

PROMOTING BETTER PRACTICE PROGRAM

REVIEW REPORT

CARRATHOOL SHIRE COUNCIL

JANUARY 2015



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Local Government

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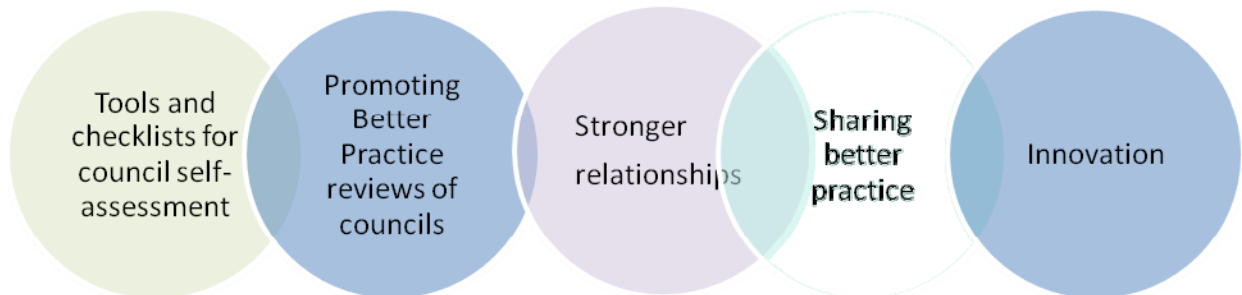
1. PROMOTING BETTER PRACTICE

The Program

By promoting better practice, the Office of Local Government aims to assist in strengthening the local government sector by assessing performance and promoting continuous improvement.

The Program includes:

- working with councils to identify, share and promote better practice in key areas
- working cooperatively with councils to promote strong relationships within the sector.
- providing councils with feedback on areas requiring improvement or further development, and assisting them in developing solutions.
- identifying trends and issues arising from council reviews to support policy and legislative changes for the local government sector.
- encouraging and facilitating innovation within the NSW local government sector.



Promoting Better Practice reviews

Reviews of individual councils are designed to act as a 'health check' to examine the extent to which there are appropriate strategies, policies, systems and procedures in place at the strategic and operational levels.

The reviews are conducted by a team from the Office of Local Government in collaboration with councils. During a visit to the council, key strategic areas are examined together. A key outcome is a report which reflects the findings of the review but most importantly contains a

Review Action Plan which aims to facilitate better practice and increase the council's overall capacity to deliver appropriate services to its community.

Key strategic areas considered



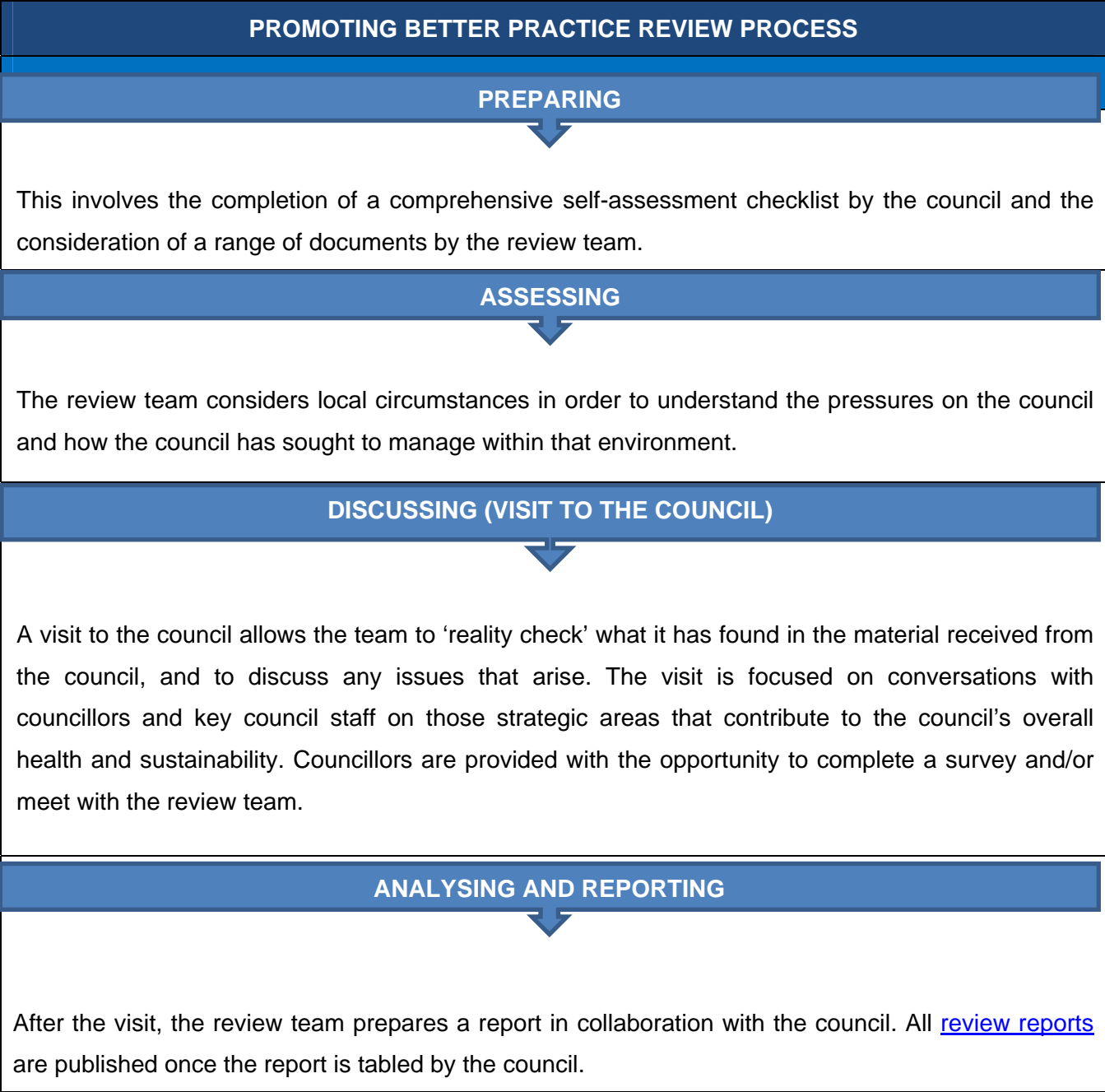
Civic leadership and organisational governance examines how the elected body and the council organisation provide leadership within the local community, and considers the means by which a council is directed and controlled to ensure effective decision making and ensure the organisation is meeting its legal and ethical obligations. The council's regulatory and enforcement framework is also considered.

