

# **Promoting Better Practice Program**

## **REVIEW REPORT**

### **CLARENCE VALLEY COUNCIL**

**OCTOBER 2013**



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## **EXECUTIVE SUMMARY**

### ***About the Review***

A Promoting Better Practice Review of Clarence Valley Council (the Council) was undertaken in March 2013 by the Division of Local Government, Department of Premier and Cabinet (the Division). The Promoting Better Practice Program aims to assist in strengthening the local government sector by assessing performance and promoting continuous improvement. The reviews are designed to act as a 'health check' examining a number of areas:

- Governance
- Strategic planning and delivery
- Financial and asset management
- Workforce management
- Community services and facilities
- Land-use planning
- Regulatory functions.

This report identifies where better practice exists, to both acknowledge the strengths of the Council and contribute to improvement in the local government sector. It also discusses key areas of the Council's activity that require improvement or development to meet its legislative obligations as well as to meet community expectation.

### ***About Clarence Valley***

Located approximately 670 kilometres north of Sydney, the Clarence Valley local government area covers an area of 10,428 square kilometers. The local government area includes the towns of Grafton, Iluka, Maclean and Yamba. The traditional owners of the area are the Bundjalung, Gumbaingirr and Yaegl people.

The Clarence Valley local government area is home to approximately 50,000 people, which is projected to grow to approximately 57,000 by 2036 (ABS population estimates). Approximately 12% of its current population was born overseas, and approximately 10% are Aboriginal or Torres Strait Islander.

Clarence Valley Council is led by an elected body of nine councillors, including a Mayor elected annually by the Council. The organisation employs 512 full-time equivalent staff and the main administrative offices of the Council are situated in Grafton and Maclean. During 2011/12, the Council spent \$136.2M on its continuing operations.

### ***Summary of key findings***

Clarence Valley Council appears to have sound governance systems in place and is performing well in many of its functional areas. However, like a large number of NSW councils, Clarence Valley Council is facing significant financial sustainability pressures in the medium to long-term. This is largely the result of a very large infrastructure backlog, which, if left unaddressed, will severely limit the ability of the Council to deliver services to the community in the future.

The Council's present financial situation appears to have resulted from a historically fragmented and inconsistent approach to strategic planning and community engagement. The review team is of the strong view that the Council must take urgent action to engage the local community in a meaningful long-term planning process by way of an update to its Community Strategic Plan. However, the review team notes that the Council is in the process of implementing appropriate strategies to address this.

### **Governance**

The Council's governance framework is considered to be sound, with the majority of its policies, practices and systems being of a satisfactory standard. However, some unresolved issues from the 2004 amalgamation are evident, including:

- the absence of negotiated service level agreements - when determining service levels following the amalgamation, the default position appears to have been to provide services to the highest standard, rather than to re-negotiate service levels across the newly-created area to affordable and realistic standards.
- a lack of centralised work practices in some areas and duplication in some processes and services – the Council still maintains two main administration centres, one in Grafton and one in Maclean. Both centres provide main council services, which means that staffing is required at both locations to provide, for example, customer services, payment facilities, development advice and planning information.

### Strategic planning and delivery

The Council is at a critical point in the planning cycle, with its Integrated Planning and Reporting documents currently under review. The Council's performance in this area has not been at a satisfactory level to date, which has led to inconsistencies in the quality of strategic plans across the organisation.

This report makes a number of recommendations as to how the Council could improve the quality and effectiveness of its suite of Integrated Planning and Reporting documents. Their comprehensive update must be prioritised as they will form the basis of the Council's conversations with the community about long-term priorities. It is crucial that this process is also supported by appropriate training of councillors and staff to ensure they are aware of their roles and responsibilities.

However, the Council's current and planned work in gathering evidence (eg: asset management) and restructuring to support this process is acknowledged. The review team also observed strong rapport between the Mayor and the General Manager. Together they acknowledged the significant work the Council must undertake in this area and were able to articulate a shared vision for the Council's progress of this work.

### Financial and asset management

The Council faces significant financial sustainability pressures in the medium to long term, primarily due to the maintenance requirements of its large and ageing asset base. However, the Council must also frankly address other relevant issues in consultation with the community as a matter of priority. These include revenue restrictions, especially from rating income, and the feasibility of the Council continuing to provide its wide range of existing services within resource constraints.

The Council must also ensure its Long-Term Financial Plan and Asset Management Plan meet the legislative requirements and link to the objectives contained in its Community Strategic Plan and Delivery Program.

### Workforce management

The Council's workforce management systems are sound, and relevant human resources policies and procedures are in place. The Council has a Workforce Management Strategy that identifies future workforce challenges and has established a number of strategies to deal with its ageing workforce including a comprehensive traineeship/apprenticeship scheme.

The Council is currently undergoing a staffing restructure at the senior executive level. The proposed executive management structure consolidates some functions that are currently spread broadly across the Council. The new structure also aims to enable the Council to streamline and strengthen its integrated planning and reporting processes.

Some gaps in the areas of performance management and diversity that require further attention have also been identified.

### Community services and facilities

The Council provides a range of direct care and support services to assist specific target groups within the community. These services are externally funded and are cost-neutral to the organisation.

The Council has an active community development section which has been successful in obtaining external grant funding for a range of community development activities.

The Council engages with its community through working parties, forums, community committees, council meetings and the use of on-line engagement tools. However, more work needs to be done to involve councillors in community engagement processes.

### Land-use planning

Clarence Valley Council's land-use planning framework is considered to be sound. The review team observed generally good performance indicators and some innovative work practices. However, it is recommended that the Council introduce a system for the electronic lodgement of development applications to further improve its performance in this area.

### Regulatory functions

The Council demonstrated a strong and proactive commitment to its regulatory and environmental responsibilities, with particularly innovative approaches to waste management, and water and sewer services.

However, the review team have also identified areas where the Council could improve its performance in the areas of enforcement and companion animals management.

### **Next steps**

The review team recognises that the elected body and Executive Management Team of the Council has been active in identifying areas requiring development, and has developed appropriate strategies to bring about the required improvement. However, the review team has made 43 recommendations which are discussed in this report and are listed in the action plan in Part V. The action plan is to be completed by the Council. The completed action plan, including the Council's comments on the report generally, will be reproduced in the final report.

The final report is to be adopted by the Council to guide the implementation and monitoring of the recommendations in this report. Upon issuing the final report, the Division will advise the Council if it intends to monitor the implementation of the recommendations of the report, or leave this responsibility with the elected body and Executive Management Team of the Council.

## **PART I - BACKGROUND**

### **1. ABOUT THE REVIEW**

Reviews of councils are undertaken by the Division of Local Government through its Promoting Better Practice Program.

#### ***Program Objectives***

By promoting better practices, the Division aims to:

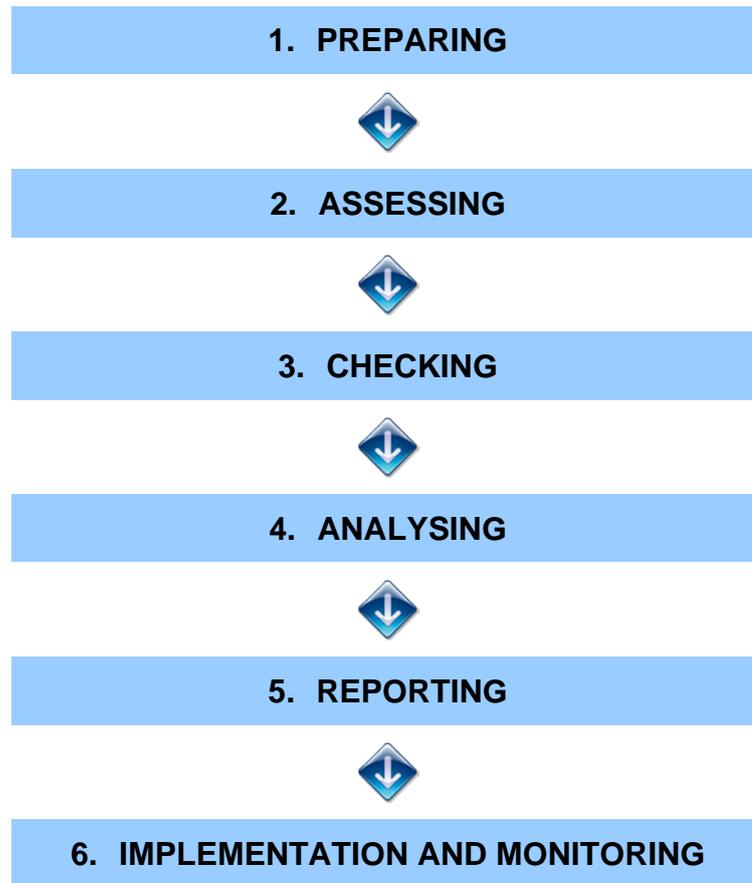
- work with councils toward strengthening the local government sector by assessing performance and promoting a culture of continuous improvement with an emphasis on:
  - Governance
  - Strategic planning and delivery
  - Financial and asset management
  - Workforce management
  - Community and social service provision
  - Land-use planning
  - Regulatory functions
- identify trends and issues arising from reviews to support policy and legislative changes for the local government sector
- promote strong relationships within the sector by working with councils to respond to emerging trends or issues in an innovative way.

#### ***Review Process***

The reviews are designed to act as a 'health check', giving confidence about what is being done well and helping to focus attention on key priorities. They are conducted by a review team from the Division of Local Government.

The reviews do not attempt to examine every aspect of a council's operation. Instead a targeted approach is taken to focus on areas highlighted in the self-assessment checklist completed by the council and areas in which the council has demonstrated innovation or better practice. Consideration is also given to the local circumstances and those matters that pose significant risks to the council and the community.

A review essentially involves six key steps, as follows:



*Preparing:* The council completes a comprehensive self-assessment checklist and provides a range of documents to the review team.

*Assessing:* The review team examines the completed checklist, documents and other information it has gathered. These provide the local context/circumstances which assist in developing an understanding of the pressures on the council and how the council is managing these.

*Checking:* The review team visits the council to ‘reality check’ what it has found to date. Activities usually include meeting with senior officers, talking with individual staff and councillors, observing a council or committee meeting, and viewing systems or processes in action. Determining whether the council has frameworks in place to monitor its own performance is also important. The review team shares its preliminary findings with the Mayor and General Manager at the end of the visit.

**Analysing:** Post-visit, the review team analyses the information it has obtained (from the council and other sources) against applicable legislation, policy, guidelines and practice which apply across the local government sector.

**Reporting:** The review team prepares a draft report which documents significant observations (including the council’s responses to the self-assessment checklist) in the following key areas:

- Governance
- Strategic planning and delivery
- Financial and asset management
- Workforce management
- Community services and facilities
- Land-use planning
- Regulatory functions.

In particular, the report focuses on capturing examples of better practice and identifying areas requiring further development, as defined below:

 <b>Better practice</b>	<ul style="list-style-type: none"> <li>• Beyond or above minimum requirements, statutory obligations and published guidelines etc.</li> <li>• In some way better than or above standard local government sector practice.</li> <li>• Innovative and/or very effective.</li> <li>• Contributes to continuous improvement within the local government sector.</li> </ul>
 <b>Requires further development</b>	<ul style="list-style-type: none"> <li>• Does not satisfactorily meet minimum requirements, legislative obligations, industry standards, policies and published guidelines etc, and poses significant risk to the council/community.</li> <li>• Significant improvements are required or are in progress in order to enhance performance in an area.</li> <li>• Development or enhancement of a policy, program, initiative or system is required to reduce any negative impacts on the council’s operations and/or service delivery to the community.</li> <li>• The Council has identified that an area requires improvement or further development but this work has not been completed.</li> </ul>
 <b>Satisfactory</b>	<ul style="list-style-type: none"> <li>• Complies with the <i>Local Government Act 1993</i> and other key legislation that the council is required to comply with.</li> <li>• Policies and procedures appear to be consistent with local government sector practice.</li> </ul>

**Not examined  
in detail**

- The resources of the review process are finite. In some instances, the council may have indicated in its self-assessment checklist that it complies with the requirements of a particular area. However, due to time constraints and/or other priorities, the review team has not had an opportunity to examine that particular area in sufficient detail to be able to confidently make an overall assessment of the council's performance.

In some instances, the review team will assess an area as reflecting better practice elements as well as requiring development. The main reason for this is that the key areas listed above may have a number of components and these have been ranked differently. The way each component has been ranked is explained in the body of the report.

Where appropriate, recommendations are made. In some cases, the recommendations support the council's proposed direction and the work it has already commenced. All recommendations are included in an action plan at the back of the report. The council is asked to provide comments on the draft report and complete the action plan. These are reproduced in the final report.

*Implementation and monitoring:* The final report is to be adopted by the council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the Division of Local Government will advise the council whether it intends to monitor the implementation of the recommendations of the report, or leave this responsibility with the elected body and senior management of the council.

***Conduct of reviews***

The Promoting Better Practice Review is not intended to be a detailed audit of the council's compliance with the *Local Government Act 1993* and other key legislation that the council is required to comply with. Rather, the reviews are designed to act as a 'health check', giving confidence about what is being done well and helping to focus attention on key priorities.

The review team is required to exercise due diligence in carrying out the review. This means the members of the team have an individual and collective responsibility to:

- act professionally
- work cooperatively with representatives of the council
- be objective and base judgements on accurate and factual information
- make assessments based within the applicable legislative and policy framework
- prepare a report which provides a fair representation of the council
- work within the Code of Conduct issued by the Division.

Similarly, the Division of Local Government encourages the council to exercise due diligence when participating in the review. For example, the review team relies on the council to complete the self-assessment checklist accurately and to provide the team with up-to-date information during the review process. Also, the council is given the opportunity to provide detailed feedback in relation to the draft report. This will help to facilitate the preparation of a report which presents a balanced assessment of the council's operations and local circumstances.

### ***Review of Clarence Valley Council***

The review team members were Sarah Lees, Principal Council Governance Officer, Council Governance Team and Glen Colley, Principal Program Officer, Development Team.

The on-site component of the review took place from 18 March until 22 March 2013. It involved the following activities:

- initial interviews with the Mayor and the General Manager
- interviews with a cross-section of staff
- observation of a meeting of the Council on 19 March 2013
- individual meetings with two councillors and a meeting with councillors as a group
- a review of the Council's policies, other documents and systems.

The review team would like to thank the councillors and staff members who participated in the review and provided us with valuable assistance.

## 2. ABOUT THE COUNCIL AND THE AREA

### Location and demographics

The Clarence Valley local government area covers approximately 10,428 square kilometres, which makes up almost half of the Northern Rivers Region. The local government area contains large areas of National Park and State Forest, and includes the major population centres of Grafton, Iluka, Maclean, Yamba and over 40 smaller townships and villages. These are mainly situated on the banks of the Clarence River.

