

challenges improvement innovation good governance

# Promoting Better Practice Program

## REVIEW REPORT

### CANTERBURY CITY COUNCIL

SEPTEMBER 2007



Department of Local Government

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## 1. ABOUT THE REVIEW

### Review objectives

The Local Government Reform Program - Promoting Better Practice is a review process that has a number of objectives:

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

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

### Review process

The review process was developed after extensive research into council performance measurements in Australia and overseas. There are essentially five steps in a review - preparing, assessing, checking, analysing and reporting. The review 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.

## Canterbury City Council Review

Canterbury City 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.

Ian Melville, Senior Business Consultant acting for the Department of Local Government conducted an on-site review of Council from 26 March to 30 March 2007.

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?

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 discussions with Council's senior staff, conducting interviews, the review of a number of Council's policies and other documents and assessing the meeting procedures from Council Minutes.

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

There is evidence that Canterbury Council is an organisation that undertakes its work with regard to the future, and engages in self-assessment and continuous improvement.

Council has been active in undertaking a Governance Health Check over the past two years and has already identified certain deficiencies that have been prioritised and listed for implementation in a timetable in its Governance Improvement Program. It has identified the need for an updated ten (10) year Strategic Plan linking into a four (4) year delivery plan and annual Operating Plan and financial statement, all linked to the three (3) year Management Plan and other key documentation. It is anticipated that these documents will be finalised and implemented for the 2007/08 financial year.

Council has been active in strategic planning, driving many initiatives put forward by both staff and councillors. They include the Industrial Lands Study and the Canterbury Town Centres Study, the development of Urban Design Guidelines and the Towards 2032 - Proposed Economic Development and Employment Strategy. The latter study, which has received Department of Planning funding from the Planning Reform Fund, will ensure that 'employment lands' are identified *"to provide opportunities for businesses to locate close to major transport routes, infrastructure and labour services."* It is also active on a regional level with active participation in the Sydney South Regional Organisation of Councils (SSROC), and has recently received joint funding to develop a Regional Economic Development Strategy with Sutherland Shire Council and Hurstville City Councils. Council is active in the preparation of a single LEP and is working with the Department of Planning to complete this by 2010.

The General Manager and Directors are long term senior employees within Canterbury City, are well qualified and have broad experience to mentor staff, drive change and improved administrative performance.

Over the past years Council has acted to develop budgetary strategies to ensure that it is in a current strong financial position and well placed to undertake effective social

and economic reforms within the community. It has established high profile community development programs to meet the needs of a culturally diverse community. Council, in association with the Department of Housing, has acted to increase the facilities in the more disadvantaged areas of the city through the construction of a new Indoor Sports Centre at Riverwood. It is utilising the services of a highly regarded community organisation to operate this community centre and is considering providing loan funds to assist in capital development to ensure an effective return on investment at an early date.

Its action to identify critical infrastructure that had reached the end of its economic life has led to a decision to impose an Infrastructure levy to enable the condition of these services to be restored and properly maintained in what represents a systematic approach to asset management. This model could be promoted within the State to assist other councils facing this challenge to adequately maintain key infrastructure works.

While Council has implemented risk plans based largely on OH&S considerations, it does not have a broader risk management strategy to guide these activities on an organisation wide basis. This review recommends Council form a risk management committee to draft such a strategy and then develop a council wide structured and integrated plan to cover all risks. This could include financial, operational, safety, security, environmental, technical and commercial activities.

The City Plan includes the Management Plan, Strategic Plan, Organisational Plan and Financial Plan. The Management Plan component prepared for the current year does not fully meet all legislative requirements. It would be beneficial for the Management Plan to be prepared as a separate component of the City Plan for issue to ratepayers and other stakeholders as a brief 'stand alone' document that summarises Council's future plans while containing all required information listed in the Act and Regulations. Council advised that action is well advanced in addressing any deficiencies in the City Plan through the preparation of a new format for the strategic plan and improved structuring of other documentation within the broad City Plan.

Council does have a challenge in managing its workforce budget, with pressures illustrated through a significant cost overrun in 2005/06. Overtime costs were identified as a large component of this. There appears to be a need to address the historical work structure and identify the current skill mix and staff profiles required to deliver community services within the city. The workforce needs to be responsive to the changing internal and external demands upon its services, such as legislative, environmental and social factors. These pressures may require Council to consider funding the preparation of a comprehensive Workforce Strategy to identify the current staffing profiles and measure this against the future demands and required service delivery.

In summary, Council has strong, experienced leadership that is addressing the service delivery within the city, implementing social planning to the benefit of the culturally diverse community and is focussed on implementing clear strategic directions to meet the changing demands on the workplace.

### **3. RECOMMENDATIONS**

#### *Ambitions, Priorities and Future Focus*

1. Council should ensure that the Management Plan conforms with all of the requirements of the Local Government Act and Regulations and that the strategies currently located in the Operational Plan are included in the Management Plan.
2. Council should ensure that financial modelling is integrated into the new strategic plan.
3. Council should finalise its new long-term strategic plan and identify the time frame to which it applies.
4. To assist in preparation of the annual Management Plan, Council should expedite its proposed community attitude survey to ascertain community views on resident and stakeholder needs.

#### *Governance*

5. Council should prioritise the preparation of an independent risk assessment across all functions of the organisation to identify levels of risk exposure that need to be addressed.
6. An Internal Audit Committee should also be established to approve a three (3) year audit program developed from the risk assessment analysis.
7. Council should finalise its fraud and corruption prevention control policy that has been identified within its Governance Improvement Program.
8. Council should establish a system for internal reporting of legislative or regulatory non-compliance and fines/ penalties/ prosecutions against Council.
9. Council should stress to all councillors and designated persons the importance of providing accurate information in their pecuniary interest returns as required under the Act.

10. Council should ensure that all declaration and nature of pecuniary and non-pecuniary interests are properly disclosed at council or committee meetings.
11. Council should ensure that it continues to follow proper procedure for considering business within a closed meeting as outlined in the Department's Meetings Practice Note 16, dated November 2005 and the recent Departmental Circular 07/08.
12. Council should expedite the finalisation of a process for monitoring and auditing of purchasing and tendering, disposal of assets and contract performance.
13. To assist in the planning and monitoring of Councillor training, Council should establish a formal record of individual training.

#### *Planning and Other Regulatory*

14. Council should closely monitor its current LEP development program to ensure that systematic progress on the consolidated Local Environmental Plan due for completion in 2011.
15. Council should continue improvements to its development assessment process through the implementation of the Wiggins Report, and arrange for a follow up review of its effectiveness.
16. Council should ensure that section 94 plans are integrated with the new strategic plan as well as the new City Plan format.
17. Council should finalise an enforcement and prosecutions policy.
18. Council should ensure that it enforces a risk-based policy for compliance with environmental standards and prosecution matters.
19. Council should ensure that residents are informed as to how they may report alleged breaches, non-compliance and unauthorised development.