Strategic community planning focusses on the council's role in planning for the future in collaboration with its community. It considers how well the council engages its community in planning, and how well the Community Strategic Plan; Delivery Program, and Operational Plan capture the community's aspirations and goals. It also examines how strategic land-use planning matters are integrated into the council's implementation of the Integrated Planning and Reporting framework.

Resourcing the plans to achieve financial sustainability considers the current and future financial capacity of a council to maintain its operations and deliver appropriate services to the community. The council's financial and asset management position and practices are considered. The quality and utility of the council's long-term financial planning, asset management, and workforce planning is a key part of this assessment.

Delivering services to the community relates primarily to the extent to which the council translates the strategies and initiatives within its Community Strategic Plan, Delivery Program and Operational Plan into action. This includes how the council informs the community of its performance in delivering services and facilities according to plan, and how it measures customer satisfaction or receives community feedback to inform ongoing planning.

The review process



IMPLEMENTING AND MONITORING



The review report contains an action plan to guide the council in addressing areas identified for further development by the review. The council and the Office monitor progress as agreed.

Better practice identified during the review is shared elsewhere in the local government sector as appropriate.

2. EXECUTIVE SUMMARY

A Promoting Better Practice Review of Carrathool Shire Council took place in May 2014.

The review found that there appear to be good relationships between the Council and the community, as well as between councillors and staff. Councillors work well together and are guided by the General Manager and Mayor, working in a strong and positive relationship.

The review identified (and the Council acknowledges) that a number of gaps in policy development and review currently exist. Electronic communication is recognised as a particular area for development, including Information Technology service provision generally, as well as the need for regular information updates on the Council's website, intranet and social media platforms.

An organisational restructure recently took place, creating a number of pivotal positions which, once recruited, should help to address the current gaps in policy development and review. However, replacing the incumbent General Manager, who is due to retire in mid-late 2015, presents a challenge. Recruiting the right person to build the necessary relationships and guide the Council through the upcoming reforms and challenges will be important.

The Council acknowledges that the integration of asset management and finance is also a major area for development. Currently the Council dedicates much of its effort to ensuring its plant and equipment are always up to date and well maintained. Service level discussions with the community are still underway, and a reassessment of depreciation rates may assist the Council to achieve better long-term financial projections. However, the Council acknowledges that it is reliant on current levels of Financial Assistance Grants and any reduction in the real amount of those grants would have a major impact on the Council's future viability.

3. KEY FINDINGS

This report of the Promoting Better Practice review of Carrathool Shire Council is a summary of the practices, policies and processes in place at the Council, as identified from the Council's self-assessment, a review of Council documents and interviews with key staff and elected representatives.

Areas where the Council's performance is considered to be **better practice** include:

- A focus on high quality, well maintained plant and fleet to keep renewal costs to a minimum and provide efficient tools for priority infrastructure work.
- Incorporation of *South West Arts Business Plan 2010-2020* strategies into the Community Strategic Plan.
- Regional joint funding arrangements for weeds, waste management, HACC service provision and RFS services, which has resulted in ongoing increased funding.
- 'Waste not, Want not' program advocacy.
- Community partnership arrangements for community projects.
- Charles Sturt University scholarships for local residents.

Areas for further development include:

- Recruiting to vacant positions responsible for key functions.
- Implementing a system to ensure the Council's legislative and regulatory obligations are met.
- Completion of the Local Government Reform Fund action plan to achieve core level maturity in relation to asset management plan reviews, governance, service levels, data and systems, skills and processes, and evaluation.
- Training for councillors regarding privacy legislation requirements.
- Review and finalisation of key policy and procedure documents.
- Developing systems for legislative and regulatory compliance.
- Risk management, assessment and auditing of purchasing, tendering, disposal of assets, and contractor performance management.
- Business Continuity Planning.
- Section 355 committee governance and support.
- Internal audit processes.
- Performance measures for reporting to the community.

- Business plans for resource sharing arrangements.
- Re-establishing a relationship with Wollongong City Council for asset and infrastructure management support.
- Identifying any Information Technology sharing opportunities to supplement in-house IT resources.
- Developing a schedule for regular updating of information on the Council's website, intranet and social media platforms.