The traditional owners of the area are the Bundjalung, Gumbaingirr and Yaegl people.

### **Key demographics:**

Population: 49,665

Projected population (2036): 56,803\*

Median age: 46

Density: 4.76 persons per sq km

Aboriginal and Torres Strait Islander People: 2,845 (9.8%)

People born overseas: 6,090 (12.2%)

People aged 60 years and over: 14,444 (29.1%)

Young people aged 15 years and under: 9,889 (19.9%)

(Sources: Australian Bureau of Statistics – Census 2011, except \*ABS 3218.0, NSW Dept of Planning, Lawrence Consulting)



### Local issues

The Clarence Valley's main industries have historically included sugar, fishing, timber and agriculture. However, the Council's Community Strategic Plan, *Valley Vision 2020*, notes that "... the Clarence Valley is undergoing an economic revolution fuelled by sea-change and tree-change immigration, affordable residential and industrial land, comparatively lower operational costs, higher yields and growing population" (p4). This has seen growth in new industries in the area including tourism, arts and design.

While population growth and associated development increased significantly in the early 2000s, this has waned considerably in recent years. The Council's *Valley Vision 2020 – End of Term Report* indicates that there was a 28% decrease (or approximately \$29M) in the value of new development in the local government area between 2010/11 and 2011/12 alone (p34).

In the past, the area has been significantly affected by natural disasters, in particular a very high incidence of flooding in communities along the Clarence River. For example, since 2009, six major flooding incidents have occurred in the area. This has resulted in significant ongoing operational and financial impacts for the Council, particularly in relation to road and bridge infrastructure.

While the costs of addressing these events have been partially off-set by relevant State and Federal Government emergency assistance funding, it is acknowledged that this has led to significant ongoing costs for the Council. This has included service disruptions arising from the involvement of Council staff in clean-up operations.

### *The Council*

Clarence Valley Council was formed in 2004, as a result of the amalgamation of six former local government authorities: Copmanhurst, Grafton, Maclean, Pristine Waters, North Coast Water and Clarence River County Council. Pristine Waters Council itself was formed in 2000 as a result of the amalgamation of the former Ulmarra and Nymboida Shire Councils.

Despite initial opposition from the community and affected councils, the amalgamation appears to now be viewed by many employees of the Council as a largely positive development for local government service delivery in the region. However, anecdotal evidence suggests that distinct “up river” (ie Grafton-centric) and “down river” (ie Maclean- and Yamba-centric) divisions continue to exist within the local government area.

The amalgamation also appears to continue to have significant impacts on the operations of the Council, primarily in relation to the management of assets and coordination of work practices.

Since the amalgamation, the Council has continued to operate approximately 50 physical sites across the local government area, including ten administration offices and eight works depots. A range of differing work practices also appears to continue across some of these sites.

As at 30 June 2012, the Council employed 512 full-time equivalent staff. Many of these were carried over from the pre-amalgamation period. However, staff numbers have increased by approximately 18% (from 434) since 2005.

At the time of the review, the Council's administration arm was organised into two distinct areas under the responsibility of a Deputy General Manager (Environment and Economic) and a Deputy General Manager (Civil and Corporate). For further information about the Council's organisational structure see *section 6 – Workforce Management* of this report.

The elected Council is made up of nine councillors, including the Mayor who is elected by the councillors on an annual basis. The local government area is not divided into wards.

The Council appointed a new General Manager, Mr Scott Greensill, in October 2011. Shortly thereafter, Mr Greensill conducted a comprehensive review of the Council's operations and strategic direction. In response to his findings, Mr Greensill developed a Strategic Organisational Action Plan (SOAP), which the Council adopted in April 2012.

The Council has determined a new organisational structure, after adopting the recommendations of an organisational review conducted by Blackadder and Associates in December 2012. At the time of this Promoting Better Practice Review, a recruitment process for four senior staff positions was underway. The process which has led to this new structure is described in the governance section of this report.

While this review report references the SOAP and Blackadder Review documents at various times, it does not seek to restate their findings. The review team is satisfied that the General Manager and the elected Council have carefully considered their findings and are taking measures to address them.

A range of information about the Council is available on its website at [www.clarence.nsw.gov.au](http://www.clarence.nsw.gov.au).

## **PART II - MAKING AND IMPLEMENTING DECISIONS**

### **3. GOVERNANCE**

#### **SCOPE**

This part focuses on examining the effectiveness of Clarence Valley Council's decision-making processes, as well as the key structures, systems and processes involved in administering its strategic and day-to-day operations. The self-assessment checklist, completed by the Council, considers minimum requirements in 30 key areas relating to governance. The responses have been used as a basis for assessing the Council's performance in this area.

#### **POLICY AND LEGISLATIVE FRAMEWORK**

Each council is a statutory corporation (*Chapter 9, Local Government Act 1993*). The councillors are the governing body of the corporation and they have the responsibility for directing and controlling the affairs of the council in accordance with the Act.

All functions of a council come from statute, either from the *Local Government Act 1993* or other legislation. Governance in this context refers to all the means by which a council is organised (politically and administratively) to make and enact decisions to carry out its functions. The Division has issued a range of policy and procedural documents to assist councils with this role.

Strong, effective governance is critical to:

- achieving goals and aspirations
- enhancing organisational performance
- minimising and managing risks
- increasing the confidence of the community in the organisation
- ensuring that the council is meeting its statutory and ethical obligations
- assisting in the prevention and detection of dishonest or unethical behaviour.

## GOVERNANCE ASSESSMENT

An assessment of the Council's performance in relation to the governance areas covered in the self-assessment checklist completed by the Council is set out in Table 1 below:

**Table 1: Governance Assessment**

Area of assessment	Assessment of the Council's performance
Ethics and values	✓
Code of Conduct	✓
Gifts and benefits	✓
Communications devices	✓
Disclosure of pecuniary interests	✓
Business ethics	⚠
Risk management	⚠
Fraud control	✓
Business continuity	★
Internal audit	⚠
Legislative compliance	★
Legal services	✓
Procurement, disposal and tendering	★ ⚠
Privacy management	✓
Records management	⚠
Access to information by the public	✓
Policy register	✓
Executive Management/leadership	★
Delegations	✓
Council meetings	⚠
Council committees (s355 and others)	✓
Councillor induction and ongoing training	⚠
Expenses and facilities policy	⚠
Councillor/staff interaction	✓
Access to information by councillors	✓

Campaign donations	
Customer service	
Complaints handling	
Protected disclosures and internal reporting	
Information technology	

Table key:  Better practice  Requires further development  Satisfactory

## SIGNIFICANT OBSERVATIONS

### Summary analysis

Overall, Clarence Valley Council's governance framework is considered to be sound. The decision-making processes of both the elected body and the executive management team of the Council appear to be robust, and councillor and staff interaction was described as largely positive and productive by many staff.

In April 2012, the Council adopted the Strategic Organisational Action Plan (SOAP), which identified the need for significant strategic and operational change within the Council if it is to achieve long-term sustainability. This included a review of the organisation's structure and governance arrangements to streamline and strengthen its integrated planning and reporting processes.

However, the review team received feedback from some councillors expressing concern about the consistency of reporting to council by staff. The General Manager advises that the Council intends to address this issue by providing all relevant staff with training in report writing. It also became apparent to the review team that this issue may be addressed, in part, by providing councillors with more comprehensive training to help reinforce the strategic (as opposed to operational) nature of their role.

Most policies, procedures and systems are considered to be of the required standard for the Council to successfully meet its statutory obligations and guide its operations. Examples of good practices and areas where the Council could improve its practices in this area are set out in the following sections.

In carrying out its business, the Council appears to engage with a range of State Government agencies, notably Public Works, Roads and Maritime Services, the Department of Planning and Infrastructure, and Lands, who all have a strong regional presence, particularly in Grafton.

At the time of the Review, Council had recently announced its decision to cease its membership of the Northern Rivers Regional Organisation of Councils in 2014. The Council cited concerns about the ROC's decision-making processes and a lack of a clear community of interest with the other member councils as key factors influencing this decision.

However, it is noted that the Council participates in other long-standing resource sharing arrangements, including:

- North-East Waste Forum - with Ballina, Byron, Richmond Valley and Tweed Councils
- North East Weight of Loads Group – with Ballina, Byron, Kyogle, Lismore, Richmond Valley, Tenterfield and Tweed Councils
- Clarence Regional Library – with Bellingen and Nambucca Councils
- Arts Northern Rivers - with Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed Councils.

The Council is also currently pursuing other resource-sharing arrangements with neighbouring councils, including Coffs Harbour City Council.

### ***Better practice***

#### *Business continuity*

To minimise the impact of emergencies or adverse events on their activities, councils must consider a range of actions and measures that they can take to prevent, prepare for, respond and recover from the emergency. A Business Continuity Plan is an essential component for councils to map these considerations.

Clarence Valley Council has adopted a comprehensive and detailed Business Continuity Plan. This is considered to be a particularly useful resource as the local government area is regularly, but unpredictably, subject to extreme weather events,

primarily flood-related, which have the potential to significantly impact upon the Council's operations.

The Business Continuity Plan focuses on continuity across the whole of the Council's business, identifying:

- the potential risks facing the Council's operations
- the roles and responsibilities of relevant council officers
- procedures for specific emergencies which can affect the whole area (ie flood and pandemic disease outbreak).

The Plan provides separate schedules for ten physical Council sites, and one each for Council records and Council information technology services and facilities. Each schedule includes:

- details of the relevant Crisis Management Team, including contact details of relevant council officers, as well as internal and external "Specialist representatives"
- procedures for the establishment of a Crisis Coordination Centre, and the short and long-term relocation of relevant council officers (where necessary).

### Legislative compliance

In an environment of continuous legislative change it is important for councils to develop strategies to ensure compliance with applicable laws. Clarence Valley Council has established a *Register of Legislative Compliance* for internal reporting of legislative non-compliance and fines/penalties/prosecutions against the Council, as required by clause 413A of the Local Government (General) Regulation 2005. This Register identifies:

- the name of 273 relevant Acts, regulations and other statutory legislation, as well as the jurisdiction with responsibility for the management of each, and a brief description of the purpose of each piece of legislation
- risks of non-compliance across the Council functions, a risk rating (ie low, medium, high) and relevant measures to ensure compliance where necessary (eg better staff training, scheduled auditing etc)
- how the Council complies with the relevant legislation
- a compliance review period, with responsibility allocated to a specific functional area of the Council.

Each relevant functional area of the Council is responsible for updating the Register when new legislation is enacted or existing legislation is amended. The Council proposes to update the Register annually, both by adding new legislation, and by circulating it to all Managers for them to update with regards to compliance.

#### *Procurement, disposal and tendering*

The review team noted that some functional areas of the Council undertake contractor management at a high standard. For example, the tendering process used for water contracts (early tendering involvement) has resulted in significant cost savings for the Council and is also recognised as best practice by NSW Public Works, which has rolled out the framework across the State. Early tendering involvement is discussed in further detail under 'Environmental management' in section 9 - *Regulatory functions* of this report.

However, the review team has also noted later in this section some areas in relation to the Council's procurement, disposal and tendering processes which require further development.

#### *Executive Management/leadership*

The Strategic Organisational Action Plan (SOAP) was developed by the General Manager and adopted by the Council in April 2012. The SOAP acknowledges the need for significant operational and strategic change within the Council if it is to achieve long-term sustainability. The SOAP sets out a five-year plan with key objectives that include:

- reviewing the Council's existing suite of Integrated Planning and Reporting documents to ensure that it is adequately planning to meet the long-term needs of local communities and is appropriately resourced to deliver on the plans
- improving the Council's asset management practices to provide consistency across the organisation and ensure that relevant data is fed into the long-term financial planning process
- improving the leadership and decision-making capabilities of the Council by ensuring:

- a relevant organisational structure is in place
- elected councillors and staff have necessary skills and knowledge
- the Council has a strong system of performance management and project management, and a strong workplace culture.

The SOAP clearly articulates a range of activities to be undertaken by the Council as part of its next post-amalgamation transition phase. The General Manager will be held accountable against the SOAP via his performance agreement.

There is broad awareness of the SOAP across the management team, as well as an understanding of the future operational directions of the organisation. The review team considers this to be the key document charting the Council's existing strategic priorities.

In implementing a key action included in the SOAP, the Council commissioned a review of its organisational structure, which was conducted by Blackadder and Associates in mid-2012.

The Blackadder review involved consultation with a wide variety of Council staff and elected representatives. It included a comprehensive review of the Council's practices and procedures in relation to the Council's approach to Integrated Planning and Reporting, its levels of service delivery, the quality of its governance and leadership, and its financial sustainability.

The resulting *Clarence Valley Council – Review of Organisation Structure – Discussion Paper – September 2012* included observations and recommendations which aimed to:

- address staff work issues in particular functional areas of the Council and consolidate a 'One Organisation' approach, with a view to fully realising the benefits of the 2004 amalgamation
- develop the culture, knowledge and learning practices of the Council
- improve the Council's leadership, including through the restructure of senior management positions
- improve customer service and internal corporate processes and systems
- introduce a consolidated approach to asset management as a matter of urgency
- improve project management across the Council

- improve strategic leadership by better utilising the Integrated Planning and Reporting framework
- introduce a consistent system of performance management for council staff, including implementing performance agreements for senior staff and managers
- improve the manner in which the Council engages the media and undertakes public relations
- re-assess the Council's internal audit function, particularly with a view to adopting a consistent, organisation-wide approach to risk management.

The Council adopted the recommendations of the Blackadder Review in November 2012, resulting in the implementation of a new senior management structure which will see the Council's administration divided into three functional areas managed by the following positions:

- Director (Works and Civil)
- Director (Corporate)
- Director (Environment, Planning and Community).

An additional Executive Manager (Organisational Performance and Governance) will also be appointed. This position's responsibility will include coordinating the Council's Risk Management and Internal Audit programs.

The new structure is expected to commence in mid-2013 at the completion of a recruitment process which was underway at the time of this review.

### Customer service

The Council has developed a Customer Service Knowledgebase (the 'Ask Tim' program), which is an easy-to-use register of customer service-related procedures. The Knowledgebase has been developed using an extremely low-cost software platform, which allows users to search for relevant procedures by category.

The Knowledgebase also allows users to provide feedback on procedures, which is viewable by relevant team members and their supervisors. Changes to procedures are tracked and distributed to team members to whom the procedure relates, and other users can request notification of updates for procedures in which they have an interest.