#### *Asset and financial management*

20. Council should finalise its Information and Communication Technology Strategic Plan.

#### *Community and Consultation*

21. The Social Plan should continue to be reviewed annually and outcomes should be included in the Operational Plan.

#### *Workforce Relations*

22. Council should monitor and investigate the level of expenditure on overtime and, if necessary, develop strategies within an overarching workforce plan to significantly reduce these costs.
23. Council should adopt a more dynamic approach to its recruitment and selection policy in order that recruitment strategies are identified to address future employment demands that may result from current legal and economic changes within the Australian workforce.
24. Council should develop a long-term workforce plan to identify the future workforce complement and skill mix needed to respond to projected community needs, future challenges and technological and other external changes.
25. Council should prepare a succession plan to recognise the potential for key staff to retire in the near future and ensure that corporate knowledge is secured.
26. Council should finalise the proposed employee attitude survey scheduled for 2008 to identify any major employee concerns within the workplace.

## 4. CONTEXT

Canterbury City Council is located seventeen kilometres south west of the centre of Sydney and has an overall area of 33.4 square kilometres. It has a population of 130,947 as at the 2001 Census. There are sixteen suburbs within the city, twelve of which are considered as major town centres with identified strategies to meet their particular needs and to manage their development.

Given its long history and the extended period of infrastructure development as a key area of metropolitan Sydney, many of these services and infrastructure have now reached the end of its economic life. The city is well served by public transport, with regular bus and train services that support a high proportion of lower income workers and pensioners within the community.

The history of Canterbury dates back to 1793, when the first land grant was made to Reverend Richard Johnson, the Chaplain of the First Fleet. Many of the historic developments within the city are now recorded by Council on its Heritage List and provide an insight to the gradual development over its history to the present culturally diverse community.

The latest Census records that almost half the community were born overseas and that there are six major languages spoken 'at home' in the Council area. The median weekly household income is \$375, with 17% of residents comprising single parent families. From 2004-2022 Canterbury's youth and working age populations are projected to decline while its elderly population will grow substantially. Accordingly, Council faces particular social and service delivery challenges presented by its ageing and culturally diverse community.

Council faces additional pressures on the ageing infrastructure and higher demand from population changes and commercial and industrial activities. Environmental challenges include the health of the Cooks River and Wollie Creek as well as the traffic demands on the Canterbury Road corridor and the associated construction of the M5 Motorway.

There are ten (10) councillors on Canterbury City Council, with three (3) from each of the three (3) wards and a popularly elected Mayor. Council employs 614 full time

equivalent (EFT) staff. Of these, 48 are aged between 18- 24 years, 491 are aged between 25- 54 years, 182 are aged between 55- 64 years and 24 over 65 years. Accordingly 33% of the City workforce is aged over 55 years. This generates a need for specific strategies for succession planning and knowledge management of these long serving employees.

In the 2005/06 financial year, Council's income from continuing operations was \$93.262M and the total expenses from continuing operations were \$76.906M. The net operating result was a surplus of \$16.356M. The net operating result before capital grants & contributions was \$5.334M.

## **5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS**

This part of Council's assessment focussed on: clear ambition; a focus on communities and services; ownership of problems and willingness to change; a shared and realistic vision; a sustained focus on what matters; improvement integrated into day to day management; flexibility and innovation; capacity and systems to continue to deliver performance improvement.

### ***What is working well***

Council has been active in reviewing and updating its strategic plan and has produced a comprehensive Governance Improvement Program as a timetable to implement a new vision and values to drive these changes. Council also arranged for the completion of a community attitude survey by October 2007 to ascertain community views on ratepayer and stakeholder needs to assist in the assembly of relevant information for the Management Plan.

Councillors and senior staff work well together with a clear vision of the immediate and long-term programs that are required to meet their community goals. The Mayor is active in the initiation of strategic programs and interacts with the broader community to promote the achievements of Council. He also maintains a strong link with Council's Management Team through regular monthly meetings as well as other briefings to keep informed of current management issues. Councillors often workshop new initiatives such as planning and management planning to ensure they are fully cognizant with major issues requiring their approval.

Council's web site is well presented and functional, with easy navigation for users to obtain information on Council policies and services. Meeting agendas and minutes of ordinary council and committee meetings are posted onto the site to provide community access to the recent Council decisions.

Council has been active in strategic planning, driving many initiatives by both staff and Councillors, particularly the 'Towards 2032 - Proposed Economic Development and Employment Strategy' for the city that will provide opportunities for businesses to locate close to major transport routes, infrastructure and labour services. Council

is active in the preparation of a single LEP and is working with the Department of Planning for completion of this task by 2010.

The senior management of Council staff are long-term managers within Canterbury City and have broad experience to mentor staff and drive change and improved administrative performance. Over the past years, Council has acted to develop budgetary strategies to ensure that it is in a strong financial position and well placed to undertake effective social and economic reforms within the community.

It has established high profile community development programs in line with the needs of a culturally diverse community. Council, in association with the Department of Housing, has acted to increase the facilities in the more disadvantaged areas of the city through the construction of a new community centre at Riverwood. It is utilising the services of a highly regarded community organisation to operate this community centre and is considering providing loan funds to assist in capital development to ensure an effective return on investment at an early date.

Its action to identify critical infrastructure that had reached the end of its economic life has led to a decision to impose an infrastructure levy to enable the condition of these services to be restored and properly maintained in a systematic approach to asset management. This model could be promoted within the State to assist other councils facing this challenge to adequately maintain key infrastructure works.

There is strong evidence that Council is working within SSROC and with other neighbouring councils to achieve more effective and efficient service delivery. This includes joint purchasing, development of policy and outsourcing of engineering design services to Bankstown City Council.

