review to ensure it is implemented in an optimal manner and in compliance with the recommendations of the report.
Planning & Regulatory		
32. Council should continue to cooperate fully with the planning panel, including providing relevant background information relating to development applications under consideration by the panel, in a timely manner	63	All planning matters required to be considered by the Wagga Wagga City Council Planning Panel are referred to the Panel in a timely manner. The current relationship with the Planning Panel is professional and collegial. Meeting protocols have been developed to be adopted at its August meeting to ensure the effective operation of the Panel.
33. Any long-term changes to Council’s planning powers should be aligned with the overall direction for the planning regime in NSW	63	Council will undertake a thorough review of its planning powers to align itself with any requirements in accordance with the NSW Planning Reforms.
34. Council must establish an appropriate planning staff attraction and retention system and monitor its performance as an organisation in this regard	64	<p>Staffing levels within the Planning Section have improved dramatically, Council has been successful in a process of overseas recruitment and in appointing the following positions within Development Services –</p> <ul style="list-style-type: none"> i. Strategic Planning Coordinator ii. Senior Planner iii. 3 x Planners <p>The recruitment of a Director of Planning is close to finalisation, with the recruitment of the Manager of Development Services to commence in the</p>

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		<p>near future. The structure of the Planning Directorate will be amended to include the positions of Planning Manager and Strategic Planning Manager. The proposed negotiation of a Council wide workplace agreement will provide further opportunity to improve staff retention rates.</p> <p>Council is currently developing an organisation wide staff attraction and retention strategy that will incorporate the needs of planning.</p> <p>More broadly across the organisation, the recent Employee Satisfaction survey identified a number of issues including staff retention as a high priority. The General Manager is championing a long term initiative that positions WWCC as an Employer of Choice.</p>
<p>35. In order to fully meet part of Recommendation 12 of the Department's section 430 investigation report with respect to the development of guidelines on appropriate communication between councillors and Council planning professionals, Council should develop communication guidelines that indicate the topic of councillor enquiry and the names of staff nominated by the General Manager to provide that information</p>	65	<p>Council adopted a Provision of Information To and Interaction Between Councillors and Staff Policy on 23 July 2007. This policy contains Policy Implementation Guidelines which identifies manager positions responsible for the provision of information to Councillors relating to specific areas of the organisation.</p>
<p>36. Council should establish formal delegations for councillors to call up a development application</p>	66	<p>With the appointment of the new Director of Planning, a review will be conducted of current Development Applications (DA's) processing and consideration given to the policy for councillors to call up DA's.</p>
<p>37. The General Manager should report to the elected council the processing times for development applications that are</p>	66	<p>Council received a report on the current DA processing times at its July meeting. This will continue on a 6 monthly basis together with weekly reports on Development Applications being provided from the Planning Department</p>

RECOMMENDATION	PAGE NO.	RESPONSE
determined under delegated authority		to the Mayor and General Manager.
38. Once the planning decisions are returned to the elected Council, Council should establish the development assessment panel that consists of planners from other councils in the region, as recommended by the section 430 investigation report	67	Council will await the outcomes from the NSW Planning Reforms prior to making a determination regarding assessment panels.
39. Council should review its planning delegations, as recommended by the Department's section 430 investigation report, once the planning panel is no longer in existence	68	Council will review its planning delegations, as recommended by the Department's section 430 investigation report, when the planning panel is no longer in existence.
40. Council should conduct a review of its development assessment function as soon as there is a full staff complement in the planning and development section. It should also consider articulating documented processes for development applications in which Council is an applicant	68	Once appointed, the Director of Planning will conduct a thorough review of Council's planning function to improve responsiveness and professionalism. In accordance with Council's Business Excellence program it will include continuously improving processes.
41. Council should formally adopt the compliance and enforcement policy that is currently in a draft form	70	A draft compliance and enforcement policy will be reported to Council for consideration prior to November 2008.
42. Council should renew its companion animals management plan	71	Council has an adopted Companion Animals Management Plan which will be renewed during 2008.

