

improvement

good governance

capability

Promoting Better Practice Program

REVIEW REPORT

BLACKTOWN CITY COUNCIL

JUNE 2011



Division of Local Government
Department of Premier and Cabinet

TABLE OF CONTENTS

1.	EXECUTIVE SUMMARY	3
2.	ABOUT THE REVIEW	7
3.	ABOUT THE COUNCIL AND THE AREA	10
4.	COUNCIL’S STRATEGIC POSITION	11
5.	DELIVERING AND ACHIEVING	15
5.1	<i>GOVERNANCE</i>	15
5.2	<i>DEVELOPMENT CONTROL & OTHER REGULATORY FUNCTIONS.....</i>	38
5.3	<i>ASSET & FINANCIAL MANAGEMENT</i>	49
5.4	<i>COMMUNITY & CONSULTATION</i>	57
5.5	<i>WORKFORCE RELATIONS.....</i>	65
	ACTION PLAN.....	71

1. EXECUTIVE SUMMARY

OVERVIEW

Blacktown City Council is a well-managed and efficient local government authority. Council has strong links with the local community it serves. The Council is commended for its ability to identify and address problems and to meet its statutory requirements, through the councillors, staff and the community working together.

Council has a clear vision for Blacktown to be *“a vibrant, healthy and safe City – A City of Excellence”*. Council’s workforce appears to be dedicated and motivated and is constantly working towards best value principles.

Council has successfully developed a robust planning and reporting framework that has been put into practice at all levels of the organisation. Council’s culture appears to be positive with councillors and staff working well together towards achieving Council’s vision. Council’s forward plans will be essential in meeting the challenges of a rapidly growing area.

Financially, Council is in a good position. This is complemented by a comprehensive asset management plan linked to long-term financial planning. Council should be congratulated in achieving a good financial status without the need to apply special variations to its rates.

Council is hindered by the need to have better records management and improved information technology to meet the growing needs of the Council. A review is needed of Council procurement and tendering processes. These needs have been identified in Council’s internal audit plan and Council is proactive in addressing these needs.

Council is to be commended for its successful economic development program; Council’s achievements are impressive and its positive approach could be applied to other local government areas.

Summarised below are initiatives, systems or processes that the review team identified as exceeding good practice and those requiring further development. They are grouped in key function areas.

COUNCIL'S STRATEGIC POSITION

What is better practice?

- Blacktown City Council has developed an effective Integrated Planning and Reporting Framework, linking the needs of the community with the strategic plans and needs of Council.

GOVERNANCE

What is better practice?

- The governance framework underpins the Integrated Planning and Reporting Framework.

Areas for further development

- A need to review current practices with procurement, tendering and disposal to comply with the Act and provide better value for Council.
- A review of Council's records management and the introduction of an effective Electronic Document Management System.
- Conduct a review of Council's Gifts and Benefits guidelines and register.
- Develop a system to ensure Council complies with all legislative requirements.
- Develop a formal risk management strategy that identifies both insurable and enterprise risks for Council.
- Review the membership of the Audit Committee to include at least two independent members, one being the Chairperson of the Committee.
- Undertake a fraud assessment of Council and develop policies and strategies for fraud control.
- Review the Power of Attorney given to the General Manager.
- Council's Code of Meeting Practice should be amended to require councillors to give written requests prior to Council granting a leave of absence.
- The Code of Meeting Practice be reviewed to ensure compliance with the Local Government Act 1993 and the Local Government (General) Regulation 2005.

PLANNING AND REGULATORY

What is better practice?

- Council's pre-lodgement process has assisted in making development in Blacktown more effective.
- Council's templates and standard conditions of consent.
- Effective developer engagement.

Areas for further development

- The development of a documented system for regular compliance inspections.

ASSET AND FINANCIAL MANAGEMENT

What is better practice?

- Council has a long term financial plan linked to performance indicators.
- Council is effective in maintaining assets, it has an unplanned maintenance budget, good systems for road paving and asset management plans.

Areas for further development

- Council should have all funds allocated and should cease the use of Ward Contingency Fund to meet unbudgeted projects. It should cease providing donations that result from business without notice.
- Council should introduce zero-based budgeting.
- Council should develop a comprehensive IT strategy which meets the growing and changing needs of Council.

COMMUNITY, COMMUNICATION AND CONSULTATION

What is better practice?

- Council has a comprehensive Social and Community plan that encompasses Council's quadruple bottom line reporting.
- Council has strong community participation and consultation. This is being enhanced by the Community Engagement Strategy.
- Strong and effective customer service.
- Economic Development Strategy has seen many industries attracted to the Blacktown area.

Areas for further development

- Council needs to develop a Disability and Access Plan.

WORKFORCE RELATIONS

What is better practice?

- Occupational Health and Safety Plan is considered by WorkCover NSW as a leader in this field.
- Council has well developed human resources policies and well-documented recruitment practices.

Areas for further development

- Council needs to undertake an employee attitude survey.
- Flexible work practices are only granted on a case by case basis, formal work/life balance policy is needed for a consistent application of flexible work practices across the organisation.
- There is a need to create a centralised register for staff who speak community languages and for secondary employment approvals.
- Currently over 60% of the workforce is over 40 years of age and a formal succession plan is needed to develop Council's workforce for the future.

2. ABOUT THE REVIEW

Review objectives

Promoting Better Practice Reviews have a number of objectives. The objectives include generating momentum for a culture of continuous improvement and the promotion of good governance and ethical conduct. The reviews are designed to act as a "health check", giving confidence about what is being done well and helping to focus attention on key priorities.

Review process

The process involves a review team from the Department of Premier and Cabinet's Division of Local Government (DLG) evaluating the effectiveness and efficiency of the council's operations and giving feedback.

There are essentially five steps in a typical review - preparing, assessing, checking, analysing and reporting. The completion of a comprehensive self assessment checklist by the council is a key element in all PBP reviews.

The review team takes a risk based approach targeting its resources to areas identified as core matters to be examined as part of a PBP review and those matters considered to be important having regard to the circumstances of an individual council. It does not examine every aspect of a council's operations.

All reviews will involve checking compliance with a range of statutory requirements, examining appropriate practices and ensuring that the council has frameworks in place to monitor its performance. All reviews seek to identify better and noteworthy practices and areas requiring improvement or further development.

The review team examines local circumstances in order to understand the pressures on the council and how the council has sought to manage that environment.

The scope of the review report is limited to documenting those areas the review team identified as:

- exceeding good practice (referred to as better practice)
- in need of improvement or further development

- otherwise noteworthy for the reasons detailed in the body of the report.

Blacktown City Council Review

Blacktown City Council was asked to complete a comprehensive checklist/questionnaire about key Council practices. The review team comprised Senior Investigation Officers Paul Terrett and Tony Day, who examined these and a range of other source documents prior to visiting Council, in order to gain a preliminary understanding of the circumstances of Council and how the Council is responding.

An on-site component of the review took place from 15 to 22 June 2010 and involved:

- attending a Council meeting
- meetings with Council's Mayor and General Manager
- interviews with a range of staff
- a meeting with the Chairperson of the Joint Consultative Committee
- the review of a number of Council's policies, documents and on-line systems
- visits to Council facilities/worksites.

A draft report detailing the review's preliminary findings and recommendations was presented for Council's corporate response. Council's corporate response has been generally included in this report. The consideration of the Council's response has resulted in some minor changes being made and some additional information being included.

The review team wishes to thank all councillors and staff who participated in the review. Their knowledge, input and assistance is most appreciated.

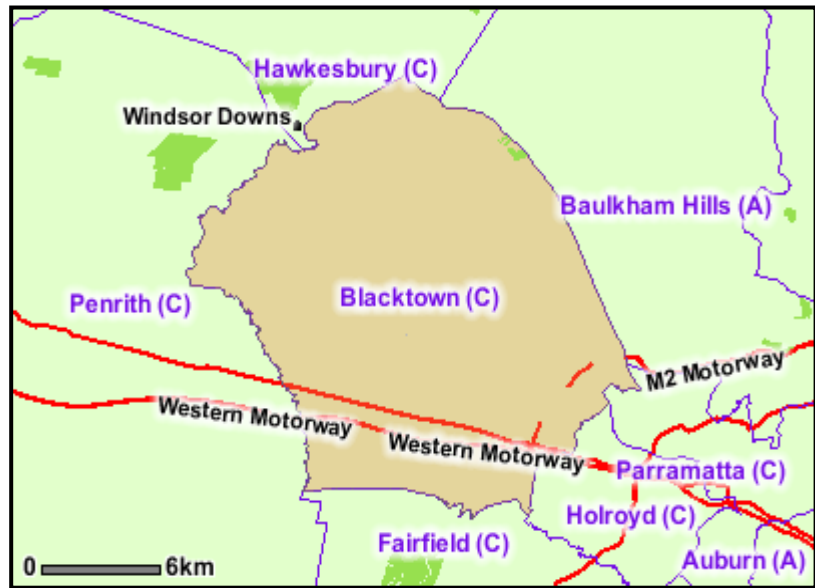
Implementation and monitoring of recommendations of final report

While the overall assessment is that the Council appears to be generally performing well, there are some important issues that the Council will need to address for the future. The review has identified a number of improvement opportunities that the Council needs to address. Council has identified its intended actions in implementing the recommendations in this report in the action plan contained at the back of the report. It is recognised that Council has already implemented a number of recommendations

proposed in the draft report and the report was modified accordingly. Council is asked to report to the Division in twelve months time on its progress towards implementing the remaining recommendations.

3. ABOUT THE COUNCIL AND THE AREA

The Blacktown City local government area is located 35 kilometres west of the Sydney CBD and comprises 47 residential suburbs including Mount Druitt, Rooty Hill and Riverstone. The total area of Blacktown is 246.9 sq kilometres and is part of the North West growth



area, growing by approximately 6,000 new residents in the last 12 months. The population of the area in 2006 was 271,709 people (Australian Bureau of Statistics 2006 Census data) making it the largest local government area in NSW. The population is expected to grow to approximately 500,000 over the next 25 years.

Of the 34.3% of the population born overseas, 5.9% were born in the Philippines and 2.7% were born in India. While Blacktown has over 21,000 businesses, the unemployment rate is approximately 6.8%.

Blacktown City Council has 15 councillors including the Mayor. The local government area is divided into five wards, with three councillors elected in each ward.

Council employs over 1,600 employees (including casual staff) and its annual budget for the 2010/2011 financial year is in excess of \$309 million. Council is currently debt-free.

4. COUNCIL'S STRATEGIC POSITION

This part of the review focussed on Council's strategic intent and how it has involved its communities and other stakeholders in developing long term strategic plans. The review assessed the clarity of Council's strategic direction, whether its plans reflect a shared and realistic vision and its overall approach to corporate planning. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to Council's performance in this area.

A new planning and reporting framework for NSW local government has been introduced to improve local councils' long term community planning and asset management, and to streamline reporting to the community.

The new framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long term plans and appropriate delivery programs. Community strategic plans will be supported by a resourcing strategy comprising a long term financial strategy, asset management plan and workforce strategy. The framework is set out in the following diagram.



OVERVIEW

Blacktown City Council is a group 1 council and has developed a robust planning, decision making and reporting framework. It has embraced integrated planning and reporting and has set goals to meet the future needs of the community.

Council has a vision of where it is headed:

“To be a vibrant, healthy and safe City – A City of Excellence”.

Council’s Community Strategic Plan, Blacktown City 2025, sets out eight over-arching strategy directions:

- A creative friendly and inclusive City
- Environmental sustainability
- Vibrant commercial centres
- A smart economy
- Urban living and infrastructure
- Clean green spaces and places
- Getting around
- A sporting City.

Each strategy direction is supported by a strategic statement and focus areas to achieve that strategy. Underlying these are linkages to other strategies and plans, resulting in a 360 degree integration of Council’s planning. Council has clearly articulated its values and guiding principles for its planning process and underlying strategies.

