

challenges improvement innovation good governance

Promoting Better Practice Program

REVIEW REPORT

BLAYNEY SHIRE COUNCIL

SEPTEMBER 2007

TABLE OF CONTENTS

1. ABOUT THE REVIEW	3
2. EXECUTIVE SUMMARY	6
3. RECOMMENDATIONS	8
4. CONTEXT	14
5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS	15
6. DELIVERING AND ACHIEVING	19
6.1 Governance	19
6.2 Planning and Regulatory Functions	28
6.3 Financial and Asset Management	32
6.4 Community & Consultation	35
6.5 Workforce Relations	38
7. COUNCIL'S RESPONSE	44
7.1 Blayney Shire Council's comments	44
7.2 Review team response	48
8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES	51

1. ABOUT THE REVIEW

Review objectives

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

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

Review process

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

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

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

Blayney Shire Council Review

Blayney Shire Council was asked to complete a strategic management assessment and a checklist of key Council practices. The completed self-assessment and checklist were analysed by the review team prior to commencing the on-site review process.

Senior Investigations Officers Caroline Egberts and Carole Medcalf comprised the review team, and this team conducted an on-site review of Council from 6 November to 7 November 2006.

The review was based on Council's response to the self-assessment of its corporate arrangements and capacity. This assessment asked Council to respond to four critical questions of its capacity to improve:

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

All councillors were provided with a survey form (non-compulsory) to provide them with an opportunity for direct input into the review process. All councillors were also invited to meet the review team. No councillors completed the survey form nor opted to meet with the review team.

In order to review Council it is necessary to examine its performance across a range of functions. A number of modules of a practice checklist have been developed to assist Council in assessing its functions and checking its compliance. Council's response to the checklist is used as a guide for the on-site review and tests how Council has set about delivering its priorities and measuring its achievements.

The on-site review consisted of meetings with the Mayor and the General Manager, a briefing for Council's senior staff; conducting interviews; the review of a number of Council's policies and other documents as well as various site visits.

Following the on-site review, further analysis was undertaken. Council management was then provided with the opportunity to respond to the review's preliminary findings.

This report details the review's findings, recommendations and Council's initial response. The Department expects councils to formally respond to the review process, to prepare an action plan to address agreed issues and to provide progress reports on the implementation of the action plan.

2. EXECUTIVE SUMMARY

Blayney Shire Council is a well-managed local government authority. Council has the basis of a satisfactory governance framework in place. However, there are a number of areas requiring strengthening and several areas where Council does not comply with some requirements of the *Local Government Act 1993*.

Council's vision is to ensure that Blayney Shire Council is an active participant in the growth of the Central NSW region, while developing Council's area as an innovative, inspirational and enjoyable environment for its current residents, and those wanting to settle in the area.

Both elected officials and senior management have a mature approach to decision-making. Councillors appear to act in a manner appropriate to their civic office. The relationship between councillors and staff was described as excellent.

Council monitors and documents its progress against the priorities set out in the management plan on a quarterly basis. Its annual report details this achievement against its objectives and performance indicators. However, Council's management plan, other operational plans and annual report could be better aligned and integrated with its *"2025" Vision*.

Financially, Council is in a good position. Council currently has a five-year forward focus. Council's uses the Local Government Sustainable Finances Health Check to measure the financial health of the organisation against a range of indicators and/or benchmarks. This assessment is undertaken annually and reported to Council.

However, while Council's projected financial position for the three to five years is likely to continue to be healthy, the longer-term financial situation beyond five (5) years may deteriorate. There is currently no long-term financial plan to complement Council's *"2025" Vision*.

In the environmental planning area Council has a very good community land management policy. Council's development application process is of a good standard. However, Council needs to improve its State of the Environment (SoE) reporting, as its current supplementary report does not meet Act requirements. At the time of review, Council has no compliance and enforcement policy to guide its enforcement activities, including how it deals with non-compliance.

Council's new social plan looks more comprehensive than previous efforts. There are some enhancements that could be made with the structure and the implementation of the plan.

Council appears to have a dedicated and motivated workforce. However, it does not have a human resources strategy that can integrate and guide Council's overall human resources effort, particularly in the areas of recruitment and retention and staff training and development.

It is commendable that Council has allocated funds for an administration officer to work two days per week to implement a range of corporate improvements, including the recommendations of this report.

3. RECOMMENDATIONS

Strategic

1. Council should finalise its *“2025” Vision– A Working Document* and schedule periodic review dates to ensure the document remains relevant
2. While the *2025 Vision* is a very good basis for a long-term strategic plan, Council needs to develop more specific strategies and performance indicators within each of the broad direction areas.
3. Council’s management plan, other operational plans and annual report should to be aligned and integrated with its *“2025” Vision*
4. Council’s *“2025” Vision* should be complemented with a long-term financial plan to cover at least the next 10 years.

Governance

5. In reviewing its *“2025” Vision*, Council should clearly identify and state its corporate values as set out in its code of conduct. Council’s values should also be promoted in Council’s management plan or annual report.
6. Council should prepare a statement of business ethics consistent with its corporate values.
7. Councillors and senior staff should be reminded to carefully read and follow the instructions on their annual returns of interests (section 449).
8. Council should develop a written policy/procedure governing the interaction between Councillors and staff.
9. Council should develop an overall plan to guide its risk management activities. The plan should extend beyond those risks that are insurable.

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

10. Council should develop and adopt an internal audit program and establish an internal audit committee. Council should also develop and adopt a fraud prevention strategy.
11. Councils should develop a policy and procedures to guide and assist council officials in dealing with gifts and benefits and to support the provisions in the model code of conduct regulating gifts and benefits.
12. Council should develop a privacy management plan as required under the Privacy and Personal Information Protection Act.
13. Council should document its procedures for monitoring and ensuring that it complies with ongoing legislative change.
14. Council's policy on the payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors should be reviewed as a matter of priority to ensure it complies with the legislation. Council should refer to the Department's Circulars 04/60 and 05/08 as a guide.
15. Council should be mindful that the way it closes its meetings from the public should on all occasions fully comply with all of section 10A-10D of the *Local Government Act*.
16. Council should develop a structured induction program for new councillors and provide relevant ongoing training to all councillors.
17. Council should ensure its policy register is dated and that all policies identify who is responsible for the policy, the date it was adopted, the date

last reviewed, the date of the next review and any related policies or other documents.

18. Council's complaints handling system should be improved to include:

- a revised policy or procedure document that separates complaints and requests for service; formal recording of complaints and outcomes and reports of complaints trends to Council;
- making the procedure for complaints accessible to members of the public (i.e. website/complaints form in public areas/counter staff training)
- training all staff on the revised complaints handling system.

Regulatory

19. Council should meet the requirement to report on strategies for dealing with air and noise pollution in its State of the Environment Report.

20. Council should develop a waste management strategy as soon as possible.

21. Council should develop a development application process procedural guide for staff to ensure all staff process applications in the same manner and that new staff have guidance when they commence work with Council.

22. Council should as a priority establish and then maintain a register for SEPP 1 concurrence consents.

23. Council should determine roles and responsibilities for section 94 activities and publicise it to all Council staff to ensure the requirements of section 94 of the *Environmental Planning and Assessment Act 1979* are met.

- 24. Council should develop an enforcement policy, which includes in it a review timeframe to assess whether enforcement activity over the previous 12 months has been consistent with the policy.
- 25. Council should develop a management plan for its companion animals activities.
- 26. Council is encouraged to increase promotion of companion animals registrations and follow-ups of any dog attack reports.
- 27. Council should provide data on pound activities to the Department on a periodical basis as required under the legislation.