### ***Future Challenges***

The Canterbury City Plan currently includes the Strategic Plan, Management Plan, Organisational Plan and Financial Plan. The Management Plan prepared for the current year does not fully comply with the information required under the current legislation. Council should ensure that the Management Plan conforms with all of the requirements of the Local Government Act and Regulations and that the strategies

currently located in the Operational Plan are included in the Management Plan. (**Recommendation 1**)

Currently strategic planning at Council does not include longer term financial modelling. This can adversely affect the ability of Council to adequately resource capital works projects and project future cost variances when these projects come on line. (**Recommendation 2**)

Council advised, however, that action is well advanced in addressing the identified deficiencies of the Management Plan and through the preparation of a new format for the Strategic Plan and improved integration of this plan with the City Plan and operational plans. Council should ensure finalisation of its new long-term strategic plan and identify the time frame to which it applies. (**Recommendation 3**)

To assist in preparation of the annual Management Plan, Council should expedite its proposed community attitude survey so as to obtain valuable input into its proposed community programs and policy initiatives. (**Recommendation 4**)

Council is expected to face an increase in its aged population within its community based on the most recent Census projections. By 2022 it is predicted that there will be thirteen (13) elderly (aged 65+ years) for every ten (10) children. Canterbury's 65+ population is expected to grow by 35% by 2022 and its 85+ population by 77%, with both likely to lead to an increase in demand on its community services and potentially reduced rate income. Council will, with a rigorous strategic planning framework in place, be able to plan for and meet the challenges presented by this demographic change.

## 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 local government sector in the organisation; ensures that an organisation is meeting its legal and ethical obligations; and assists in the prevention and detection of dishonest or unethical behaviour.

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

- *Risk management and internal control*
- *Council’s decision-making processes*
- *Monitoring and review*

#### *Annual Report*

The Annual Report appears to comply with the requirements of the Act and the Regulation, and presents a comprehensive assessment of the performance of Council during the 2005/06 financial year.

#### *Risk management*

Although Council has applied OH&S type risk assessment to its activities we are concerned at potential risk exposure on a broader organisational basis outside this specialised area. Council should therefore give high priority to the preparation of an

independent risk assessment across all functions of the organisation to identify levels of risk exposure that need to be addressed. (**Recommendation 5**)

An Internal Audit Committee should also be established to approve a three (3) year audit program developed from the risk assessment analysis mentioned in the previous recommendation. (**Recommendation 6**)

#### *Fraud and Corruption Prevention*

Fraud is a specific risk that requires action by councils across all areas of its operations to give assurance as to the security of systems within its organisation. Council does not have a fraud and corruption prevention policy and is yet to undertake a fraud risk assessment, two matters that should now be addressed. (**Recommendation 7**)

#### *Legislative compliance*

Council has not fully developed an effective system to identify legislation that applies to Council activities or ongoing legislative programs. Council should act promptly to develop and implement such a system. Council should also ensure that staff are resourced and trained to react to legislative change, and should ensure that Council periodically reviews its level of compliance with key legislative requirements. It should establish a system for internal reporting of legislative or regulatory non-compliance and fines/penalties/prosecutions against Council. (**Recommendation 8**)

#### *Code of Conduct*

Section 440 of the Act requires every council to adopt a code of conduct to be observed by councillors, members of staff and delegates to council that is consistent with the Model Code of Conduct prescribed under the Regulation. This code assists both councillors and staff to gain an awareness of the standards of conduct that is expected of them in the exercising of their public duties. Council has adopted its Code of Conduct and it is consistent with the Model Code of Conduct.

#### *Disclosure of pecuniary interests*

The Local Government Act regulates the management of pecuniary interest and requires that councillors and designated staff complete and lodge disclosure of interest returns. It is important that councillors and staff observe these requirements as to not do so has the potential to seriously undermine the community's confidence in the integrity of local government and the decision making process.

The returns of all councillors and some senior staff on the register of pecuniary interest returns were examined to assess the accuracy and completeness of this information. All returns were completed on time. There were, however, examples where a number of returns contained minor deficiencies such as failing to include addresses of employers, corporations and creditors in parts B1, C, D, E and G of these returns. Council should stress to all councillors and designated persons the importance of providing full and accurate information in their pecuniary interest returns. (**Recommendation 9**)

The minutes of ordinary meetings were also reviewed to determine whether appropriate formal disclosures of pecuniary and/or non-pecuniary interests at council and committee meetings were being made. Section 6.6 of the Model Code of Conduct states that “*Where necessary, you must disclose an interest promptly, fully and in writing. If a disclosure is made at a council or committee meeting, both the disclosure and nature of an interest must be recorded in the minutes.*”

This found that on occasions the declaration of pecuniary interests by councillors was not sufficiently detailed to enable the public to understand the nature of any interest in the matter under consideration. Council should ensure that all declaration and nature of pecuniary and non-pecuniary interests are properly disclosed at council or committee meetings. (**Recommendation 10**)

#### *Meeting procedures*

The ordinary meeting of Council is held on the fourth Thursday of the month. Council also holds specific committee meetings to deal in more detail with issues before it and enable public presentations to Council. These include the City Development Committee and City Services Committee, which are held before the ordinary council meeting towards the end of each month.

The City Development Committee considers development applications, rezoning applications and other policies concerning development and land use. The City Services Committee is responsible for work programs, environmental protection and provision of community services, financial services, recreational facilities, community support and development. This committee structure is working well to enable a detailed assessment of issues and representation from proponents prior to the formal council meeting.

### *Closed meetings*

From a review of the Council minutes, it was apparent that Council often used the procedure of moving to the Committee of the Whole to close meetings in order to consider such matters as commercial proposals, tenders or matters of a personal nature that could impact on the confidentiality of individuals. During 2006 Council resolved on nine (9) occasions to move to a Committee of the Whole in order to consider matters in a 'closed' session of Council.

The Department's Circular No. 07-08 dated 11 April 2007 outlines the need for councils to use the correct procedure when closing meetings to the public and media and refers to Meetings Practice Note 16, dated November 2005, as a guide. The minutes of Canterbury City Council that were examined were found to be deficient in the following areas.

- Council should resolve to close the meeting – as noted in the recent Departmental Circular, Committee of the Whole is not appropriate language to describe this action.
- There was no formal resolution by Council to close the meeting and no formal detail of the reasons under section 10A (2) of the Act for this action.
- For each item considered during this session, the individual subsection of section 10A (2) should be included, but was not.
- Resolutions arising from consideration in closed council should be listed in the minutes, but were not.

Council advised that it has rectified this issue, and a review of Council's minutes for its August 2007 meeting confirmed this. Council should continue to ensure that it

follows proper procedure for considering business within a closed meeting as outlined in the Department's Meetings Practice Note 16, dated November 2005 and the Department's circular. (**Recommendation 11**)

*Monitoring and auditing of purchasing*

Council advised that has not yet finalised a formal process for monitoring and auditing of purchasing and tendering, disposal of assets and contract performance and from a governance perspective this represents a significant risk. Council should prioritise the finalisation of this procedure to enable auditing of the process for these activities by June 2008. (**Recommendation 12**)

*Councillor induction and training*

There is a very comprehensive training program in place at Council for the induction and training of councillors to ensure that they have the background knowledge and understanding of the complex issues that need to be addressed in their position.