4. ABOUT CARRATHOOL SHIRE

Carrathool Shire is located on the western plains of NSW, approximately 700km south-west of Sydney and 550km north of Melbourne. It is a predominantly rural area, made up of the town of Hillston and the villages of Goolgowi, Carrathool, Merriwagga and Rankins Springs. Carrathool Shire is bordered by Griffith, Central Darling, Hay, Murrumbidgee, Balranald, Cobar, Lachlan, Bland and Narrandera local government areas.

The Shire encompasses a total land area of approximately 19,000km², with an ageing population of 2,587, which is predicted to decline.

The Shire's land is used largely for agriculture and horticulture, particularly sheep and cattle grazing, as well as cotton and rice growing. Citrus and other fruits, nuts, olives and vegetables also contribute strongly to the local economy. Economic diversification has also occurred in recent years with the introduction of intensive chicken meat farming in the Shire.

Carrathool Shire forms part of the Western Riverina, and Murray-Darling Basin environmental water flows are an important issue for local communities. The community has a strong commitment to protecting the quality of its groundwater, and has strongly rejected a recent coal seam gas proposal.

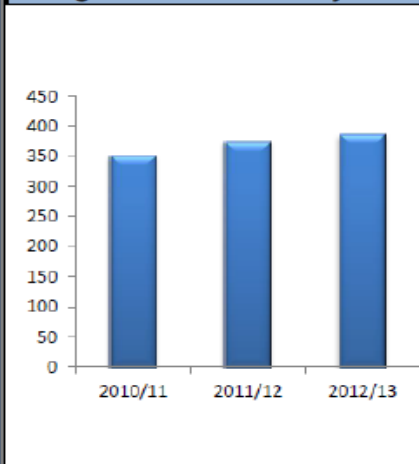
Carrathool Shire Council



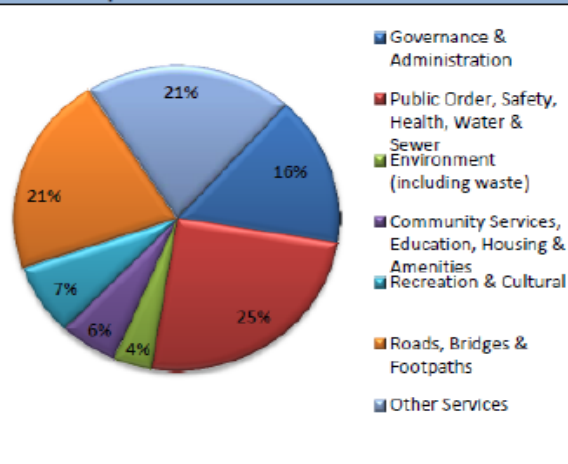
Carrathool Shire has an area of approximately 18,939.5 km² with a population of 2,700. Bordering the Riverina and far west regions of NSW, Carrathool is on the banks of the Lachlan and Murray Rivers. The Shire has a diverse agricultural industry, cereal crops, cotton, vegetables, vineyards, orchards and cattle.

Your Local Population			Your Council		
	LGA	Group Avg		LGA	Group Avg
Five year population change (%)	-4.5	-0.9	Councillors (No.)	10	8
Population aged 19 or less (%)	24.0	26.0	Population per Councillor (No.)	270	413
Population aged between 20 & 59 (%)	55.4	48.3	Equivalent Full Time Staff (EFT) (No.)	91	70
Population aged above 60 (%)	20.6	25.7	2012/13 Revenue (\$'000)	23,535	15,538
Aboriginal & Torres Strait Islanders (%)	6.6	9.9	2012/13 Expenses (\$'000)	14,287	14,307
Language Spoken Other than English (%)	3.7	2.3	Residential Pensioner Rebates (%)	23	24
Socio-Economic Index Rank (1 low, 152 high)	76	n/a	Population Density (residents per km ²)	0.14	0.72
Your Local Economy			Your Public Facilities		
	LGA	Group Avg		LGA	Group Avg
SALM Unemployment Rate (%)	2.9	5.0	Public Swimming Pool Complexes (incl rock pools) (No.)	2	2
Avg Taxable Income (\$)	38,064	35,220	Public Halls (No.)	6	5
Avg Household Family Size (No.)	3.0	3.0	Public Libraries (No.)	1	1
Largest Industry Employer	Agriculture, forestry & fishing		Open Public Space (ha)	24	79
Value of DAs determined (\$'000)	20,479	5,873	Total Road Length (km)	2,619.7	1325.9
Active Businesses in LGA (No.)	461	457	Access to Internet at Home (%)	59.4	58.8

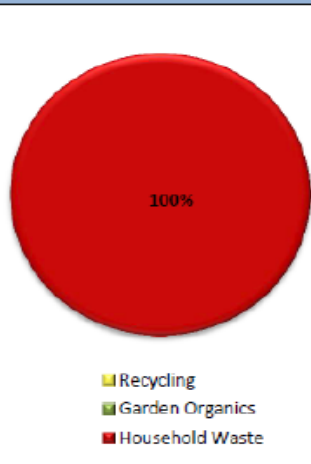
Average Residential Ordinary Rates



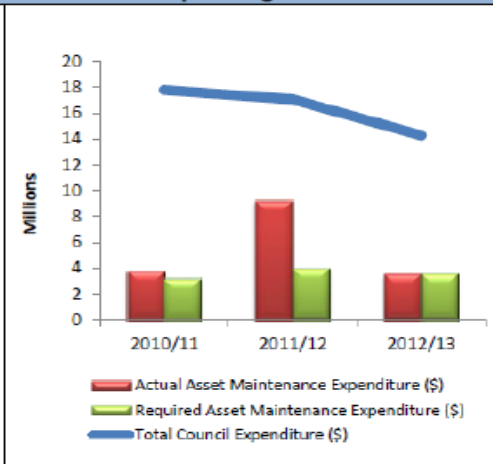
Expenditure on Services



Council's Waste Services



Council's Spending on Assets



In 2013 TCorp assessed your Council's current Financial Sustainability Rating as Weak with a Neutral outlook.