The Council may wish to consider the feasibility of using this modern, low-cost tool to disseminate other types of information to staff (eg policies, decisions of the Council).

### ***Requires further development***

#### **Business ethics**

The Council has produced a 'Statement of Business Ethics' brochure, which provides information for people who are dealing with the Council about the ethical behaviour the Council will guarantee, and expect in return, in any business relationship it enters into.

The brochure is available on the Council's website and hard copies can be accessed from the Council's Service Centres. The Statement is routinely provided to prospective suppliers, contractors and business partners as part of a contractor information pack.

However, the Council has no formal, centralised process in place to ensure that external parties abide by the Statement of Business Ethics. The managers of the individual functional areas of the Council informally monitor compliance with the Statement of Business Ethics as part of the contractor engagement process.

### ***Recommendation 1***

*The Council should develop a formalised monitoring system to ensure compliance with the Business Ethics Statement and deal with any allegations of breaches.*

#### **Risk management**

Councils are exposed to a wide range of risks as a consequence of their diverse functions. 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.

Councils should continually work towards establishing structures, processes and controls that can effectively reduce the council's risk profile, and thereby protect the interests of the council, the public and other key stakeholders. There should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

Clarence Valley Council has established a *Risk Management Policy* and *Risk Management Plan*. The latter also contains a Fraud Prevention Strategy. These documents provide a strong framework under which the Council can identify, communicate and manage generic and specific risks, and tie in well with the Council's *Business Continuity Plan*.

However, the review team also notes suggestions within the Blackadder report that the Council review its Internal Audit functions to consider whether its risk management approach should be broadened to include "internal governance, fraud risk and broader regulatory risk" and a uniform approach to risk management across the Council (p25).

It is also noted that the Risk Management Plan is not publicly available on the Council's website. In the interests of public accountability, this should be rectified.

### ***Recommendation 2***

*The Council should publish its Risk Management Plan on its website.*

#### *Internal audit*

While the Council has an Internal Audit Committee, there were differing views among staff and councillors as to whether this committee has been active in recent times. Concerns were raised during the review about the absence of councillor representation on the Internal Audit Committee and the lack of staff consultation about the internal audit review program.

There have not been reports to the elected body from this committee for some time. In accordance with the Division's '*Guidelines for Internal Audit*', councillors should have access to minutes of Internal Audit Committee meetings. As the minutes may contain confidential information, broader public access should be controlled. However; the Council should be mindful of its obligations under the *Government Information (Public Access) Act 2009* to provide greater transparency and accountability.

The Division's *Guidelines* suggest that the membership of Internal Audit Committees should include one or two councillors (excluding the Mayor), as well as two or three independent members (at least one with financial expertise and one of whom should be the Chair).

While the *Guidelines* recommend that staff should not be members of the Audit Committee, the Council's Manager Finance and Supply and Manager Governance should be invited to attend all meetings. The external auditor should also be invited to attend as an independent advisor.

Independent and councillor members must be free from any management, business or other relationships that could be perceived to interfere with their ability to act in the best interests of the Council.

A lack of knowledge across the organisation of the activities and role of the Internal Audit Committee was evident during the review. There are areas across the Council that could benefit from inclusion in an internal audit program, for example systems and processes undertaken within each team/section. Consulting with senior staff would allow for broader input into the development of the internal audit program.

***Recommendation 3***

*The Council should consider nominating a councillor representative to the Internal Audit Committee (not as chair), in line with the Division's Guidelines, to ensure best practice.*

***Recommendation 4***

*The Internal Audit Committee should provide the Council with access to its minutes.*

***Recommendation 5***

*The Internal Audit Committee should seek input from the Deputy General Managers and Managers in the development of an internal audit plan.*

***Procurement, disposal and tendering practices***

Procurement, disposal and tendering are activities which potentially pose high risk to councils. All councils should regularly review and analyse the potential risk exposure within their procurement and disposal practices. This can minimise financial loss through non-compliance. A risk analysis should be undertaken every two years as part of the internal audit program.

The Division of Local Government has produced *Tendering Guidelines for NSW Local Government* to assist councils in applying clear policies, consistent procedures and effective risk management strategies in accordance with the *Local Government Act 1993*, the *Regulation* and other relevant legislation.

Clarence Valley Council has policies and procedures in place in relation to purchasing and tendering, and the disposal of assets which are of a satisfactory standard. However, the Council does not have documented procedures for monitoring and acting upon unsatisfactory contractor performance.

While anecdotal evidence suggests that few problems of this nature have been encountered, the Council would benefit from the development of a formalised framework or policy to guide staff on contract management.

It is also noted that the Council plans to implement an electronic module in the corporate record-keeping system for contractor monitoring and has planned an internal audit of its procurement practices in next 12 months.

### ***Recommendation 6***

*The Council should prioritise the completion of its planned review of contractor management practices and ensure that relevant policies, procedures and systems are implemented.*

### ***Recommendation 7***

*The Council should undertake regular audits and staff awareness training to ensure that its purchasing and tendering policy and procedures are adhered to.*

### **Records management**

The effective management of records is a key element of good governance with council responsibilities and legislative requirements outlined in the *State Records Act 1998*. Councillors are also subject to this legislation when undertaking council business.

The Council has undertaken a significant amount of work in the area of records management, including the commencement of a major project to scan hard copy files

from the former Pristine, Copmanhurst, Ulmarra and Grafton Councils into the Council's electronic records management system.

The review team noted that the Council's *Records Management Policy*, which dates back to 2006, does not address the Council's long-term record-keeping objectives. However, it is acknowledged that this is addressed to some degree in the Council's Information Services Strategic Plan, in relation to the record-keeping information technology needs of the Council.

As noted in the Blackadder report (p17), there appear to be some discrepancies in hard-copy record-keeping practices between the Council's Maclean and Grafton offices, which may result in inefficiencies in relation to general enquiries, staff records searches and the processing of applications to access information under the *Government Information (Public Access) Act 2009*. This issue could be addressed by more comprehensive staff training in records management.

### ***Recommendation 8***

*The Council should review its Records Management Policy to ensure that it reflects long-term record-keeping objectives and ensure that staff are sufficiently trained to provide a consistent approach to records management across the organisation.*

### **Council meetings**

Consistent and proper meeting practices contribute to good public decision-making and increase councils' accountability to the community. The review team attended the Council meeting of 19 March 2013. The meeting was well-chaired and proceeded in an orderly manner to reach decisions relating to the items in the business paper.

Positive features of the meeting included:

- 'Matters not to be called' (ie those not requiring elaboration or debate) are identified and passed as a group early in the meeting. This is an efficient way of dealing with business on the agenda.
- Two large screens in the chamber area display the Minute Clerk's notes, reflecting decisions as they are made. This is an example of good practice.

Councillors and senior staff generally acted in accordance with standards set out in the Council's Code of Meeting Practice and its Code of Conduct. Most councillors who participated in the proceedings demonstrated a general understanding of the respective roles of the members of the elected body and the staff.

However, the review team observed that, contrary to the Council's Code of Meeting Practice, some councillors directly questioned senior staff during the meeting without going through the Chair, and senior staff addressed councillors directly without going through the Chair.

The review team also noted that the length of Council meetings appears to have increased dramatically since the election of the Council in September 2012. While this may be accounted for in part by the significant nature of certain items of Council business at meetings since that time, the review team also notes anecdotal evidence of an increase in the amount of general discussion allowed in meetings. This practice was observed at the 19 March 2013 meeting.

This increased discussion appeared to involved councillors seeking clarification about detailed operational matters. As well as holding up the Council business, this also raises concerns about the appropriate level of detail requested by councillors to inform decision-making. It is also noted that lengthy meetings can be a disincentive for members of the community to attend.

It is suggested that councillors should take time before the Council meeting to clarify matters in staff reports with the General Manager, if they feel it is necessary to do so. If the Council is of the opinion that reports do not provide sufficient information for councillors to make decisions, then their content and format should be reviewed.

There was a view expressed by some councillors that reports provided by staff are inaccurate, do not contain sufficiently balanced information, and that information contained within the reports is of poor quality.

However, an analysis of council reports undertaken by the review team has determined that most of the Council's reports are well-written and contain sufficient information to enable the Council to make an informed decision.

A standard template is used for reports and includes the officer's recommendation, recommendation by the committee, background, issues, consultation, sustainability assessment (ecology, economic, social and cultural, human habitat and infrastructure, governance, sustainability principles and risk management), options and financial implications. Each report is signed off by the Manager of the relevant section and presented by the relevant Deputy General Manager.

It is acknowledged that the General Manager is currently pursuing a number of related Council resolutions to improve reporting. It is also noted that the Council intends to provide report writing training for all relevant staff, following the finalisation of the organisational restructure.

It is suggested that this issue may also be addressed through more comprehensive councillor training, which is discussed in further detail below.

### ***Recommendation 9***

*The Council should consider the observations made in the body of this report with a view to ensuring that future Council meetings efficiently deal with the business at hand and are carried out within the provisions of its Code of Meeting Practice.*

#### *Councillor induction and ongoing training*

All councillors require induction training to equip them with the skills required to properly carry out their duties and allow them to be effective members of the 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.

Clarence Valley Council conducted an induction session for new councillors in September 2012, which consisted of two half-day seminars. Seven of the nine elected councillors attended.

The induction training delivered high level messages to councillors on issues including:

- Council meetings and business papers (including an overview of the Council's Code of Meeting Practice)
- the role of councillors and the General Manager
- the organisational structure of the Council and organisational relationships
- an overview of the strategic and financial position of the Council, including the Strategic Organisational Action Plan and the Integrated Planning and Reporting documents of the Council
- an overview of the Code of Conduct
- assistance (financial and otherwise) available to councillors.

While councillor induction is an important first step, establishing a program of ongoing councillor training assists councillors to better understand and adapt to their role, and keep abreast of changes to the policy and strategic framework in which councils operate.

The Council should consider establishing individual training plans to meet the identified needs of each councillor, monitor and record training undertaken, and seek feedback on the value to each participant. This may include working with new councillors to identify any initial 'skill gaps' and prepare future training and development plans.

***Recommendation 10***

*The Council should ensure its councillor induction material includes detailed information about the key roles and responsibilities of councillors, including team work, complaints handling, communication and conflict resolution, decision-making, strategic planning (including community engagement), and financial management.*

***Recommendation 11***

*The Council should assess the training needs of individual councillors and develop individual professional development plans for them.*

Expenses and facilities policy

Councillor expenses and facilities policies should allow for councillors to receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties as elected representatives of their local communities. Under the Local Government Act it is mandatory for councils to prepare these policies and review them on an annual basis. This ensures accountability and transparency in the reasonable and appropriate provision of expenses and facilities to mayors and councillors in NSW.

Clarence Valley Council reviewed and amended its *Policy for the Payment and the Provision of Facilities for the Mayor and Councillors* in October 2012. The Division issued *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW* to assist in the development and review of council policies in this area in 2009. It is not stated whether the Council used these guidelines in the review of its policy.

Overall the Council's policy is considered good. However, the following aspects of the policy do not comply with the Division's Guidelines:

- It does not specify limits for legal expenses, the cost of consumables for 'tablets' and computers, training and conferences etc.
- It does not include a statement about gifts and benefits.
- It does not provide a clear mechanism for councillors to recoup private expenses.
- It does not provide a dispute resolution process.
- The childcare and carer's expenses provided in the policy may not adequately reimburse expenses.

**Recommendation 12**

*The Council should ensure that its 'Policy for the Payment and the Provision of Facilities for the Mayor and Councillors' better aligns with the Division's 'Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW'.*

### Complaints handling

The Council has an up-to-date and detailed complaints handling policy, which contains a 'Complaints Management Flowchart' that steps out the required actions for various types of complaints. The policy is available on the Council's website, along with a 'Complaints against Council' brochure, which provides clear information to the public on how to lodge a complaint about the Council, councillors or officers.

While the Council provides training on this policy for staff routinely involved in the handling of complaints, it is noted that training is not provided to other staff. To do so would improve the consistency of the Council's approach to customer service.

### **Recommendation 13**

*The Council should ensure that all staff are provided with complaint handling training.*

### Information technology

The review team notes that the Council has undertaken significant work since the 2004 amalgamation to centralise, as much as possible, the diverse information technology systems of the previous councils. This has been a significant undertaking given the number of physical sites operated by the Council.

However, at the time of review, the Council had four different computer operating systems for financial, property management, corporate records management, and mapping and spatial purposes.

It is accepted that the integration of computer systems is an expensive process. However, the Council is encouraged to continue this process, as doing so can have significant efficiency benefits for the organisation.

The Council has developed an *Information Services Strategic Plan* (ISSP), to guide its activities in this area. The Plan includes an Information Services Risk Plan, which links well with the Council's *Business Continuity Plan*.

However, it is noted that the ISSP only addresses staff training in a cursory manner. The ISSP indicates that the Council's *Electronic Communications Protocol* is provided to all staff on induction, but does not identify ongoing training priorities in this area.

It is also noted that the ISSP is due for review in 2013. The Council should use this opportunity to ensure that the ISSP includes ongoing training for staff in its information technology platform to ensure maximum uptake and efficient use of the system.

**Recommendation 14**

*The Council should prioritise the review of its Information Services Strategic Plan and ensure that it charts the integration of its information technology platforms and addresses staff training needs.*

**The Council's response**

*Council acknowledges and concurs with the comments and issues identified in this section. A proposed action for each recommendation is outlined in Section 11 of this report.*

## ***PART III - PLANNING AND DELIVERING A SUSTAINABLE FUTURE***

This part focuses on determining how well the Council is planning and working with its community toward achieving a sustainable future. It consists of three interrelated sections:

- Strategic planning and delivery
- Financial and asset management
- Workforce management.

### ***4. STRATEGIC PLANNING AND DELIVERY***

#### **SCOPE**

This section examines the Council's implementation of the Integrated Planning and Reporting framework. This includes consideration of the quality and utility of the documents the Council is required to produce and how well it has involved its communities and other stakeholders in developing long-term strategic plans.