Uniquely, Council has gone further in its strategic direction by identifying key “trigger” projects that support the delivery of the strategies. Council has set nine foundation projects for the City:

- Environmental sustainability framework
- Blacktown Showground
- Motor sport precinct

- Second Sydney AFL team
- Blacktown Olympic Park
- Becoming a Regional City
- Urban planning framework
- Commuter car parking
- Bridging the digital divide.

Each project has components which identify the stakeholders to lead the project and leadership partners, and sets out the strategic statement for the project and linkages to the Blacktown City 2025 strategy.

BETTER PRACTICE

Integrated Planning and Reporting Framework

Council's Integrated Planning and Reporting Framework provides the linkages between community needs, City wide vision and strategies, key outcomes, the delivery program, service unit plans and individual job plans of Council employees. Evaluation is also a key component in order to measure whether Council has achieved its objectives.

Community Strategic Plan

Blacktown City 2025 adopted in 2008, is Council's long term Community Strategic Plan that will guide the City over the next 15 years. It identifies strategies and trigger projects which have been developed to achieve Council's vision.

Delivery Program

Council's 2010/2013 Delivery Program identifies the goals that Council has committed to delivering to the community over the next three years and supports the delivery of the Blacktown City 2025 vision. The Program has eight strategy areas that cover aspects of what Council wants to achieve as part of its long term vision.

Operational Plan

The 2010/2011 Operational Plan is a one year Plan that outlines the specific actions to be undertaken in the next financial year in order for Council to achieve the goals identified in the Delivery Program. Council's annual budget is included in the Operational Plan. The Plan has a series of measures that will be used to monitor Council's progress towards achieving Blacktown City 2025.

The Operational Plan also contains Council's Annual Budget for 2010/2011, including:

- 2010/2011 Goods and Services Pricing Schedule, which identifies the fees for a broad range of goods and services provided by Council
- 2010/2011 Works Improvement Program, which outlines the works to be undertaken by Council during 2010/2011.

Summary

The extent and manner in which Council has developed its strategic planning framework meets or exceeds good practice in a number of ways:

- Overall, the framework is consistent with the Integrated Planning and Reporting model introduced by the Division of Local Government.
- Council has a good understanding of its community and communicates regularly with community groups.
- There is evidence that Council's current strategic directions and outcomes are used to inform major decisions. They also appear to be well integrated with Council's governance and delivery programs.
- To ensure it has the necessary resources to achieve its strategic intent, Council has developed a Long Term Financial Strategy (10 year projections) which links to its Asset Management Plan and Workforce Plan.
- Council has demonstrated a commitment to reporting and continuous improvement.
- Council participates in a number of relevant regional and State initiatives.

5. DELIVERING AND ACHIEVING

This part of the review focussed on examining key structures, systems and processes involved in delivering the stated outcomes of Council's Strategic Plans, including the means by which Council:

- governs its day to day operations
- undertakes its planning and regulatory obligations
- manages its assets and finances
- involves the community, and
- recruits and retains its workforce.

5.1 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.

5.1.1 Scope of review

- *Ethics and values*
- *Management planning*
- *Procurement, disposal and tendering*
- *Privacy management*
- *Code of conduct*
- *Communication devices*
- *Disclosure of pecuniary interests*
- *Risk management, legislative compliance and internal control*
- *Council's decision-making processes, including delegations and conduct of meetings*
- *Support for councillors*
- *Records management*
- *Access to information*
- *Complaints handling*
- *Information technology*

Organisation structure

Council's executive team consists of the General Manager and four (4) Divisional Directors:

- Finance and Corporate strategy
- City Strategy and Development
- City Assets
- Sustainable living.

Council met its obligations under section 333 of the *Local Government Act 1993* to review the organisation structure within 12 months of an ordinary election. This review was undertaken in August 2009 to ensure that it continued to align with Council's strategic and corporate directions. Linked to its key outcome areas, the structure enables Council to effectively resource and deliver the services, programs and initiatives set out in its Strategic Plan.

5.1.2 Significant Observations

NOTEWORTHY PRACTICES

Code of conduct

The council's Code of Conduct is based on the Model Code of Conduct for Local Government in NSW, however, it has been expanded to include:

- Council's Fit for Work Policy and links to associated OH&S Policies and Procedures
- a standard form for seeking approval for Secondary Employment (refer Appendix A)
- a standard form for Declaring Non-Token Gifts and Benefits (Refer Appendix B)
- live links (for the on-line version) to relevant policies such as Council's Privacy Management Plan, Ombudsman's Protected Disclosure Guidelines and Council's Code of Meeting Practice
- live links to relevant legislation, such as the *Local Government Act 1993* and Regulation, and the *Protected Disclosures Act 1994*

- specific rules relating to councillor access to the Civic Centre
- internal and external contacts for further advice and assistance.

A copy of the Code is forwarded with all offers of employment to prospective staff members. All new staff are required to read the document and sign a declaration at induction that they will abide by its terms and conditions. The compulsory induction session also covers key principles of the Code.

Councillors were issued a copy of the Code immediately after the 2008 local government elections and Council's solicitors conducted an awareness session. A follow up session is also planned for 2010.

Section 355 Management Committee Guidelines were issued to new Committee members when they were re-appointed by Council. Management Committee and Community Advisory Committee representatives were also required to attend a briefing session in relation to their terms of reference and Code of Conduct.

Following adoption of Council's Code of Conduct in September 2009, a General Manager's Circular was issued explaining the key principles and components of the Code. A copy of the Code was linked to the memo and published on Council's website and intranet. Further, a training and awareness program was commenced utilising consultants and Human Resources staff who have been trained as trainers on the Code.

The program involves specific training on the Code for the following:

- directors and managers
- supervisors and co-ordinators
- planners and building inspectors
- clerical and administrative staff
- child care centre directors
- waste services staff
- executives of management committees
- community representatives and Council advisory committees
- refresher training for councillors.

The program aims to ensure all staff are trained in respect of the Code through face to face training, on-line learning or tool box talks.

Business Continuity

Council has a Business Continuity Plan (BCP), which sets out processes and procedures in the event of a severe disruption to computerised information held by Council. The objective of the BCP is to “support the restoration of critical business operations in the event of a major unplanned disruption”. The BCP has an operational agreement that covers Penrith City Council. In the event of a disaster, Blacktown and Penrith have established arrangements to work together to bring the Councils back to normal operations.

Council has established on- and off-site recovery response strategies for loss of its information technology.

Nevertheless, Council should be mindful of the high risk it faces should a disaster occur to its hard copy information; this is discussed further under Records Management.

The Council needs to consider other risks facing its operations. As per Circulars to Councils 09-16 and 07-12, this plan should take account of other risks such as disease pandemics, acts of terrorism, chemical contamination, utilities failures and their possible impact on the business of the Council. The Business Continuity Plan should be consistent with Standards Australia HB 221:2004 Business Continuity Management.

Sister City Relationships

On 4 June 2005 Council signed a memorandum of understanding to develop a sister city relationship with Liverpool Plains Council. The purpose of developing the relationship is to establish a spirit of goodwill between the Councils and encourage reciprocal exchanges in education, resource sharing, cultural, economic development and staff exchanges. Council also has established a Sister City relationship with Liaochang Province in China.

Council has been enthusiastic at the opportunities for capacity building for both Blacktown and Liverpool Plains Councils, for example the Regenesys Project. Council is encouraged to pursue this opportunity, as it has the potential to offer both Councils benefits in the form of sharing of expertise and resources.

AREAS FOR FURTHER DEVELOPMENT

Provision of Expenses and Facilities to the Mayor and Councillors

Council has adopted a policy to manage the payment of expenses and provision of facilities to the Mayor and councillors.

Some of the good features of the policy include:

- a high degree of transparency and accountability
- a clear and appropriate reimbursement process with an excellent claim form that summarises all clauses in the policy under which councillors can make a claim. It also includes a statutory declaration form for councillors who do not have receipts to declare expenses.
- provision of expenses for special needs of councillors (eg, for councillors with a disability or dependant relatives)
- a dispute resolution process where a councillor disagrees with a decision not to pay a claim
- very clear and appropriate limits for all expenses and facilities
- a clear statement that no private benefit should be derived, other than incidentally. The policy also makes it clear that expenses cannot be used for function tickets that equate to political donations.
- a well structured and readable format
- the policy aligns with social justice principles by providing for councillors with disability needs and for carer expenses

The policy could be improved as follows:

- the Transportation section (3.1.5) could be improved by the inclusion of a statement to the effect that travel will be by most economical means and most direct route
- the Overseas travel section (4.2) requires proposals to detail 'expected benefits'. This could be improved by requiring 'actual benefits' to Council of the trip to be reported back.

- the Partners section (3.1.6) should be amended to clarify that Council will not pay costs of the spouse/partner for attendance at conferences/seminars, in accordance with the *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors for Local Councils in NSW*.
- section 3.1.9 'General' is unclear and should be clarified to enhance transparency.

Sustenance allowance

The provision of this expense would be consistent with the legislation and Guidelines if it is reconciled. Whether this occurs is not clear in the policy. Principle 2.8 provides that sustenance allowances must be reconciled after an event, yet principle 3.1.7 on 'Sustenance Expense' is silent on the need for councillors to submit receipts and invoices (where available) and complete a claim form. The policy does provide for this in equivalent sections (3.1.4 'car parking fees' and 3.1.8 'out of pocket expenses').

Further, if accommodation and travel expenses are met directly by the Council, as the policy implies, the sustenance allowance of \$186.40 per day would not only appear to be excessive, but also contrary to clause 403 of the Local Government (General) Regulation 2005.

Legal expenses

The policy currently allows payment of legal expenses to councillors for legal action initiated by councillors and also allows payment at the conclusion of an action regardless of the outcome. This is inconsistent with the Division's guidelines for the provision of legal assistance.

The policy needs to be amended to allow only legal expenses incurred in respect of legal action initiated against a councillor arising from the councillor's duties, and only where an outcome substantially favourable to the councillor is achieved.

Approval process

The policy is also defective in that it allows the Mayor alone to approve the attendance by councillors at one-day conferences, training and seminars.

The Guidelines make it clear that a council should avoid approval arrangements where one person is the sole decision-maker. Where it is not possible for approval to be given by the full Council, the guidelines contemplate joint approval by the Mayor and the General Manager.

Further, approval for other major expenses (legal, care, etc) is not clear. It is noted that the full Council must approve longer conferences, training and seminars and overseas travel. By extension, the Mayor's credit card in effect gives the Mayor delegated authority for expenditure to \$5,000. While it could be argued that this is appropriate for practical reasons, it could appear contrary to the requirement for joint approvals under the Guidelines.

Recommendation 1

Council review its 'Expenses and Provision of Facilities for the Mayor and Councillors' policy to ensure consistency with the Division's guidelines.

Procurement, tendering and disposal practices

Provisions relating to tendering are set out in section 55 of the *Local Government Act 1993*, the *Local Government (General) Regulation 2005* and the *Tendering Guidelines for NSW Local Government*.

Council adopted a Code of Procurement in November 2009 and adds to a suite of policies including Tendering and Purchasing Procedures (May 2008), Purchasing Policy and Sustainable Purchasing Policy. The Sustainable Purchasing Policy, adopted in November 2009, supports Council's commitment to be economically, socially and environmentally sustainable in the long term.

Council's policies are based on the principle of obtaining value for money when evaluating and selecting goods and services and provide staff with a set of basic procurement guidelines. Council does not have a separate disposal policy, however, it incorporates some aspects of asset disposal in its purchasing and procurement procedures.

Council's Code of Procurement incorporates a section on standards of behaviour, including "Ethical Principles" in engaging with Council in procurement activities. The Code is referred to in all tender specifications, contracts and where appropriate in other

procurement activities. It is also available for viewing on Council's Tenders webpage and in hardcopy within the Council's customer service area.

Council has a Tender Review Committee which reviews all tender processes. The Purchasing and Procurement Section also reviews all purchase orders.