Council has prepared a ten-point core program for induction that includes:

1. Understanding the legal and political context of local government
2. The roles and responsibilities of councillors and staff
3. An overview of the organisation, its staffing and major policy documents
4. Legal and ethical responsibilities of an elected member
5. Customer services and complaints handling
6. Teamwork, communication and conflict in local government
7. Strategic planning, including community consultation and participation and change management
8. Decision making
9. The relationship between financial processes and other planning processes

10. Key functional areas of council operations

Ongoing training of councillors is also encouraged, through basic introductory courses as well as training in specialist areas that individual councillors may request. Council is not currently recording details of councillor training and the program would benefit from the provision of more structure around the planning of the program and carrying out a training needs analysis to meet the needs of each councillor.  
**(Recommendation 13)**

## 6.2 Planning and other regulatory functions

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

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

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

### *Strategic Land Use Planning*

The Department of Planning has advised Council of the need to develop a new comprehensive Local Environmental Plan within a five-year timeframe and complying with its new template. This will result in improved efficiency in development assessment, policy preparation and customer service. It will involve Council in the investment of considerable staff resources and as a result Council is seeking funding from the Planning Reform Fund to assist in meeting the deadline for completion by 31 March 2011.

Council has advised that the new LEP will offer benefits by virtue of Council conducting a comprehensive strategic planning review. The new LEP will mean Council can overcome the current issues around management of four different planning instruments and a planning scheme that has been subject to frequent amendments. Council should carefully monitor the preparation of this plan to ensure that it is completed by 31 March 2011. (***Recommendation 14***)

Council has developed overall strategic plans as a framework for its land use planning framework. These include a Residential Strategy, Open Space Strategy and functional hierarchy for shopping centres.

#### *Development assessment*

Council employed a consultant (Professor Wiggins) over two years ago to review its development assessment process and as a result it has initiated several key processes to streamline the consideration including a multidisciplinary team approach, which has resulted in improved service delivery. Council should consider a follow up review of the Wiggins Report to measure its continuing effectiveness and seek recommendations for further improvement. (**Recommendation 15**)

#### *The State of the Environment Report*

The review examined the Supplementary Report included in Council's 2005-06 Annual Report. The report is well prepared and all sectors are covered appropriately, with strong integration with the Annual Report. There is evidence of strong community education programs in this area, although there appears to be scope to further develop the participation of these community groups. The report follows a similar format to the neighbouring Bankstown City Council and indicates an effective regional cooperation in addressing common environmental issues.

#### *Section 94 plans and contributions*

Council has prepared and adopted section 94 plans for its area and maintains the register to ensure monitoring and expenditure within the identified areas and the agreed timeframe. Council's section 94 plans are comprehensive but will need integration with the new strategic plan as well as the new City Plan format. (**Recommendation 16**)

#### *BASIX*

Council has put in place measures that ensure compliance with the BASIX certification system. Information and educational material is available during the assessment process about the requirements of complying with BASIX. During pre-

lodgement discussions, applicants are advised that they must comply with BASIX legislative requirements.

*Enforcement practices and prosecution policy*

To assist in the successful handling of complaints councils should have a formal enforcement and prosecutions policy. The NSW Ombudsman's Enforcement Guidelines for Councils is a useful resource that contains a model enforcement policy. Canterbury City has not finalised this policy and should do so as a matter of priority. (**Recommendation 17**)

Council currently does not have a separate system for the reporting and investigations of suspected non-compliance and unauthorised development within the city. In addition, Council does not provide information to the community on methods to report these actions, which can have serious implications on the regulatory regime for Council. It is recommended that Council finalise risk-based strategies for reporting non-compliance with environmental standards and unauthorised development (**Recommendation 18**). It should also inform the community on the provision of assistance in identifying these areas of non-compliance. (**Recommendation 19**)

*Companion Animals*

Council has prepared a Companion Animals Plan and is actively undertaking educational programs within the community on companion animals. It appears to be administering the legislative and regulatory requirements well, in line with the practices developed by the Department.

### **6.3 Asset and financial management**

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

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

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

#### ***Overview of financial position***

Council's income statement for 2005/06 shows a surplus result from continuing operations after capital grants and contributions of \$16,356,000 compared to a surplus of \$6,195,000 in 2004/05. The result before capital items was a surplus of \$5,334,000 compared to a surplus of \$2,508,000 in 2004/05.

The original budget of Canterbury City Council estimated a deficit from ordinary activities after capital amounts of (\$622,000). The actual result of an operating surplus of \$16,356,000 was a result of a significant increase in income. This increase was mainly from \$7,335,000 in capital grants and contributions and \$2,623,000 in rates and annual charges. From an expenditure context there was a \$2,875,000 increase in employee costs, partly through award increases. This expense was \$3,839,000 over budget and the high overtime costs component suggests a potential concern in workforce management that is discussed further in Section 6.5 of this report.

Council has \$62,302,000 in cash assets and investment securities. Of this \$22,198,000 is internally restricted. Council's internal restrictions include \$3,652,000 for Employee Leave Entitlements, \$2,775,000 for Infrastructure Maintenance, \$4,460,000 for Property Development, \$2,127,000 for Car Park Provision and \$1,085,000 for Recreation Facilities Management.

Council's performance ratios are set out below, and are considered to be satisfactory. Most show an improvement over the previous year.

Council's rates and annual charges outstanding reflect the percentage of rates and charges owing but that has not yet been collected for rates and annual charges as a percentage of the total owing. The amount outstanding decreased from 2004/05, and the percentage owing is considered to be satisfactory for a council of this type.

Overall Council's financial position is considered to be satisfactory as shown in Table 1 below.

**TABLE 1 FINANCIAL RATIOS**

Ratio	2005/06	2004/05
Current Ratio	1.57:1	1.37:1
Unrestricted Current Ratio	3.79:1	2.96:1
Debt Service Ratio	0.36%	0.40%
Rates & Annual Charges Coverage Ratio	55.77%	62.30%
Rates & Annual Charges Outstanding Percentage	4.42%	3.96%

*Asset management*

Council has developed a comprehensive asset program to administer asset management plans across all operational areas within the city. In recognition of its failing infrastructure, Council was proactive in identifying all classes of assets and recording their condition through a unique rating condition assessment. Utilising the most critical condition ratings, Council was able to demonstrate a viable strategy for addressing asset replacement of its key assets. Council has received approval to charge an infrastructure levy for fifteen years to complete this asset management program.