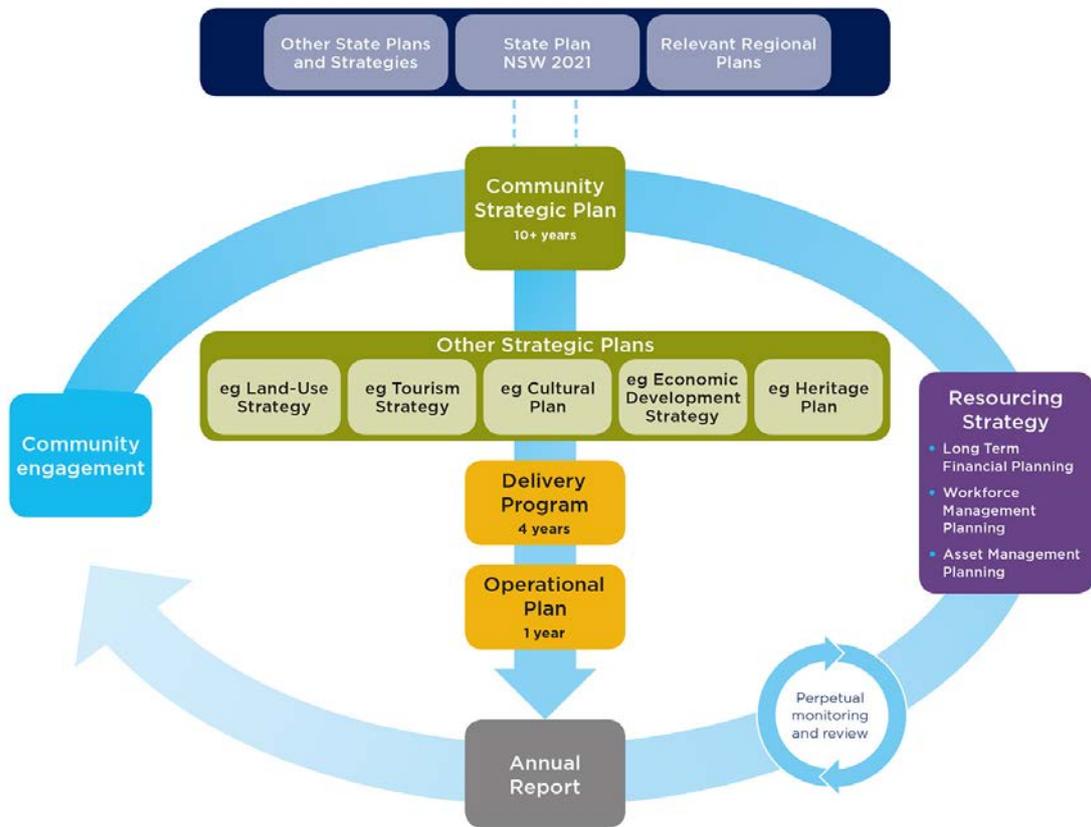
The self-assessment checklist, completed by the Council, considers the minimum requirements in relation to each component of the framework. The responses have been used as a basis for assessing the Council's performance in this area.

#### **POLICY AND LEGISLATIVE FRAMEWORK**

The Integrated Planning and Reporting framework for NSW local government was introduced to improve local councils' long-term community planning and asset management, as well as to streamline reporting to the community.

The framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans and strategies. The Community Strategic Plan is supported by a four-year Delivery Program, annual Operational Plan and a Resourcing Strategy that includes long-term financial planning, asset management planning and workforce management planning.

## The Integrated Planning and Reporting Framework



### Community Strategic Plan

The Community Strategic Plan is the highest level plan that a council will prepare. The purpose of the plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals.

In order to ensure that priority services and infrastructure can be delivered efficiently and effectively, councils are encouraged to integrate all other strategic plans into this framework. For example, strategic land-use and economic development plans also contribute to maximising the capacity of communities, industries and local economies.

### Delivery Program

The Delivery Program is a statement of commitment to the community from each newly elected council. The Program translates the community's strategic goals into actions.

### Operational Plan

The Operational Plan supports the Delivery Program and each council is required to develop a Plan that articulates the annual activities to be undertaken to achieve the Delivery Program, along with the annual budget for these activities.

### Resourcing Strategy

Each council is responsible for developing a long-term Resourcing Strategy to achieve the objectives and priorities established by the Community Strategic Plan. The Resourcing Strategy must include provision for long-term financial planning, workforce management planning and asset management planning.

### Community Engagement

Each council must prepare and implement a Community Engagement Strategy to work with the local community in developing and reviewing the Community Strategic Plan.

### Reporting

The reporting requirements under the Integrated Planning and Reporting framework are varied. Councils must report against the Delivery Program at least six-monthly, prepare an Annual Report within five months of the end of the financial year, and prepare an end-of-term report at the end of each council term which describes progress in achieving the objectives of the Community Strategic Plan. The purpose of these reports is to encourage councils to keep their communities informed and be accountable for the decisions they make on behalf of the community.

## **LOCAL CONTEXT**

Clarence Valley Council elected to be a Group 1 council for the purpose of implementing the Integrated Planning and Reporting framework, and adopted its initial suite of plans under this framework in June 2010. The Division conducted a review of these documents at the time, identifying that the Council had not completed a Community Engagement Strategy and raising concerns about key aspects of the Resourcing Strategy, in particular a non-compliant Long-Term Financial Plan and Asset Management Strategy. The Council's Asset Management Plan was considered to not adequately inform the long-term resourcing needs of the Community Strategic Plan.

At the time of this Promoting Better Practice Review, Clarence Valley Council had resolved to conduct a preliminary review of its Integrated Planning and Reporting documents in order to meet the 30 June 2013 statutory deadline to do so. However, the Council intends to conduct a more comprehensive review of these documents in 2014.

This arrangement is intended to allow the Council to meet its statutory obligations, while also providing time for it to complete and consider the comprehensive Asset Management Review and finalise its organisational restructure, both of which commenced in late 2012. The review team agrees that this will allow it to undertake a more meaningful review of its strategic priorities in 2014.

The review team also notes that a major issue facing the Council's ability to successfully plan strategically for the local government area is the unresolved legacy of the 2004 amalgamation. As noted in the Blackadder discussion paper:

*“A legacy of amalgamation is the existence of an ‘up river – down river’ mentality. This is evidenced in a number of ways - by multiple staff social clubs; by the retention of former council boundaries in some jobs; by the retention since 2004 of two fax numbers and the opening and registration of all faxes in the Grafton records area; by two post office boxes; one in Maclean and one in Grafton; by mail being sent from Maclean to Grafton to be opened...” (p17)*

Unresolved issues relating to the amalgamation will need to be addressed as part of the comprehensive review of the suite of integrated plans in 2014, as lingering inefficiencies resulting from structural issues and unrealistic strategic priorities will significantly impact on the Council's ability to be sustainable in the longer-term.

The Blackadder review also commented that *“... [the Council's] staff are not well aligned with or have strong support for its directions”* (p12). The review team strongly agrees with this finding. The education of staff, particularly those in management positions, will have a major impact on the ability of the Council to successfully utilise its Integrated Planning and Reporting documents to provide a sustainable, long-term planning framework for the Clarence Valley community and ensure the Council is best placed to deliver on these plans.

## STRATEGIC PLANNING AND DELIVERY ASSESSMENT

An assessment of the Council's strategic planning and delivery in relation to the areas covered in the self-assessment checklist completed by the Council is set out in Table 2.

**Table 2: Strategic Planning and Delivery Assessment**

Area of assessment	Assessment of the Council's performance
Community engagement	
Community Strategic Plan	
Delivery Program	
Operational Plan	
Resourcing Strategy <ul style="list-style-type: none"> <li>• Workforce Management Planning</li> <li>• Long-Term Financial Planning</li> <li>• Asset Management Planning</li> </ul>	
Reporting	

Table key:  Better practice  Requires further development  Satisfactory

## SIGNIFICANT OBSERVATIONS

### Summary analysis

The review team has strong concerns about Clarence Valley Council's approach to strategic planning. Strategic planning responsibilities are spread across various functional areas of the Council and there appears to have been a tendency for senior management to prioritise involvement in operational matters over strategic issues.

This has led to inconsistencies in the quality of strategic plans across the organisation. This is acknowledged in the 2012 Blackadder review of the Council's organisational structure and measures to address this are set out in the Strategic Organisational Action Plan developed by the Council's General Manager.

Of particular concern is the quality of the existing suite of Integrated Planning and Reporting documents. The comprehensive update of these documents must be prioritised, as it will form the framework for the Council's conversation with the community about long-term priorities.

This will be particularly crucial as the Council faces significant financial sustainability pressures in the medium to long term, primarily due to the maintenance requirements of its large and ageing asset base. Revenue restrictions, especially from rating income and the feasibility of the Council continuing to provide its wide range of existing services within resource constraints, also need to be frankly addressed (in consultation with the community) as a matter of priority (see *section 5 – Financial and Asset Management* for further information).

It is considered equally important that the review of the suite of Integrated Planning and Reporting documents be supported by appropriate training of councillors and staff (particularly the new senior staff) to ensure they are aware of their roles and responsibilities. This will also provide an opportunity for the organisation to thoughtfully consider how it can better integrate not just the plans, but the planning and delivery processes.

The Council's current and planned work in gathering relevant data and restructuring its organisation to support this process is acknowledged. The review team notes that the organisational restructure is expected to make the Council's executive structure more efficient and will consolidate some of the functions that are currently spread across the organisation, including strategic planning.

The establishment of an Executive Manager position as part of this restructure will enable the Council to better integrate its planning and reporting processes and focus on the more comprehensive review of the Community Strategic Plan in 2014.

### ***Better practice***

No better practice examples were identified in the review team in this area.

## ***Requires further development***

### *Community engagement*

While the review team observed a commitment by the organisation to better inform the community as part of the comprehensive review of the Community Strategic Plan in 2014, this commitment needs to be evidenced in writing and would be appropriately addressed in its Strategic Organisational Action Plan.

### ***Recommendation 15***

*The Council and the newly-appointed Executive Manager should develop a strategic implementation plan as a follow-on from the SOAP document which clearly articulates the Council's approach to informing and engaging the community in the comprehensive review of the Community Strategic Plan in 2014.*

### *Community Strategic Plan*

The Community Strategic Plan, *Valley Vision 2020*, identifies the community's values, critical issues and goals, as well as key strategies to address them. However, the Plan does not identify the community's priorities or the roles and responsibilities of other State government agencies and key stakeholders.

It is noted that *Valley Vision 2020* was adopted in 2008, two years prior to the commencement of the Integrated Planning and Reporting requirements of the Local Government Act. *Valley Vision 2020* draws heavily on the Council's 2006 *Sustainability Initiative*, which was developed to provide a framework for sustainable decision-making at the Council. However, the scope of *Sustainability Initiative* was more limited than the legislative requirements for Community Strategic Plans.

The review team notes that the approach taken by the Council did not meet the intentions of the Integrated Planning and Reporting framework. This was particularly evident in the limited community engagement undertaken in the development of the Community Strategic Plan.

When updating the *Sustainability Initiative* to *Valley Vision 2020* in 2008, the Council undertook a community survey to which only 96 responses were received, and a staff survey to which 64 staff responded.

No additional community consultation was undertaken in 2010 when the Council endorsed *Valley Vision 2020* as its Community Strategic Plan. However, it is noted that the related Delivery Program and Operational Plan documents were released for public consultation in May 2010, and that those documents were revised to include public feedback prior to adoption by the Council in June 2010.

The review team, therefore, has strong concerns that *Valley Vision 2020* does not clearly identify the priorities and goals of the community. It is also noted that *Valley Vision 2020* does not contain clear linkages to the Long-Term Financial Plan, meaning that the community does not appear to have been given an appropriate level of information about the Council's capacity to resource its long-term goals.

The review team also found that the level of understanding of the importance of the Community Strategic Plan across staff and councillors is mixed. Some staff acknowledged its importance in setting community goals and priorities, but others were unable to demonstrate a clear understanding of how critical the Community Strategic Plan is in guiding the work of the organisation. Despite this, most staff acknowledged that *Valley Vision 2020* does not meaningfully articulate the community's priorities and future directions in its current format.

A review of *Valley Vision 2020* reveals that it does not meet the relevant statutory requirements, in that it contains limited consideration of social justice principles, a lack of clear linkages to the Council's Long-Term Financial Plan, a lack of clear performance measures for the strategies it contains, and only limited linkages to the NSW State Plan.

This view was reflected in a report to the Council on 21 August 2012, which stated:

*"In retrospect, it is clear that Valley Vision 2020 (VV 2020) does not comply with many of the requirements for a CSP and this is reflected in the difficulty in linking the goals included in the VV 2020 into our*

*subsidiary strategic documents (Operational Plans, Delivery Program, Resourcing Strategy)” (Item 13.140/12).*

Valley Vision 2020 addresses five elements (ie Ecology, Economy, Society and Culture, Human Habitat, and Governance) which adhere to the Quadruple bottom line requirements of the Integrated Planning and Reporting framework. However, it does not contain performance measures for the strategies which address these elements. This makes implementation difficult to accurately chart.

**Recommendation 16**

*The Council should review the Community Strategic Plan to ensure that it clearly identifies the priorities and goals of the community and the responsibilities of other State government agencies and key stakeholders in meeting the needs of the community.*

**Recommendation 17**

*The Council should ensure that all staff and councillors are fully engaged in the review of the Community Strategic Plan, including through the provision of any necessary training.*

**Recommendation 18**

*The Council should ensure that service level agreements are negotiated with the community through the Community Strategic Planning process.*

**Recommendation 19**

*The Council must provide clearer and stronger links between the Long-Term Financial Plan, the Community Strategic Plan and the Delivery Program.*

**The Delivery Program**

The Council’s Delivery Program was adopted in June 2010. As noted previously in this report, the Delivery Program appears to have been developed in consultation with the community. Its strengths relate to the inclusion of:

- clear methods of assessment to determine the effectiveness of each principal activity in achieving stated objectives, including listed actions and targets to be measured which relate back to the sustainability principles in *Valley Vision 2020*
- demonstrated links between its action items and the core elements of the Community Strategic Plan
- performance targets for each action item.

However, the Delivery Program does not meet the statutory requirements of the Act as it does not include financial estimates for the four-year period covered. The Delivery Program could also be strengthened by the inclusion of clear links between sub-goals identified under each goal within the five themes of the Community Strategic Plan.

### ***Recommendation 20***

*The Council must ensure that its Delivery Program includes financial estimates for the four-year period it covers.*

### **Resourcing Strategy**

The review team noted that there is no clear link between the three component documents of the Council's Resourcing Strategy (ie the Workforce Management Strategy, the Long-Term Financial Plan and the Asset Management Plans) and the Community Strategic Plan or Delivery Program.

The review team notes that the Workforce Management Strategy complies with the legislative requirements. However, serious concerns about the Council's Long-Term Financial Plan and Asset Management Plan are addressed in further detail in *section 5 – Financial and Asset Management* below.

### **End-of-term reporting**

In line with the requirements of the *Local Government Act 1993*, in August 2012 the Council produced a report on the implementation of *Valley Vision 2020* to coincide with the end of the Council term.

The review team notes that while the end-of-term report contains a large amount of relevant information, it is narrative based and does not clearly articulate how the strategic, integrated planning strategies and actions have been progressed.