Financial and asset management

- 28. Council should finalise its sewerage asset management plan as a matter of priority and work to develop and complete a comprehensive asset management plan for all other assets. Prioritising of works should be made on the basis of accurate valuations (noting the recent significant reduction in Council's estimate on cost to bring assets to a satisfactory condition). The asset management plan should be linked to Council's long-term financial plan.

Community and Consultation

- 29. Council's tourism strategies, including a tourism plan, should continue to be developed and enhanced given the obvious attractions in the LGA.
- 30. Council should monitor and review its Social Plan regularly. Actions to be included in Council's management plan should also include who is responsible, a specific timeframe and an appropriate performance measure.

31. Council should include information about its access and equity activities in its next Annual Report and subsequent reports as well as its Management Plan.
32. Council should include a copy of the minutes of its locality/village meetings (together with an indication of Council's responses to issues raised at these meetings) in Council's business paper.
33. Council should develop and implement a specific communication and development strategy in relation to the Shire's community centre.
34. Council should conduct periodic community surveys as an additional means of gathering information about community concerns and needs.

Workforce Relations

35. Council should develop a human resources strategy.
36. Council should also ensure its human resources strategy is linked to its overall strategic direction.
37. Council should develop a human resources manual containing all of Council's human resources policies for easy reference for all staff, and should develop policies about its use and composition of selection committees, internal appeals processes, job description reviews and exit interviews.
38. Council should ensure that it reviews the broad performance of outcomes of its Employee Development Policy against its strategic directions.
39. Council management should explore further communication strategies to bridge some of the gaps identified in Council's last employee survey.

- 40. Council should continue to identify and address any concerns that staff may have about ongoing job security.
- 41. Council's next employee survey should contain a more comprehensive set of questions compared to the previous one.
- 42. Council should ensure it meets its OH&S and Award obligations by conducting regular meetings of its OH&S Committee and its Joint Consultative Committee.
- 43. Council should ensure that line managers and staff, as part of the annual implementation of Council's Employment Development Policy, review and update job descriptions as necessary to accurately reflect the work undertaken by staff.

4. CONTEXT

Blayney Shire Council encompasses the townships of Blayney, Carcoar (the third oldest inland settlement in New South Wales), the national trust designated village of Millthorpe and the smaller villages of Lyndhurst, Mandurama, Neville and Newbridge.

The main town in the Shire is Blayney, situated some 37km west of Bathurst and approximately 250km by road (and 3 hours drive) from Sydney. The urban population of Blayney is approximately 3,100, with a total Shire population of 6,141.

The Shire of Blayney encompasses approximately 1,600 square kilometres of well watered, gently undulating to hilly country on the Central Tablelands. Much of the land is elevated, at over 900 metres above sea level, with the climate being partially suitable for cool climate crops and trees.

The Blayney Shire consists of a natural basin bisected down the north south axis by the Belubula River, which is a headwater stream for the Lachlan water catchment.

The Municipality of Blayney was incorporated in 1882, to be later amalgamated into Lyndhurst Shire (November, 1935), which became the Blayney Shire Council in 1977. It is now also one of three member councils of the Wellington, Blayney and Cabonne (WBC) Strategic Alliance.

Major industries are the Cadia Mine, the Ridgeway Underground Gold Mine, the Nestle Purina Pet Care plant, the Sealink Ltd facility, Australian Native Landscapes and an inland freight terminal. Underlying the industrial, mining and commercial activity is the quiet rural lifestyle enjoyed by the community, which includes wool, prime lambs and cattle producing activities.

Source: Blayney Shire Council Website and Community/Social Plan 2005-2010

5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS

The review assessed the clarity of Council's strategic direction and whether Council plans reflect a shared and realistic vision. The review team also examined the link between Council's strategic and corporate planning. In particular, focussing on the degree to which strategic directions guide project management and are integrated into service delivery and systems to foster performance improvement.

2025 Vision

The Mayor and General Manager were able to articulate a clear vision for Blayney Shire for the next 20 years. Council is taking a proactive approach to guarantee its status as a financially profitable or sustainable and independent entity. While focusing on innovative and responsive service delivery to its residents, Council will continue as an active participant in the growth of the Central NSW.

Council's vision is to ensure that Blayney Shire Council is an active participant in the growth of the Central NSW region, while developing the area as an innovative, inspirational and enjoyable environment for its current residents, and those wanting to settle in the area.

The adoption of agreed vision and mission statements are important first steps in being able to operate strategically. Council started reviewing its strategic intent in January 2006 and has gained input from councillors, staff the community and other stakeholders.

Council has compiled *"2025" Vision – A Working Document*, which is well presented and easy to read. Its vision and the key areas leading to its achievement are clearly stated. Council is encouraged to develop and finalise its strategic vision and schedule periodic reviews to ensure the document remains relevant.

(Recommendation 1)

A shared understanding of this vision was evident in interviews held with both senior and other staff throughout the organisation.

Key priorities and areas of achievement

The key priorities and areas of achievement in the vision statement are

- management (including financial sustainability; promotion and strategic alliances)
- engineering and services
- environment and development
- social and community
- human resource fulfilment

A number of broad directions have been developed to achieve each of these priority areas. The Mayor and General Manager were able to list a number of major achievements in each of the key priority areas.

The *2025 Vision* is a very good basis for a long-term strategic plan. However, Council needs to develop specific strategies and performance indicators within each of the broad priority areas. **(Recommendation 2)**

Integrated planning, service delivery and reporting

To be meaningful, vision setting and planning is a process to translate community needs and aspirations into service delivery. To be meaningful, plans must result in actions and outcomes and reported to community.

Council's key planning documents such as its vision statement, management plan and annual report are not clearly linked and use different language and terminology. For instance, the key priorities and areas of achievement in the vision statement should be linked to the principal activities and targets in the management plan and then to the annual report. The management plan should set key performance indicators that are monitored quarterly and reported on in the annual report.

Other operation plans such as the State of the Environment Report and social/community plan should also be clearly aligned with Council's strategic plan, management plan and annual report. Council's next management plan, annual report and other operational plans should be aligned with Council's long-term strategic plan. **(Recommendation 3)**

Long-term financial plan

Financial management over the last four years has been very good, with Council having developed a five-year forward focus. However, the Mayor and General Manager predict the longer-term financial situation beyond the next five (5) years may deteriorate. There is currently no long-term financial plan to compliment Council's 2025 *Vision*. **(Recommendation 4)**

Wellington Blayney Cabonne Strategic Alliance

Council was one of the founding members of the Wellington Blayney Cabonne Strategic Alliance in 2004. The alliance continues to provide Council with cost savings, resource sharing and opportunities for staff that otherwise would not be possible in a small Council.

The Mayor and General Manager stated that a key aim for forming the Alliance was to protect the independence of the Shire by combining resources to achieve economies of scale that have produced significant savings and a better range of services for ratepayers and residents.

Participation in the alliance occurs mainly at Mayoral and senior officer level. The review team evaluated the performance of the alliance separately and this is to be reported on in a separate report.

Delivering performance improvement

The Mayor and General Manager acknowledged that there are a range of policy and procedural gaps which require improvement and the review process was seen as a positive opportunity to foster systems improvement and hence enhance service delivery.

Council states it will work with the other members of the strategic alliance, Cabonne and Wellington Councils, to share the findings and identify opportunities for partnership in addressing areas, which require improvement. Taking such an approach will reduce duplication.

Council has also allocated funds for an administration officer to work two days per week to implement a range of corporate improvements including the recommendations of this review report.