*Information and Communication Technology Strategic Plan*

Council has now completed the first draft of its Information Management Strategic Plan 2007-2012, which has been designed to complement the Management Plan. Its purpose is to enable new technology and new software solutions to be deployed at Council in a coordinated and controlled methodology. The plan outlines strategic

initiatives for the five year period in the areas of Business Application systems, IT Infrastructure, Customer Service and Data Security and Integrity. Council should work to finalise its draft Information and Communication Technology Strategic Plan.

***(Recommendation 20)***

## 6.4 Community and consultation

A council's charter requires that a council:

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

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

- *The methods Council uses to involve and determine the views of its community*
- *Social and community functions of Council*
- *Annual reporting*
- *Cultural planning*

### *Social and community planning*

Council's Social Plan 2006/07 is a comprehensive, well researched and useful document designed in a way to drive relevant activities across the range comprehensive and of Council responsibilities. It has an accompanying Aged Social Plan and a Disability Social Plan, both of which also contain action plans for these strategies.

There is no reference to the previous review date on the current document. The report adopts a one-year projection, with annual updates. The principle is that the documentation is dynamic and will require continual review and updating. This approach has a risk of a 'cut and paste' approach upon review dates. However, it is recognised that the approach taken has integrity and the planned actions are contemporary and reflective of emerging community need. The Social Plan should continue to be reviewed annually and outcomes should be included in the Operational Plan. (**Recommendation 21**)

It is evident that the Social Plan is based on community consultation and that there are active committees that inform the plan. However, the details of the consultation could be better articulated. This action would add integrity to the plan. Other suggested improvements include addressing the lack of evidence that Council has engaged in a regional planning process with other councils (refer to Guidelines p.18) or that Council has consulted with neighbouring councils to address issues of regional significance. These can be considered as part of the annual review.

The Social Plan also acknowledges the issues of affordable housing and HIV but in each case does not include actions to address these issues. Council has since advised that it undertook a comprehensive study in the area of affordable housing in 2006 and is currently reviewing its role and priorities in response to local needs. It also refers to Disability and Youth programs developed in partnership with the Community Advisory committees.

#### *Cultural Activities*

Council recognises the importance of providing cultural and educational services to respond to the needs of the community and has uses the identity ‘*City of Cultural Diversity*’ to stress this importance. It has a strong community services unit with programs to celebrate indigenous people, multiculturalism and disadvantaged people and special women’s programs.

#### *Ethnic Affairs matters*

Council has developed an Ethnic Affairs Policy and with an ethnically diverse community, it demonstrates through its initiatives and programs how multiculturalism can be embraced within the diverse nationalities in the city.

#### *Community participation and consultation*

Council advises that it consults with Aboriginal communities, people with disabilities, youth, older people and people from culturally diverse backgrounds. It undertook a community attitude survey in 1998 and plans to complete a similar community survey in 2008. Council encourages the public to address Council on areas of concern to ensure that it is aware of local issues that affects the community. Council has

recently upgraded its web site, which now presents as a very informative resource for the community and other stakeholders. It is functional, with easy navigation through the site and a search function for easy access to topics that are not initially listed on the home page. The Mayor is also very active within the community as a spokesperson for Council's achievements through attendance at community events and through a weekly column in the local newspaper.

### *Community Development Work Programs*

Council provides a series of work programs to focus on issues identified in Council's Social Profile, and developed through Social Policies, the Social Plan and community committees that report to Council. These projects include the Boxed Art Program, Domestic Violence Awareness Campaign, community safety surveys, senior citizens advisory service, community transport and disability services.

In summary, Council has a strong history in the provision of social services to its community and the broad approach of the plan ensures that these needs are identified and prioritised for implementation.

## **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:

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

### ***Overview of the organisation***

Canterbury City Council has a total workforce of six hundred and fourteen (614) staff EFT and is arranged within three main directorates, City Works, Corporate Services and City Planning. Of these, 48 are aged between 18- 24 years, 491 are aged between 25- 54 years, 182 are aged between 55- 64 years and 24 over 65 years. Accordingly 33% of the City workforce is aged over 55 years, which represents a significant group that presents a challenge for Council to manage. There is a need for Council to retain skills within the workforce as well as undertake succession planning to fill these eventual vacancies (see below).

Council had employment costs of \$18.98 M in 2005/06. During the 2005/06 financial year there was a significant increase in labour costs from both the 2005/06 estimate and the actual employment costs from the previous year. This was due in part to award increases. However, the large overtime costs highlight the increasing pressures upon Council's budget.

As detailed earlier in this report, Council experienced significant overtime expenditure during 2005/06, which is currently being monitored for the current financial year. Council needs to include in its workforce plan (proposed below) strategies to more effectively utilise its staff resources to minimise the high level of overtime expenditure. (**Recommendation 22**)

#### *Recruitment and selection policy and procedures*

Council has a documented selection policy that outlines the procedures for human resources, but does not place sufficient emphasis on all key aspects of workforce planning and the external factors affecting recruitment and selection of staff. A more dynamic approach should be taken to this policy in order that recruitment strategies are identified to address future employment demands that may result from current legal and economic changes within the Australian workforce. (**Recommendation 23**)

The need to develop a Workforce Plan to take into consideration the long-term employment needs of Council to deliver future services and infrastructure is detailed in the following section.

Council also has a structured staff induction program for new staff. This ensures that new staff become familiar with their workplace through a thorough and considered process that effectively equips them with the knowledge to perform their work roles.

#### *Workforce planning*

Along with other local government bodies, Council is exposed to a number of current workforce issues, such as

- The shortage of specialised skills in areas of high demand (planning, engineering, IT)
- An ageing workforce
- A change in workload for certain work units
- Changing priorities from both internal and external factors
- Other employers competing for staff
- Above award payments from private sector employers

It is imperative that with changing technology and work practices that Council's workforce is structured to deliver the services that are required by the community as well as external demands from legislative and environmental pressures.

Management advised that Council has not undertaken a recent review of its workforce and assessment of changing demand for its services. These demands are a result of legislative and regulatory changes, new responsibilities, environmental impacts and local community demands. It is therefore necessary for Council to regularly determine and reassess how its workforce meets these changing demands, and to develop long-term strategies to respond to these demands.

Council currently has no objective measurement of the skill mix and employment component that is required to most effectively respond to the current community demand on its services and importantly has not yet developed longer term employment strategies for this purpose.