In 2013 the Infrastructure Audit assessed Council's infrastructure management to be Weak.

Contacting Council	Your Council's Finances	LGA	Group Avg	Your Council's Services	LGA	Group Avg
9 - 11 Cobram Street	Avg Ordinary Residential Rate (\$)	387.03	357.70	Governance & Administration Expenditure per capita (\$)	811.11	752.29
Goolgowi NSW 2652	Avg Ordinary Business Rate (\$)	1,010.26	693.86	Environmental Expenditure (including waste) per capita	195.19	237.56
Postal Address:	Avg Ordinary Farmland Rate (\$)	2,856.79	2,408.48	Water & Sewer Services Expenditure per capita (\$)	1,055.56	486.17
PO Box 12, Goolgowi NSW 2652	Avg Ordinary Mining Rate (\$)	n/a	29,660.61	Community Services, Education, Housing, Amenities Expenditure per capita (\$)	307.04	362.69
Phone: 02 6965 1900	Total Land Value / Total Rate Revenue (\$)	163.09	185.51	Recreational & Culture Expenditure per capita (\$) *	401.48	301.24
Fax: 02 6965 1379	Typical Residential Water and Sewer Bill (including usage) (\$)	978	1,094	Public Order, Safety & Health Expenditure per capita (\$)	277.41	164.77
Email:	Avg Domestic Waste Charge (\$)	194.56	234.55	Other Services Expenditure per capita (\$)	1,109.63	863.71
council@carrathool.nsw.gov.au	Own Source Revenue (%) (TCorp Benchmark 60%)	39	44	Library Services Expenditure per capita (\$)	118.89	52.38
Web:	Grants & Contributions Revenue (%)	58	49	Library Circulation per capita (Items)	9	5
www.carrathool.nsw.gov.au	Operating Performance Ratio (%) (TCorp Benchmark >=4.0%)	9.1	-7.6	Domestic waste not going to land fill (%)	0	25
Demographics of Population of LGA	Unrestricted Current Ratio	3.1	4.9	Development Applications (mean gross days)	20	35
	Outstanding Rates & Annual Charges (%)	12.6	10.5	Development Applications determined (No.)	23	37
	Debt Service Cover Ratio (TCorp Benchmark >2.0)	16.8	43.3	Companion Animals microchipped (No.)	1,279	1,429
	Cash Expense Cover Ratio (Mths) (TCorp Benchmark > 3 mths)	15.4	8.9	Companion Animals microchipped and registered (%)	58	50
Your Council's Community Leadership	Your Council's Assets					
	Development Applications determined by Councillors (%)	0	9	Roads, Bridges and Footpath expenditure per capita (\$)	1,134.07	1,375.16
	Audited Financial Reports submitted by due date (Y/N)	Y	n/a	Building & Infrastructure Renewal Ratio (%)	90.1	101.4
	Code of Conduct Complaints (No.)	0	0	Infrastructure Backlog Ratio (%) (TCorp Benchmark <20%)	4.3	7.5
	Complaints investigated requiring action (No.)	0	0	Road Length per '000 capita (metre)	970.2	433.7
	Cost of dealing with Code of Conduct Complaints (\$)	0	1,074	Asset Maintenance Ratio (TCorp Benchmark >1.0)	1.0	0.9
	Population per EFT Staff (No.)	30	50			
	See Appendix 1 for definitions, calculations & benchmarks See Appendix 3 for Council Groups			Comparative Information on NSW Local Government		
				Measuring Local Government Performance 2012-13  Office of Local Government		

5. CIVIC LEADERSHIP AND ORGANISATIONAL GOVERNANCE

Councils are best placed to provide civic leadership locally. Good governance is critical to forming and maintaining both internal and external relationships that are positive for all parties. Good governance and civic leadership seeks to achieve participation, consensus, accountability, transparency, responsiveness, efficiency, equity and legal compliance.

Key issues for the Council

- The Council has recently restructured in response to the Corporate Services Directorate review. There has also been a relocation of many of the Works Directorate and Planning and Environment Directorate staff to the newly-built Hillston office.
- There is a current focus within the Council on succession planning, given that 10% of the Council's staff are due to retire within the next five years, including the General Manager who is likely to retire within the next 18 months.
- Many councillor training opportunities require travel – most frequently to Griffith, Hay, Jerilderie, West Wyalong and Wagga Wagga. At times, this has an impact on councillor capacity to attend.
- The Council has enjoyed a working relationship with Wollongong City Council in the past. There may be value in the Council renewing this relationship to build skills and expertise, and to share resources between the councils, particularly in relation to asset and infrastructure management support.