6. DELIVERING AND ACHIEVING

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

6.1 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 industry in the organisation; ensures that an organisation is meeting its legal and ethical obligations; and assists in the prevention and detection of dishonest or unethical behaviour.

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

- *Ethics and values*
- *Risk management and internal control*
- *Council's decision-making processes*
- *Monitoring and review*

Governance framework

Council has the basis of a satisfactory governance framework in place. However, there are a number of areas requiring strengthening and several areas where Council does not comply with some requirements of the *Local Government 1993 Act*. There appeared to be a genuine commitment to improving systems, and the capacity to deliver quality facilities and services to the community

While governance is generally covered under the two principal activities of Council functions and corporate support, Council should consider making good governance a strategic goal. Areas for improvement are highlighted in this section.

Values and business ethics statement

Organisational values are an important way in which the leaders of an organisation can communicate to the rest of the organisation and the community at large what the organisation stands for. Blayney Shire Council's values are contained its code of conduct. Council should also set them out and link and promote them in Council's vision, its management plan or annual report. **(Recommendation 5)**

A statement of business ethics is important because strong working relationships with the private sector are an essential part of building an efficient and cost-effective public sector. Such a statement can be an excellent tool for encouraging the private sector activities to better align with public sector values. Council does not have, and should develop and adopt a statement of business ethics. **(Recommendation 6)**

Code of conduct

The Council's code of conduct as required under the *Local Government Act 1993* is important because it assists councillors and council staff to understand the standards of conduct that are expected of them.

Blayney Shire Council adopted its current code of conduct in February 2006. The document appears to be consistent with the Department's Model Code of Conduct for Local Councils in NSW.

Pecuniary interest returns (section 449 forms)

The *Local Government Act 1993* sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private interests that constitutes a pecuniary interest. Section 449 of the Act requires that councillors and designated staff complete and lodge returns of interests. It is important that councillors and staff observe these requirements.

Not doing so has the potential to seriously undermine the community's confidence in the integrity of local government and the decision-making processes.

The review team analysed the pecuniary interest returns of all councillors and senior officers. Generally they were satisfactory. Minor areas for improvement include

failing to use block letters or to type responses and failing to include the word 'nil' where no entry is made. **(Recommendation 7)**

Councillor role and interaction with staff

The Mayor, General Manager and senior staff perceive that there is a very clear understanding of these respective roles in practice. They also describe the relationship between councillors and staff as excellent. This perception was confirmed in interviews held with other staff. As mentioned earlier no councillors completed the review survey or requested an interview.

Council does not however have a written policy/procedure governing the interaction between councillors and staff beyond those provisions in its code.

(Recommendation 8)

Risk management

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 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. 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.

A risk management plan should provide a council with a framework to proactively identify, communicate and manage generic and specific risks. It is important that Council consider the development and implementation of a risk management plan to minimise the likelihood of negative events that could have otherwise been foreseen and thereby managed or avoided. Council does not currently have, and should develop, an overall plan to guide its risk management activities. 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 appropriate risk management.

(Recommendation 9)

Internal audit and fraud control

Internal audit provides for systematic scrutiny of an organisation's operations, systems and performance. It assists in ensuring that service standards are met, data records are accurate and complete and established procedures are being followed. Internal audit is separate from external audit. An internal audit function will only contribute to an organisations' corruption resistance if corruption risk management strategies are subject to regular auditing and if auditing findings are used to improve the effectiveness of those strategies.

Fraud is a crime involving the dishonest obtaining of a financial or other benefit by deception. The benefit might be of a direct value or it might be an indirect value. Fraud wastes scarce funds and resources and can damage an organisation's reputation and competitiveness.

It is important that fraud risks are identified and managed effectively and that staff are kept up-to-date on emerging risk areas and on proven strategies for properly managing them.

Council does not have an internal audit program or a fraud control policy and/or strategy. Internal audit can provide management and councillors with additional assurance as to the effectiveness and efficiency of Council operations. Council should develop and adopt an internal audit program and establish an audit committee. Council should also develop and adopt a fraud prevention strategy **(Recommendation 10).**

Council will need to consider the costs and benefits of such a program and committee in determining how to action this recommendation. Consideration should be given to a regional approach to internal audit.

Gifts and benefits policy and procedure

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

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

It is therefore important that councils develop a policy and procedures to guide and assist council officials in dealing with gifts and benefits and to support the provisions in the model code of conduct regulating gifts and benefits. From 1 January 2005 councils were required to maintain a gifts register to, as a minimum, record the receipt of gifts of more than nominal value. While council does maintain a gifts register, it does not have, and would benefit from, a policy and procedures regarding gifts and benefits. **(Recommendation 11)**

Privacy Management Plan

Council does not have a privacy management plan as required under the *Privacy and Personal Information Protection Act 1998*. **(Recommendation 12)**

Legislative compliance

Council does not have a system to monitor and review legislative changes that may impact on the organisation. Council should develop a systematic means for monitoring and ensuring that it complies with ongoing legislative change. **(Recommendation 13)**

Representation - councillor numbers

In May 2006, Council gained approval from the Minister for Local Government to reduce the number of its councillor numbers from 9 to 7 in accordance with section 224A of the *Local Government Act 1993*. Under the instrument gazetted the decrease does not take place until the next ordinary election of the Council.

Councillor expenses and facilities policy

A policy on the payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors is a requirement under section 252 of the *Local Government Act 1993*.

Council has a basic policy consisting of 10 dot points, which was adopted in 1999 and last reviewed in 2001. The policy needs to be reviewed to ensure it complies with the legislation. Council should refer to the Department's Circulars 04/60 and 05/08 as a guide. **(Recommendation 14)**

Organisational structure

It is the councillors' role collectively as the governing body to determine the organisational structure and the positions within the structure that are senior staff positions, and to allocate resources towards the employment of staff within the structure. The council may re-determine the organisational structure from time to time but must re-determine it within 12 months after any ordinary election of the council.

Council's organisational structure has been reviewed in accordance with legislative requirements and positions are clearly linked to each other throughout the organisation.

Council meetings

Meetings are usually held on the second Monday of each month. Clear meetings procedures contribute to good public decision-making and increase Council's transparency and accountability to its community. The requirements in holding meetings are set out in the *Local Government Act 1993* (the Act) and the *Local Government (General) Regulation 2005*.

Under section 360 of the Act, a council may adopt a code of meeting practice in compliance with which all council and committees of the council of which all the members are councillors must be conducted.

Blayney Shire Council's code of meeting practice was last reviewed in October 2006. The code is comprehensive and appears to be in accordance with the legislation and guidelines mentioned above.

Unfortunately, the review team's visit took place during a week when a council meeting was not scheduled. The Mayor stated that while he conducts the meeting in accordance with the code, he takes "a flexible approach to debate as councillors are well meaning amateurs with the spirit of the community behind them". Meetings usually run for approximately one and a half hours. Staff members reported that council meetings are efficiently run and cover a large volume of business. Well-prepared business papers support decision-making at meetings.

As a general rule, meetings of the council and its committees are required to be open to the public. Council closed its meeting seven (7) times in the last 12 months. Where council determines that a matter should be dealt with in confidential session, section 10A-10D of the *Local Government Act 1993* outlines the requirements for this determination.

While Council is in general compliance with this section, it needs to also comply with section 10D(1)(c), which requires Council to state, in all relevant cases, both at the meeting and in the minutes, the reasons why the part of the meeting is being closed and why this is on balance contrary to the public interest. **(Recommendation 15)**

Section 355 committees

Council committees can exercise some council functions under section 355 of the Act. Council has several such committees. To enable them to carry out their function effectively Council has provided these committees with constitutions or charters that set out their membership, functions and delegations; a code of conduct, procedure manuals and relevant training.