Council should therefore develop a long-term workforce plan that is designed to ensure that Council's human resources needs are integrated into Council's strategic and operational priorities. (**Recommendation 24**)

As noted earlier, Council should also look at succession planning and increased opportunities for cadetships and traineeships particularly in areas where Council has identified existing and future staff skill shortages. At the level of senior management where key staff have are nearing retirement date, strategies should also be in place to fill these future vacancies and reduce the potential impact of loss of corporate knowledge through these retirements. (**Recommendation 25**)

#### *Employee attitude survey*

Council undertakes periodic surveys to assess the attitude of employees and integrates these responses into employment plans. In association with the recommended Workforce Plan it would be beneficial to finalise an employee attitude survey (one is currently scheduled for 2008) to identify any major employee concerns within the workplace and to develop an action plan arising from the issues identified. (**Recommendation 26**)

*Occupational health and safety*

Council has an Occupational Health and Safety Policy, which is also contained within key Council documentation. The policy clearly communicates to staff and the community the importance of safety within the workplace. Council has a policy of conducting systematic OH&S site risk assessments to identify workplace risk.

*Secondary employment*

Council has developed a policy on secondary employment and records applications for this purpose and to determine that there is no conflict in the employee engaging in that type of employment. Since the adoption of the 'Other Business and Employment policy' on 1 July 2005, declarations have been received from thirty seven (37) employees, all of which have been approved by the General Manager.

## 7. COUNCIL'S RESPONSE



Our Reference: C-114-1

Enquiries: Lara Kirchner  
Direct Phone: 02 9789 9508  
Direct Fax: 02 9787 3064

Mr Garry Payne AM  
Director General  
Department of Local Government  
Locked Bag 3015  
NOWRA NSW 2541

Dear Garry,

**Subject: Draft Promoting Better Practice Review Report**

I would like to thank the Department for inviting us to participate in the Promoting Better Practice Review. We appreciate the work undertaken by Mr Ian Melville in conducting the review. In particular, the on-site review undertaken between 26 March and 30 March 2007 was conducted very efficiently.

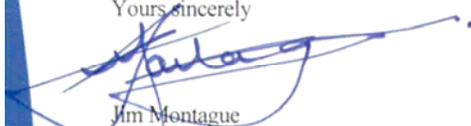
Council has established a 10 Year City Strategic Plan which sets a long term direction for our City. The Plan builds on our priorities of building good infrastructure, creating vibrant town centres and expanding our recreation facilities. In order to meet these established priorities, they are subject to various stages of development with some of them being discussed as recommendations in the report. We will incorporate any other recommendations made by the review that have not yet been addressed through our strategic planning process.

The review document provides a well-balanced overview of the state of local government in Canterbury, with many positive insights into the challenges and efforts of our organisation to address these concerns. With the exception of the comments and responses noted in the attachment, we accept the accuracy of the draft review report.

We will ensure completion of the next stage of the Promoting Better Practice Review, through the development and submission of an action plan to the Department.

If you require further information please contact my office on 9789 9447.

Yours sincerely

  
Jim Montague  
GENERAL MANAGER

30 July 2007

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Canterbury City Council, Administration Centre 137 Beamish Street • PO Box 77 Campsie NSW 2194  
When writing to Council please address your letter to the GENERAL MANAGER, MR JIM MONTAGUE  
Phone: (02) 9789 9300 Fax: (02) 9789 1542 TTY: (02) 9789 9617 DX 3813 Campsie  
email:council@canterbury.nsw.gov.au website:www.canterbury.nsw.gov.au

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## Attachment

### Recommendations

#### *Ambitions, Priorities and Future Focus*

1. Council should ensure that the Management Plan meets the requirements of the Local Government Act and Regulations and that the strategies currently located in the Operational Plan are included in the Management (City) Plan.

**Council Response: The Management Plan comprises several documents and in its entirety meets legislative requirements. In relation to the specific concern regarding ‘objectives and performance targets’, these are detailed in the Operating Plan document and Council fully complies with its requirements under the Local Government Act. Accordingly we request that this recommendation be deleted. Further, the relevant corresponding text in the report (pages 6, 14, 15 and 36) should be modified.**

2. Council should ensure that financial modelling is integrated into the new strategic plan.

**Council Response: Agreed – work is currently underway on long term financial modelling, and a Long Term Financial Plan will form part of our 10 Year Strategic Plan commencing from the 2008/09 financial year.**

3. Council should finalise its new long-term strategic plan and identify the time frame to which it applies.

**Council Response: Agreed – Council has already developed the implementation plan and it is due for finalisation by June 2008.**

4. To assist in preparation of the annual Management Plan, Council should expedite its proposed community attitude survey to ascertain community views on resident and stakeholder needs.

**Council Response: Agreed – Council expects this survey to be completed by October 2007.**

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*Governance*

5. Council should prioritise the preparation of an independent risk assessment across all functions of the organisation to identify levels of risk exposure that need to be addressed.

**Council Response:** Agreed - Council has recently advertised for a Risk Management Co-ordinator. Following the appointment of that person, we will conduct an Organisation-wide Risk Assessment. It is expected this assessment will be completed by March 2008 with full integration of risk identification and monitoring across all business units completed by December 2008 in line with Council's Governance Improvement Plan.

6. An Internal Audit Committee should also be established to approve a three (3) year audit program developed from the risk assessment analysis.

**Council Response:** The development of an Internal Audit Committee is currently under consideration.

7. Council should finalise its fraud and corruption prevention control policy that has been identified within its Governance Improvement Program.

**Council Response:** Agreed – Council's Governance Improvement Plan identifies the development of a fraud and corruption prevention policy for completion in June 2009; however, Council is currently giving consideration to this policy development being completed by June 2008.

8. Council should establish a system for internal reporting of legislative or regulatory non-compliance and fines / penalties / prosecutions against Council.

**Council Response:** Agreed

9. Council should ensure that the Code of Conduct is formally reviewed in consultation with Councillors and staff.

**Council Response:** Council developed and adopted its Code of Conduct on 20 January 2005 with training of staff occurring in April and May 2005, and Councillor training being undertaken by a partner from Marsden's Solicitors in August 2005. Following the Department of Local Government's Model Code of Conduct Circular 05-58 of 17 October 2005, we extensively reviewed our Code against the Circular but made no changes given we had already incorporated all of the elements raised in the Circular into our Code. We are currently awaiting the expected changes to be issued by the Department of Local Government

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arising from the current review of the Model Code of Conduct and will review our Code once again within a two year period. Accordingly we request that this recommendation be deleted. Further, the relevant corresponding text in the report (pages 17 and 18) should be modified.

10. Council should stress to all Councillors and designated persons the importance of providing accurate information in their pecuniary interest returns as required under the Act.

**Council Response: Agreed**

11. Council should ensure that all declaration and nature of pecuniary and non-pecuniary interest are properly disclosed at Council or committee meetings.