While Council has these policies and procedures in place, their application has been inconsistent. Council has acknowledged this and established a working party to review all purchasing and procurement processes, including disposal practices. These issues are also highlighted in Council's internal audit plan as representing a high risk exposure for Council. To address this risk, Council has appointed a Procurement Co-ordinator who is undertaking a review of all strategic procurement across Council and is conducting a complete Contracts and Tenders review.

A review of a sample of tenders showed a number of inconsistencies, such as receipt of tender, amounts being tendered and reasons for awarding of the tenders were seemingly sometimes outside the scope of the tender. This could be due to poor records management of tenders, with no documents being scanned into the CIVIL system making it difficult to fully review all of Council's procurement processes. Nevertheless, the reports to Council for consideration of particular tenders appeared to be comprehensive and adequate to inform the Council's decisions, with non-price criteria being taken into consideration.

It is noted that Council is a participant in the NSW e-Tendering system, to which it subscribes through the WSROC portal, giving greater exposure for Council tender requests. The review team observed that, contrary to Council's policy, the e-Tendering system is not used with all tenders. No electronic tenders were published by Council for several months, the last being in April 2010.

Council has defined thresholds for quotations and tendering under \$150,000, however, concern was raised that some contracts under \$150,000 are "rolled over" without fresh quotations being sought, or alternatively that contracts are entered into without specified expiry dates. The development of this practice has been assisted by long-standing business relationships between Council and some suppliers.

Some procurement in the past has involved "contract splitting", for example, the cost of fire safety equipment such as fire extinguishers and other fire equipment, if accumulated

over a 12 month period, is in excess of \$100,000 per year. However, procurement was not in accordance with the quotation requirements for a purchase of this size, nor was the e-Tender process used. It is understood that a tender for the supply of fire safety equipment will be reviewed in 2011.

Council has no process for monitoring and auditing its purchasing and tendering, disposal of assets and contract management.

The Council's Strategic Plan acknowledges the need for work to be done in this area to "Engage in efficient and cost effective purchasing and procurement processes" and prescribes the following actions:

- review and update the Purchasing and Tendering Guidelines Manual to reflect current legislation and policies
- integrate the principles of the Sustainable Purchasing Policy into core business activities
- implement a training plan for staff involved in the procurement process.

Council is encouraged to take these actions and to ensure that purchasing and tendering form part of its regular internal audit program.

Recommendation 2

Council should ensure that staff are adhering to purchasing and tendering policy and procedures by undertaking regular audits and staff awareness training.

Records 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 to best practice standards and codes.

Council's records area is staffed by 15 employees, operating and managing what is essentially a manual records system. Council has implemented a records barcode system to keep track of hard copy files. However, throughout the review this was cited as a concern by staff in locating files. This manual system has historically met Council's needs, but is increasingly a high risk for a Council the size of Blacktown.

Council has in place a Records Management Policy, which was last reviewed by Council in March 2010. The Records Management Policy provides guidance on the collection, storage, disposal and management of Council's business records. Records are kept in hard copy.

Concern is raised at the poor management of confidential files both in the Records Manager's office, and in a "restricted" area for confidential records, which is also used as a kitchenette area. It was noted that the records area is not protected by a sprinkler system or fire extinguishing system, increasing the risk to Council of a substantial loss of records.

Council needs to be aware that Australian Standard AS ISO 15489-2002, which has now been adopted as a code of best practice for the NSW Public Sector for records management policies and procedures, has superseded Australian Standard AS4390.

A review of files showed little evidence that all electronic records of Council have been captured and retained and there was a lack of protocols for the capture of electronic or other records from sources other than incoming paper mail.

Council does not have a strong and effective filing system that tracks and chronologically keeps all documents. In reviewing tenders, not all documents could be found on files. Although the review team did not perform a comprehensive audit, it is difficult to be confident that the Council's records system has the rigor to comply with the requirements of the State Records Act.

Records disposal should be done in accordance with the General Records Disposal Authority (GDA10). While staff are aware of GDA10, a review of processes is needed.

Council is currently seeking expressions of interest for a new Electronic Document Management System. The implementation of a new records system should be a priority for Council, and will require a major cultural change in records handling and management.

Recommendation 3

Council continue to review its records management system and introduce an EDMS for all council records as a priority.

Councillor records

Council needs to act in an educative role to ensure councillors understand and meet their record-keeping responsibilities, both to facilitate the efficient conduct of Council business and to ensure that decisions and actions are transparent and accountable. It was evident that not all councillor documents were placed on Council's records management system.

One way councillors can be informed of their responsibilities is through the issue of policy and procedures. State Records NSW has created a *Sample records management policy and procedures for councillors* that can be modified by councils to suit their needs. State Records NSW also produces a brochure titled *What have records got to do with me?*, which is available free of charge. All councillors should be provided with a copy. Council should develop a policy and procedure for the keeping of councillor records.

Recommendation 4

Council should develop a policy and procedure for the keeping of councillor records.

Gifts and benefits

Council's Gifts and Benefits Policy and Procedure reflects the requirements of Section 8 of the Code of Conduct. Additionally, Appendix B of the Code of Conduct, adopted in September 2009, includes a standard memo to the General Manager for the declaration of non-token gifts and benefits and the proposed action. The form also includes comments from the relevant Manager and Director and is placed on the file comprising the gifts and benefits register.

The guidelines specify that "you must not accept gifts and benefits that have more than a nominal or token value". However, several entries in the gifts register cover instances where it appears some staff, contrary to the Code, accepted corporate hospitality which could be described as a gift or benefit of value.

Council needs to guide staff in what is an acceptable token gift or benefit. Instances where a Council official has accepted a gift or benefit of value should be reported to the General Manager in writing. Accepting a gift or benefit of value is a potential breach of Council's Code of Conduct.

The Independent Commission Against Corruption (ICAC) has produced the *Managing Gifts and Benefits in the Public Sector – Toolkit*. This resource has been developed to assist NSW public sector agencies and local councils to develop, update and implement their gifts and benefits policy and procedures for reporting and managing gifts and benefits. The Toolkit offers advice and guidance for developing policy, communication and training about the policy and an on-line reporting and management tool.

It was noted that no gifts or benefits were recorded from Councillors. Given the size and diverse cultural backgrounds of the City, it is surprising no gifts were received by Councillors.

Recommendation 5

Council should use the Managing Gifts and Benefits in the Public Sector Toolkit – Independent Commission Against Corruption to review its Gifts and Benefits Guidelines and register.

Legislative compliance

Councils are required to comply with a wide range of legislation. Council does not currently have a system whereby all relevant employees are made aware of their current obligations and promptly advised of future amendments to legislation or regulations.

Council has advised that it is currently developing a legislative compliance register to ensure that its legislative obligations are met. The review team expresses concern at the current lack of formality towards legislative compliance and suggests that Council develop a system for legislative compliance.

Recommendation 6

Council should develop a system whereby it can ensure that all legislative and regulatory obligations are met on an ongoing basis.

Councillor induction and ongoing training

Council has a number of long serving councillors and as a result Council has not developed a councillor induction and development program.

All councillors require induction training to equip them with the skills required to properly carry out their duties and allow them to be effective members of Council's elected body. To assist councillors in achieving these goals, councillor induction training should familiarise councillors with the activities and functions of their Council and the legislative framework in which they operate. The program should ensure that councillors are made aware of their general legal responsibilities as an elected member and their obligations of disclosure under the pecuniary interest provisions of the *Local Government Act 1993*.

Recommendation 7

Council should develop a councillor induction and development program.

Pecuniary interest

Chapter 14 of the *Local Government Act 1993* sets out the obligations of councillors and staff where they have a conflict between their public duty and private pecuniary interests. The Act also requires councillors and designated staff to lodge returns of interest. Part 8 of the Regulation prescribes the information required to be included when lodging returns. Council has determined that 180 persons are designated persons under the Act; 23 are currently under review.

The Division previously reviewed all pecuniary interest returns in 2009. At that time, it was found that numerous returns contained 'nil' entries in 'Part A, Real Property'. The nature of the interest in a property should also be provided, consistently with the legislative requirements. That is, an interest as a lessee/tenant, owner, part owner, trustee, etc.

It was also noted that numerous returns contained 'nil' entries in 'Sources of Income and/or Property Interests'. This was also particularly evident in Council employee returns. Part B1 requires the disclosure of income received from an employer or from an occupation or position held by the person. Others had rental properties and no rental income disclosed. It was also noted that a number of returns were lodged after the required lodgement date.

Section 739(1) of the Act allows information to be withheld due to personal safety reasons; 28 staff have opted to complete a declaration citing personal safety for their address to be withheld. However, some staff cited concerns about fraud and reasons other than personal safety to suppress their details. Council should be conscious that

employees and councillors can only withhold details for legitimate personal or family safety reasons.

The review team examined the most recent section 449 returns. The review team found that they were generally completed to a satisfactory standard. However, some returns continued to contain errors previously detected. Council provided all councillors and designated staff with a copy of Circular to Councils 08/71 to assist them in completing their returns.

Recommendation 8

Council should provide ongoing training to ensure that all Councillors and designated staff are aware of their general obligations regarding disclosures of pecuniary and non-pecuniary conflicts of interests.

Risk management

Councils are exposed to a wide range of risks as a consequence of their diverse functions. The significance of specific risks will vary from council to council.

Risk management is about the 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 the council's risk profile and thereby protect the interests of the council, the public and other key stakeholders. There should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

In 2008, Council developed an Internal Audit Plan that incorporates some risk management elements. The Plan contemplates that these elements could form the basis for the development of an Enterprise Risk Management Register/Risk Management Plan. This addresses some of the risk Council may be exposed to.

While the Internal Audit Plan addresses some of Councils risk exposures, it is important that Council consider the development and implementation of a risk management plan to minimise the likelihood of negative events that could otherwise have been foreseen and thereby managed or avoided. Such a plan should extend beyond those risks that

are insurable. Council may wish to refer to AS/NZS 4360:2004 for more information on risk management.

Beyond the Internal Audit Plan, Council does not currently have a risk management strategy. An invaluable mechanism for the implementation of any risk management strategy is the undertaking of an organisation-wide risk assessment. It is good practice to undertake an organisational risk assessment at least every three years. Such a risk assessment can be used to identify areas of high risk that Council should focus on and manage, as well as facilitate the Internal Audit Plan for Council. Risk assessment process such as this will ensure that Council looks beyond insurable risks and OH&S matters and works to identify and manage all business risks.

While the review team acknowledges that some work has been done in this area, Council needs to address all risks it faces.

Recommendation 9

Council should undertake an organisation-wide risk assessment to inform the development of a formal risk management strategy.

Internal audit and control

Internal audit and control 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 being followed. An internal audit program will also provide councillors and members of the public with assurance that Council is appropriately managing its operational risks and performance.

Council has in place an Internal Audit Committee and Internal Audit Charter, and has developed an Internal Audit Plan for the period 2009 – 2013, which focuses on high-risk aspects of Council's operations.

In 2009, the Division wrote to the General Manager regarding the membership of the Audit Committee. Council resolved on 30 September 2009 that the Mayor (chairperson), the Deputy Mayor and one other councillor be appointed to the Committee and to conduct a review of the performance, structure and operation of the Audit Committee after 12 months.

The revised *Internal Audit Guidelines – September 2010* require that Council reviews its Audit Committee against the revised Guidelines. The Guidelines for a large council require the membership of the audit committee to be “1 or 2 councillors (excluding the Mayor) and 2 or 3 independents - at least one with financial expertise and/or one with financial, legal or business expertise”. Council must review its Audit Committee membership in accordance with the revised Guidelines.

Recommendation 10

Council should continue to implement its Internal Audit Plan.

Recommendation 11

Council should review the composition of the Audit Committee against the revised Internal Audit Guidelines.

Fraud Control

Fraud is defined as *dishonestly obtaining a benefit by deception or other means and includes both tangible and intangible benefits* (Commonwealth Fraud Control Guidelines).

Council does not appear to have undertaken any fraud risk assessment. Nor does it have a fraud control policy or strategy. It is important that fraud risks are identified and managed effectively and that staff are kept up to date on emerging risk areas and on proven strategies for properly managing them. Council should address this issue as a priority in developing its risk management and internal audit priorities.