RECOMMENDATION	PAGE NO.	RESPONSE
43. Council should consider the benefits of establishing a companion animals advisory committee	71	Council already has established a Companion Animal's Working Group. The purpose of this very effective Group is to provide feedback to Council on companion animal related matters.
44. Council should consider the cost and benefits of pro-active follow up for outstanding cat and dog registrations	72	<p>Council has been very proactive in detecting dogs and cats that are microchipped but not registered. The program includes:</p> <ul style="list-style-type: none"> - quarterly reports generated from the NSW Companion Animals Register and follow-up by staff of any outstanding registrations; - Doorknock programs for animals not microchipped and registered; and - Routine checking of animals whilst on patrols and investigating complaints.
Asset and Financial Management		
45. Council should develop formal business plans for all its businesses	75	Under the new Council structure, Council businesses will report to the Director of Commercial and Economic Development and each business will develop a thorough business plan with associated performance indicators.
46. Council should develop an asset management plan, which should be integrated with all other Council strategic plans	76	<p>Council is introducing a Total Asset Management System which includes the introduction of Asset Management Plans for Asset categories, an Asset Management Policy and supporting Implementation Strategy. Council continues to develop the systemic requirements to support the Total Asset Management System whilst simultaneously gathering condition data on all assets. Appropriate staff have been employed for this specific role with a Council Division created specifically to support asset management and its systems.</p> <p>Council's Asset Strategy and Plans will link with Council's other strategic plans providing details of renewals and maintenance required, along with</p>

RECOMMENDATION	PAGE NO.	RESPONSE
		identified strategic capital infrastructure works for the community.
47. Council should continue to work on the development of the standard condition assessment system for all its assets	76	A standard condition assessment system has been introduced for Council's assets. These condition criteria are being created for each asset class to produce a single rating system with specific asset definitions, providing a standard approach to condition rating and data, allowing for the unique performance and behaviour of each asset class.
48. Council should continue to move towards the community standards approach to its asset maintenance	77	<p>Community standards and expectations for service delivery of community assets are identified as a function of the Total Asset Management System. Community consultation in determining service delivery standards will be a key component of the Asset Management Strategy.</p> <p>Council has for several years managed its assets based on an adopted Service Delivery model which stipulates the frequency of intervention for maintenance for all assets. This Service Delivery Model is presented to the Community as part of the Annual Management Planning process and community feedback sought.</p>
49. As part of its forward asset management and financial planning, Council needs to address the shortfall in planned (versus estimated) maintenance	77	<p>Complete asset condition data will provide adequate data to determine the shortfall in maintenance allowing Council to appropriately consider funding any shortfall. Asset condition data has been gathered for all Council assets and is being collated into a form that will provide suitable decision making capability on required maintenance to address shortfall.</p> <p>All regular maintenance programs for all categories of assets are based on Council's Service Delivery standards as adopted by Council in 2006 and received annually as part of the management planning process.</p>

RECOMMENDATION	PAGE NO.	RESPONSE
50. Council should develop an information technology strategy in accordance with the requirements of the Australian Standard 7799, which highlights the need for an IT security framework and supporting policies and procedures	78	Council has developed both an Information and Communication Technology Strategic Plan and the Information Technology Operational Plan which will be reviewed and adopted by Council's Executive Team during August 2008.
Community and Consultation		
51. Council should, if it hasn't already done so, finalise and adopt its draft Community Engagement Strategy and draft Community Consultation Procedure. Appropriate mechanisms should be put in place to monitor and review their implementation	83	Council's Community Engagement Policy was adopted by Council on 17 December 2007. Council's Community Consultation Procedure, Strategic Framework and Procedure is currently being finalised and will be implemented in the near future.
52. Building upon its work toward development service standards in the community services area, Council should develop standards for all its services	84	<p>A comprehensive Service Quality Project has been commenced which is concerned with the implementation of a service culture across the entire organisation, and which includes regular gathering of feedback and perceptions/expectations from all customers. Service Level Agreements and Service Standards will be developed for the entire organisation as a result of this project which will address the issue of service standards.</p> <p>Community standards and expectations for service delivery of community assets is also identified as a function of the Total Asset Management System. Community consultation of expectation for service delivery from assets will be undertaken as part of the system implementation as identified in the Asset Management Strategy.</p>

RECOMMENDATION	PAGE NO.	RESPONSE
53. The Tourism Strategy 2007-2010 should be placed on Council's website	85	The Council's Tourism Strategy 2007-2010 has been placed on Council's website.
54. The General Manager and the senior executive team must take a stronger leadership role in the management of Council's economic development function, including ensuring that accurate and transparent records are kept	89	Council's economic development function has returned to Council as an in-house function through the creation of a new directorate. This creates an exciting opportunity for the organisation as a whole to engage with and promote economic development for the City. It will also enable the utilisation of cross-organisational resources, the development of core relationships and the referral of potential opportunities, facilitating a proactive approach to economic development and the achievement of positive results for the community. The Director Commercial and Economic Development commences in the role on the 8 th September.
55. In determining future options for the delivery of economic development services, Council should: a) Evaluate the Commercial Response Unit model and its achievements in more detail; and b) Consider the NSW Rural and Regional Taskforce findings set out in its report to the Premier (March 2008), which included findings and recommendations relating to economic development in local government	89	<p>a) Council has determined to return economic development to an in-house function and has negotiated the transfer of assets and corporate information from the Commercial Response Unit to Council's corporate records.</p> <p>b) The findings of the NSW Rural and Regional Taskforce will be given active consideration by the new Commercial and Economic Development Directorate who will recommend to Council on any actions required.</p>
Workforce Relations		