**Council Response: Agreed**

12. Council should adopt the proper procedure for considering business within a closed meeting as outlined in the Department's Meetings Practice Note 16, dated November 2005.

**Council Response: Since the implementation of section 10 of the Local Government Act, Council has always detailed in its minutes the reasons for moving into closed council meetings, including providing the individual subsection of 10A that related to the matter. In addition, following the receipt of Circular 07-08 from the Department of Local Government regarding closed council meetings, Council immediately implemented changes to its procedures concerning closed council meetings and continues to adhere to those procedures. Accordingly we request that this recommendation be modified. Further, the relevant corresponding text in the report (pages 19 and 20) should be modified.**

13. Council should expedite the finalisation of a process for monitoring and auditing of purchasing and tendering, disposal of assets and contract performance.

**Council Response: Agreed – As part of Council's Governance Improvement Plan this project is due to be completed by June 2008, although a number of aspects of this recommendation are currently in their final stages of completion well ahead of the scheduled timeframe. A draft Tendering Policy has already been developed for consideration by the Management Team.**

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14. To assist in the planning and monitoring of Councillor training, Council should establish a formal record of individual training.

**Council Response: Agreed**

*Planning and Other Regulatory*

15. Council should closely monitor its current LEP development program to ensure that systematic progress on the strategy due for completion in 2011.

**Council Response: Agreed – A report has been adopted by Council which outlines a detailed staged work program to comply with the State Government’s timetable.**

16. Council should continue improvements to its development assessment process through the implementation of the Wiggins Report, and arrange for a follow up review of its effectiveness.

**Council Response: Agreed – In line with the Wiggins Report Council has appointed a senior officer with specific duties to monitor, review and ensure effective implementation of the recommendations.**

17. Council should ensure that section 94 plans are integrated with the new strategic plan as well as the new City (Management) Plan format.

**Council Response: Agreed**

18. Council should finalise an enforcement and prosecutions policy.

**Council Response: Agreed - As part of the Governance Improvement Plan Council incorporated the development of a Complaints Management Policy which is due for completion by December 2007. To align with the Complaints Management Policy, Council has incorporated into its 2008/2009 Operating Plan, the development of an Enforcement and Prosecutions Policy which is due for completion by December 2008.**

19. Council should ensure that it enforces a risk-based policy for compliance with environmental standards and prosecution matters.

**Council Response:** Council will give consideration to this recommendation as part of the completion of its Organisation-wide Risk Assessment as well as the development of the Enforcement and Prosecutions Policy. It is expected that the Risk Assessment and the Enforcement and Prosecutions Policy will be completed by March 2008 and December 2008 respectively.

20. Council should ensure that residents are informed as to how they may report alleged breaches, non-compliance and unauthorised development.

**Council Response:** As part of the Governance Improvement Plan, Council will develop a Complaints Management Policy, part of which includes a mechanism for the community to report. This project is due for completion by December 2007.

#### *Asset and financial management*

21. Council should finalise its Information and Communication Technology Strategic Plan.

**Council Response:** Agreed – The Management Team has approved the establishment and composition of an IT Review Management Group that will ensure the Strategic Information Management Plan is finalised by December 2007, and that will then oversee implementation of the Plan.

#### *Community and Consultation*

22. The Social Plan should be reviewed annually and outcomes should be included in the Operational Plan.

**Council Response:** This recommendation should reflect the text of the report which states on page 28 that “The Social Plan should *continue to* be reviewed annually and outcomes should be included in the Operating Plan.” Council reviews its Social Plan each year, with all functional areas identifying any new or revised initiatives that contribute to our Social Plan goals, and these are subsequently incorporated into our Operating Plan. Accordingly we request that this recommendation be modified. Further that the relevant corresponding text (page 37) be modified.

23. Council should review the Social Plan in light of the comments made on the plan in this review report.

**Council Response:** Council will consider the Department's comments in its next review of the Social Plan. However, we are requesting the Department to modify its comments (page 29) given that Council's Social Plan recognises a very diverse range of needs and focuses on priority issues determined in consultation with the Community Advisory Committees. Not all issues raised in community consultation are specifically addressed in the plan.

Details of community consultations are published to the community following relevant summits and forums and are summarised in our Social Profile. In relation to matters of regional significance we have been active participants in local and state government regional planning initiatives such as the Canterbury Bankstown Place Management Program, regional HACC forums and Community Harmony Programs.

In relation to the comments in the review report regarding Affordable Housing, Council undertook a comprehensive study in this area in 2006 and is currently reviewing its role and priorities in response to local needs.

In relation to the comments in the review report regarding HIV Aids, programs have also been co-ordinated by our Disability and Youth programs within the specific Action Plans developed in partnership with the Community Advisory Committees.

Accordingly we request that the report (page 29) be modified to reflect the above comments.

#### *Workplace Relations*

24. Council should monitor and investigate the level of expenditure on overtime and, if necessary, develop strategies within an overarching workforce plan to significantly reduce these costs.

**Council Response:** Agreed – We have established a Services Review program to investigate expenditure across program areas such as overtime, which will identify and implement measures to reduce costs and improve efficiency in these areas.

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25. Council should adopt a more dynamic approach to its recruitment and selection policy in order that recruitment strategies are identified to address future employment demands that may result from current legal and economic changes within the Australian workforce.

**Council Response: Agreed – Council is currently reviewing its Human Resources functions to increase their strategic capacity to plan and develop programs in line with our long term needs which addresses recommendations 24 to 27 inclusive.**

26. Council should develop a long-term workforce plan to identify the future workforce complement and skill mix needed to respond to projected community needs, future challenges and technological and other external changes.

**Council Response: Agreed**

27. Council should prepare a succession plan to recognise the potential key staff to retire in the near future and ensure that corporate knowledge is secured.

**Council Response: Agreed**

28. Council should finalise the proposed employee attitude survey scheduled for 2008 to identify any major employee concerns within the workplace.

**Council Response: Agreed – the employee attitude survey is scheduled for the first quarter 2008 with the scope and brief for the survey under consideration by the Management Team.**

### Report Corrections

In addition to the comments made specifically under each recommendation, Council wishes to highlight the following:

*Page 5 paragraph 2 – Executive Summary and throughout Report:*

The sentence states – “...in it’s Governance Implementation Program.”

It should read as follows:

“... in its Governance Improvement Plan.”

*Page 5 paragraph 2 – Executive Summary:*

The sentence states: “It has identified the need for an updated ten (10) year Strategic Plan linking into a four (4) year delivery plan and annual financial statement, all linked into the three (3) year Management Plan and other key documentation.”