Recommendation 12

Council should undertake a fraud assessment to inform the development of a fraud control policy or strategy as part of its internal audit priorities.

Delegations

The power of delegation is an important tool that assists Council officers carry out the functions of Council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the *Local Government Act 1993* and regularly reviewed to ensure they remain current. Council has reviewed its latest register of

delegations and has established a generic delegation matrix for Directors, Managers, Supervisors and other staff.

Council has affixed a Power of Attorney, under the *Power of Attorney Act 2003*, to all delegations to the General Manager covering any of the functions except the general power of delegation in section 377 of the *Local Government Act 1993*. It is questionable whether this Power of Attorney is consistent with the provisions of the *Local Government Act 1993* and indeed whether this Power of Attorney is necessary.

Further, delegation D00019.1 Delegation to the Mayor, Council purports to delegate “... to the General Manager authority to make changes to delegations that may be required from time to time, arising from legislative and operational requirements, in consultation with the Mayor”. Section 377 of the Act prohibits the delegation of the power to delegate and any changes in delegations should be referred back to Council for approval.

Recommendation 13

Council should review its delegations to the General Manager to ensure compliance with section 377 of the Local Government Act 1993.

Council meetings

Council meetings are the primary means by which Council makes its decisions. The review team attended Council’s ordinary meeting on 16 June 2010, and also reviewed Council’s Code of Meeting Practice, business papers and minutes.

The review team found that:

- Council’s Code of Meeting practice, which guides the conduct of meetings, was reviewed in November 2009. This Code generally complies with the procedures set out in the Act and Regulation, however a detailed review of Council’s meeting procedures and its Code, undertaken in March 2011, revealed the following concerns:
 - (i) the agendas and minutes on Council’s website refer to the Council’s Ordinary Meetings as “Ordinary Council Meeting Committee”. This has the potential to be misleading, as an ordinary council meeting is not a meeting of a council committee. This error appears to be confined to Council’s website.

- (ii) There are inconsistencies within the Code in relation to the inspection of the agenda for a meeting. At clause 2.7.1 of the Code, it is stated that “everyone is entitled to inspect the agendas for Council and committee meetings (including the closed parts of meetings)...” However, clauses 2.2.4 and 2.2.5 refer to a “confidential agenda.”
- overall participation by councillors appeared to be quite good, with most councillors participating in discussion and debate on issues before Council.

The following observations indicate there is room for improvement:

- The meeting was chaired by the Mayor and proceedings were generally orderly, although the review team noted that the Mayor did not always appear to be in control of the meeting.
- Councillors may need to be reminded of their role and responsibility while at Council meetings and that their full attention should be given to the matters at hand.
- It was noted during the Council meeting we attended that a councillor declared an interest. However, the councillor did not disclose whether this was a pecuniary or non-pecuniary interest, or the nature of that interest.
- While Council has passed a number of resolutions at previous meetings, it is not transparent to the councillors or the public what action is being taken on outstanding resolutions or when the matter will be reported back to Council.
- The granting of leave of absence to councillors is generous and is not dealt with in accordance with the Code of Meeting Practice. That is, there appears to be a lack of written requests for leave of absence by councillors. Council’s Code of Meeting practice requires this.
- Some councillors are proactive in giving reports to Council on their attendance at conferences, under Council’s Civic Office and Facilities Policy. However, it is noted that not all councillors are complying with this Policy. Councillors should be reminded of their obligation to report under Council’s Policy.

In 2007, the Division issued a circular on the transaction of business without notice (Circular to Councils 07/14). Blacktown City Council maintains an item of “Business without Notice” on its meeting agendas. Questions during a Council meeting should be

in relation to the business before Council. Councillors should not be raising business that is not on the agenda, except in accordance with clause 241 of the Regulation.

Business that can be discussed and dealt with at Council meetings under clause 241 of the Regulation includes:

- business in respect of which a councillor has given written notice within the required time before the meeting (clause 241(1)(a)) and for which notice has been given to councillors (section 367 of the *Local Government Act 1993*)
- business that is already before the council or directly relates to a matter that is before the council (clause 241(2)(a))
- the election of a chairperson for the meeting (clause 241(2)(b))
- a matter raised in a Mayoral minute (clause 241(2)(c))
- a motion to adopt committee recommendations (clause 241(2)(d))
- business ruled by the chairperson to be of great urgency (clause 241(3)), but only after a motion is passed to allow this particular business to be dealt with.

The *Local Government Act 1993* provides a number of other methods for councillors to bring matters to Council, such as using notices of motion or holding councillor information sessions on significant matters.

Donations – Business without notice

The Code of Meeting Practice allows for a councillor to move, under business without notice, the grant of donations up to a maximum of \$500 without a report.

Council has a Grants to Community Organisation and Others Policy (P000413.2) and a Financial Assistance Policy (P000036.2). It appears that in the 2009/2010 year donations exceeded \$150,000. While most councils provide donations to groups and individuals for sporting and other pursuits, these are granted under a specific program.

Section 356 of the *Local Government Act 1993* requires that, if financial assistance is given for private gain or to a private individual, at least 28 days public notice must be given if it is not part of a specific program.

Council is encouraged to have a specific program for donations and financial assistance. Council could amend its Financial Assistance Policy to provide clear criteria

and allocate a budget for the provision of such donations that could be implemented by the General Manager under delegation.

Confidential business

In February 2011, a matter was raised with the Division relating to the manner in which Council gives notice of confidential business. In reviewing the issue, the Division noted that Council's Code of Meeting Practice at clause 2.2.4 contemplates a "confidential agenda" and "business paper." There was also evidence that Council prepared a "Committee of the Whole Index" which was not available on Council's website.

These issues were raised with the Council in February, and in response to which Council advised:

I advise that an index of confidential items is provided in the public gallery at Council and Committee Meetings at which confidential business is considered. The process has been subsequently reviewed to ensure the index is more accessible to the public, and as a result, the index is now published on the internet with the business paper for meetings on the Friday evening prior to each meeting.

The Council's amended procedures satisfactorily resolve the concerns raised with the Division about the availability of an agenda for confidential items. However, the Division notes that section 9 of the Local Government Act 1993 refers to "the agenda" in the singular. The language of the section contemplates that there will only be one agenda per meeting. Further, the agenda must be available to the public as nearly as possible to the time they are available to the councillors under section 9(3) of the Act.

Section 9(2A) of the Act outlines the manner in which confidential items of business are to be referred to in the agenda.

Section 10D of the Act requires a council to specify the grounds under section 10A(2) which are being relied upon to close the meeting, the matter that is to be discussed and the reason the meeting is being closed.

Council's procedure for closing the meeting to the public does not appear to comply with the requirements of section 10D, in that Council excludes the media and the public under the broad umbrella of section 10A(2) without specifying which ground under the section is being relied upon for each item.

Further, under section 10(4) of the Act a council may allow members of the public to make representations to or at a meeting, before any part of the meeting is closed to the public, as to whether that part of the meeting should be so closed. Council's practice appears to be to invite representations from members of the public after the meeting has already been closed and after the confidential items have been discussed. This would appear to contravene the requirements of section 10A(4) of the Act.

The Division notes that section 10A(4) is in discretionary terms. It is open to Council to not invite representations on the matter of whether a matter should be discussed in open Council. Alternatively, in the event that Council wishes to invite representations, it should do so before the closure of the meeting to discuss a particular item.

Recommendation 14

Council review its Code of Meeting Practice and meeting procedures to ensure compliance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

Recommendation 15

Council review its practice to ensure that leave of absence procedures are consistent with the provisions of its Code of Meeting Practice.

Council's response

Procurement, tendering and disposal practices

With respect to recommendations in the draft report for the review of tendering and procurement procedures and the regular audit of compliance with procedures, Council advised:

Over the past two (2) years, Council has proceeded down a path to ensure that it achieves best value for procurement. A Purchasing and Procurement Unit was established at that time and appropriately skilled resources engaged. One of the key tasks is a staged review of all Council's purchasing and procurement processes, including tendering procedures. There has been a comprehensive review and update of Council's Code of Procurement, and adoption of a Sustainability Purchasing Policy in November 2009. Working parties comprising key staff from each directorate of Council

have been established to address specific elements of the procurement process with all processes expected to be reviewed by the end of July 2011, followed by targeted training and awareness programs with audit and review of the program being on an ongoing basis. Independent external consultants are being engaged to assist with this project.

Reviewers' comment:

The advanced review process described by Council addresses the intent of draft recommendations for procedural review, which is now considered to be unnecessary and have been removed from the final report.

Records Management

With respect to the recommendation that Council continue to review its records management system and introduce an EDMS for all Council records as a priority, Council advised:

Council at its Ordinary Meeting on 24 November 2010 resolved to short list organisations for a select tender for the provision and implementation of an EDMS. Tenders are due to be invited during April/May 2011 with implementation to commence from September quarter 2011.

Councillor records

Council advised:

I note that in conjunction with the implementation of the Government Information (Public Access) Act, the issue of record keeping by Councillors was focused on. A briefing to Councillors on this issue was supplemented by provision of documentation...which incorporates guidelines for Councillors on managing records.

Reviewers' comment:

The documentation provided to councillors has been reviewed and satisfactorily addresses the intent of the recommendation in the draft report that councillors be provided with a copy of the State Records NSW brochure "What have records got to do with me?" This recommendation is now considered unnecessary and has been removed from the final report.

Gifts and benefits

With respect to a recommendation in the draft report that Council review its Gifts and Benefits Guidelines and register, Council advised:

This review has been incorporated within the Internal Audit Plan and it is proposed to update Gifts and Benefits Guidelines with the next review of the Code of Conduct. It is anticipated this will coincide with the anticipated release of the revised Model Code of Conduct by the Division of Local Government.

Pecuniary and non-pecuniary conflict of interests training

Council advised:

Since the site visit in May 2010, 90% of Council staff have attended Code of Conduct training sessions, which had a significant focus on gifts and benefits as well as identifying pecuniary and non pecuniary conflicts of interest in their day to day duties. Additionally, Councillors and designated staff are provided a copy of [...Self-Help Guide For The Completion Of Returns Disclosing Interests Of Councillors and Designated Persons], which provides guidelines on completion of pecuniary interest returns.

Reviewers' comment:

Council's training program satisfies the recommendation in the draft report and the recommendation has, accordingly, been removed from the final report.

Review of the composition of the Audit Committee

Council advised:

Council's Audit Committee is to undertake a self-assessment review following its first twelve (12) months operation. The current Charter, including the composition of Committee members, will also be reviewed. This will occur before Council by June 2011.

5.2 DEVELOPMENT CONTROL & 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 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.

5.2.1 Scope of review

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

- *Planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Companion animals*
- *Environmental management*
- *Compliance and Enforcement practices*
- *Swimming pools*

5.2.2 Overview of land use planning, development assessment and regulatory practices

Since the organisation restructure in 2009, the Council's strategic planning, regulatory and enforcement functions are grouped into four sections under the City Strategy and Development Directorate:

- **Strategic and Precinct Planning** - responsible for long term planning policy and strategy, and the release of the North West Growth Centre
- **Development Policy and Regulation** - responsible for development policy, LEP and DCP preparation, development and community enforcement and Land and Environment Court matters
- **Building and Engineering Services** - responsible for engineering approvals and certifications for new development, and

- ***Development Services and Administration*** - responsible for the processing of all planning DAs and the provision of administrative support to the Development Services Unit. (During the review, we were advised that ‘fast approval teams’ were to be established from 1 July 2010 to deal with simpler DAs in a more streamlined way, with a view to 10-day turnarounds.)

Land use planning

Council faces significant challenges in continuing to deliver quality urban environments for a growing population, particularly in the North West Growth Area, with a projected 45,000 to 50,000 new homes and two new industrial areas to be developed over the next 25 to 30 years.

During the course of this review, the NSW Government announced a cap of \$20,000 per block on developer contributions under section 94 of the *Environmental Planning and Assessment Act 1979*. The cap has since been increased to \$30,000 per dwelling or residential lot in new release areas. In addition, a \$50 million Priority Infrastructure Fund will be established to assist councils with essential works above the cap.