The report would be improved by focussing on outcomes and using indicators that demonstrate progress against the Community Strategic Plan's objectives. This would need to be supported by a review of the format of the Community Strategic Plan, Delivery Program and Operational Plan to ensure consistency across the suite of plans.

***Recommendation 21***

*The Council should review its End-of-Term reporting format to ensure that it includes outcomes and indicators which link to the Community Strategic Plan.*

**Operational Plan**

The Strategic Organisational Action Plan (SOAP) in some ways acts as an Operational Plan. However, the SOAP does not identify how its actions will link to the documents of the Integrated Planning and Reporting framework. For example, the asset management section identifies objectives that will improve the Council's understanding of its current and future asset management needs, but does not articulate how this information will be provided to the community or how the community will have a say in the setting of priorities (ie through the 2014 comprehensive revision of the Community Strategic Plan and update of the Asset Management Strategy).

***Recommendation 22***

*Where relevant, implementation actions should be reflected in Operational Plan/s and Resourcing Strategy documents.*

### *The Council's response*

*Council acknowledges and concurs with the comments and issues identified in this section.*

*The need for improved strategic planning was identified by Council in the Strategic Organisation Action Plan (SOAP). As a result the development of the new organisation structure was undertaken with improved strategic capacity as an objective.*

*Furthermore, strategic planning actions to address the issues identified are scheduled to be undertaken and completed during the 2013/14 period.*

*A proposed action for each recommendation is outlined in Section 11 of this report.*

## **5. FINANCIAL AND ASSET MANAGEMENT**

### **SCOPE**

This section examines the Council's overall financial position and how it is managing its finances and assets in order to deliver the outcomes of its long-term Community Strategic Plan. It also considers the Long-Term Financial Plan and Asset Management Strategy in more detail.

The self-assessment checklist, completed by the Council, considers the minimum requirements in relation to each component of the framework. The responses have been used as a basis for assessing the Council's performance in this area.

A number of financial and asset management indicators have been examined to gain an appreciation of the Council's financial position, performance and long-term sustainability.

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils in NSW are required to provide services, facilities and infrastructure through the effective and efficient use of resources. Under the Council Charter<sup>1</sup>, councils have a responsibility to raise funds for the purposes of carrying out their functions. This can be achieved by the fair imposition of rates, charges and fees, borrowings, and grants. As the custodian and trustee of significant public assets a council must also effectively account for and manage these assets.

As part of its Resourcing Strategy, each council must prepare a Long-Term Financial Plan (covering a minimum of ten years). This is an important part of a council's strategic planning process. It is the point where long-term community aspirations and priorities are tested against financial realities.

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<sup>1</sup> The Council's Charter Section 8 NSW *Local Government Act 1993*

Each council must also prepare an Asset Management Strategy which includes an overarching Asset Management Policy endorsed by the council. The Asset Management Policy sets the broad framework for undertaking asset management in a structured and coordinated way. The Policy underpins all asset management activities and the preparation of more detailed asset management plans for each class of assets which the council has responsibility for.

## LOCAL CONTEXT

Councils provide the Division with a range of information related to their financial position and performance on an annual basis via the Financial Data Return. Clarence Valley Council's financial results for the last four financial years are summarised in Table 3.

### Table 3: Financial and Asset Management Assessment

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The Council's net operating result before capital grants for 2011/12 was a deficit of \$25.104 million (\$41.446 million in 2010/11). The Council has reported an operating deficit before capital grants in the last four financial years. This concerning trend indicates significant financial sustainability issues for the Council in the long term.

## FINANCIAL AND ASSET MANAGEMENT ASSESSMENT

### Overall Assessment

An overall assessment of the Council's financial and asset management performance in relation to the areas covered in the self-assessment checklist completed by the Council is set out in Table 4 below.

### Table 4: Financial and Asset Management Assessment

Area of assessment	Assessment of the Council's performance
Financial management	
Asset management	
Land assets	 
Council businesses	

Table key:  Better practice  Requires further development  Satisfactory

### ***TCorp Assessment***

As part of the Local Infrastructure Renewal Scheme (LIRS) application process, the NSW Treasury Corporation (TCorp) provided an independent assessment of the Council's financial capacity and its ability to undertake additional borrowings. Overall, TCorp assessed the Council's current rating as weak and its outlook as negative. The assessment confirms the Division's financial assessment that over the longer-term the Council faces financial sustainability issues, and recommends that strategies to resolve this need to be developed and actioned in the short to medium term.

The review team notes that the TCorp assessment report concludes that:

*"...the Council's Infrastructure Backlog is on an upward trend, and of such a large scale, it is considered difficult to significantly reduce the backlog through Council's own resources". (p4)*

It is also noted that the TCorp assessment includes the critical observation that the Council's significant projected operating deficits indicate that:

*"... Council could face sustainability issues in the future unless a SRV [special rate variation] is granted, additional revenue sources found, services are cut, or expenses are able to be reduced". (p19)*

## **SIGNIFICANT OBSERVATIONS**

### ***Summary analysis***

The Council recorded an operating deficit before capital grants of \$25.104 million (2011/12). The deficit would have been greater if the Council had not reversed a prior period revaluation reduction of \$5.818 million and had not received an additional

quarterly Financial Assistant Grants payment in 2011/12 of around \$2 million<sup>2</sup>. The Council has recorded cumulative operating deficits before capital grants in the last six years totalling \$121.960M.

The Council has not met the requirements for long-term financial planning and the Council's Long-Term Financial Plan is not considered to be of a high standard.

The Council is also not maintaining its assets to the required level and has not met the asset management planning requirements of the Integrated Planning and Reporting framework. The Council has also reported a very large infrastructure backlog, most of which relates to roads assets.

The review team noted that the Council operates separate business entities for its Water and Sewer activities and has undertaken significant investment in these areas in recent years. As a result, the value of the Council's sewer assets has more than doubled between 2004 and 2011 (from approximately \$95 million to \$245 million).

Similar increases have been realised with regard to the value of the Council's water assets over the same period (up from approximately \$173 million to approximately \$400 million). A key project in this area has been the building of the Shannon Creek Dam, which is widely recognised as an example of better practice in large-scale infrastructure project management.

The Council is currently finalising major projects including the \$77.5 million Grafton Maclean Lawrence Townsend Ilarwill sewerage project and the \$45 million Iluka sewerage scheme.

These initiatives are intended to provide water and sewer infrastructure security to Clarence Valley residents in the long-term. The Council has funded its major sewer and water projects largely through various State and Federal Government Grants, as well as through borrowings.

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<sup>2</sup> In 2011/12, the Commonwealth Government brought forward one quarterly Financial Assistance Grant payment from the 2012/13 financial year for all NSW councils.

To further offset its costs in this area, and in-line with its statutory powers, the Council has raised its sewer charges by approximately 6% and its water charges by approximately 4% respectively per annum (in real terms), since 2006. Despite these increases, the Council's sewer and water charges remain close to the NSW median.

It is noted that the Council's Water and Sewerage Funds have recorded substantial deficits in the last two financial years, and the Council advises that its sewer and water operations are expected to remain in deficit until approximately 2017/18, largely as a result of asset depreciation.

However, it is noted that this asset depreciation approach is in line with the best practice methodology contained in the NSW Office of Water's *NSW Water and Sewerage Strategic Business Planning Guidelines*.

### ***Better practice***

#### *Land assets*

Under section 53 of the *Local Government Act 1993*, a council is required to keep a register of all land vested in it or under its control.

Clarence Valley Council has developed an online register which records:

- land owned in freehold by the Council
- land entrusted to the Council by Deed
- Crown Land with the Council as Trust Manager or Devolved to the Council.

The register includes a very user-friendly search function, utilising on-line mapping technology using a graphical 'point and click' interface. Users can also enter free text to search for a specific address. When a parcel of land is selected, further details can be easily accessed. The level of detail provided complies with statutory requirements.

The register webpage also contains information about how members of the public can obtain section 54 (Classification of land) and section 149 (Planning) certificates, including links to relevant forms.

### ***Requires further development***

#### ***Financial management***

The Council's Long-Term Financial Plan, which was updated in 2012, does not comply with legislation in that it does not include a sensitivity analysis (highlighting factors most likely to affect the Plan).

The Council's Long-Term Financial Plan includes two scenarios. Both predict operating deficits (in total) over the ten-year plan. Scenario one, based on the status-quo, predicts a cumulative deficit of \$322.998 million, and scenario two predicts a cumulative deficit of \$51.875 million. Scenario two is based on the implementation of the Strategic Organisational Action Plan (SOAP). This scenario includes several assumptions, the basis of which is not explained in detail.

It is also concerning that the Long-Term Financial Plan does not appear to have included an evaluation of future expenses and income based on known and anticipated situations. The Plan does not include any additional funding for infrastructure maintenance and upgrades other than annual CPI increases.

### ***Recommendation 23***

*The Council must urgently review its Long-Term Financial Plan to ensure that it complies with the requirements of the Local Government Act 1993, and to ensure that it links to the strategies and goals contained in the Community Strategic Plan and Delivery Program.*

Asset Management

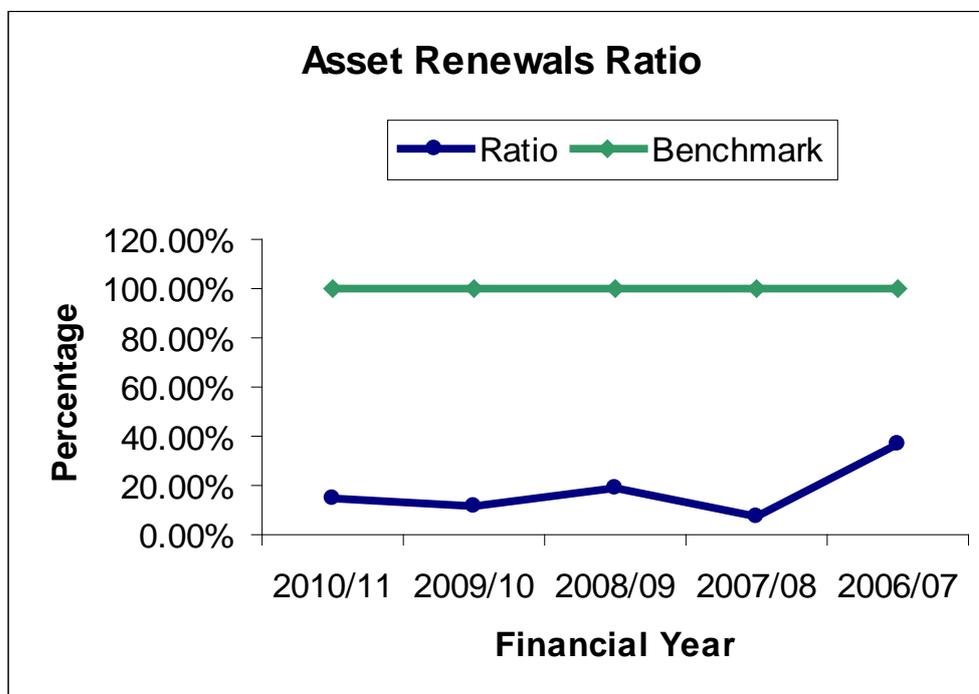
Asset management is a significant issue affecting the long-term financial sustainability of Clarence Valley Council. The total value of infrastructure, property, plant and equipment assets controlled by the Council is estimated to be \$1.728 billion, with a substantial proportion comprising public roads.

The Council is not maintaining its assets to the required level. The shortfall in spending for 2011/12 was reported to be \$13.306 million, with a cumulative shortfall of \$100.627 million over a six-year period.

In addition, the Council is not replacing its assets as they are being consumed. The Council's Asset Renewal ratio for 2011/12 was 9.38% and has a six year average of 30.47%. This is well below the benchmark of 100%.

The following graph compares the Council's asset renewal ratio for the last five financial years to the benchmark of 100%.

**Diagram 1: Clarence Valley Council Management Structure (pre-May 2013)**



The Council's depreciation charges have increased by 62.45% to \$46.4 million since 2008/09 due to an Asset Revaluation process which increased the value of the Council's infrastructure assets.

Additionally, the Council reported \$224.053 million of infrastructure backlog in 2012. Public roads made up \$164.055 million (73.2%) of this and sewerage assets of \$43.650 million represented 19.48%.

The disposal of excess assets can add to a council's cash position or allow a council to purchase needed assets or replace existing assets on hand. The review team notes that the risk that Clarence Valley Council has idle or underutilised assets is significantly high, due to the large number it inherited during the 2004 amalgamation. The Council acknowledges that it has not undertaken a coordinated asset rationalisation program since that time.

The Council has not met the Integrated Planning and Reporting requirements relating to Asset Management Planning. The Council's Asset Management Strategy, Asset Management Improvement Strategy and related Asset Management Plans are yet to be completed.

The completion of these plans and strategies must be prioritised as they provide the strategic framework from which the Council can manage its significant asset portfolio. It will also allow the Council to accurately inform the community on expected future resourcing pressures, as part of the scenario modelling it must include in its Long-Term Financial Plan.

The review team acknowledges that the Council appears to understand the gravity of this matter. As noted in its Strategic Organisational Action Plan (SOAP):

*“To date, the asset management process being undertaken at Clarence Valley Council has been inconsistent and spread across several work areas. Whilst an annual depreciation cost has been calculated, it appears to be significantly over estimated and as such distorts Council's total annual expenses.*”

*The need to develop a unified Asset Management system is apparent. The new system, when established, will provide more meaningful and timely data so as to improve Council's strategic and financial planning decision making processes". (p5).*

In line with a key action of the SOAP, the Council has engaged an expert asset management consultant to review its asset management plans. It is understood that this work will also include a review of the Council's asset depreciation and valuation methodologies, with the aim of better identifying the Council's infrastructure backlog.

The Council advised that, at the time of the on-site component of the PBP review, this work was nearing completion. It will feed directly into the Council's planned comprehensive 2014 revision of its Integrated Planning and Reporting documents.

**Recommendation 24**

*The Council should finalise its current review of assets and develop asset management plans as a priority.*

**Recommendation 25**

*The Council should ensure that it communicates its future infrastructure management liabilities to the community by reflecting this information in the scenario modelling included in its updated Long-Term Financial Plan.*

Rates

The Council has numerous sub-categories for its Residential and Business rating categories, based on geographical areas. There is a substantial variation in the ad-valorem ('in the dollar') rates charged for each sub-category. For example, Business Rates range from 0.4459 for "Yamba CBD and Other Businesses" to 1.5774 for "Grafton and South Grafton CBD and Other Businesses".