Councillor induction and training

Council does not have a structured induction program for new councillors. New 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*. Ongoing training to enable all councillors to keep abreast with changes in the sector should also be available. **(Recommendation 16)**

Management plan and annual report

Each year Council is required to prepare a draft management plan with respect to its activities for at least the next 3 years and its revenue policy for the next year. Sections 403 and 404 of the *Local Government Act 1993* require certain particulars to be included in Council's draft management plan. The draft management plan is to be exhibited in accordance with section 405 of the Act.

As mentioned earlier, Council's management plan, other operational plans and annual report should to be aligned and integrated with its "2025" Vision (see *Recommendation 3*). Council produces an easy to read and summarised annual report, which clearly outlines its achievements for residents and other key stakeholders.

Policy register

The policy register Council provided to the review team does not have a date stating the last time it was reviewed. While the majority of policy documents reviewed are clearly written, a number as identified throughout the report do not cover all key aspects. They also do not identify who is responsible for the policy, when it will next be reviewed and any related policies or other documents. Council needs to ensure that recently adopted policies are being implemented. **(Recommendation 17)**

Complaints handling

An effective complaint handling system is an essential part of the provision of quality Council services. It is one way to measure customer satisfaction and gather useful feedback for improving the Council's service.

Council's complaints handling system operates largely on an informal basis. The system is broadly set out in a policy, which is less than half a page of dot points and was last reviewed in 1998.

Council does not collect and review complaints or customer service issues. Without collecting this data Council has little capacity to improve its customer service, address matters of concern and address matters in a systematic manner. Council should develop a set of customer standards that link to a complaint handling system and should report on complaints trends and actions arising to the elected representatives. **(Recommendation 18)**

6.2 Planning and Regulatory Functions

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

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

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

Community land

All council land must be classified either community or operational and it must be identified in Council's land register. Community land may not be disposed of or dealt with except in accordance with the Local Government Act 1993. Council has a very good community land management policy that includes a generic plan of management for its community land. Council is to be commended for its work in this area.

Local Environmental Plan (LEP)

Council is required by section 73 of the Environmental Planning and Assessment Act 1979 to keep its planning instruments and policies, such as local environmental plans and DCPs, "under regular and periodic review". Council's LEP was developed in 1998, has 7 amendments and is on its website. It is a single LEP that has been reviewed within the last 5 years and appears to be subject to regular review.

Development applications

All development proposals in NSW must be assessed to ensure they comply with relevant planning controls and, according to nature and scale, that they are environmentally and socially sustainable. State, regional and local plans and policies indicate what level of assessment is required, and who is responsible for assessment: council, an accredited certifier or the Minister for Planning.

Council's development application process is of a good standard. Staff reports to Council are clear and concise while providing a reasonable amount of information, although including development application processing times would allow Council and the community to track Council's performance against state averages. Council's current performance is very good even considering the small number of applications that Council deals with. Council has a comprehensive information pack to distribute to members of the public to assist them in their application.

State of the Environment Reporting

The important role of local government in implementing the principles of ecologically sustainable development in NSW has been formally recognised in the Local Government Act 1993, which requires councils to manage their regulatory and service functions in an ecologically sustainable manner. Each council must submit an annual *State of the Environment Report (SoE)*.

Council needs to improve its State of the Environment (SoE) reporting, as its current supplementary report does not meet statutory requirements. In the SoE, Council has not indicated any strategies for dealing with air and noise pollution. Council should address the requirement to report on strategies for dealing with air and noise pollution. **(Recommendation 19)**

The figures in the report for waste to landfill appear to be inaccurate and could not be verified or clarified by current staff. Council has no waste management strategy. However, there was an increase of 12% in the amount of waste disposed in landfill, indicating a need for Council to address waste management in a meaningful way.

Council should check the accuracy of the information reported and should develop a waste management strategy. **(Recommendation 20)**

Although Council's development application process is considered to be of a good standard, Council should develop a development application process procedural guide for staff to ensure all staff process applications in the same manner and that new staff have guidance when they commence work with Council. **(Recommendation 21)**

Council is currently not complying with its statutory obligation to maintain a register for consents where concurrence under SEPP 1 has been granted. Council should establish a register at the earliest possible time and continue to maintain it. **(Recommendation 22)**

Section 94

Section 94 responsibilities are spread across several of Council's areas of activities with little evidence of cohesive overall management. Although the responsible officers were generally able to articulate their responsibilities there were areas where responsibility was unclear. Council should determine roles and responsibilities for section 94 funds and communicate it to all Council staff to ensure the requirements of section 94 of the EP&A Act 1979 are being met. **(Recommendation 23)**

Enforcement

In order to perform its role under the Local Government Act 1993, the Environmental Planning and Assessment Act 1979 and the Protection of the Environment Operations Act 1997, Council should be consistent in its application of regulatory requirements and then be monitoring compliance with those requirements. Without a policy to guide them, staff are open to charges of inconsistency and favouritism.

At the time of review, Council has no compliance and enforcement policy to guide its enforcement activities, including how it deals with non-compliance issues. Council should develop an enforcement policy, which includes in it, a review timeframe to assess whether enforcement activity over the previous 12 months has been consistent with the policy. **(Recommendation 24)**

Companion Animals

The adoption of a local companion animal management plan assists Council in achieving a balanced relationship between companion animals, humans and the environment. Such a plan also provides Council with an opportunity to identify the future direction of these services and strategies to meet the challenges faced in the provision of these services.

Although Council has no companion animals management plan, Council conducts some community education activities. Council should develop a management plan for companion animals activities to improve and coordinate its activities in this area.

(Recommendation 25)

The Department's Companion Animals Unit has advised that Blayney Shire Council returned pound data and information for 2004/2005 and 2005/2006. Council has not reported any dog attacks to the Department since 2004. With 1,149 dogs registered, Council is encouraged to increase its promotion of registration of companion animals, and to ensure it reports all dog attacks to the Department.

(Recommendation 26)

The recently amended *Companion Animals Act 1998* (section 67A) requires councils to report on pound activities. Council should provide relevant data regarding pound activities to the Department on a periodical basis. **(Recommendation 27)**

6.3 Financial and Asset Management

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

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

- *Financial management*
- *Asset management*
- *Insurance*

Overview of financial position

As mentioned earlier, Council's overall financial management over the last four years has been very good. Council currently has a five-year forward focus.

Council has made operating surpluses (before capital items) in recent years. The surplus before capital items for 2004/05 was \$102,000. The unrestricted current ratio for Council as at 30 June 2005 was 3.56:1. This indicator is a measure of Council's ability to meet its current financial obligations. A ratio of 1.5:1 is considered satisfactory: a ratio of 2:1 or better is generally viewed by the industry as good.

Council's debt service ratio for 2004/05 was 4%. This indicator assesses the degree to which revenues from ordinary activities are committed to the repayment of debt. There is no set benchmark for the debt service ratio given debt is influenced by a range of factors including the level of growth in a local government area.

The rates and annual charges outstanding percentage assesses the effectiveness of a council's revenue collection. The percentage of rates and annual charges that are unpaid at the end of the year is a measure of how well a council is managing debt recovery. For the financial year 2004/05 Council had an outstanding rates and annual charges percentage of 3.69%, a small decrease from the financial year 2003/04 percentage of 3.72%.

The written down value of Council's infrastructure is above 70% for all classes of assets, and as high as 87% for its sewerage network.

Council has not applied for a special variation since 1996/97. The Minister did not approve that application.