The review team was advised that, at present, the cost to Council to cover infrastructure per lot in the new development areas was in the order of \$44,000 - \$46,000.

The Blacktown Local Environmental Plan was made in 1998 and has been the subject of around 200 amendments since adoption. Council has been working towards a new LEP since 2006, when its comprehensive DCP was reviewed and rebadged.

Due to the magnitude of the LEP review task, the Council has adopted a staged approach, with new Environmental, Rural, Waterways, Open Space and Special Purpose zones having been adopted, and mapping and written provisions completed.

The Council is committed to an appropriate community consultation process in the roll-out phase of the new LEP. Flyers and information leaflets will be distributed with rates notices, and although there is no present intention to do so, focus groups and public meetings may also form part of the consultation strategy.

Council is well advanced in the review process and anticipates public exhibition to occur in late 2010, with finalisation to occur within the next 12 months.

The Council is also undertaking a review of its 2006 DCP. This is a comprehensive document, providing guidance on a range of zone and site specific development activities and generic controls applicable to all types of activities and works. Finalisation and adoption of the new DCP is expected to occur in early 2011.

Development assessment

The most recent Department of Planning performance data (2008/2009) indicates that Council processed the highest volume of development applications (DAs) (2,454) and the second highest volume of complying development certificates (116) in the State during the performance monitoring period. The total value of development with the Council during the performance monitoring period was \$592 million, which was the fourth highest in the State.

A significant percentage of the DAs lodged with Council related to single new dwellings and for alterations and additions.

Council has systems in place which assist in the determination of the high volume of DAs in a consistent, functional and effective way, including the use of a series of checklists, standard conditions and the automated generation of consents. Pre-lodgement procedures are also well established and engagement with the development industry is considered to be a strength.

Council achieved these results with 21 equivalent full-time development assessment positions in three teams, averaging 117 DAs processed per position per annum. This result is impressive when compared with the State average of 58 DAs per equivalent full-time position per annum.

Council's gross mean time for determining DAs was 62 days, which is outside the statutory benchmark of 40 days, but significantly better than the NSW average of 74 days. The average for Blacktown City Council's Group of councils was 78 days. In respect of developments valued between \$100,000 and \$500,000, the average determination time was 54 days, which was significantly below the State average of 83 days and the Group average of 93 days.

Council also bettered both the State and Group average determination times for single dwelling houses and alterations and additions.

Approximately 98% of the DAs processed were dealt with under delegated authority, with an approval rate of around 97%. Checks and balances are built into the approval process, with reports submitted to Senior Planners for sign-off and DA's attracting objections being dealt with by the Development Control Unit.

Where a development proposal requires a variation to development standards, the DA is escalated to the Development Control Unit or relevant Manager for approval. Any proposal representing a gross departure from the provisions of the Council's LEP, DCP, any section 94 Contributions Plan and/or any Council policy, or attracting more than four objections, is escalated to the Director City Strategy and Development, who retains the discretion to determine the matter or to refer the matter to the Council for determination.

Council adopted a revised Local Approvals Policy in May 2010, which sets out the types of activities permissible without Council approval and the exemption criteria to be applied in respect of each type of activity.

5.2.3 Significant observations

BETTER PRACTICES

Pre-lodgement process

Council provides and encourages free pre-lodgement meetings with senior professional staff relevant to the proposed development to identify and resolve issues of non-compliance with Council's development controls at an early stage. Discussions and outcomes are signed, dated and retained by each party to provide an accountable record for both the Council and the potential applicant.

The Council also provides a series of checklists for potential applicants relevant to different types of development. Information about required documentation such as plans, specifications, statements of environmental effects relevant to DAs, and other applications is available on the Council's website.

The provision of these services and information by the Council has benefits for both the applicant and the Council in terms of ease of application and efficiency of processing. The review team observed that this pre-lodgement assistance offered by the Council is very likely a contributing factor in the Council's ability to process very high volumes of

applications in a timely manner, its high approval ratios and the relatively low level of appeals and modification requests.

Templates and standard conditions of consent

The Council makes use of consent templates and standard conditions of approval for different categories of development. The consent template was developed in-house with the assistance of a consultant, contains standardised wording and checklists for use by assessment staff, and produces automated consents and letters. The use of this consent template assists in both expediting the assessment and approval process, and ensuring consistency of determinations across different classes of development.

The review team was advised that the standard conditions are the subject of ongoing review and have been widely adopted for use by other councils.

Graffiti removal program

Council has a comprehensive graffiti removal program, which is administered by a dedicated officer (the Graffiti Removal Co-ordinator) and includes:

- all work carried out on private property as per the conditions of the *Graffiti Control Act 2008*. This program is administered using the Australian Graffiti Register, which is an on-line graffiti management system allowing Council to record its activities and provide intelligence to the NSW Police Force
- all work carried out on private property (free service for residential property; advice and materials provided for removal from commercial premises)
- all work carried out in partnership with Probation and Parole and NSW Juvenile Justice.

Council's Graffiti Management Plan identifies and prioritises actions for completion within a 2 year timeframe. Council has also established an internal Taskforce Against Graffiti (I-TAG) consisting of relevant staff from across the Council, and is represented on an external taskforce with representatives from Police, NSW Juvenile Justice, Housing NSW, Corrective Services NSW, utility providers and youth agencies.

At the time of the review, Council was considering the trial of an awareness/educational program for primary schools in the Council's area to provide information on risks and negative impacts of graffiti, and to encourage community pride.

Developer engagement

The level of Council's engagement with the development industry is considered by Council to be a particular strength, and something that it does very well.

Twice yearly, the Council hosts a luncheon for developers and builders active within the Council's area, chaired by the General Manager and attended by all executive-level staff. These luncheons provide a valuable opportunity for the discussion of issues of interest and concern to both the industry and the Council.

The Council also produces a "developers' newsletter", which provides advice and information on current planning and development issues and relevant Council activities.

The review team was impressed by the quality and content of the developers' newsletters, and considers the developers' luncheon to be an excellent proactive approach to the building of stakeholder relationships, particularly in light of the significant volume of present and future development managed by the Council. The success of these relationships may also be a contributing factor to the efficiency of the Council's assessment and approval processes, and the relatively low level of appeals and associated legal costs.

NOTEWORTHY PRACTICES

Use of delegated authority

Council advised that approximately 98% of development applications were determined by staff under delegated authority. The use of delegations to this extent has contributed to the Council's ability to deal quickly and functionally with the high volume of development applications received, and suggests that the focus of the elected Council is appropriately upon policy and strategic planning.

While the high volume of DAs historically has assisted the development of the culture of delegation within the Council, it is also reflective of an appropriately high level of trust held by the elected Council in its officers acting in the community interest. This trust appears to have developed over a long period of stability at both Council and senior management levels. In light of the challenges to be faced by the Council as a result of significant growth into the future, this culture of delegation must continue to ensure the ongoing efficiency and effectiveness of the Council's planning processes.

E-Planning

Council's website is an excellent resource for the public, with access to planning information, forms, checklists, fee schedules and other relevant information in a comprehensive and easily navigated format.

Council's largely manual planning systems have provided the Council with an effective assessment and approval process to date. The challenge into the future will be for the Council to maintain and improve its services in an environment of significant development growth and ongoing resource constraints.

While the Council has a DA tracking system, there is currently no capacity for the customised delivery of planning control information or the electronic lodgement of DAs and forms. Council is participating as a Role Model Council in a Federal Government project to develop infrastructure and software in each state to implement national electronic development assessment systems. The review team is encouraged by the Council's involvement in this program, as it will provide a platform for the Council to progressively develop its e-planning systems and capabilities.

AREAS FOR FURTHER DEVELOPMENT

Environmental Health Inspections

Council has an inspection program in place for the approximately 1,100 food shops in the Council's area, with annual inspections and follow-up inspections, where required. Inspection staff presently use the Australian Institute of Health Checklist. However, the Council has nominated itself to participate in the trial of a new standardised checklist developed by the NSW Food Authority.

Results of food inspections are entered into an Excel spreadsheet, and hard copy files are retained by the Environmental Health Team. The Council's compliance program would benefit from the development of a database which can produce management, historical and site-specific reports, and generate inspection schedules to ensure the timely inspection and follow-up, where required, for all registered food premises within its area.

The Council does not have in place any regulatory inspection program for skin penetration, tattoo, hairdressing, or beautician premises, brothels or cooling towers. In light of the public health implications for unsafe or unhygienic practices and/or

conditions in these areas, the lack of a compliance program in respect of these activities is considered to be a significant public health risk which needs to be addressed by the Council. NSW Health has developed a number of audit tools which may assist the Council in the development of a compliance program in a number of these areas.

Recommendation 16

Council should consider the development of an electronic compliance database with search and reporting capabilities to assist in the programming and management of its regulatory inspection program.

Recommendation 17

Council should review the scope of its regulatory inspection program to identify and incorporate high-risk activities within the Council's area which are not presently subject to compliance inspections.

Community law enforcement

Council has a comprehensive Community Law Enforcement Strategy 2010, which was reviewed and updated following the organisation review in 2009. This review placed community law enforcement functions under the City Strategy and Development Directorate. The Strategy is a well structured document which coherently links objectives with outcomes and actions, and identifies individual responsibilities.

The review team observes that a number of the actions identified in the Strategy have no defined target date or timeframe for completion. Examples of these actions include:

- *Investigate the feasibility of a database to capture and maintain community-based intelligence and consider linkage to mobile field devices*
- *Investigate enhancement to the Customer Action Request system to allow improved data capture and retrieval*
- *Identify and review procedures to ensure that Community Enforcement Protocols are current, relevant and aligned with Council's corporate objectives*
- *Develop and promote an Enforcement Policy that establishes clear guidelines on how Council will deal with Community Law Enforcement issues*

- *Develop and promote educational material, including appropriate C.A.L.D languages and mediums, regarding the consequences of non-compliance with legislation*
- *Develop a quality assurance system for brief preparation & handling*
- *Establish Protocols for Court procedures including brief preparation, service of briefs on defendants, attendance and conduct at Court.*

Accountabilities under the strategy would be improved with the inclusion of timeframes for identified actions.

Council has a comprehensive suite of policies in place to guide the exercise of discretion in the issuing and the withdrawal/waiver/cancellation of penalty notices, and provide guidance in respect of the collection, storage and integrity of evidence. There is also an induction process and appropriate risk-based ongoing training for Community Law Enforcement Officers.

Recommendation 18

Council should review its Community Law Enforcement Strategy with a view to assigning responsibilities and timeframes to identified actions.

Swimming pools

Council estimates that there are between 5,000 and 7,000 private swimming pools in its area. This is an estimate, as not all pools are approved. These pools may only come to the attention of the Council through complaints, or as the result of an approval process for alterations or extensions to a property.

Under the *Swimming Pools Act 1992* councils have a responsibility to take such steps as are appropriate to ensure they are notified of the existence of all swimming pools that are within their area to which the Act applies. The Act also requires councils to promote awareness within their area of the requirements of the Act.

The review team notes that the Council has produced an excellent information booklet, *Swimming Pools Guidelines*, which is available electronically on the Council's website and in hard copy, upon request, from the Council. These guidelines cover approvals,

safety, health and amenity requirements for private and semi-public pools, and decks and privacy screens.

As part of an enhanced pool safety awareness program, the Council might consider conducting pool safety campaigns, dissemination of existing educational materials by way of mail-out, or through wider distribution in the community through appropriate local businesses and/or community groups.

The challenge for Council in developing a compliance program for private swimming pools is that the existence of unapproved pools, or pools which are constructed as exempt or complying development, may not come to the attention of the Council. It is considered good practice for a register to be maintained of all pools, of which the Council is aware, within the Council's area. Council should also consider the development of a compliance and awareness program.

Recommendation 19

Council should develop a compliance and awareness program for private swimming pools.