This arrangement appears to have strong historical roots in the 'up river/down river' culture observed since the 2004 amalgamation. The review team noted a commonly expressed view that a discussion about the introduction of common rating categories

for the local government area has been considered to be 'off limits', having garnered little support from the community and the elected council.

It is noted that the Council established a Business Rate Review Committee in 2011 to consider relevant issues. This Committee recommended the continuation of sub-categories for Business Rates.

This issue also appears to have impacted on the willingness of the Council to engage the community in a discussion about potential Special Rate Variations (ie an amount above the annual amount determined by the Minister for Local Government).

Several staff expressed a view that debating this issue was seen as "impossible" until the Council has addressed the common rating category issue. However, the review team notes that the introduction of area-wide sewer and water charges appears to have attracted little opposition.

As well as addressing perceived issues of inequity by some members of the community, the introduction of common ad valorem rating amounts for Residential and Business rating categories for the local government area may provide the Council with a more stable and predictable rating base. It is suggested that the planned comprehensive 2014 update of the Community Strategic Plan and related Long-Term Financial Plan may provide an appropriate opportunity for the Council to initiate a discussion with the community on this issue.

### ***Recommendation 26***

*As part of its long-term financial planning process, the Council should have conversations with the community about the possibility of area-wide ad valorem rating amounts for Residential and Business rating categories, and further consider the merits of introducing a common rating structure.*

### **Overdraft facilities and borrowings policies**

Loan borrowings can be an important source of funding for councils for the purpose of funding new infrastructure and the renewal of existing infrastructure. Policies on the use of debt (usually referred to as borrowing and overdraft facility policies) provide a

structured and disciplined approach to the borrowing of funds. For example, such policies can help to:

- ensure that all borrowings (both internal and external) are in accordance with legislative requirements
- minimise the cost of borrowings
- ensure the total amount of loan borrowings is sustainable in terms of ability to meet future repayments and budgetary obligations.

The Council does not have a policy on the use of debt.

### ***Recommendation 27***

*The Council should develop a policy on its use of debt (borrowing and overdraft facility) and ensure that the adopted policy is published on its website.*

### ***Plans of management for community land***

The *Local Government Act 1993* requires that all public land vested in a council be classified as either operational or community. The classifications are as follows:

- Operational land has no special management restrictions other than those that may apply to any piece of land.
- Community land is reserved for community use because of its use or special features. For example, parks and sporting grounds.

All community land must be managed in accordance with a plan of management developed by the Council in consultation with the community. The plan of management acknowledges the importance of the land to the community and clarifies how the Council will manage the land, and in particular, indicates how the land may be used or developed.

The Council does not have plans of management for all of its community land.

### ***Recommendation 28***

*The Council should ensure that it has developed plans of management for all of its community land.*

## *The Council's response*

*Council acknowledges and concurs with the comments and issues identified in this section.*

*The financial and asset management issues confronting Council have been identified in several recent reviews and reports and to this end Council has initiated actions solely intended to address the associated concerns.*

*A proposed action for each recommendation is outlined in Section 11 of this report.*

## **6. WORKFORCE MANAGEMENT**

### **SCOPE**

This section examines the Council's implementation of its four-year Workforce Management Strategy.

The self-assessment checklist, completed by the Council, considers the minimum requirements in the workforce area. The Council's responses and a range of human resource systems, policies and procedures were examined to assess how well the Council is managing its workforce and the overall organisational culture.

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils have a number of legislative responsibilities in relation to their role as an employer. As part of its Resourcing Strategy, each council is to develop a four-year Workforce Management Strategy which provides for the workforce requirements of the Delivery Program, and addresses current and future workforce issues, such as an ageing workforce.

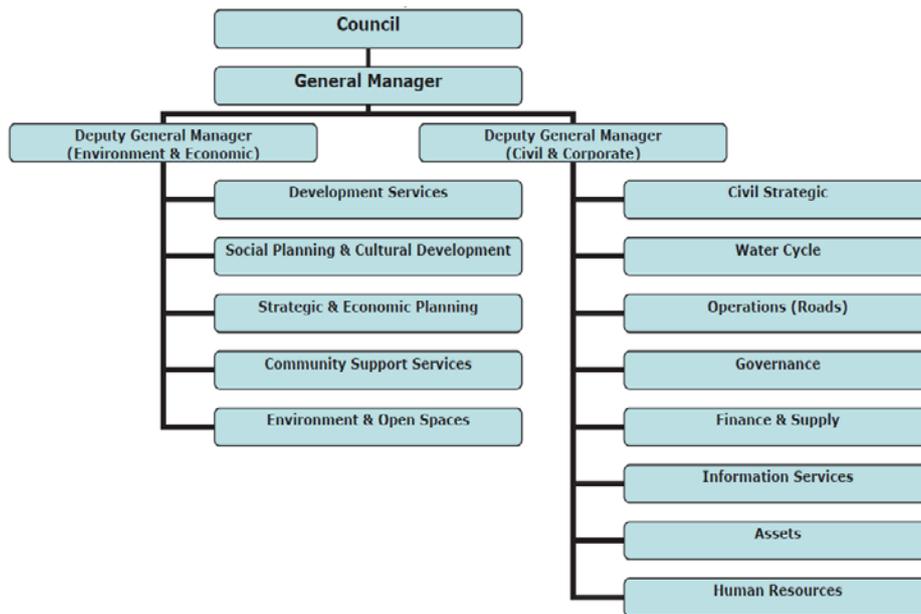
By identifying workforce capabilities now, considering what will be needed in the future and planning systematically, the Council can limit the risks associated with unanticipated events and ensure it is appropriately resourced to handle the changes and challenges in the coming years.

In short, workforce planning aims to have the right people in the right places with the right skills and motivation, doing the right jobs at the right time so that the Council can deliver appropriate services effectively and efficiently.

### **LOCAL CIRCUMSTANCES**

As outlined in Diagram 2 on the following page, Clarence Valley Council is organised into two directorates and employs 512 full-time equivalent staff.

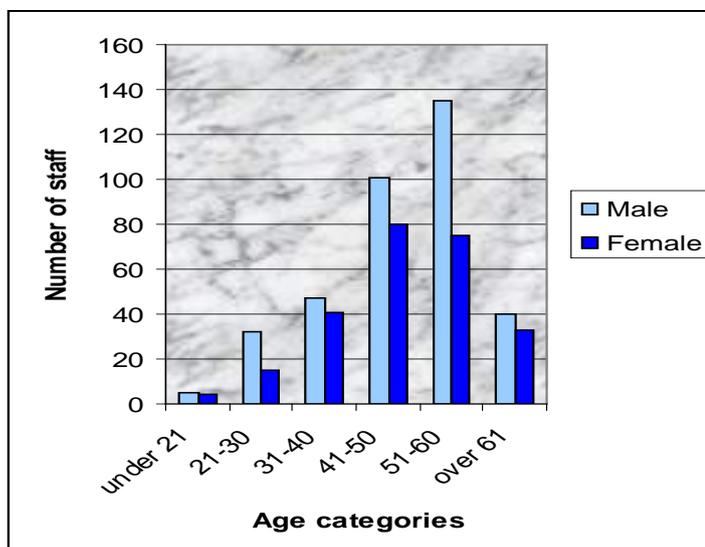
**Diagram 2: Clarence Valley Council Management Structure (pre-May 2013)**



At the time of the review, the Council was undergoing a significant staffing restructure aimed at making the senior executive structure more efficient, and consolidating some of the functions currently spread across the organisation (including strategic planning). The result of the executive restructure will be the establishment of four directorates (three Director positions and an Executive Manager position).

In 2011/12, employee costs and benefits totalled \$24.8 million. The age/gender profile of the workforce is shown in Diagram 3.

**Diagram 3: Workforce Profile**



## WORKFORCE MANAGEMENT ASSESSMENT

An overall assessment of the key workforce management areas of the self-assessment checklist completed by the Council is included in Table 5.

**Table 5: Workforce Management Assessment**

Area of assessment	Assessment of the Council's performance
Workforce management planning	 
Workforce management issues	
Employee surveys	
Employment contracts	
Consultative Committee	
Recruitment and selection	
Job descriptions and evaluation	
Employee remuneration	
Enterprise bargaining	
Equal Employment Opportunity	
Staff induction	
Grievance management	
Work Health and Safety	
Secondary employment	
Exit of staff	

Table key:  Better practice  Requires further development  Satisfactory

## **SIGNIFICANT OBSERVATIONS**

### ***Summary analysis***

Most of the Council's workforce policies, procedures and systems are of the required standard to meet statutory obligations and support the implementation of the Council's Delivery Program.

The Council is undergoing a period of staff change through a senior executive restructure, which was seen by many people interviewed as a positive change. There was consistent agreement that the creation of an Executive Manager position would enable the Council to consolidate its strategic planning and reporting activities, and would result in more robust strategic and operational plans.

*The Council's Workforce Management Strategy* is of a satisfactory standard. The Strategy identifies issues that may impact on the Council's ability to deliver the aspirations, goals and service standards expressed in its Community Strategic Plan and Delivery Program, as well as strategies to address these issues.

### ***Better practice***

#### **Workforce management planning**

The Council currently employs 56 Apprentices/Trainees, which at just over 10% of full-time equivalent staff, represents a significant investment in growing and skilling its workforce to better deliver the programs and services outlined in its Delivery Program.

### ***Requires further development***

#### **Workforce management planning**

The Council's Workforce Strategy identifies a number of strategies to address its ageing workforce, increasing family/carer demands, recruitment issues and structural deficiencies. However, the Strategy would be enhanced by including information relating to workplace equity and diversity, workplace health and safety, and employee support and development. The Strategy would be further strengthened if it were to incorporate staff input (eg staff survey responses).

**Recommendation 29**

*The Council should further strengthen its Workforce Strategy by including information and activities relating to workplace equity and diversity, workplace health and safety, and employee support and development.*

**Recommendation 30**

*The Council should include input from staff in the Workforce Strategy.*

Workforce management issues

While the Council has a formal performance management process in place, there appears to be reluctance by some supervisors/managers to implement this process across their teams. It is unclear whether this is the result of a lack of understanding of the process, a lack of confidence, or issues associated with living in a close-knit community (ie staff know each other outside of the work environment).

**Recommendation 31**

*The Council should ensure that all supervisors and Managers are held accountable for the implementation of the performance management process.*

**Recommendation 32**

*The Council should ensure that all Manager and Deputy General Manager level position key performance indicators (KPIs) include measures in relation to their performance management responsibilities to be monitored in regular performance appraisals.*

Equal Employment Opportunity (EEO)

The Council's EEO Management Plan has been out of date since 2009. The Council's Workforce Strategy does not include any specific activities relating to EEO, nor does it include any strategies to increase the diversity of staff to better reflect the local community.

The Council does not collect statistics on the number of staff who identify as being of Aboriginal or Torres Strait Islander or as being of culturally and linguistically diverse origin, nor does it collect statistics on the number of people with physical disabilities. The absence of this information makes it impossible to determine whether the make up of the Council is reflective of the local community it serves.

The review team notes that the Council is currently working on a new EEO Management Plan and Protocol, which were both in draft stage at the time of the review.

***Recommendation 33***

*The Council should finalise and adopt its EEO Management Plan and Protocol, and integrate these into its Workforce Management Strategy.*

**Recruitment and selection**

The Council's recruitment and selection protocol refers to merit-based selection principles, but does not define what these principles are. This would make it difficult to ensure that those people involved in the recruitment process are applying merit-based principles consistently across the organisation.

***Recommendation 34***

*The Council should define merit-based principles in its recruitment and selection protocol.*

### ***The Council's response***

*Council acknowledges and concurs with the comments and issues identified in this section.*

*Council have recently adopted and implemented a new organisation structure. With the senior executive now in place, workforce consideration in the respective management sectors is now occurring. With the development of Council's Community Plan in accordance with the IP&R requirements, a new workforce plan will be prepared.*

*A proposed action for each recommendation is outlined in Section 11 of this report.*

## **PART IV - SERVICES TO THE COMMUNITY**

This part of the review focused on the Council's community, social, sporting and recreational facilities and services as identified in its Delivery Program and Operational Plans. Services and advice in relation land-use planning, such as development applications and environmental management initiatives, are also considered.

### **7. COMMUNITY SERVICES AND FACILITIES**

#### **SCOPE**

This section focuses on examining the range and quality of the services and facilities the Council provides for the community. Social planning and services which are provided to cater for the needs of social justice groups within the community are also considered.

The self-assessment checklist, completed by the Council, considers minimum requirements in this area. The responses, along with site visits and meetings with relevant staff, have been used as a basis for assessing the Council's performance in this area.

#### **POLICY AND LEGISLATIVE FRAMEWORK**

A council's charter requires that a council:

- provides services after due consultation
- engage its stakeholders in the development, improvement and coordination of local government (for example, councillors, members of the public, users of facilities and services, and council staff)
- actively promotes the principles of multiculturalism
- plans, promotes and provides for the needs of children
- keeps the local community and State government informed about its activities.

The Community Strategic Plan prepared by each council captures the main priorities and aspirations of its community and includes strategies for achieving those goals.

## LOCAL CONTEXT

There are approximately 50,000 people living in the Clarence Valley area. With the Clarence River providing a draw card for boating and water sports, it is a popular tourist destination, particularly for people from Brisbane which is only a three hour drive away.

At 9.8%, the percentage of the population from Aboriginal or Torres Strait Island communities is significantly higher than the State average of 2.2%. The percentage of the Clarence Valley population born overseas is 12.2%, which is much lower than the State average of 25.6%. Only 926 people (0.2%) reported speaking a language other than English at home, compared with the State average of 21.3% (source: *ABS Census 2011*).

The Council provides a range of social services to the community, is very active in the area of community development and works in partnership with key stakeholders on activities and events to improve the health and wellbeing of the broader community.

## COMMUNITY SERVICES AND FACILITIES ASSESSMENT

An assessment of the Council's performance in relation to the community and social services areas covered in the self-assessment checklist completed by the Council is set out in Table 6.

**Table 6: Community Services and Facilities Assessment**

Area of assessment	Assessment of the Council's performance
Social and community planning	✓
Provision of services and facilities	★
Ageing population	✓
Community participation and engagement	▲
Communication policy	✓
Reporting to the community	✓
Cultural planning	✓
Multiculturalism	Not applicable
Tourism and Economic Development	▲

Table key: ★ Better practice ▲ Requires further development ✓ Satisfactory

## **SIGNIFICANT OBSERVATIONS**

### ***Summary analysis***

Clarence Valley Council provides a range of direct care and support services to the community, including disability support programs, in-home support packages, carer services, domestic assistance, Meals on Wheels, and vacation care. Supporting over 900 clients, these services are critical to meeting the needs of specific target groups within the community. The Council has given some thought to its role as a direct care service provider, considering community need and availability of alternate service providers, and has been able to establish an effective program that adds value to those services already available within the community and is cost-neutral to the organisation.