Key areas of strength

- The Council undertakes a major annual staff survey, and has developed a relationship with Government Skills Australia to support the provision of meaningful responses to the survey results, particularly in relation to providing learning and development solutions in key topic areas identified by the staff.
- The Council also undertakes area-specific mini-surveys which support ongoing improvements within the Council. The outcomes of these surveys are fed back to staff via the MANEX (Management Executive) team.
- Organisational values were reviewed as part of the development of the Delivery Program, and are set to be reviewed on the same four-yearly cycle as the Delivery Program. The organisational values are displayed in Council buildings and in the 'Council Corner' newsletter. The annual staff survey includes questions about the organisation's values.
- There is a scheduled staff meeting cycle in place which provides a range of opportunities for staff and managers to communicate and discuss issues as they arise. Meetings include

two whole-of-staff meetings annually, monthly team meetings and fortnightly MANEX team meetings.

- A quarterly staff newsletter ('Safety First/HR Corner') includes information about training opportunities, consultative committee meeting dates and membership, reminders regarding Work Health & Safety, and de-identified outcomes of accidents and incidents.
- An organisational training plan exists which is funded.
- Leadership development within the Council occurs through giving staff opportunities to participate in a range of Council functions and activities, providing training opportunities (eg Certificate IV in Frontline Management, and Diploma in Management), devolving responsibilities downwards, and delegating responsibilities to build individual capacity and confidence. "Finance for non-finance people" training was offered and was very well received, and performance management training has also been provided.
- Equal Employment Opportunity training is scheduled for Directors, Managers and the consultative committee to support their roles.
- The Council participates in regional professional networks (eg Local Government Human Resources Network) in order to share resources and generate ideas.

Key areas for further development

- A number of important policy and procedure documents are out of date and overdue for review. The Council should prioritise this work to ensure a sound governance framework exists for the organisation.
- There is currently a culture within the Council to commence reviews of policies and procedures etc, but not to 'close the circle' with updates to registers, posting on the intranet, advising staff of the revisions and so on. This needs to be addressed. Also many revisions result in a new draft document, and the adoption or finalisation of the document is often overlooked. The Council has an intention to review its policies etc every four years, but without a sound structure in place, and an up-to-date register to support it, this will remain incomplete. The cycle of revision of key documents should be flagged in the Delivery Program and relevant Operational Plan.
- The Council adopted a risk management policy and plan in 2010, which is currently under review. The Council's records management policy requires review. A draft business continuity plan has been prepared but requires further work. The Council advises that some risk management policy templates have been developed by its insurer which the Council can tailor.

- A review of the s355 committee manual (2004) had begun and stalled, but is now underway again. Some committees have been consulted, but others are yet to meet. A public liability audit action plan has been developed which includes the s355 committees.
- The existing out-of-date plan for community land requires review and updating.
- The Council acknowledges that its information technology services are not currently fit for purpose, and require review (for example, the Council's intranet has not functioned effectively since 2006). The Council has recently added an IT Officer position to the organisational chart with the intention of bringing currently contracted IT services in-house.
- A number of employee-related policies and procedures are not easily accessible by staff as a result of the poorly functioning intranet.
- The Council has identified as an area for development regular updates to its website and social media pages.
- The Council had an internal audit position until two years ago when the incumbent relocated to Leeton Shire. This role has not been specifically included in the new organisational chart. The Council should identify how internal audit functions are to occur within the new organisational structure.
- Once staff have addressed the current gaps in Council processes it will be important to shift the focus onto developing and embedding continuous improvement practices.

The Council's response – civic leadership and organisational governance

No comment received from Council.

6. STRATEGIC COMMUNITY PLANNING

Local councils have an important role in undertaking strategic community planning with and on behalf of their local communities. The Local Government Act includes the requirement for councils to implement the Integrated Planning and Reporting framework, which utilises community engagement to inform the development of a Community Strategic Plan, supported by a Resourcing Strategy.

Key issues for the Council

- With a population at risk of decline, the Council has made strategic decisions to temporarily take over the running of key local services from time to time. This has included the Hillston branch of the Commonwealth Bank in the past and the Goolgowi Post Office currently. The intention on both of these occasions has been to support the service to be maintained locally until it can be built up again such that another service provider can take on the role. The flow-on effect of losing such services from the community can be extensive. For example, if even one family moves out of the village it may impact on the viability of the local school and so on. Another example has been the Council's subsidisation of housing and other facilities in order to maintain a GP in Hillston.
- A recent councillor workshop was held to promote understanding of how all of the Council's activities and documents relate back to the Integrated Planning and Reporting framework.
- The Council has participated in the past in a joint RAMROC/REROC (Riverina and Murray/Riverina East Regional Organisations of Councils) Integrated Planning and Reporting working group. This group is in need of reinvigoration, and Carrathool Shire may have a role in this.

Key areas of strength

- Broad community consultation was undertaken by the Council during the preparation of the Community Strategic Plan, with the community appreciating the opportunity to have a say in setting the future direction for the Shire. Other community forums are held around specific issues from time to time.
- The suite of Integrated Plans was developed with oversight by the MANEX team to ensure a whole-of-council approach and coordination, and included the Community Development Officer and Human Resources Officer who are pivotal to the successful integration of the suite of plans.