Companion animals

The Council currently does not have a Companion Animals Management Plan in place. Council runs community education programs on responsible management of companion animals, which includes the distribution of brochures on responsible pet ownership and the presentation of events to raise public awareness about responsible dog ownership.

Blacktown City Council's Animal Holding Facility caters for seven other local government areas. Microchipping is available at the Animal Holding Facility, and the Council holds free microchipping days in each Council Ward.

The Animal Holding Facility is off the highway and is only signposted by a modest sign. Council could increase its presence by better marketing and signage at the Facility.

Council does not have a formal strategy to reduce euthanasia rates but undertakes a range of initiatives, including the Pets on Line web page, ongoing relationships with re-homing organisations, and the creation of Animal Welfare Officer positions.

Recommendation 20

Council should consider developing a Companion Animals Management Plan to guide its companion animal activities.

Council's response

Swimming Pools

In response to a recommendation in the draft report that Council develop a centralised register of private swimming pools, Council advised:

Council currently maintains a record of all approved privately owned swimming pools. However, given the estimated 10,000 plus pools within the LGA, Council lacks the resources to identify and inspect all privately owned swimming pools on an ongoing basis. It has been suggested that a fee would need to be levied to cover resourcing costs which may not be acceptable to the community.

Reviewers' comment:

The review team acknowledges the resourcing issues associated with the identification and registration of private swimming pools. Council may wish to consider incorporating a voluntary inspection request procedure into its pool safety awareness and education program, which is currently being developed.

The recommendation for the development of a centralised register of private swimming pools has been removed from the final report.

5.3 ASSET & FINANCIAL MANAGEMENT

Under its charter, a 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 those assets.

5.3.1 Scope of review

A review was conducted of a range of aspects of Council's asset and financial management practices, including:

- *Financial management*
- *Asset management, including land assets, plant replacement and capital works*
- *Long Term Financial Planning*

5.3.2 Overview of financial position

A review of Blacktown City Council's financial statements for the 2008/09 financial year shows that Council is in a strong financial position, with an operating surplus increasing from \$68 million to \$90 million as at 30 June 2009. The cash flow of the Council is also in a good situation, with holdings in excess of \$5.8 million in cash. As at 30 June 2009 Council's investments totalled \$230 million.

The financial performance indicators support Council's strong financial situation as follows:

Financial Ratio	07/08	08/09
Unrestricted Current Ratio	635%	671%
Debt Service Ratio	0	0
Rates Coverage Ratio	47	43
Rates Outstanding Ratio	4.8	4.6
Asset Renewal Ratio	55	48

The Unrestricted Current Ratio has increased to well in excess of the industry standard of 100%. Council is debt free and therefore has a nil debt service ratio. Additional grants and contributions have reduced Council's dependence on rates. The percentage of

rates is low with Council actively pursuing a ratio of 2.6%, well below the industry average of 5%.

Employee costs for the 2008/09 year were \$88,478,000, representing an increase from the previous year of \$82,034,000 and from \$78,455,000 in 2006/07. The employee leave entitlement of 21% of internally restricted funds is at a satisfactory level.

The budget for 2010/11 proposes a balanced budget of \$309 million, linked to the 2010/13 Delivery Program and the 2010/11 Operational Plan. In 1996/97 Council has established an Infrastructure Sinking Fund which has been used to fund approximately \$196 million in infrastructure improvements in the City. In 2010/11, Council will inject \$15 million into the Works Program from the Sinking Fund. This Sinking Fund has ensured that Council has been able to maintain assets without adversely impacting on its budget.

This proactive approach to asset maintenance has resulted in Council's assets to be generally in good condition. This is reflected in the asset renewal ratio.

Blacktown City Council has kept rates to the annual rate-pegging limit and has not applied for a special variation to increase rates. While this has been a positive result for the community, the increase in the number of properties and the demand for facilities may place pressure on Council to increase rates into the future.

During our on-site inspection, concerns were raised in regard to an imposed limit on section 94 contributions of \$20,000 per lot. Notwithstanding that this has now been increased to \$30,000, as mentioned elsewhere in this report, this represents a challenge to be overcome by Council into the future, and a long term rates strategy might need to be developed in order for Council to meet growing demands for infrastructure.

5.3.3 Significant observations

BETTER PRACTICES

Long Term Financial Planning

Council has a Long Term Financial Plan for 2010/20 which has provided Council with detailed analysis and a forecast of its position over a period of 10 years. This Plan is a detailed overview of how Council will meet its financial commitments and includes a

number of projections and scenarios that may impact on the Council. This includes changes in operating costs, rate-pegging, asset management, cost shifting, improved environmental conservation and replacement of Council's corporate information system. These projections are then factored into a number of scenarios, which allows Council to project its financial situation into the future.

The Long Term Financial Plan can be measured against performance indicators and set standards that Council can monitor.

Long Term Asset Management

Council has asset management plans modelled over a 10 year period for all of its \$2.58 billion of assets. The Asset Management Plan is linked to the Long Term Financial Plan, and to the Delivery and Operational Plans. Unfortunately, the Asset Management Plan does not fully reflect the Community Strategic Plan, as it reflects the earlier 2005 model. Nevertheless, Council has attempted to address this through the Asset Management Policy, which links to the Community Strategic Plan.

Council has a history of strong asset management, having established a reference group in 2002 and developed an Asset Management Plan in 2005. It considers the risk associated with asset management and aims to appropriately manage these enterprise risks.

NOTEWORTHY PRACTICES

Asset maintenance

Council maintains a register of assets. Data relating to the condition of assets is collected and is linked to the GIS register. For each class of infrastructure asset, a condition analysis, based on periodic physical inspections, is prepared. For example, footpaths are inspected annually and roads are inspected every five years. Information is entered into the maintenance system, and maintenance work is scheduled based upon a risk assessment of identified defects.

Council has developed a "Road Pavement Model" manual which assists Council with road construction. This manual is considered good practice within the industry and is being used by a number of other councils in NSW.

AREAS FOR FURTHER DEVELOPMENT

Ward Contingency Fund

Council has established a Ward Contingency Fund “to provide Council with discretionary source of funds for the implementation of urgent minor works”. In the 2010/11 budget, this was set at \$628,000.

It is noted that this fund is not supported by a policy or guidelines and lacks transparency in relation to why these projects/expenditure were not included in the budget process or works program.

The establishment of the Ward Contingency Fund represents an unlinked or budgeted amount set outside of Council’s budget processes. The lack of policy leads to the limited transparency with respect to what these funds should be used for. Councillors should seek funds for projects as part of the annual budget or quarterly budget reviews and Council budgets amended accordingly.

Recommendation 21

Council should cease the Ward Contingency Fund. Councillors should seek funds as part of Council’s normal budget processes.

Budgeting Process

The budget process has not been changed in many years, with Council scoring project priorities and ranking them. It was noted that the previous year’s budget amounts were merely escalated without a real assessment of the projects and costs under that budget item.

Given Council’s ability to set long term financial plans, Council would be encouraged to undergo a “zero based” budgeting process that is linked to its long term financial plans.

This is a method of budgeting in which all expenses must be justified for each new period. Zero-based budgeting starts from a "zero base" where every function within the Council has an analysis done of its needs and costs. Budgets are then built around what is needed for the upcoming period, regardless of whether the budget is higher or lower than the previous one.

This type of budget process allows top-level strategic goals to be implemented into the budgeting process by tying them to specific functional areas of the organisation, where costs can be first grouped, then measured against previous results and current expectations.

Because of its detail-oriented nature, zero-based budgeting may be a rolling process done over several years, with only a few functional areas reviewed at a time by managers or group leadership.

Zero-based budgeting can lower costs by avoiding blanket increases or decreases to a prior period's budget.

Recommendation 22

Council is encouraged to undertake a zero based budget process linked to its community strategic plan and delivery program.

Information Technology Planning

The use of information technology pervades all modern organisations and brings with it the need to make significant investments in information technology infrastructure. Although Council is making extensive and effective use of its network architecture, the review team did not find evidence of a well developed, documented strategy for the use of information and communication technologies.

In 2001 Council developed its E-Business Strategy. This strategy was reviewed in 2007 to look at the future direction of information technology at Council. It is noted that since 2001 Council has had a large increase in technology infrastructure, from 6 servers in 2001 to 70 today.

There are 18 staff maintaining the current information technology systems, with more than 1,000 computers spread across 60 remote sites. Council operates 13 websites. The information technology demands on Council have and will continue to increase in the future. The lack of information technology in areas such as planning will inhibit the streamlining of Council operations.

The review team was advised that Council's CIVIL software is now 20 years old and lacks the ability to have integrated information technology systems. CIVIL will not be supported after 2015.

The review team has concerns about the records management practices of Council and the current lack of an electronic document management system places Council at high risk.

It appears that Council needs to give further consideration to the role information technology will have in the future delivery of services and in the management of the organisation. This work needs to then be reflected in future business cases for investments in information technology and systems.

It has been estimated that Council will need to invest at least \$10 million over the next 5 years to meet its future technology needs. With the introduction of new technology, Council will need to establish an effective change management process, with many existing systems requiring redesign and review.

The lack of a whole of organisation Information Technology Strategy will further inhibit the Council's ability to integrate these new systems. Should Council replace its current information system it should ensure that the new system is fully utilised to meet the needs of the whole Council, not just designed for a part of Council's operations.

Council has taken some steps to improving its information technology services, issuing an expression of interests for an EDMS (May 2010), replacement of CIVIL and a new GIS system. It is noted that Council did not list this expression of interest on the NSW e-Tendering system, where it would have had a wider exposure to IT suppliers.

The difficulties with Council's information technology can be symbolised by the size of documents on Council's website. For example, the Community Strategic Plan is impossible to download as it is over 80 MB. The new demands of the *Government Information (Public Access) Act 2009* (GIPA) increase the need for councils to give greater access to information via their websites.

Recommendation 23

Council continue to investigate and implement a review of its information technology hardware and software.

Recommendation 24

Council should review its E-Business Strategy, and develop a whole-of-Council IT Strategic Plan.

Recommendation 25

Council should review its websites to give better access to Council documents and publications.

Council's response

Ward Contingency Fund

In response to a recommendation in the draft report that Council cease the Ward Contingency Fund, Council advised:

The provision of funds in Council's Works Improvement Program for Ward contingency provides a source of funding to allow Council to undertake urgent minor works, when no other funding has been allocated. The actual amount allocated to this purpose comprises less than 2% of Council's annual Works Improvement Program. Whilst the contents of your report are noted, Council will consider the issue in detail at the time the final report and Action Plan is tabled in Open Council.

Zero-based budgeting

Council advised:

As previously advised, in setting its annual estimates, Council has had a longstanding practice of not increasing any expenditure budgets (with the exception of employment related costs) without Council approval. This discipline has encouraged Council officers to continue to identify efficiency savings. With regard to your recommendation, I advise that Council officers are currently reviewing current budget procedures to determine appropriate processes whereby the cost of specific services can be more accurately quantified, and this information incorporated in future reviews of Council's Long Term Financial Plan. In effect, it is considered that once an appropriate methodology to do this has been endorsed by Council that this will assist in better determining service priorities as part of Council's Annual Budget process.

Review of information technology hardware and software

Council advised:

At present, hardware replacement including desk top computers and printers is on a 4 year cycle. In regards to software, select tenders are to be invited in April/May 2011 for an EDMS and identification of business requirements are well advanced for the upgrading of Council's corporate system for finance, rating and other core applications.

5.4 COMMUNITY & 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.

5.4.1 Scope of review

A review was conducted of a range of aspects of Council's community and consultation practices, including:

- *The methods Council uses to involve and determine the views of its community*
- *Ageing Population*
- *Social and community functions of Council*
- *Annual reporting*
- *Economic Development/Tourism*
- *Customer service standards*

5.4.2 Overview of community and consultation practices

This is an aspect of Council operations where it excels. Council has a comprehensive approach to community consultation and councillors appear to be well connected with constituents, notwithstanding the relatively large population of the area. Council demonstrates a genuine commitment to communicating effectively with its community.