Council's uses the Local Government Sustainable Finances Health Check to measure the financial health of the organisation against a range of indicators and/or benchmarks. This assessment is undertaken annually and reported to Council.

Long- term financial sustainability

As reported earlier, while Council's projected financial position for the next three to five years is likely to be healthy, the longer-term financial situation beyond five (5) years could deteriorate. There is currently no long-term financial plan to compliment Council's *2025 Vision*. It is vital that Council has a long-term financial plan to support the achievement of its strategic vision. **(See Recommendation 4)**

Council intends to manage the current and future needs, expectations and priorities of the community through a number of specific streams such as financial sustainability; alternative income streams; funding options and the resource sharing savings through the Wellington Blayney Cabonne Strategic Alliance.

Achievements in this area include:

- A diverse range of industries have been attracted to the area including the new Cadia Mine and Ridgeway Gold Mine; Nestle Purina Pet Care Plant; Sealink Ltd Facility; Australian Native Landscapes Facility; wind farms and an inland freight terminal.
- Council is actively looking for other alternate revenue streams. For example, Council is investigating becoming a local broadband provider.
- Significant savings have been made in operational areas such as risk management (\$27,000 saving in insurance premiums) and Centrepont Sports and Leisure Centre (\$115,000).

- Council has gained corporate sponsorship of its Adventure Playground and Community Enhancement Program from Newcrest Mining.

Engineering and services

Council's vision for its engineering and services is to focus on providing and promoting services and facilities to meet the reasonable expectations of the community to create a living environment of the highest practical standards.

Achievements during 2004/2005 include a new works depot, Fagan's bridge and the Blayney Showground Redevelopment. The Federal Government and Council jointly funded Fagan's bridge. The bridge design was relatively new was constructed by Council staff and a number of local businesses and contractors. See annual report

Asset management

In 2004/05, Council spent \$1.041m on asset maintenance, while it was estimated that \$2.971m was needed to bring its assets to a satisfactory standard. Council should also clarify why, between 2002/2003 and 2004/2005, the estimated expenditure required to bring assets to a satisfactory position changed from \$9.4m to \$2.9m.

Council's Director of Engineering has developed a short-term works program but highlighted the need for better asset management planning, which would include better asset valuations to allow Council to more accurately identify the quantum of funds required to bring assets to a satisfactory standard.

Council does not have a comprehensive asset management plan in place. The Director of Engineering has worked with other councils in the region to develop a model for an asset management plan. A detailed draft asset management plan has been prepared for the Blayney Sewerage Business and will be the model for plans for other assets.

Council is encouraged to finalise its first asset management plan and commence developing an overall asset management plan for all assets. Prioritising of works should be made on the basis of accurate valuations and issues outlined in the asset

management plan. These plans should obviously be linked to Council's long-term financial plan. **(Recommendation 28).**

6.4 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

The review of Council's activities in this area looked at:

- *Tourism*
- *The methods Council uses to involve and determine the views of its community*
- *Social and community functions of Council*
- *Access and equity*

Tourism

Council has produced a promotional DVD about Blayney Shire that is a useful tool for recruitment, tourism and general promotional purposes. The DVD is of a professional standard and has been distributed to a reasonably varied audience. In addition, working with the Cabonne tourism officer appears to have been a useful exercise for Blayney Shire and a good example of shared resourcing. Council's tourism strategies, including a tourism plan, should continue to be developed and enhanced given the obvious attractions in the LGA. **(Recommendation 29)**

Community and social plan

The *Local Government (General) Regulation 2005* requires all councils to develop a social/community plan at least once every five years. A social/community plan examines the needs of the local community, including groups that may be disadvantaged in some way, and formulates access and equity activities that Council

and/or other agencies could implement to address identified needs. This plan must be prepared in accordance with guidelines issued by the Department. Aspects of the social/community plan must be reported in Council's management plan and annual report.

As part of the PBP Review, each Council's social plan is reviewed against the Department's Social and Community Planning and Reporting Guidelines and Manual as well as benchmarked against other Council social plans.

Council's new social plan is more comprehensive than previous efforts and is well presented. It was submitted on time and includes most of the essential components. The plan is available on Council's web site.

The plan does not include an adequate assessment of the effectiveness of its previous social plan. While it is acknowledged that some general outcomes from the previous social plan are reported in the current plan, this does not constitute an evaluation of the previous plan. No mention is made of how the current plan will be evaluated.

Conducting a thorough needs assessment in relation to people living in the local government is a critical step in developing a comprehensive and effective social plan (see B4 2 and B1 Step 3 of the DLG guidelines and manual). This information is used to form the basis of formulating strategies, goals and targets. In a number of cases it appears that this assessment was of a preliminary nature only and actions in the plan call for further needs assessments. For example, consulting with young people about recreational facilities/establishment of a youth council and also to investigate the need for an after school care service.

Responsibilities and timeframes in set out in the action plan are general and non-specific and do not meet the standard of the guidelines and manual. The plan should clarify who has responsibility for particular actions rather than list only key players and where possible set a specific time frame i.e. month and year (see step 4 of the manual). Performance measures should also be included. **(Recommendation 30)**

Access and equity

Council has not reported adequately on its access and equity activities, particularly by including details of those activities, if any, in its annual report. Council should include this information in its next annual report and subsequent reports as well as its management plan. **(Recommendation 31)**

Community consultation

Council has used a range of methods to consult the Blayney community. For example, the social planning consultation process included a service provider survey, focus groups and a strategic planning day.

Council conducts regular locality/village meetings. The minutes of these meetings are distributed to Councillors, appropriate staff and the host progress association or community group. **(Recommendation 32)**

Council encountered strong diverse community reactions to Council's proposed plans for the Shire's community centre. It was not apparent how Council will proceed in balancing competing views and communicating these to the community. Council should develop and implement a specific communication and development strategy in relation to the Shire's community centre. **(Recommendation 33)**

While the social planning process included a service provider survey, Council would also benefit by conducting a community survey as an additional means of gathering information about community attitudes, concerns and needs. **(Recommendation 34)**

6.5 Workforce Relations

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

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

- *Consultative committee processes*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Employee remuneration*
- *Equal employment opportunity*
- *Staff development*
- *Grievance management*
- *Occupational health and safety*
- *Secondary employment*

Overview of the organisation

Council has a workforce of 67 full time equivalent staff, with 21% women and 1% Aboriginal and Torres Strait Islander identified. The majority of staff are aged between 25 and 54 years of age. Council's salary budget expenditure for last financial year was \$2,514,000, which was less than the allocated amount due to 2 positions, Business Development Officer and Town Planner, being vacant for extended periods.

Traineeships

Council has instituted a number of scholarships and traineeships to address skill shortages and to retain younger members of the community in the area. Council has employed the trainees while the older members of their workforce are still employed, allowing a skills and knowledge transfer to occur.

Staffing

The review team did not undertake a comprehensive audit of Council's advertising of positions, job descriptions and applications processes. However, a selection of recent positions advertised was reviewed from advertising through to appointment. The positions included a Director's position as well as operational and administrative

staff positions. Council's processes were well documented, advertised in accordance with requirements, followed appropriate selection processes and included making proper notifications.

Council has given thought to, and implemented processes for, the replacement of specialist skilled staff by encouraging existing staff to improve their skills and qualifications. Its staff induction process is well documented, thorough and conducted regularly.

General manager's contract and performance review

The Department's circular 06/37 Standard Contract of Employment for General Managers effective 1 July 2006 gives Councils some guidance about the performance expectations for General Managers. The General Manager's contract appears to be in accordance with the recommended standard contract. The Mayor and General Manager describe their relationship as positive and respectful and it is reflected in their observed behaviour.