RECOMMENDATION	PAGE NO.	RESPONSE
56. Council should consider strategies to encourage greater diversity within its workforce, in particular Aboriginal and Torres Strait Islander people	92	<p>It should be noted that the recent employee survey indicates that Council currently employs 11 staff who identified as being of Aboriginal or Torres Strait Islander background and a further 10 staff from Non-English Speaking Backgrounds.</p> <p>A discussion paper will be prepared for consideration by Executive Team which will propose the preparation of an Indigenous Employment Strategy funded in partnership with the Federal Government.</p>
57. The Wagga Wagga City Council draft Workforce Plan 2008-2012 should be strengthened to include more specific strategies with targets or be complemented by an annual action plan that sets out tasks, targets, responsibilities and timeframes	94	<p>The draft document requires a thorough review and updating taking into account the comments provided by the DLG. A more robust document will then be presented to Executive Team for consideration and adoption.</p>
58. If it hasn't already done so, Council should conduct its annual review of position description documents due in March 2008	95	<p>Council will ensure that an annual review of position descriptions will be undertaken as part of Council's Individual Performance & Development Planning process.</p>
59. The newly appointed General Manager should demonstrate positive leadership and open communication by implementing a protocol to improve communication with the consultative committee and union representatives. This should include the discussion of issues on a regular basis, at least	97	<p>The new General Manager has been attending the monthly meetings of the Consultative Committee with positive feedback received. An initial, very constructive meeting with Union representatives has been held and quarterly meetings agreed to be held into the future.</p> <p>Initial work is progressing on the development of a comprehensive workplace agreement.</p> <p>Council has also recently completed an Employee Opinion Survey to gain</p>

RECOMMENDATION	PAGE NO.	RESPONSE
quarterly		feedback from all staff.
60. Council should distribute minutes of consultative committee meetings to councillors for their information. This will enable councillors to develop effective Council policy on industrial issues and remain informed about current issues and outcomes.	97	It is planned to make the minutes of the Consultative Committee meetings available to all staff and Councillors via Council's intranet.
61. Council should prepare and implement an action plan to address the areas that require attention and follow up identified in its recent Employee Opinion Survey. Implementing the Employee Opinion Survey action plan should be a priority for Council and the consultative committee.	99	<p>Council has recently completed a more up to date Employee Opinion Survey. The results of that survey will be widely disseminated to staff and Councillors, and comprehensive action plans developed on a consultative basis to address the issues arising from the Survey.</p> <p>The results of the recent survey will also be used to assist in developing the proposed workplace agreement.</p>
62. Council should review its Occupational Health and Safety Policy (last reviewed in 2004)	100	Council will review its Occupational Health & Safety Policy early in the term of the new Council.
63. The panel of councillors delegated with the function of monitoring the performance of the General Manager should, in accordance with the contract of employment, prepare and send a statement to the General Manager regarding her performance review. This statement should also be tabled at the	102	Agreed. Organisational support for this role will be coordinated between the office of the Mayor and the Director Corporate Services to ensure that the contractual obligations of both parties are met.

RECOMMENDATION	PAGE NO.	RESPONSE
relevant Council meeting.		

10. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Sound financial position
- Financial planning
- Financial policies
- Work on asset management strategic plan
- Register of land assets

Challenges to improve

- Plans for all business activities
- Increasing gap between planned and programmed maintenance of assets

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Social and community planning
- Community safety and crime prevention
- Cultural planning
- Community engagement and community consultation – (draft strategy and procedure developed)

Challenges to improve

- Service standards or a “Guarantee of Service”
- Economic development function

WORKPLACE RELATIONS

What is working well

- Employee induction
- Employee Training plan
- Occupational Health and Safety

Challenges to improve

- Implementation of Employee Opinion Survey recommendations
- Relationship between senior management and the Consultative Committee/United Services Union representatives
- Performance review of the General Manager