- The Council has commenced some community discussions around acceptable service levels for some key assets, ie community halls. The discussions to date have determined that 'fit for purpose' rather than 'as new' is an acceptable service level for the community.
- The Council recently played an important advocacy role on behalf of its community in opposing the granting of any coal seam gas licenses in the Shire, in line with the community's expressed wishes in the Community Strategic Plan.
- The Council is developing a positive ageing strategy to address the Shire's ageing population, in line with the objectives of the Community Strategic Plan.
- The Council is currently undertaking work targeting ageing and disability in relation to community access to Council facilities.
- The Council is undertaking a multicultural audit to inform future planning activities, and is investigating the possibility of Hillston being a resettlement location for refugees, as suggested by the community during the development of the Community Strategic Plan.
- Some regional collaboration with neighbouring councils has occurred to support planning for economic development, tourism and the arts.

Key areas for further development

- The Council continues to investigate ways to effectively report to the community its progress in achieving the commitments of the Delivery Program and progress towards achieving the community outcomes identified in the Community Strategic Plan.
- The Council has undertaken to report on its progress in implementing the Delivery Program via the 'Council Corner' newsletter.
- Staff agree that there is further work to be undertaken by the Council in identifying measures and reporting mechanisms in relation to the Community Strategic Plan and Delivery Program.
- Planned refinements to the Long-Term Financial Plan and Asset Management Plans (noted elsewhere) will better enable the Council to plan for and with its community for the achievement of the Community Strategic Plan's objectives.
- Opportunities exist for the Delivery Program to be entrenched as the key decision-making tool for the Council, and reference point for staff. Some work has commenced, with a move to ensure business papers reference the relevant Delivery Program activity. A number of staff and councillors still refer to the "Management Plan".
- The Council acknowledges that it doesn't always 'sell' its achievements well, and has undertaken to do more in this regard.

The Council's response – strategic community planning

The Council provided feedback on this section. Points of clarification have been incorporated into the text above and reflected in the Action Plan (see p27). Specific Council responses are provided below:

- *The post office has now been handed back to the purchaser of the General Store in Goolgowi.*
- *The RAMROC IP & R Planners Group have resolved to meet on a 'needs basis' rather than a set schedule. Carrathool Shire may initiate contact to ensure the group stays active as appropriate.*

7. RESOURCING THE PLANS TO ACHIEVE FINANCIAL SUSTAINABILITY

In order to contribute to the achievement of community aspirations, as identified in the Community Strategic Plan, councils must prepare a Resourcing Strategy which considers the financial, asset and workforce resources required to deliver outcomes for the community. The Resourcing Strategy demonstrates how the council will achieve the Delivery Program that is its commitment to the community about what will be achieved from the Community Strategic Plan during its term of office.

Key issues for the Council

- In 2013, the NSW Treasury Corporation (TCorp) conducted an assessment of the financial position of all councils in NSW. Carrathool Shire Council was found to have a “weak” financial position with a “neutral” outlook. An Infrastructure Audit, also undertaken in 2013, identified the Council as having “weak” infrastructure management. The TCorp report has provided a trigger for the Council to review its asset depreciation and revaluation, as well as acceptable service levels, so that its Long-Term Financial Plan can be updated to reflect the true maintenance and replacement costs.
- Carrathool Shire Council was one of the 42 councils in NSW that received Federal Government funding to assist it to achieve a core level of infrastructure management maturity. Along with the other councils, Carrathool Shire underwent an asset management maturity and gap analysis in two stages. The first stage involved an analysis of the Council’s asset management processes, financial planning and related documentation. An action plan was developed as a result. The second stage involved an assessment of the Council’s progress in implementing its action plan and whether or not it had achieved core level maturity in specific areas - the minimum requirement for asset management under the Integrated Planning and Reporting framework.
- Along with most of the other 41 councils to receive the funding noted above, Carrathool Shire has substantially improved its asset management and financial planning. However, the Council had not reached core level maturity in all areas at the time of the review in 2012.
- At the time of the Promoting Better Practice review visit, the Commonwealth’s Commission of Audit report had been published, and included some recommendations that may have a significant impact on the Financial Assistance Grants (FAGs) program. Carrathool Shire would be at extreme financial risk if it did not receive income from the FAGs program. Any

reduction in the real amount received through the FAGs program would have a significant impact on the Council.

- The Council advises that it holds close to \$9 million in cash reserves (held for the past five years), with low loan debt and the capacity to self-fund some major infrastructure (recently including a new library, Main Road reconstruction, information technology investment, and the new \$1.5 million Council premises in Hillston). However, more than half of the \$9 million is earmarked for particular purposes.
- A recent revaluation of land across the Shire by the Valuer-General has reduced the rating income on some agricultural land that had been classed as irrigable and is now classed as dry land.
- Extended periods of drought which have impacts across the community also mean that the community's capacity to pay higher rates is limited, making a special rates variation application unlikely.
- A high proportion of rates (approximately 80%) is derived from rural land. Rural landowners experience financial hardship during times of drought, and this at times has an impact on their capacity to pay rates. The Council has recently taken steps to take a more proactive approach to debt recovery in cases of outstanding rates.
- The Council has made a commitment not to increase its staff numbers, and so is faced with the challenge of continuing to meet growing community demand for services within existing staff resources.
- The Council is advocating to ensure a reliable electricity supply which will enable new, large enterprises to invest within the Shire, such as a proposed chicken farm expansion.
- The Shire's urban water schemes were consolidated two years ago following discussion with the local communities. This will result in the more profitable parts of the scheme propping up the less profitable parts. Extensive water mains replacement has recently been undertaken which provided an opportunity to revalue these assets. The Shire's sewer schemes are now being reviewed.
- Council staff are clarifying appropriate asset standards before going to the community to determine acceptable service levels.
- Some community infrastructure priorities have been captured within the s94A schedule. However, these works will not be timetabled until s94 contributions have been received.
- Following recent floods, Federal funding became available to the Shire to repair flood-damaged roads. This has led to a rise in community expectations about road conditions, and the Council is now revising the roads hierarchy to reflect this.
- The Council is responsible for the Hillston Caravan Park which is managed by contractors and the Goolgowi Caravan Park which is managed by council staff during business hours,

and by arrangement with a local hotel after hours. The Hillston Caravan Park includes a number of cabins which are consistently occupied by a steady stream of seasonal workers in the area.