Council appears to be mindful of its role in managing the General Manager in accordance with council's charter to be a responsible employer. The General Manager's performance review report is comprehensive and well documented although some of the more specific measures could be documented in the covering letter.

Human resources strategy

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

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

All councils should develop a long-term workforce plan that looks at the staffing needs of each section of council and allocates staff according to workload and priorities. The long-term plan should also address the issues of:

- Council's ageing workforce,
- the provision of a plan of succession for key positions, and
- increase opportunities for apprenticeships, cadetships and traineeships to address these concerns.

A human resources strategy can integrate and guide Council's overall human resources effort, particularly in the areas of recruitment and retention and staff training and development. A strategy of this kind may be stand-alone or may be integrated into Council's overall corporate strategy. The key is to ensure that, consistent with the Council's view on the future direction of the organisation, planning is underway to support that direction at the human resources level. Such a strategy is a key part of effective modern strategic management. Its importance is underlined by the requirement to report annually in the management plan on Council's human resource activities (section 403(2)).

Council has no human resources strategy. Council should develop a human resources strategy. **(Recommendation 35)** Council should also ensure its human resources strategy is linked to and integrated with its overall strategic direction. **(Recommendation 36)**

Council should also develop and a human resources manual containing all of Council's human resources policies for easy reference for all staff. It should also develop some specific policies covering its use and composition of selection committees, internal appeals processes, job description reviews and exit interviews. **(Recommendation 37)**

Human Resources Information Systems (HRIS)

Councils need to be able to have access to accurate and relevant data about its workforce and human resources activities. This data is necessary to identify issues that need to be addressed and to provide the means for assessing whether Council's

human resources strategies are working in the way intended. For such systems to be efficient and sustainable, data capture should be an inherent part of the way work is performed.

In modern workplaces, line management is primarily responsible for most workforce relations activities at an operational level. For this to be effective, the activities in question (recruitment, training, grievance handling, OH&S etc) should be measured by key performance indicators and targets for performance should be set and communicated. Line managers should have ready access to reports on those KPIs. Such an approach will facilitate accountability.

Council adopted and commenced implementing its Employee Development Policy in October 2005. The policy addresses performance of all its employees, which includes reviewing job descriptions in accordance with Council objectives.

It is unclear how the broad outcomes of this policy are reported to Council and then reviewed in light of its strategic directions. **(Recommendation 38)**

Employee survey

Council last conducted an employee survey in 2005, but it appears some of the issues raised at that time remain challenges for Council. The response rate to the survey was 76% from the indoor staff and 49% from outdoor staff. The survey identified communication on all levels as a problem in the organisation, as was the division between indoor and outdoor staff (which is not uncommon in Councils across the State). This in no way negates the need to try to break down that division and to build a cohesive workforce that is supportive of the varied facets of Council's activities. Management should seek to implement strategies to improve communications across the organisation. **(Recommendation 39)**

Staff morale appears to have been impacted by some staff departures and concerns about job security. Council should attempt to identify and respond to any concerns that staff have about job security and staff departures. **(Recommendation 40)**

Council should also continue to conduct ongoing periodic employee surveys, and use the results to identify trends and plan and implement strategies to address workplace issues. It is recommended that the next employee survey include a more comprehensive set of questions compared to the previous one. **(Recommendation 41)**

Occupational health and safety (OH&S)

The review did not involve a comprehensive audit of Council's occupational health and safety practices. However, the review team gained some insight into how Council is addressing its responsibilities in this area by examining Council's OH&S Policy Statement, the OH&S Committee minutes and meeting with OH&S committee representatives on site.

All employers have a duty to consult with their employees pursuant to the *Occupational Health and Safety Act 2000* (the "OH&S Act") and the *Occupational Health and Safety Regulation 2001* (the "OH&S Regulation"). Consultation should be viewed not just as a legal requirement, but also as a valuable means of improving the employer's decision-making about health and safety matters.

The OH&S Act provides choices on how consultation can occur. Council has chosen to establish an OH&S Committee as a means of consulting its employees. An OH&S Committee is a good option where there is a desire for a representative group to come together in a co-operative way to improve the employer's systems for managing health and safety.

Council has had some assistance in OH&S matters from Wellington Council, particularly in the area of events training.

Council's Occupational Health and Safety and Joint Consultative Committees have not met for some time, contrary to legislative and industrial requirements. Council should ensure it holds regular meetings of both its OH&S Committee and its Joint Consultative Committee. **(Recommendation 42)**

Strategic alliance

Some council staff are engaged in doing strategic alliance work for the WBC. Some of that work is costed and some is not. Some HR projects have been identified by the alliance, including some policy work. Alliance work does not appear in any of Blayney Shire Council's staff job descriptions. Job descriptions should be changed to reflect the work undertaken by staff and any re-evaluations necessary should be undertaken. **(Recommendation 43)**

7. COUNCIL'S RESPONSE

7.1 Blayney Shire Council's comments

***Blayney Shire Council Response to the Promoting Better Practice Draft Report -
May 2007- conducted in November 2006 by the
Department of Local Government***

Rec No.	Comments submitted per recommendation
1	The Strategic Vision document was finalised subsequent to the PBPR Team's visit. A final copy was forwarded to the Department, but we have enclosed another copy for this submission. Periodic reviews and progress updates on the achievement of Council's Strategic Vision have been incorporated into Council's Management Plan production, and quarterly Management Plan Review process.
2	Council agrees with this advice. As the document is relatively new, we see this as an ongoing developmental process.
3	Council agrees with this advice. Accordingly, action has been taken, and the appropriate correlation has been incorporated in to Council's Adopted Management Plan for 2007/2012.
4	Council agrees that it has not prepared a 20 year long term financial plan. BSC now prepares a five year forward financial plan which can be accurately and reliably attested. Resources to prepare an accurate and reliable 20 year forecast will be the challenge for BSC.
5	Council agrees with this advice.
6	Council agrees that it does not have this statement. BSC would like further clarification as to the validity of having such a statement, given the already well established relationship with the local corporate sector, and its innovative approach to resource sharing initiatives.
7	Council agrees with this advice.
8	Agree that Council does not have a separate and specific policy covering this issue; however I believe that it is adequately covered by Council's Adopted Code of Conduct.
9	Whilst BSC does not have a written policy, it has taken significant measures to ensure its risk management issues have been addressed. For example, the offsite "mirror imaging" of its IT resources to its Works Depot.
10	Our Senior Management Team has a very good understanding of these processes, and Blayney Shire Council simply doesn't have the available resources to do it alone. The formation of an internal audit committee is currently being discussed across the Alliance.
11	Council agrees with this advice. A formal written policy and procedural document to be developed and distributed to Councillors and staff.
12	Privacy Management Plan now developed and adopted.
13	Council disagrees with this recommendation as report mechanisms and updates from various authorities advising of amendments to Acts, Policies, and Procedural guidelines are dealt with in an accurate and timely manner. Upon receipt of such information by the relevant member of Council's staff, the information is disseminated as appropriate and reported to Councillors if required. I agree that Council does not have a formal documented adopted procedure to handle such information, but I question the need for this as this is a pre-eminent requirement for the position of General Manager
14	Council's policy was reviewed and adopted in accordance with Circular 06/57 at its meeting on 12 th February 2007 (Minute No 07/007).
15	Council's policy was reviewed and adopted in accordance with Departments Circular at its meeting on 13 th February 2006 (Minute No 06/012). Therefore I believe BSC has complied with this recommendation prior to the review date.