It should read as follows:

“It has identified the need for an updated ten (10) year Strategic Plan linking into a four (4) year delivery plan and annual *Operating Plan and* financial statement, all linked into the three (3) year Management Plan and other key documentation.”

*Page 6 paragraph 1 – Executive Summary and throughout Report:*

The sentence states: “...has acted to increase the facilities in the more disadvantaged areas of the city through the construction of a new community centre at Riverwood.”

It should read as follows:

“...has acted to increase the facilities in the more disadvantaged areas of the city through the construction of a new *Indoor Sports Centre* at Riverwood.”

*Page 6 Paragraph 4 – Executive Summary and throughout Report (including pages 14 & 15):*

The sentence states: “The Management Plan (nominally called the City Plan) prepared for the current year does not fully meet the legislative requirements, principally in terms of objectives and performance targets.”

It should read as follows:

“The Management Plan, comprising the City Plan and Operating Plan documents, contains objectives and performance targets and as such fully complies with the legislation.”

*Page 8 Recommendation 15:*

The recommendation reads: ‘... strategy due for completion in 2010.’

It should read: ‘... consolidated Local Environmental Plan due for completion in 2011.’

*Page 13 paragraph 2 – What is working well:*

The sentence states:

“Council has been active in reviewing and updating its strategic plan and, through the appointment of an external consultant, has produced a comprehensive Governance Implementation Program as a timetable to implement a new vision and values to drive these changes.”

It should read as follows:

“Council has been active in reviewing and updating its strategic plan and has produced a comprehensive Governance Improvement Plan as a timetable to implement a new vision and values to drive these changes.”

*Page 13 paragraph 2 – What is working well:*

The sentence states:

“... Completion of a community attitude survey by June 2006...”

It should read as follows:

“...Completion of a community attitude survey by June 2007...”. Council has now determined this date will be October 2007.

*Page 13 paragraph 3 – What is working well:*

The sentence states:

“...He also maintains a strong link with Council’s directors through ...”

It should read as follows:

“...He also maintains a strong link with Council’s Management Team through ...”

*Page 17 paragraph 6 and page 18 paragraph 1:*

The sentence states:

“Council has adopted its Code of Conduct and it is consistent with the Model Code of Conduct. However, as the Code of Conduct has not been reviewed within the past two years, Council should formally review the document in consultation with .....”

This statement is incorrect. Refer to Council Response comments on Recommendation 9.

*Page 19 paragraph 5 and page 20 paragraph 1:*

The sentences state:

- “There was no formal resolution by council to close the meeting and no formal detail of the reasons under section 10A (2) of the Act for this action.
- For each item considered during this session, the individual subsection of section 10A (2) should be included but was not.
- Resolutions arising from consideration in closed council should be listed in the minutes but were not.”

These statements are incorrect. Refer to Council Response comments on recommendation 12.

*Page 22 paragraphs 3 and 4 – LEP Deadline:*

The Department of Planning deadline for completion of a comprehensive LEP for the City of Canterbury is 31 March 2011 not 31 March 2010.

*Page 25 paragraph 4 – Overview of financial position:*

The figure stated is incorrect. It should read as follows:

“This expense was \$3,839,000 over budget and the high overtime costs....”

*Page 25 paragraph 5 – Overview of financial position:*

The figure stated is incorrect. It should read as follows:

“Of this, \$22,198,000 is internally restricted.”

*Page 31 paragraph 3 first sentence*

The first sentence ends:

“...Planning and Environment.”

It should read:

“...City Planning.”

*Page 34 paragraph 2 - Secondary employment:*

The last sentence is incorrect. It should read as follows:

‘Since adoption of the ‘Other Business and Employment Policy’ on 1 July 2005, declarations have been received from 37 employees, all of which have been approved by the General Manager.’

*Page 36 paragraph 2 – Council’s Priorities and Focus:*

DELETE: Reformat Management (City) plan to meet legislative requirements

*Page 36 paragraph 3 – Governance*

What is working well insert as per page 19 and 20 of the report:

- Committee structure works well and enables both a detailed assessment of issues and representation from proponents prior to formal council meetings.
- Very comprehensive induction and training program for Councillors.

*Page 37 paragraph 4 – Community, Communication and Consultation:*

Challenges to improve should read:

Continue to review Social Plan annually and include *any new or revised initiatives* in the Operating Plan.

## 8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

### COUNCIL'S PRIORITIES AND FOCUS

#### *What is working well*

- Strategic planning initiatives for economic development and employment.
- Experienced senior staff prepared to implement new initiatives and mentor staff.
- Review of Council's strategic direction.

#### *Challenges to improve*

- Review the Management Plan to ensure that it conforms with all legislative requirements.
- Finalise new 10 year Strategic Plan.

### GOVERNANCE

#### *What is working well*

- Development of the 'Governance Improvement Plan' to identify and prioritise actions to meet good practice and achieve legislative compliance.
- Finalising Information Management and Communication Strategic Plan.
- Committee structure assists in the detailed consideration of complex issues and representation by proponents prior to the formal Council monthly meeting.

#### *Challenges to improve*

- Undertake an independent risk assessment across all areas of the organisation.
- Establish an internal audit program supervised by an internal audit committee.
- Ensure pecuniary interests are properly reported and declared at Council and committee meetings.

### REGULATORY

#### *What is working well*

- Commenced process to single comprehensive LEP for improved planning function.
- Implemented changes from Wiggins Report on DA function.
- Multi-disciplinary planning teams to streamline approval processes.
- Companion Animal Plan.

*Challenges to improve*

- Finalise the Enforcement and Prosecutions Policy.
- Risk based policy for compliance with environmental standards and prosecution matters.

**ASSET AND FINANCIAL MANAGEMENT**

*What is working well*

- Strong financial position with surplus operating balance.
- Excellent model for Asset Management control and costing to identify and prioritise asset replacement projects.
- Infrastructure levy is funding new infrastructure.

**COMMUNITY, COMMUNICATION AND CONSULTATION**

*What is working well*

- Social Plan is a well researched comprehensive plan to guide community programs.
- Wide community participation and consultative process by Council.
- Council assists in celebrating a culturally diverse community.

*Challenges to improve*

- Continue to review the Social Plan annually and include any new or revised initiatives in the Operating Plan.

**WORKPLACE RELATIONS**

*What is working well*

- Stable workforce with many long serving experienced employees.
- Organisational structure utilising three Directorates provides an ideal division of staff resources to meet Council outcomes.

*Challenges to improve*

- Prepare a Workforce Plan to measure the required workforce needed and the skill base within it to effectively respond to the changing demands from the community and other stakeholders.
- Closely monitor employee overtime costs to ensure more effective labour use.