The Council has a very active social planning and cultural development section that delivers a range of cultural and community development activities and programs. The Council actively pursues external funding for many of its community development programs.

The Council's Social Plan includes a four year Action Plan that includes specific actions for a range of target groups including young people, older people, women, Aboriginal communities, people from culturally and linguistically diverse backgrounds, men, same-sex couples, children, carers, and people with disability.

The Social Plan links to a range of strategic plans such as Crime Prevention, Open Spaces, Sports Facilities, Disability Action Plan and Positive Ageing, as well as to the State Plan and Valley Vision 2020. The activities identified in the Social Plan are reflected within the Operational Plan and Delivery Program, and are allocated relevant cost codes and budgets

Library services are provided across the local government area with physical libraries located in Iluka, Maclean, Grafton and Yamba, and a mobile library service supporting people in outlying areas. Outreach services are provided through activities for children and young people and an events trailer, which is also available to community groups.

The review team found that there are mixed views about the effectiveness of the Council's consultation with the broader community. Some councillors expressed a view that the Council does not communicate well with the community; while others feel that there is a lack of understanding of how to consult with particular groups in the community (for example, retirees who travel out of area, residents who do not have access to the internet, residents from small outlying villages).

The Council recently adopted a Community Engagement Strategy that articulates when and how the Council will engage with the broader community. This document will form a sound basis for ongoing community engagement.

Although there is not a formal Memorandum of Understanding in place with any of the Local Aboriginal Lands Councils, the Council works with the Aboriginal community through an Aboriginal Advisory Group, and has in place an Aboriginal Employment Strategy and Aboriginal Engagement Strategy. The Council also recently hosted a State-wide Aboriginal Conference in partnership with the Local Government NSW.

### ***Better practice***

#### *Provision of services and facilities*

The Council is very proactive in seeking external grants for community development programs and services. Examples of recent successful funding submissions include:

- Binge drinking - education and activities program
- 'Healthy active' – activities and policy development
- Facilities for young people – skate parks, cafe/art/tech mobile 'pods'
- Library - \$8 million grant to construct a new library in Grafton
- Art Gallery – program promotion
- Crime prevention
- Affordable housing program.

Particular success has been achieved in the implementation of an Affordable Housing Strategy in partnership with local housing developers and community housing providers. As a result of this partnership, 16 affordable rentals, 35 reduced-cost blocks, and 12-20 low-cost dwellings will be available to people on low incomes.

## ***Requires further development***

### ***Community participation and engagement***

The review team noted concerns expressed by some staff about whether councillors' views were too highly influenced by individual residents or small interest groups that lobby them directly, rather than by the collective voice of the community. Questions were also raised as to how councillors could be better informed of broader community views in order for them to have a balanced view when making decisions.

The review team found that there were many examples of broader community consultation undertaken by Council staff, particularly within the community development/community services areas, that councillors can refer to when making decisions in the interests of the broader community.

The Council recently adopted its Community Engagement Strategy. To implement the Strategy effectively and consistently across the organisation, the Council needs to provide training and support to staff and councillors to ensure that they understand their respective roles and responsibilities in relation to community engagement.

### ***Recommendation 35***

*Councillors should be regularly informed of the results of community consultations that are conducted by council staff.*

### ***Recommendation 36***

*The Council should ensure that staff and councillors are trained in the implementation of the Community Engagement Strategy, and that mechanisms are established to ensure that the Strategy is used when conducting Council consultative activities.*

### ***Economic Development***

The Council's last Economic Development Plan was developed in 2006. Given that this plan was for a three to five year period, the Council will need to review and update this plan taking into account the economic objectives identified in the Community Strategic Plan.

***Recommendation 37***

*The Council should review and update its Economic Development Plan.*

***The Council's response***

*Council acknowledges and concurs with the comments and issues identified in this section. A proposed action for each recommendation is outlined in Section 11 of this report.*

## **8. LAND-USE PLANNING**

### **SCOPE**

This section focuses on examining how the Council manages its land-use planning in the Clarence Valley local government area. For example, the Council's role involves strategic planning to decide what buildings are permissible within certain areas, setting appropriate Council controls (eg building heights) and assessing the impact on the environment and neighbours (eg noise, traffic, shadowing, trees being removed).

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils must undertake their strategic land-use planning and development assessment functions in accordance with the *Environmental Planning and Assessment Act 1979*. [State Environmental Planning Policies](#) (SEPPs), which deal with issues significant to the State and people of New South Wales and are made by the Minister for Planning, may also be relevant.

Appropriate zoning and development controls are important to protecting the environment and heritage areas, controlling growth and helping to support the achievement of the Community Strategic Plan's objectives.

[Section 94](#) and [Section 94A](#) of the *Environmental Planning and Assessment Act 1979* allow councils to levy developers for contributions towards public amenities and services required as a consequence of development. This may be the provision of new facilities for an area or the expansion of existing facilities where an area is growing.

### **LOCAL CONTEXT**

The Clarence Valley Local Environmental Plan (LEP) was approved by the Minister for Planning and Infrastructure in December 2011. This replaced all the LEPs that previously applied (ie: Copmanhurst, Grafton, Maclean, Nymboida, and Richmond River LEPs).

The Council's Development Control Plans (DCP), relating to Business, Industrial, Rural and Residential zones all commenced on approval of the new LEP.

The LEP and DCP review process appears to have included a strong consultation process, including extensive community engagement. The Council also appears to have a good working relationship with the Department of Planning and Infrastructure.

In the existing organisational structure, the Council's Strategic Land Use Planning and Economic Development activities are managed under the same functional area. This logical arrangement appears to work well, especially with regard to aligning community engagement priorities across both areas. It is understood that the coordinated management of these activities will continue under the new organisational structure.

It is also noted that the Council has responded to the recent downturn in development activity in the area by re-allocating planning staff from development assessment to strategic planning and policy development roles.

## LAND-USE PLANNING ASSESSMENT

An assessment of the Council's performance in relation to the land-use planning areas covered in the self-assessment checklist completed by the Council is set out in Table 7.

**Table 7: Land use planning Assessment**

Area of assessment	Assessment of the Council's performance
Strategic land use instruments	✓
Development application process	★ ▲
Contribution plans and planning agreements	★
BASIX	✓

Table key: ★ Better practice ▲ Requires further development ✓ Satisfactory

## SIGNIFICANT OBSERVATIONS

### *Summary analysis*

Clarence Valley Council's land-use planning framework is considered to be sound. The review team observed generally good performance indicators and some innovative work practices. However, it is recommended that the Council introduce a system for the electronic lodgement of development applications to further improve its performance in this area.

## ***Better practice***

### *Development application processing*

The Council reported that approximately 96% of development applications are determined by staff under delegated authority. The Department of Planning and Infrastructure's *Local Development Performance Monitoring: 2010-11* report confirms the figure at 95.9%, with 97.2% of development applications determined by staff in 2009-10.

This reflects a very good use of delegated authority. The use of delegations to this extent suggests that the focus of the elected council is appropriately upon policy and strategic planning in regard to land-use planning.

The Council's turnaround times for development applications are shorter than the average for its peer councils. The *Local Development Performance Monitoring: 2010-11* report indicates that the 'Division of Local Government Group Averages' mean gross time for determining development applications was 62 days. The Council's mean gross time for determinations was 54 days.

The Council's positive development application turnaround times are supported by the ongoing engagement of applicants during the course of the assessment process. The Council's development application forms contain checklists to assist applicants to ensure they have provided all information they are required to submit in support of their application. The forms and supporting information are available on the Council's website as part of 'DA Information Packs'.

Pre-lodgement meetings are also held between Council staff and applicants, at set times allocated by the Council each week at both its Grafton and Maclean offices. The meetings, which are chaired by the Manager Development Services or a senior planner, are used by the Council to identify early in the development approval process any potential obstacles which may be present in individual applications. A summary of the meetings and their outcomes is provided to the applicant.

Additionally, the Council has developed a comprehensive internal procedures manual for development applications, which sets out the relevant information in a clear, logical and chronological manner. The manual makes reference to procedures for applications for different types of development and provides clear instructions for recordkeeping requirements.

#### *Contribution plans and planning agreements*

Under the *Environmental Planning and Assessment Act 1979*, councils can enter into voluntary planning agreements with developers as an alternative to developer contributions under section 94 of that Act.

Voluntary planning agreements can be tailored to specific circumstances and local needs. This allows a developer to agree to provide or fund public amenities and public services, affordable housing, transport or other infrastructure, the monitoring of the planning impacts of development, and/or the conservation or enhancement of the environment according to local need. Under a voluntary planning agreement, contributions can be made through dedication of land, monetary contributions, construction of infrastructure, and/or provision of materials for public benefit and/or use.

Clarence Valley Council has engaged a solicitor to develop a voluntary planning agreement template, which it charges \$500 for applicants to access. The Council advises that this can result in significant cost savings for applicants, who would otherwise be required to engage their own legal assistance to develop such an agreement. The Council advises that it developed the template after observing that, in some cases, the monetary value of a voluntary planning agreement was less than the cost of drafting the agreement

#### ***Requires further development***

##### *Development application processing*

While the Council has a development application tracking system, there is currently no capacity for the electronic lodgement of development applications and forms. The provision of such a service is considered better practice and would further streamline the Council's development application approval processes.

**Recommendation 38**

*The Council should implement a system for the electronic lodgement of development applications.*

***The Council's response***

*Council acknowledges and concurs with the comments and issues identified in this section. A proposed action for each recommendation is outlined in Section 11 of this report.*

## **9. REGULATORY FUNCTIONS**

### **SCOPE**

This section examines how the Council is enforcing or ensuring compliance with laws to protect the community and the environment. Areas enforced by councils include:

- unauthorised land use, signage and building work
- storm water pollution
- backyard fires
- removal of noxious weeds
- collection of stray dogs
- breaches of the Council's Tree and Bushland Preservation Orders
- abandoned shopping trolleys.

This section also considers how the Council manages the environment throughout the Clarence Valley local government area and addresses issues of environmental sustainability.

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils have a responsibility for managing much of the environment within their area. With the help of the community, councils are expected to manage and maintain these areas to make sure that they can be enjoyed for many years to come.

Councils must regulate a wide range of matters across multiple pieces of legislation. Some of this legislation includes:

- *Environmental Planning & Assessment Act 1979*
- *Swimming Pools Act 1992*
- *Local Government Act 1993*
- *Roads Act 1993*
- *Impounding Act 1993*
- *Noxious Weeds Act 1993*
- *Protection of the Environment Operations Act 1997*
- *Companion Animals Act 1998*
- *Smoke-Free Environment Act 2000*

- *Food Act 2003*
- *Road Transport (General) Act 2005*
- *Road Rules 2008*
- *Public Health Act 2010.*

Councils are required to prepare and implement a number of policies and plans that accord with the above legislation. The efficiency and probity of the Council’s regulatory functions is important for effectively managing its responsibilities and for preserving public trust in the Council and its staff. Regulation is important to support a wide range of social, economic and environmental goals as identified in the Community Strategic Plan.

## LOCAL CONTEXT

An assessment of the Council’s performance in relation to the regulatory functions covered in the self-assessment checklist completed by the Council is set out in Table 8.

**Table 8: Regulatory Functions Assessment**

Area of assessment	Assessment of the Council’s performance
Graffiti	
Enforcement	
Environmental management	
Companion animals	
Water safety (Swimming pools)	

Table key:  *Better practice*  *Requires further development*  *Satisfactory*

## SIGNIFICANT OBSERVATIONS

### *Summary analysis*

The Council demonstrates a strong and proactive commitment to its regulatory and environmental responsibilities, with particularly innovative approaches to waste management, and water and sewer services.

However, the review team have also identified a number of instances where the Council could improve its performance, in the areas of Enforcement and Companion Animals Management.

### ***Better practice***

#### *Environmental management*

##### *1. Waste management*

Significant investment has been made in recent years by the Council into upgrading the Grafton Regional Landfill site, including state of the art composting facilities. As noted in the Council's 2011/12 Annual Report:

*“Over \$10M was invested in infrastructure to develop a new recycling centre and fully enclosed tunnel composting facility to receive waste from our new domestic service: weekly 240 litre organics and food waste service, fortnightly 360 litre recycling service and fortnightly 240 litre residual bin”. (p6)*

It is noted that the funding for this significant project was sourced largely from borrowings. However, the facility will allow the Council to generate significant income in the longer-term and gain efficiencies in the processing of waste. The Council also has the statutory ability to levy appropriate domestic waste management fees as a means to further offset borrowing costs.

The Council advises that it is currently investigating the feasibility of developing contractual arrangements with neighbouring councils for waste management services, which may complement its existing income sources in this area.

To coincide with the upgrade of its composting facilities and domestic waste collection services, the Council implemented the 'Handle with Care' campaign. The key message of the campaign is: *“It may be rubbish, but when handled with care, our rubbish becomes a reusable and valuable resource”*.

The campaign was developed in consultation with the community and has resulted in a wide ranging promotional campaign which included a comprehensive brochure on

waste reduction. Initial promotion included radio and print advertising, shopping centre displays and comprehensive material on the Council's website.

To encourage further engagement of children and families on resource re-use issues, the Council appointed internationally-renowned and Clarence Valley-based children's television characters Dirt Girl and Scrap Boy as the Council's 'Waste Ambassadors'. This appears to have significantly raised the profile of the publicity campaign.

## 2. *Water and sewer services*

To gain efficiencies from the significant contractor engagement process involved with its large capital works program in this area, the Council has developed an innovative approach to sewer and water tender management.

The first component of this involved the splitting of major projects into smaller packages, allowing parties to tender for each individually. The Council reports that this has resulted in significant cost efficiencies over the course of projects, and has had the added advantage of allowing smaller, specialised, and often local, businesses to successfully bid for work which may have previously been awarded to larger companies.

The second component has involved the process of 'Early Tender Involvement', in which the Council engages eligible tenderers in a project scoping and risk identification process prior to calling for tenders. This is designed to allow tenderers and the Council to realistically assess their capacity to deliver a project, and to tailor projects to better avoid identified risks.

The Council estimates that the Early Tender Involvement approach has resulted in approximately 10% cost savings for some contractors, with resulting expenditure savings for the Council. It has also had a positive impact on project finalisation times.

The Council advises that NSW Public Works has recently adopted the Early Tender Involvement process as a Statewide standard practice. NSW Public Works has also entered into a Memorandum of Understanding with the Council, which has enabled the Council to access the significant project management expertise of that agency.