Rec No.	Comments submitted per recommendation
16	BSC disagrees with recommendation. I believe that Council is acting in accordance with the Local Government Act's requirements, and have attached several examples of minuted actions during the past year.
17	Council agrees with this recommendation. In the past we have covered this through informal avenues, as the number of new councillors has always been less than those returning.
18	Council agrees with this recommendation. A comprehensive review of Council's Policy Register has recently been completed with an anticipated adoption of the exhibited policies scheduled to occur at Council's July 2007 Ordinary Meeting.
19	Council agrees with this recommendation. BSC has never had a significant number of complaints to report, and has been handled through a manual system at year end. Again, these resources are a lower priority for BSC.
20	Council agrees with this recommendation. A new SoE is to be developed through a partnership with the Central West CMA. This will be a comprehensive SoE and will be completed on a regional basis.
21	Council agrees with this recommendation. A waste management strategy is to be developed and implemented within 6 months to address these issues.
22	Council agrees with this recommendation. This guide is already in the development process as part of a WBC project to be completed within 6 months.
23	Council has a SEPP1 register, although it only commenced in January 2007. Current adjustments to the use of the Fujitsu PLD system will ensure that this is reportable.
24	Council agrees with this recommendation. Council's s94 Plan should be reviewed and a roles and responsibilities document produced within the 07/08 period.
25	Council agrees with this recommendation. This policy should be developed within the 07/08 period.
26	Council agrees with this recommendation. This plan should be developed within the 07/08 period.
27	Council agrees with this recommendation. Register of dog attacks to be developed and reporting process implemented within 2 months.
28	Council agrees with this recommendation. Pound register to be developed and reporting process implemented within 2 months.
29	Council agrees with this recommendation. BSC has commenced developing its Asset Management Plans and have committed to installing a computerised system during the 06/07 Financial Year. Once again, it is finding the resources to provide this task with its due attention.
30	Council agrees with this recommendation. However, issues concerning available resources will make it difficult to complete this project in the short-term, as higher priorities demand greater attention than the Tourism aspects of BSC.
31	Council disagrees with this recommendation. An overview of the outcomes of the previous social plan is contained within Council's current plan. In relation to the completion of a needs assessment, a preliminary needs assessment was conducted at each target group meeting. The results of each group were then reviewed and determined at a meeting of all service providers which culminated in the production of the action plan. The action plan included in Council's Social Plan covers a five year period, and I believe the timeframes stated in this document are of sufficient detail having regard for the period which the plan covers.

Rec No.	Comments submitted per recommendation
32	Council's annual report presents an accurate assessment / information of Council's activities in relation to access and equity, in line with the priority that it demands from within its constituency.
33	Council disagrees with this recommendation. Council's consultation with the community is satisfactory. Outcomes derived from the consultation are not always the desired outcomes, but this should not be criticism of the process. The PBPR Team's visit coincided with a rather passionate community meeting concerning the future of the Shire's Community Centre; hence their review was tainted by "a place in time" incident.
34	Council agrees with this recommendation. Minutes of Council's locality meeting are an accurate and sufficient record of the meeting's proceedings. At present copies of meeting minutes are distributed to Councillors, appropriate staff and the host progress association or community group. As a suggested improvement, the minutes of these meetings could be included with Council's business paper together with an indication of Council's responses to matters / issues raised.
35	Council agrees with this recommendation.
36	<p>Council disagrees with this recommendation. Council does not understand the need for such a strategy, when there are eight existing policies that cover a Human Resource Strategy. Additionally, BSC can confidently claim that its measures taken to address the skill shortage are second to none, with no vacant positions and 51% of Professional staff in their 20's and 33% of its operational staff under 30.</p> <p>A Human Resource strategy is made up of policies in Employee Development, Job Description reviews on annual basis, Statecover & Statewide annual audit results, recruitment procedures, skill shortage strategy, a grievance procedure, and Induction manual, EEO principles, Occupational Health & Safety, return to work procedures and a Code of Conduct. BSC's has all of these policies adopted and operation, but not in one document.</p>
37	Council disagrees with this recommendation. Council's recruitment & retention of staff is aimed only at achieving Council's Strategic direction.
38	Council disagrees with this recommendation. Council's induction manual and half day procedure conducted by the HR Officer for all new employees covers this recommendation. Council believes it met these criteria prior to the review.
39	Council disagrees with this recommendation. Council adopted and implemented its Employee Development Policy (EDP) October 2005, which addresses not only performance of all its employees, but reviews job descriptions in accordance with Council's objectives.
40	Council disagrees with this recommendation. Current strategies and processes are adequate. Senior management meet regularly (weekly) with their staff to disseminate information as appropriate. At exit interview, the PBPR team referred to an extremely confidential nature between Council and two of its Directors whose contracts that were not renewed. Even though staff believed they needed to be informed of the matter, legal proceedings prevented such information being disseminated.

Rec No.	Comments submitted per recommendation
41	Council disagrees with this recommendation. This relates to the above item and staff have been reassured on a regular basis during that incident that all positions remain certain. Since the introduction of the Federal Work choices legislation, uncertainty exists as there are no directions being provided within the Local Government industry.
42	Council agrees with this recommendation. Regular staff meetings provide staff with the opportunity to discuss issues or suggest improvements in an open forum with their colleagues. Management are always reviewing their strategies into making the working environment a more productive one.
43	Council agrees with this recommendation. At the time, Council was seeking members to conduct the meeting following a number of vacancies. Council also took that opportunity to try and merge the two committees of OHS & Consultative, due the size of the work place, and that the membership consisted of the same people. The committees have now been meeting on a regular basis, since the review.
44	Council disagrees with this recommendation. Job descriptions have the opportunity to be reviewed on a yearly basis through the EDP process (highlighted in recommendation No 39), that is elected by the employee if they are of the opinion that there activities have changed.

Additional Comments from the body of the draft report

Page 15, last line of the first paragraph under the heading "2025 Vision" replace the word *participation* with *participant*.

Page 40, first line after heading *Human Resources Information Systems (HRIS)* "Council's need to be able to have access to..."

Page 16, second last paragraph. This has been rectified for the production of Council's Management Plan for the 2007/2012 period.

Page 29, second paragraph. In addition to including such information in the Council report when an application is being presented to Council for consideration, suggest that appropriate information could also be presented in Council's quarterly performance reports.

Summary

We would like to take this opportunity to congratulate your staff on their professionalism during their visit, and would appreciate any assistance during the collation of the Action Plan so that we can maximise the benefits of this review for our constituents.

7.2 Review team response

The review team has noted Blayney Shire Council's comments in relation to the draft Promoting Better Practice Review report. Where appropriate, the review team has provided a response to these comments in the table below.