5.4.3 Significant observations

BETTER PRACTICES

Social and Community Planning

Council adopted the Social and Community Plan in 2007 and has reviewed the Plan through the development of annual Action Plans in 2008, 2009 and most recently in the Social Plan Action Plan 2010 – 2012. The Action Plan provides information on Social Plan Measures, which encompasses relevant Council Quadruple Bottom Line (QBL) reporting measures relevant to the Social Plan.

The Council's Social and Community Plan is linked to its Community Strategic Plan, Delivery Program and Operational Plan and Departmental Service Plans. These plans are identified in the Social and Community Plan, which is integrated with the Council's Operational Plan and Annual Report.

The Social and Community Plan is well presented and shows evidence of being based on a sound developmental process. It is comprehensive in its scope, includes a solid demographic profile based on ABS data and strong evidence of integration of strategies across Council functions and divisions. There is evidence of a commitment to community consultation both in the preparation and implementation of the Plan.

While the Plan was not prepared in conjunction with other councils, it included consultation with relevant State Government agencies both in its development and implementation. These included:

- NSW Health – Western Sydney Area Health Service
- Human Services NSW - Community Services (formerly Department of Community Services)
- Department of Premier and Cabinet
- Department of Education and Training (Regional Schools, Nirimba TAFE)
- Human Services NSW – Ageing Disability and Homecare (formerly Department of Ageing Disability and Homecare)
- NSW Police.

The Plan includes collaborative strategies to address issues of concern to various social justice groups and includes programs, activities and services for people with diverse cultural and linguistic backgrounds, as well as for children.

Customer Service

In 2009 Blacktown City Council was awarded the national title for excellence in customer service in local government by the Customer Service Institute of Australia.

Council has a high level of customer service provided through its counter and call centre. It promotes its customer service to the community, through a Virtual Front Counter on its website and promotes its Customer Service Charter through brochures and information in Council facilities.

The Customer Service Charter sets standards for customer calls received through Council's main phone number and answered by Blacktown City Information Centre. Call data is collated by the "Council's phone management system", which can generate various statistics that include:

- average time taken to answer phone calls
- percentage of enquiries resolved at first point of contact
- average time spent on phone with customer.

Reports on performance are prepared twice daily, weekly and monthly and forwarded to management for assessment and evaluation.

The call centre operates 24 hours a day, 7 days a week. Performance is assessed and benchmarked (Customer Services) against other local government areas by an independent company.

A quarterly performance report is presented to Council. The areas covered include such factors as operator manner, willingness to help, greeting quality, enquiry resolution, answer delay, communication skills, complaint handling and other "Customer Service" indicators.

All sections of Council have access to the Customer Action Request system, which facilitates prompt attention to customer's service requests. Customer action requests are monitored against a number of KPI's, and this information is recorded and

entered into the executive reporting system “Cognos” for assessment by management.

In June 2010, Council released its “Guide to Compliments and Complaints Handling”, which will assist staff in dealing effectively with complaints.

Economic development strategy

Council’s Economic Development Strategy (2003 – 2008) for the area was adopted by Council in June 2003. The review team was advised that the Strategy was to be reviewed in the second half of 2010. Council has continued to focus on Economic Development as a part of the Community Strategic Plan and the regular promotion of a number of industrial precincts throughout the City. Council has an Economic Development Officer, who promotes Blacktown through such activities as:

- support through involvement and sponsorship of the Blacktown Business Advisory Services Inc (BASI) and other Taskforces in the delivery of business workshops and programs
- working collaboratively with external economic development agencies to leverage services that can help local industry to grow (including I&I, Austrade, UWS, AusIndustry)
- networking with local industry by attending local business networks and promoting these networks
- cluster local industry via ongoing forums and other clustering initiatives
- developing and maintaining a set of local economic performance indicators
- facilitating an annual CEO forum.

The Council’s Economic Development Strategy forms part of the Blacktown City 2025 Vision and Council’s Integrated Planning and Reporting documents. For example, the Economic Development Strategy recommends that the Council develop industry clusters in order to create a City that adds value to its businesses. In the Blacktown City 2025 Vision, a focus area centres on developing specialised industry clusters in order to retain local wealth and income in the City.

NOTEWORTHY PRACTICES

Provision of Community Services

Council demonstrates a keen commitment to address the needs of its residents in the provision of aged and disability services, children's services, and youth services.

It provides an impressive array of educational, recreational, cultural and general entertainment programs for a wide cross-section of its community, including:

Emerton Leisure Centre

Blacktown Olympic Park

Blacktown Leisure Centre and Library – Stanhope

At the Blacktown Leisure Centre, the swimming pools have been fitted with anti-drowning technology, the first in Australia. This technology detects a person not moving for a period, and alerts lifesavers patrolling the pools.

The centre also incorporates the Dennis Johnson Branch Library, which was opened in 2009. The Branch Library holds more than 30,000 books, DVDs, magazines, picture books, graphic novels and more. The Library includes a study space and meeting rooms, which allows the Library to deliver a program of lectures, seminars and social/cultural events.

New technology has been used extensively throughout the Library for customer convenience. This includes Radio Frequency Identification (RFID), self-help for issuing of books and a drive-through drop off/returns chute, to enable customers to return items from the comfort and convenience of their cars at any time.

The Technology Room provides Library patrons with access to internet facilities, word processing and other educational software packages. Computers can be booked online from the Library's online catalogue. The Library also provides a basic internet training service and email training to library patrons.

Community participation and consultation

Council has demonstrated a strong commitment to consulting and engaging with its community for the purpose of providing the community with adequate, equitable and

appropriate services and facilities. In this regard it employs a range of initiatives, including:

- Council produces both general and targeted newsletters. The general newsletter, called the Quarterly Bulletin, is letter-box dropped to every residential address in the Council's area. Newsletters for specific target market groups are also produced – some on a monthly basis, others quarterly and annually. For example, Paws for your pet, the Bushcare newsletter, and Environmental newsletters
- Weekly newspaper items - Council places a community information feature in the local newspaper each week, alternating between the two major papers in the region
- Council has used radio to promote major events such as the Blacktown City Festival and Australia Day Concert
- Council has used direct mail-outs to target specific audiences such as invitations, developments and certain events are mailed, or letter-boxed directly, utilising existing databases. The Business and Economic Indicators Newsletter is another example
- Council conducts Community meetings or forums, for example, the Public Transport Forum, Sustainability Programs, Environmental Expos and workshops, Business Expo, and the Community Service Expo
- Information is also distributed via the Blacktown Visitor Information and Heritage Centre and at Council's front counter
- E-newsletters and direct e-mail outs (generated through subscription) are another method Council uses to keep the community informed of its activities.

Council adopted a Community Communication Consultation and Participation Policy on 28/5/2003 (Policy No P000441.2). This Policy is currently under review, with Council giving in-principle endorsement to a Draft Community Engagement Strategy and Policy at its meeting on 14 April 2010 (report SL300043). The matrix attached to this Policy also outlines consultation mechanisms.

Cultural Plan

The Blacktown City Cultural Plan 2007 – 2017 was developed through workshops and consultation with groups including Sydwest Multicultural Services Inc (formerly the Migrant Resource Centre), Blacktown Migrant Inter-Agency, artists, the Aboriginal community and youth groups.

Blacktown's neighbouring local government areas are establishing particular niches for themselves in relation to cultural development, and this was taken into account in establishing priorities for the Cultural Plan.

While the Cultural Plan did not involve consultation with other councils, it did involve an analysis of the Strategy for the Arts in Western Sydney, WSROC's Regional Cultural Planning Strategy, cultural planning documents from other councils in Western Sydney and elsewhere in Australia.

The Plan sets strategic plans for Blacktown arts and cultural activities and links these to Council's overall strategic planning program. This integration is evident, for example, in the promotion of community art and its inclusion in urban and open space design.

Regenesis Project

The Council has established an innovative carbon-trading partnership with its sister council, Liverpool Plains Shire Council.

The project is funded through a \$2 million grant from the NSW Environmental Trust Urban Sustainability Program. It involves planting trees to offset carbon in response to climate change. The trees, shrubs and grasses planted are aimed at enhancing the biodiversity of an area.

Activities under this project include:

- community planting events
- sponsoring plantings
- establishing revegetation sites in both council areas.

Aboriginal People

Council does not have a Memorandum of Understanding with the local Aboriginal Land Council. However, it has a strong commitment to its Aboriginal population and has adopted a Statement of Commitment to Aboriginal Reconciliation (March 2009). The Council has prepared a Draft Blacktown City Reconciliation Action Plan, which was on public exhibition at the time of this review.

The Aboriginal people are acknowledged in a range of Council strategies, including the Social and the Cultural plans, which aim to promote and encourage Aboriginal people's contribution to the Blacktown community.

AREAS FOR FURTHER DEVELOPMENT

Disability Access

Council's Administration Building and Council Chambers are accessible to people with a disability.

The Council does not have a Disability and Access Action Plan or Policy. The Council has not developed any separate plans to deal with the potential impact of an ageing population, although this issue is addressed in the Social and Community Plan.

Recommendation 26

Council should develop a Disability and Access Plan.

5.5 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.

5.5.1 Scope of review

A review was conducted of a range of aspects of Council's workforce relations practices, including:

- *Human resources strategy and workforce planning*
- *Employee attitude surveys*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Equal employment opportunity*
- *Occupational health and safety*
- *Secondary employment*

5.5.2 Overview of the organisation

Council is one of the largest employers in the Greater Western Sydney Region. As a large organisation, it requires a significant staff complement to meet its obligations as a local government body, the needs of its community and its aspirations for the future.

Council's Workforce Management Plan 2010-2013 indicates that the Council employs 1,071 full-time and 122 part-time employees. Additionally, the Council employs around 470 casual and temporary staff, and around 15-20 trainees and 35-40 apprentices. Additionally, in 2008/2009, Council hosted 150 work experience students from local educational institutions.

While the majority of the Council's workforce is accommodated at its administration centre in the Blacktown CBD, there are approximately 60 remote work sites within the Council's area, including the depot (with around 400 staff), libraries, childcare and recreation centres. Appropriately accommodating its staff into the future will be a challenge to be met by the Council, as its Administration Building appears to be at or nearing full capacity.

Employee costs to the Council will be in the order of \$98 million for the 2010/2011 financial year, which represents approximately 48% of the Council's operating expenses. (In 2008/2009, employee costs were \$88,478,000, representing an increase from the previous year of \$82,034,000 and from \$78,455,000 in 2006/07. To place these figures in context, the 2008/2009 Group Average for employee costs against operating expenses was 43.99% against the Council's 44.45%.)

5.5.3 Significant observations

BETTER PRACTICES

Workforce Planning

Council has a comprehensive Workforce Management Plan, which forms part of its Resourcing Strategy under the Integrated Planning and Reporting Framework. The Workforce Management Plan documents the identity of the Council as an employer in the context of the characteristics, both geographic and demographic, of its constituent workforce and broader community.

The Plan recognises the issues confronting the Council with respect to an ageing workforce, the increasing community demand for a diversity of services in an environment of tightening resources, and the changing nature of the workforce generally. The Council has also recognised that it needs to be "*creative, flexible and adaptive*" if it is to meet the challenges ahead.

Five strategies are identified for development to address the issues confronting the Council and to respond to organisational needs into the future. These strategies are:

- *Learning and Development*
- *Leadership Development*
- *Attraction and Retention*
- *Employee Reward and Recognition*
- *Key Position Plan*

Occupational Health and Safety Plan

Council has developed a comprehensive Occupational Health & Safety (OH&S Plan) system, which has satisfied rigorous WorkCover audits over recent years. Council has received ongoing extensions to its self-insurer status from WorkCover, reflecting the quality of the systems and practices in place. Council described its OH&S system as best practice, and advised that WorkCover refers other organisations to Blacktown as a leader in the field.

Council's OH&S Standard Operating Procedures are very comprehensive and assign accountabilities through various levels within the organisation. The procedures also define the constitution and functions of the OH&S Committee, and set out comprehensive risk management and response procedures.