- The Council has had a high use of overtime, but this has reduced by more than 2,000 hours in the past year, largely due to the completion of the flood reparation works. Some overtime will always be necessary for emergency and after-hours work in the sewer and water businesses. However, a 40% overtime reduction is a priority target for the newly created position, Manager of Water and Sewer Services.

Key areas of strength

- The Council takes pride in its plant, which it owns outright, services and maintains in-house and keeps in near-new condition. Frequent turnover of plant means that ongoing maintenance costs are kept down, and replacement costs are minimised.
- The Council is achieving better value for its efforts through regional collaborations to address issues such as weeds management, waste management, HACCC service delivery and Rural Fire Service provision.
- In order to attract and retain key quality staff, the Council provides some staff housing, and competitive salaries.

Key areas for further development

- As a group, the councillors appear to have an operational focus, reacting to constituent complaints, rather than maintaining a strategic outlook and making decisions based on the Delivery Program and Resourcing Strategy.
- The Long-Term Financial Plan and Asset Management Plans require further work. These plans were originally developed without good asset data, ie were speculative rather than rigorous. The asset condition assessments and community consultation to identify acceptable service levels will bring further rigour to these documents and make the longer-term forecasts more accurate. Council staff advised they have commenced the process for community buildings.
- The Long-Term Financial Plan requires updating to reflect revised depreciation costings in relation to asset life valuations. Further adjustments to the Long-Term Financial Plan and Asset Management Plans should be made when appropriate service levels have been agreed with the community. It is noted that Council staff are currently drafting acceptable condition standards for assets to inform community service level discussions.

- Asset management plans need to incorporate condition assessments, useful life, depreciation and agreed levels of service for each asset class, as identified in the Infrastructure Audit undertaken in 2012.
- The Council does not currently have an asset manager on staff. This function is a critical role that the Council should address.
- The Council should consider applying for different grants programs to contribute to the costs associated with delivering its plans.

The Council's response – resourcing the plans to achieve financial sustainability

The Council provided feedback on this section. Points of clarification have been incorporated into the text above.

8. DELIVERING SERVICES TO THE COMMUNITY

Following each local government election the incoming council reviews the Community Strategic Plan, and adopts a Delivery Program which becomes its commitment to the community about what it will do during its term in office to achieve the goals and aspirations identified in the Community Strategic Plan. An annual Operational Plan and budget provides the detailed actions to be undertaken in a given year.

All plans, projects, activities and funding allocations must be directly linked to the Delivery Program.

Key issues for the Council

- The Shire has an ageing population, with many residents moving on or out, and less long-term residents, which is changing the 'social fabric' of the community. This is having an impact on volunteer numbers, which in turn will impact on Council service provision if it is required to take responsibility for delivering services traditionally undertaken by volunteers.
- The Shire hopes to promote opportunities for solar farming and other alternative energy generation.
- The Shire has recently received additional funding to expand its Community Transport provision.
- The Council provides Category 1 Development Assessment services to Hay and Murrumbidgee Shires.

Key areas of strength

- The Council sponsors Charles Sturt University scholarships as a strategy to retain educated residents within the Shire, such as veterinary practitioners.
- Council staff pride themselves on their high customer service focus.
- The Council has been key in responding to a community-identified initiative: the 'Waste Not, Want Not' program. The Council has facilitated a relationship between local food producers and Food Bank to redistribute excess produce to communities in need.
- The Council undertakes a range of community engagement activities, eg seeking specific community feedback with regards to footpaths, the skate park and walking tracks.

Key areas for further development

- There appears to be a focus from the elected Council on local infrastructure (particularly the road network). While this is an important community asset, there seems to be less understanding from the councillors about the Council's role in the broader provision of services to the community, and its role in contributing regionally to areas such as tourism and the arts.
- Much of the community information on the Council's website is out of date and not well-maintained.

The Council's response – delivering services to the community

The Council provided feedback on this section below:

In relation to the first dot point on page 23, under the heading: "Key areas for further development" -

Council believes its focus on roads is important due to the large economic, environmental and social impacts the Council's road infrastructure has on the Shire and the region as a whole, especially with the new economic development foreshadowed for the Council area, totalling \$528 million.

Council is still focused on the broader provision of services to the community and beyond, especially the areas of tourism and the arts. This has included support to South West Arts (where Council's Community Development Officer is the Chairperson), and membership of Riverina Regional Tourism, Outback Regional Tourism Organisation and the Kidman Way Promotional Committee. The Council is keen to promote tourism in the region as a whole, and maintains its visitor facilities and town beautification to a high standard.