Rec No.	Response to Blayney Shire Council comments on the draft PBP report
6	The rationale for having a Statement of Business Ethics is provided in the body of the report. The review team notes that Blayney Shire has a well-established relationship with the local corporate sector. Developing such a statement will promote integrity, ethical conduct and accountability in these relationships. Further clarification for the validity of having such a statement is that it will minimise the potential risk of corrupt or criminal activity and loss of reputation. Council is encouraged to view ICAC's Statement of Business Ethics at http://www.icac.nsw.gov.au/files/pdf/StateBusEthics.pdf . Some councils have successfully amended ICAC's statement to suit their situation. For example, Canterbury City Council, Kempsey Shire Council and Kiama Municipal Council.
8	A better practice trend in this area is for councils to develop a separate policy to guide the interaction between staff and councillors in formal and workplace situations. This policy complements the Code of Conduct to provide more information and guidance. For example, Bega and Parramatta Councils have comprehensive interaction policies.
13	Staff, including the General Manager, who currently monitor and ensure compliance to legislative change, may leave the organisation. Formalising and documenting these procedures is therefore essential. The recommendation has been amended to read: <i>Council should document its procedures for monitoring and ensuring that it complies with ongoing legislative change.</i>
15	Agreed. This recommendation has been deleted.
16	This recommendation has been amended to read: <i>Council should be mindful that the way it closes its meetings from the public should on all occasions fully comply with all of section 10A-10D of the Local Government Act.</i>
31	As part of a PBP Review, the Department reviews each Council's social plan against the DLG Social and Community Planning and Reporting Guidelines and Manual as well as other council social plans. Blayney Council's Social Plan does not include an adequate assessment of the effectiveness of its previous social plan or any reference to evaluating the current plan. While it is acknowledged that some general outcomes from the previous social plan are reported in the current plan, this does not constitute an evaluation of the previous plan. No mention is made of how the current plan will be evaluated.

Rec No.	Response to Blayney Shire Council comments on the draft PBP report
31 cont..	<p>Conducting a thorough needs assessment in relation to people living in the local government is a critical step in developing a comprehensive and effective social plan. (see B4 2 and B1 Step 3 of DLG guidelines and manual). This information is used to form the basis of formulating strategies, goals and targets. In a number of cases it appears that this assessment was of a preliminary nature only and actions in the plan call for further needs assessments, for example, consulting with young people about recreational facilities/establishment of a youth council and also to investigate the need for an after school care service. Responsibilities and timeframes set out in the action plan are general and non-specific and do not meet the standard of the guidelines and manual. The plan should clarify who has responsibility for particular actions rather than listing only key players and where possible set a specific time frame i.e. month and year (see step 4 of the manual). Performance measures should also be included. The body of the report has been modified to incorporate this information. This recommendation has been amended to read:</p> <p><i>Council should monitor and review its Social Plan regularly. Actions to be included in Council's management plan should also include who is responsible, a specific timeframe and an appropriate performance measure</i></p>
33	<p>The body of the report has been revised to reflect Council's comments. This recommendation has been amended to read:</p> <p><i>Council should develop and implement a specific communication and development strategy in relation to the Shire's community centre.</i></p>
34	<p>This recommendation has been amended to read:</p> <p><i>Council should include a copy of the minutes of these meetings together with an indication of Council's responses to issues raised with each business paper.</i></p>
36	<p>As stated in the body of the report, a human resources strategy is a key part of effective modern strategic management. Such a strategy can integrate and guide Council's overall human resources effort, particularly in the areas of recruitment and retention and staff training and development. A strategy of this kind may be stand-alone or may be integrated into Council's overall corporate strategy.</p> <p>The key is to ensure that, consistent with the Council's view on the future direction of the organisation, planning is underway to support that direction at the human resources level. Its importance is underlined by the requirement to report annually in the management plan on Council's human resource activities (section 403(2)).</p>
37	<p>If Council chooses to incorporate a human resource strategy into its Council overall strategic directions, it should be through an appropriately aspirational strategy statement that guides Council's overall human resources effort.</p>

	An example may be that <i>Council is committed to recruiting and maintaining a productive, multi-skilled workforce with staff enjoying satisfying careers and receiving realistic training and development opportunities that provide for the delivery of quality services to customers.</i>
38	The intention of this recommendation is to encourage Council to make available to <u>all staff</u> (not just new employees) all of Council's human resources policies. This can be done in hard copy format or via the intranet. It is also about documenting or capturing existing practices and also where there are gaps to develop appropriate policies.
39	The information provided in relation to the EDP has been incorporated in the body of the report. This recommendation has been amended accordingly to read: <i>Council should ensure that it reviews the broad performance of outcomes of its Employee Development Policy against its strategic directions.</i>
40	This recommendation related to the outcomes of Council's last employee survey in 2005. Communication on all levels was raised as an issue as well as the division between indoor and outdoor staff. It appeared to the review team that this area at the time of the review continued to be a challenge for Council. While it is acknowledged that senior management meet regularly with staff to disseminate information, the intention of the resolution was to encourage Council to perhaps explore more innovative communication strategies to bridge some of the gaps identified. This recommendation has been amended to read: <i>Council management should explore further communication strategies to bridge some of the gaps identified in Council's last employee survey.</i>
41	Despite being reassured on a regular basis during the incident, the review team still became aware of perceived lower staff morale impacted by some staff departures and concerns about job security. It is agreed that uncertainty around Federal WorkChoices may be exacerbating this situation. Both of these factors make it critical for Council to continue to communicate with staff regarding these matters. This recommendation has been amended to read: <i>Council should continue to identify and address any concerns that staff may have about ongoing job security.</i>
44	It is noted that job descriptions can be reviewed on a yearly basis through the EDP process if the employee is of the opinion that their duties or activities have changed. Despite this, the matter was raised with the review team. This recommendation has been amended to read: <i>Council should ensure that line managers and staff, as part of the annual implementation of Council's Employment Development Policy, review and update job descriptions as necessary to accurately reflect the work undertaken by staff.</i>

8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- Council has compiled "2025" Vision – A Working Document, which is well presented and easy to read.
- Council's ongoing participation in the Wellington Blayney Cabonne Strategic Alliance continues to provide council with a range of benefits.

Challenges to improve

- Council needs to build on the 2025 Vision, developing more specific strategies and performance indicators within each of the broad strategy areas.
- Other operation plans such as the State of the Environment Report and social/community plan should also be clearly aligned with councils strategic plan, management plan and annual report.

GOVERNANCE

What is working well

- Council has the basis of a satisfactory governance framework in place.
- Council has allocated funds for an administration officer to work two days per week to implement a range of governance and other corporate improvements.

Challenges to improve

- Council should develop a statement of business ethics
- Council should address risk management by developing a risk management plan and an internal audit function
- Council should develop a structured induction program for
- Council needs to improve its complaint handling system.

REGULATORY

What is working well

- Council has excellent community land management planning and policy
- Reports to council are generally of a good standard although reporting of development application processing times would be a good enhancement

- Council's DA process council is good and includes a comprehensive information package for applicants

Challenges to improve

- Council needs to improve its State of the Environment reporting, ensuring accuracy of data, and should develop a waste management strategy
- Council needs to develop a Companion Animals Management Plan
- Some policy and procedures development would improve various council activities in the areas of enforcement, development application procedures and section 94 responsibilities.

FINANCIAL AND ASSET MANAGEMENT

What is working well

- Council is in a satisfactory financial position
- Council has developed a detailed draft sewerage asset management plan.

Challenges to improve

- An overall asset management plan for all council assets needs to be developed.
- Council needs to develop a long-term financial plan

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Council has a promotional DVD which is a useful tourism and human resources tool
- Council's social plan has improved and is a more comprehensive document
- Council's work with Cabonne Shire Council's tourism officer has produced beneficial results

Challenges to improve

- Council should collect more information from the community consultations it undertakes
- Council should consider conducting a community survey as an alternate means of collecting information
- Council needs to link the new social plan with the annual report and management plan, and should pay more attention to community service delivery

WORKPLACE RELATIONS

What is working well

- Council has scholarships and traineeships in place
- Council's induction process is thorough and new employees are introduced to council in an appropriate manner
- Trainees start work while more experienced personnel are still in the workforce, enabling skills and knowledge to be passed on

Challenges to improve

- Council's Joint Consultative Committee and OH&S Committee need to continue to meet regularly
- Council should develop a human resources strategy
- Council should continue to carry out regular employee attitude surveys to identify and respond to issues raised by staff