Human resource policies and practices

Council has a well developed and comprehensive suite of human resources policies, including well-documented recruitment and selection procedures. These procedures apply to all recruitment by the Council and are consistent with the merit selection requirements of section 349 of the Local Government Act. Position descriptions exist for all positions, and are reviewed on a 3-yearly cycle.

Although not explicitly linked to position descriptions, a delegations matrix has been developed for relevant positions across the organisation and issued as a General Manager's circular to staff (Circular 2010-02).

Council has a formal training program in place, informed by an annual training needs analysis. Training priorities are then developed within budgetary constraints.

NOTEWORTHY PRACTICES

Human Resources communication

Human Resources information is disseminated to staff at induction and policies are available on the Council intranet. Staff working at remote sites, including the Depot, have access to information through the intranet.

As a large organisation with many remote sites, one of the issues facing the Council is the effective communication of policies and procedures to all staff. While the

Council's intranet is a very good resource for staff to access Council policies, the review team understands that the need for greater availability of information about workplace rights, procedures and guidelines for accessing entitlements is a matter that has been identified for consideration by the Joint Consultative Committee.

AREAS FOR FURTHER DEVELOPMENT

Employee attitude surveys

Council has not undertaken an employee attitude survey since November 2004. Council acknowledges that the ongoing development of the Council's Workforce Management Plan will need to be informed by a staff survey. The review team supports Council's intention to retain external expertise to design the survey to ensure that it obtains maximum benefit from this process.

Recommendation 27

Council should proceed with an employee attitude survey as soon as possible.

Flexible work practices

Council appropriately recognises and accommodates flexible working arrangements for staff on a case by case basis. Formal recognition of work/life balance issues should be the subject of a formal Council policy to ensure that there is an equitable and consistent application of practices across the organisation.

Recommendation 28

Council should develop and implement a formal policy on flexible work practices to avoid the possible inequitable/inconsistent application of local arrangements across the organisation.

Record keeping

Council has in place a Community Language Allowance Scheme, whereby employees competent in a language other than English are paid an on-call allowance to assist other staff as necessary where language difficulties arise in the course of ratepayer and other transactions.

The review team was advised that information about community languages spoken by staff is captured on recruitment but that the scheme is not audited and that there

is no centralised register. While it is accepted that operational staff will generally be aware of which staff to contact for assistance with a particular language, it would be good practice to formalise this information in a central register, which can be audited, updated and accessible to staff.

Similarly, while an approval process exists for secondary staff employment, there is no centralised register of approvals or conditions attaching to those approvals. The review team understands that approval information is retained on the personnel file of the relevant officer. This practice does not assist the Council to easily interrogate records to ascertain what approvals have been provided to which staff, or to audit the records to ensure currency and compliance with any conditions of approval.

Recommendation 29

Council should create and maintain centralised electronic registers for Community Language Allowance Scheme (CLAS) and secondary employment approvals.

Succession planning

Like all councils, Blacktown faces a number of challenges into the future in responding to issues associated with an ageing workforce, succession planning and the retention of knowledge and experience within the organisation (60% of the Council's workforce is over the age of 40; 25% are over the age of 55).

Although there has been an informal response to this issue through the identification of key positions and the provision of development opportunities, an opportunity exists for Council to formalise a succession plan with a focus on the aggregation and management of key position information and capacities within the organisation, and the development and retention of knowledgeable and experienced staff.

Recommendation 30

Council should develop a formal succession planning process to assist in the management of its workforce into the future.

APPENDIX – RISK RATING OF RECOMMENDATIONS

The recommendations made in this report have been assessed for a priority ranking based on the following risk analysis.

		CONSEQUENCE		
		Significant <i>Significant risk to the operations of council and if not addressed could cause public outrage, non-compliance with council's statutory responsibilities, severe disruption to council's operations and council's ability to meet its goals.</i>	Moderate <i>Moderate risk to the operations of council and if not addressed could cause adverse publicity, some disruption to council's operations and council's ability to meet its goals.</i>	Minor <i>Minimal risk to the operations of council, little disruption to council's operations and will not limit council's ability to meet its goals.</i>
LIKELIHOOD	Almost certain	High	High	Medium
	Possible	Medium	Medium	Low
	Rare	Medium	Low	Low

Priorities for recommendations: <i>(based on application of risk analysis)</i>	Risk categories could include:
<ul style="list-style-type: none"> High Medium Low 	<ul style="list-style-type: none"> Reputation Compliance with statutory requirements Fraud/corruption Financial Legal liability OH&S

ACTION PLAN

The Action Plan is to be completed and adopted by Council to guide the implementation and monitoring of the recommendations in this report. The review team have allocated notional priority rankings using the risk rating analysis in the previous section. Council is encouraged to review and revise these, if necessary.

No.	Recommendation	Priority	Action Proposed	Time Frame
1	Council review its 'Expenses and Provision of Facilities for the Mayor and Councillors' policy to ensure consistency with the Division's guidelines.	H	Review Civic Office Expenses and Facilities Policy accordingly in conjunction with the annual review of the Policy due for completion by November each year.	November 2011
2	Council should ensure that staff are adhering to purchasing and tendering policy and procedures by undertaking regular audits and staff awareness training.	H	Ongoing process implemented to undertake regular audits of procurement and tendering activities to ensure compliance and identify training needs.	Ongoing
3	Council continue to review its records management system and introduce an EDMS for all council records as a priority.	H	Tenders to be invited for an EDMS and following selection, implementation process to commence including training and change management program.	December 2011
4	Council should develop a policy and procedure for the keeping of councillor records.	M	Policy being developed on Councillor's Access to Information in accordance with DLG Circular 10-30 Incorporating a Policy and Procedure for the Keeping of Councillor Records.	July 2011
5	Council should use the Managing Gifts and Benefits in the Public Sector Toolkit - Independent Commission Against Corruption to review its Gifts and Benefits Guidelines and register.	M	Code of Conduct being reviewed to enhance guidance on managing gifts and benefits.	July 2011

No.	Recommendation	Priority	Action Proposed	Time Frame
6	Council should develop a system whereby it can ensure that all legislative and regulatory obligations are met on an ongoing basis.	H	Legislative and Regulatory Compliance toolkit to be developed.	September 2011
7	Council should develop a councillor induction and development program.	M	Structured induction and development program being developed for Councillors in the lead up to the 2012 Elections.	June 2012
8	Council should provide ongoing training to ensure that all Councillors and designated staff are aware of their general obligations regarding disclosures of pecuniary and non-pecuniary conflicts of interest.	H	Workshops to be conducted for Councillors and designated staff prior to issuing 2010/11 returns for completion.	September 2011 and ongoing.
9	Council should undertake an organisation-wide risk assessment to inform the development of a formal risk management strategy.	H	Council has started to implement Enterprise Risk Management (ERM) with selected business units. The timeframe with which ERM will be fully implemented will be dependent on funding and staff resourcing.	Ongoing
10	Council should continue to implement its Internal Audit Plan.	M	Implementation of Internal Audit Plan on target and regularly reviewed by Audit Committee.	Ongoing
11	Council should review the composition of the Audit Committee against the revised Internal Audit Guidelines.	M	Audit Committee to undertake self-assessment review of first twelve months operation. The current Charter including composition of Committee members will also be reviewed.	June 2011
12	Council should undertake a fraud assessment to inform the development of a fraud control policy or strategy as part of its internal audit priorities.	H	In line with implementation of Recommendation 10, assessment of fraud risks to also be undertaken and Fraud Control Policy to be developed.	November 2011

No.	Recommendation	Priority	Action Proposed	Time Frame
13	Council should review its delegations to the General Manager to ensure compliance with section 377 of the <i>Local Government Act 1993</i> .	H	Delegation and Power of Attorney for the General Manager to be reviewed.	April 2011
14	Council review its Code of Meeting Practice and meeting procedures to ensure compliance with the requirements of the <i>Local Government Act 1993</i> and the Local Government (General) Regulation 2005	H	Code of Meeting Practice to be reviewed.	June 2011
15	Council review its practice to ensure that leave of absence procedures are consistent with the provisions of its Code of Meeting Practice.	M	Councillors to be reminded of leave of absence requirements under the Code of Meeting Practice.	March 2011
16	Council should consider the development of an electronic compliance database with search and reporting capabilities to assist in the programming and management of its regulatory inspection program.	M	The current system (Excel database) has been operating for 8 years and currently links to Council's Cognos reporting system. It was identified that this system requires manual input of results and manual collation of data. Council's Environmental Services Unit is working with the Internal Auditor to manage the associated risk. It is proposed that when Council updates its core business system, the compliance database will be fully integrated with the corporate information system removing the need for manual manipulation of the data.	June 2013

No.	Recommendation	Priority	Action Proposed	Time Frame
17	Council should review the scope of its regulatory inspection program to identify and incorporate high-risk activities within the Council's area which are not presently subject to compliance inspections.	M	The public health activities which do not require regular inspection under the Public Health Act 1991 (NSW) are currently being identified and risk rated. Once the risk rating is completed, and an appropriate strategy has been determined to respond to this issue, another regime will be formulated, within available funding, with a view to regular inspections commencing in the 2011/2012 financial year.	June 2011
18	Council should review its Community Law Enforcement Strategy with a view to assigning responsibilities and timeframes to identified actions.	M	The Community Law Enforcement Strategy currently assigns responsibilities to identified actions. This document will be amended to assign timeframes.	September 2011
19	Council should develop a compliance and awareness program for private pools.	M	Undertake an advertising and education program to provide ongoing promotion of pool owner's responsibilities through Council's communication channels (eg Council's Community Page in local newspapers, on website, press releases and provision of pamphlets to swimming pool owners).	September 2011
20	Council should consider developing a Companion Animals Management Plan to guide its companion animal activities.	H	Council will update its Animal Management following the development of an action plan in response to the Animal Holding Facility Operations Volunteer review.	June 2012
21	Council should cease the Ward Contingency Fund. Councillors should seek funds as part of Council's normal budget processes.	H	Division's comments noted. Council will consider issue in detail at the time the final report and Action Plan is tabled in Open Council.	N/A

No.	Recommendation	Priority	Action Proposed	Time Frame
22	Council is encouraged to undertake a zero based budget process linked to its community strategic plan and delivery program.	L	An appropriate methodology will be established to review the costs associated with Council's major service areas, and this information will be considered as part of Council's future budget process.	Commencing November 2011
23	Council continue to investigate and implement a review of its information technology hardware and software.	H	Hardware replacement is on a 4 year cycle. Software tenders to be invited for EDMS and upgrading core corporate systems.	2012 2011-2014
24	Council should review its E-Business Strategy, and develop a whole-of-Council IT Strategic Plan.	M	Development and review of Council's existing Business Technology Strategy in conjunction with the development of a new Long Term Funding Strategy.	2011
25	Council should review its websites to give better access to Council documents and publications.	L	Council to upgrade Website through implementation of an upgraded content management system.	July 2011
26	Council should develop a Disability and Access Plan.	M	1. Update Disability and Access Plan 2. Develop an Ageing Profile for Blacktown City (This is already a proposed action in the BBC 2011/12 Operational Plan)	September 2011 November 2011
27	Council should proceed with an employee attitude survey as soon as possible.	M	Employee Attitude Survey to be undertaken.	July 2012
28	Council should develop and implement a formal policy on flexible work practices to avoid the possible inequitable/inconsistent application of local arrangements across	L	Industry policy position to be reviewed with a view to augmenting Council's existing practices	July 2012

No.	Recommendation	Priority	Action Proposed	Time Frame
	the organisation.			
29	Council should create and maintain centralised electronic registers for Community Language Allowance Scheme (CLAS) and secondary employment approvals.	M	Centralised electronic register for Community Language Allowance Scheme (CLAS) to be created in line with implementation of EDMS. Secondary employment approval records have been centralised following the DLG Audit however these will be retained electronically following the implementation of EDMS.	November 2012
30	Council should develop a formal succession planning process to assist in the management of its workforce into the future.	M	Key Position Plan (KPP) already identified as part of Council's Workforce Management Plan. KPP to be developed.	July 2012