9. BETTER PRACTICE EXAMPLES¹

BETTER PRACTICE EXAMPLES		DESCRIBE THE INITIATIVE AND WHY IS IT CONSIDERED BETTER PRACTICE?
Civic leadership and organisational governance		
Strategic Community Planning		
1	Strategies of the <i>South West Arts Business Plan 2010-2020</i> have been incorporated into the Community Strategic Plan	Councils are encouraged to consider State and regional planning that is relevant to the local community when developing the Community Strategic Plan. Incorporating strategies from this regional business plan is an example of better practice. The Council has also undertaken some regional collaboration for strategic planning around economic development and tourism.
Resourcing the plans to achieve financial sustainability		

Definition of Better Practice, Office of Local Government

Better practice

- Beyond or above minimum compliance requirements, published guidelines or in some way better than standard industry practice.
- Innovative and/or very effective.
- Contributes to continuous improvement within the local government sector.

BETTER PRACTICE EXAMPLES	DESCRIBE THE INITIATIVE AND WHY IS IT CONSIDERED BETTER PRACTICE?
<p>2 High quality plant and fleet.</p>	<p>The Council turns over its plant frequently and undertakes all plant and equipment maintenance in-house. This results in a high quality fleet and minimised ongoing costs. It also means that the Council is able to undertake its infrastructure maintenance and renewal program more efficiently.</p>
<p>3 Regional joint funding arrangements for weeds, waste management, HACCC service provision and RFS services.</p>	<p>Participating in regional funding arrangements for some services is fiscally responsible. It avoids the need to duplicate services at each individual council, and promotes collaborative working relationships for the benefit of the councils concerned and their communities.</p>
<p>Delivering services to the community</p>	
<p>4 'Waste not, Want not' program advocacy.</p>	<p>The Council's role in facilitating a response to a community-led idea is an example of better practice. The Council took the community's idea for the redistribution of excess farm produce to needy communities to local producers, and the <i>Waste not, Want not</i> program was born. A relationship with Food Bank was brokered, and arrangements with producers, storage providers and transport providers were established.</p>
<p>5 Community partnership arrangements for community projects.</p>	<p>The Council has entered into community partnership arrangements to complete works on the Hillston Hall, the Hillston Pavilion and the Hillston airstrip lighting and terminal projects. This has brought to fruition community projects which may have been delayed or not gone ahead without the community's participation and contribution.</p>
<p>6 Charles Sturt University scholarships.</p>	<p>The Council provides Charles Sturt University scholarships for local students to encourage them back into the community upon completion of study. This is an innovative approach to addressing population decline and building local skills in the community.</p>

10. AREAS FOR FURTHER DEVELOPMENT – ACTION PLAN

The following Action Plan should be utilised by the Council to guide the implementation and monitoring of agreed actions to address areas for further development identified during the Promoting Better Practice review.

<i>AREA FOR FURTHER DEVELOPMENT</i>	<i>PRIORITY</i>	<i>ACTION PROPOSED</i>	<i>TIME FRAME</i>	<i>RESPONSIBILITY</i>	<i>PROGRESS REPORT</i>
Civic leadership and organisational governance					
1. Implement a system to ensure legislative and regulatory obligations are met. This should include training for councillors regarding privacy legislation requirements.					
2. Key policy and procedure documents including risk management, fraud assessment and control, business continuity planning, and contractor management should be revised and finalised as soon as possible.					
3. Implement a process for monitoring, risk assessing and auditing purchasing, tendering, disposal of assets and contractor performance in accordance with documented policies. Develop a protocol for the management of unsatisfactory contractor performance.					

<i>AREA FOR FURTHER DEVELOPMENT</i>	<i>PRIORITY</i>	<i>ACTION PROPOSED</i>	<i>TIME FRAME</i>	<i>RESPONSIBILITY</i>	<i>PROGRESS REPORT</i>
4. Commence monitoring and measuring progress of activities against the strategies in the risk management plan. Finalise and adopt the draft Business Continuity Plan.					
5. Conduct a systematic fraud risk assessment to update last assessment undertaken in 2010.					
6. Provide all Council s355 committees with up-to-date constitutions, charters, codes of conduct, documented procedures and/or relevant training.					
7. Re-establish internal audit processes in the absence of an internal auditor.					

Strategic Community Planning					
<p>8. Develop performance measures to enable reporting on key documents (eg the Delivery Program and Community Strategic Plan) to the community. This should include establishing baselines and targets, so transparency and clarity about level of performance against each measure is achieved.</p>					
<p>9. Complete positive ageing strategy and multicultural audit to inform ongoing community strategic planning activities.</p>					
Resourcing the plans to achieve financial sustainability					
<p>10. Completion of the Local Government Reform Fund action plan should be a priority to achieve core level maturity in relation to asset management plan reviews, governance, service levels, data and systems, skills and processes, and evaluation.</p>					

<p>11. Conclude work on finalising Asset Management Plan reviews, including condition assessments and service level agreement discussions with the community by the end of June 2014, as indicated by the Council.</p>					
<p>12. Re-establish the relationship with Wollongong City Council and utilise it for asset and infrastructure management support.</p>					
<p>13. Identify if Information Technology sharing opportunities may exist with neighbouring councils to supplement in-house IT resources.</p>					
<p>14. Develop a schedule for regular updating of Council's website and social media platforms.</p>					
<p>15. Prepare a business plan which includes an evaluation in relation to the resource sharing arrangement with Hay Shire regarding Director Planning & Environment.</p>					