The review team also notes that, since 2009, the Council has been the recipient of numerous awards for its water and sewer engineering and planning. Other examples of better practice in relation to the Council's sewer and water services include:

- a commitment to community consultation on the development of sewerage schemes (eg an advisory committee was established for the Iluka scheme, including relevant community members)
- the voluntary completion in 2008 of a drinking water supply system risk assessment, which has recently been mandated under NSW Health *Guidelines for Drinking Water Management Systems*.

The Council acknowledges that its Sewer and Water Development Servicing Plans date back to 2006, and that its *Developer Charges Plan for Water Supply, Sewerage and Stormwater* dates back to 2004. The Council advises that it has commenced a review of these documents but is awaiting the release of the NSW Office of Water's *Developer Charges Guidelines for Water Supply, Sewerage and Stormwater* before finalising them.

### ***Requires further development***

#### *Enforcement and compliance*

In the exercise of their functions under the Local Government Act and other relevant legislation, councils are required to ensure compliance with legislation and, where necessary, take enforcement action. Councils must properly deal with allegations of unlawful or non-compliant activities. This includes activities that are prohibited or unauthorised, or contrary to the terms of a consent, licence, approval or other instrument of permission issued pursuant to lawful authority.

The Council has developed an organisation-wide *Enforcement Policy*, which is available for download on its website. The policy sets out overarching principles for staff in undertaking enforcement and compliance duties across the range of the Council's regulatory functions.

The Council's operations in this area are generally considered to be satisfactory. However, the following areas were identified:

1. *Training for enforcement officers*

The Council does not have a formal training program for enforcement officers. Given the organisational risks inherent with this area of operation, it is recommended that the Council develop a formal training program to ensure that relevant officers have the required skills and knowledge to perform their role. This should align with organisational training priorities and be considered in the Workforce Management Strategy.

***Recommendation 39***

*The Council should develop a formal training program for enforcement officers and ensure that this is reflected in the Council's broader training priorities.*

2. *Local Orders Policy*

Under section 159 of the Local Government Act, a council may prepare a draft local orders policy. Such policies provide council staff and members of the community with clarification on how a council issues orders in accordance with the Acts, Regulations and legal advice received.

The Council has flagged the development of a Local Orders Policy following the completion of its organisational restructure. As the Council has issued approximately 200 local orders in the past two years, it is recommended that this be undertaken as a matter of priority.

***Recommendation 40***

*The Council should develop a Local Orders Policy as a matter of priority.*

3. *Parking Enforcement Policy*

The Council's enforcement officers undertake a range of parking enforcement duties, primarily in the higher vehicle traffic areas of Grafton, Maclean and Yamba. However, the Council does not have a parking policy to guide officers in their duties, or provide members of the public with a point of reference about parking priorities in the area.

The Division's Circular to Councils (08-36) advised that it is good practice for a council to develop a publicly available parking priority policy. Such policies are a proactive way for councils to explain their priorities in regard to achieving an appropriate balance between public safety, traffic flow and equitable access to available parking spaces.

***Recommendation 41***

*The Council should develop a publicly available parking priority policy.*

*Companion animal management*

The Council undertakes a number of positive companion animal management activities. However, the review team noted several areas where the Council could improve its performance.

The Council's companion animals webpage is of a high quality, providing a variety of information for residents, including:

- details about the companion animal services provided by the Council
- information about barking dogs
- locating missing pets
- the location and details of the Council's Off-Leash areas
- the importance of registering pets
- information about responsible cat ownership.

The Council also provides a link to the Division of Local Government's Companion Animals webpage.

The Council proactively enforces the dangerous dog provisions of the *Companion Animals Act 1998*, including by reporting dog attack incidents within the requirements of section 33A of the Companion Animals Regulation 2008. However, a number of these reported incidents are yet to be finalised on the Companion Animals Register. The Council should use the Register's Dog Attack Reporting module to finalise these incident reports, or update the status of incidents which are the subject of ongoing investigation.

The Council has also developed a policy on Dangerous Dog Declaration revocation. This is considered to be good practice as it provides clear guidance to relevant dog owners on the criteria required to be met in order for the Council to consider revoking such a declaration.

Companion Animal Register data indicates that a small number of restricted dogs in the area remain unregistered. Under the Companion Animals Act it is a requirement for all restricted dogs to be lifetime registered. The Council should actively pursue the registration of these dogs.

A small number of notices of intention to declare dogs to be restricted which have been issued by the Council also remain outstanding, despite the expiration of the relevant statutory period. The Council needs to update these records.

The Council's euthanasia rates for cats and dogs that enter its impounding facility have decreased significantly in recent years (from 77% of all animals entering the pound, to 47%), and are lower than the State averages. This may be attributed to the Council's proactive approach to animal rehoming, including the development of arrangements with local animal rescue groups and the Animal Welfare League of Queensland to rehome appropriate animals. The Council is strongly encouraged to continue to build on these existing relationships and to consider pursuing other similar arrangements.

Increasing rates of rehoming for impounded cats and dogs is a key goal of the Council's Companion Animals Management Plan, which was adopted in 2006. This Plan also sets out other key goals in relation to the Council's companion animal management activities, including a strong focus on community education in relation to responsible pet ownership.

While the Companion Animals Management Plan complies with relevant guidelines issued by the Division of Local Government, it is noted that there is very little evidence of the ongoing monitoring of its implementation by the Council. It is also noted that the Plan sets out a five-year timeframe, which expired in 2011. The Council acknowledges that the Plan is due for review. It is recommended that the Council prioritise this review to ensure that the current best practice in companion animal management is reflected.

Lifetime registration rates for animals in the Clarence Valley local government area (33% of cats and 55% of dogs) are well below NSW averages. This suggests a significant shortfall in potential registration income for the Council.

Low rates of lifetime registered cats can also have a direct impact on the number of unwanted cats in the area. Data held by the Division of Local Government suggests that 98% of lifetime registered cats are desexed. Therefore, the more cats that are lifetime registered, the more likely they will be desexed, thus reducing the likelihood of unwanted litters.

The Council should ensure that its revised Companion Animals Management Plan sets out clear strategies to encourage the further lifetime registration of cats and dogs in the area.

**Recommendation 42**

*The Council should ensure that any outstanding Companion Animals Register records of dog attack investigations, and dangerous and restricted dog notifications and declarations are finalised.*

**Recommendation 43**

*The Council should prioritise the review of its Companion Animals Management Plan in consultation with the local community, to ensure that appropriate strategies are put in place to reduce the number of impounded animals and improve outcomes for those that do become impounded.*

**Recommendation 44**

*The Council should ensure that reports of the implementation of the Companion Animals Management Plan are provided to the elected body on annual basis.*

### *The Council's response*

*Council acknowledges and concurs with the comments and issues identified in this section. A proposed action for each recommendation is outlined in Section 11 of this report.*

**PART V - RECOMMENDATIONS AND ACTIONS**

**10. RISK RATINGS**

The recommendations made in this report are listed in the Action Plan in the following section. The Council is encouraged to use the risk matrix below to give each recommendation a priority ranking in the review action plan at section 11.

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

**Risk factors to be considered could include:**

- Risk to reputation
- Compliance with statutory requirements
- Fraud/corruption
- Financial risk
- Legal liability
- Workforce Health and Safety.

## 11. ACTION PLAN

The Action Plan is to be completed and adopted by the Council to guide the implementation and monitoring of the recommendations in this report.

RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
1.	<i>The Council should develop a formalised monitoring system to ensure compliance with the Business Ethics Statement and deal with any allegations of breaches.</i>	<i>High</i>	<i>Formal monitoring system to be established</i>	<i>12 months</i>	<i>Executive Manager – O P &amp; G</i>	
2.	<i>The Council should publish its Risk Management Plan on its website.</i>	<i>Medium</i>	<i>Risk Management Plan to be uploaded onto Council's website</i>	<i>1 month</i>	<i>Executive Manager – O P &amp; G</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
3.	<i>The Council should consider nominating a councillor representative to the Internal Audit Committee (not as chair) in-line with the Division's Guidelines to ensure best practice.</i>	<i>High</i>	<i>Council resolved not to appoint an elected member on the Internal Audit Committee at the Ordinary meeting of Council in May 2013.</i>	<i>COMPLETED</i>	<i>Executive Manager – O P &amp; G</i>	
4.	<i>The Internal Audit Committee should provide the Council with access to its minutes.</i>	<i>High</i>	<i>The minutes of Council's Internal Audit Committee will be presented to the next available Council meeting following the meeting of the committee.</i>	<i>3 months</i>	<i>Executive Manager – O P &amp; G</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
5.	<i>The Internal Audit Committee should seek input from the Deputy General Managers and Managers in the development of an internal audit plan.</i>	<i>High</i>	<i>Input from the Executive and Risk Management Committee will be utilised in the development of the Internal Audit Plan.</i>	<i>12 months</i>	<i>Executive Manager – O P &amp; G</i>	
6.	<i>The Council should prioritise the completion of its planned review of contractor management practices and ensure that relevant policies, procedures and systems are implemented.</i>	<i>High</i>	<i>Review of contractor management practices be undertaken. The procedural requirements and systems identified in the review be implemented.</i>	<i>12 months</i>	<i>Director - Corporate</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
7.	<i>The Council should undertake regular audits and staff awareness training to ensure that its purchasing and tendering policy and procedures are adhered to.</i>	<i>Medium</i>	<i>Compliance audits for purchasing and tendering be undertaken on a monthly basis and Exception Reports be provided to Managers. Refresher training be undertaken for staff.</i>	<i>12 Months</i>	<i>Manager Finance &amp; Supply</i>	
8.	<i>The Council should review its Records Management Policy to ensure that it reflects long-term record-keeping objectives, and ensure that staff are sufficiently trained to provide a consistent approach to records management across the organisation.</i>	<i>Medium</i>	<i>Review councils Records Management Policy.</i>	<i>6 months</i>	<i>Manager Information Services</i>	
9.	<i>The Council should consider the observations made in the body of this report with a view to ensuring that future Council meetings efficiently deal with the business at hand and are carried out within the provisions of its Code of Meeting Practice.</i>	<i>High</i>	<i>Re-enforce the need for compliance with Councils Code of Meeting Practice.</i>	<i>1 month</i>	<i>General Manager</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
10.	<i>The Council should ensure its councillor induction material includes detailed information about the key roles and responsibilities of councillors, including team work, complaints handling, communication and conflict resolution, decision-making, strategic planning (including community engagement), and financial management.</i>	<i>Medium</i>	<i>Refresher training to be provided for all Councillors on key roles and responsibilities.</i>	<i>12 Months</i>	<i>General Manager/ Executive Manager O P &amp; G</i>	
11.	<i>The Council should assess the training needs of individual councillors and develop individual professional development plans for them.</i>	<i>High</i>	<i>Councillor training and development program to be prepared on an individual needs basis.</i>	<i>12 Months</i>	<i>General Manager/ Executive Manager O P &amp; G</i>	
12.	<i>The Council should ensure that its 'Policy for the Payment and the Provision of Facilities for the Mayor and Councillors' better aligns with the Division's 'Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW'.</i>	<i>Medium</i>	<i>Review Councils Policy for the Payment and provision of facilities to the Mayor and Councillors.</i>	<i>12 Months</i>	<i>General Manager/ Executive Manager O P &amp; G</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
13.	<i>The Council should ensure that all staff are provided with complaint handling training.</i>	Medium	<i>Annual refresher training provided to appropriate staff regarding complaint handling. Ensure Council's protocol and procedures governing complaint handling are reviewed and are available on Council's intranet.</i>	10 Months	Manager Information Services	
14.	<i>The Council should prioritise the review of its Information Services Strategic Plan and ensure that it charts the integration of its information technology platforms, and addresses staff training needs.</i>	High	<i>Strategic asset management plans and Service level Business Plans are developed and integrated for Information Services.</i>	9 Months	Manager Information Services	<i>Asset Management Group formed to facilitate the construction of AMP's. Templates for Asset plans and Business Plans developed. Strategies, actions and clear timeframes for the development of such identified in OPaG Strategic Action Plan.</i>

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
15.	<i>The Council should develop a strategic implementation plan as a follow-on from the SOAP document which clearly articulates the Council's approach to informing and engaging the community in the comprehensive review of the Community Strategic Plan in 2014.</i>	High	<i>Community engagement policy and matrix to be developed. Community engagement plan for the CSP to be developed and adopted.</i>	3 Months	Executive Manager – O P & G	<i>OPaG Strategic Action Plan has been developed with clear outcomes, strategies and actions for a comprehensive review of all IP&amp;R documents including the development of a new CSP, resourcing plans, DP &amp; OP.</i>
16.	<i>The Council should review the Community Strategic Plan to ensure that it clearly identifies the priorities and goals of the community and the responsibilities of other State government agencies and key stakeholders in meeting the needs of the community.</i>	High	<i>A new Community Strategic Plan be developed incorporating all legislative requirements and elements of better practice.</i>	9 Months	Executive Manager – O P & G	<i>OPaG Strategic Action Plan has been developed with clear outcomes, strategies and actions for a comprehensive review of all IP&amp;R documents including the development of a new CSP.</i>

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
17.	<i>The Council should ensure that all staff and councillors are fully engaged in the review of the Community Strategic Plan, including through the provision of any necessary training.</i>	High	<i>Training be provided to Councillors and Council staff about the upcoming Community Engagement Program for the re-development of the CSP. Council staff be surveyed as part of the engagement process.</i>	4 Months	Executive Manager - O P & G	<i>Staff and Councillor training identified and scheduled in OPaG Action Plan. Community engagement group incorporating key staff and Councillors developed.</i>
18.	<i>The Council should ensure that service level agreements are negotiated with the community through the Community Strategic Planning process.</i>	High	<i>Service levels be negotiated, established and documented as part of the IP&amp;R redevelopment process.</i>	10 Months	Executive Manager – O P & G	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
19.	<i>The Council must provide clearer and stronger links between the Long-Term Financial Plan, the Community Strategic Plan and the Delivery Program.</i>	<i>High</i>	<i>Redevelop Councils CSP, Resourcing Plans, DP &amp; OP ensuring the integration and clear links between all of the documents.</i>	<i>10 Months</i>	<i>Executive Manager – O P &amp; G</i>	<i>OPaG Strategic Action Plan has been developed with clear outcomes, strategies and actions for a comprehensive review of all IP&amp;R documents including ensuring the integration and linkages between all of the documents.</i>
20.	<i>The Council must ensure that its Delivery Program includes financial estimates for the four-year period it covers.</i>	<i>High</i>	<i>Councils redeveloped DP include all legislative requirements and elements of better practice.</i>	<i>10 Months</i>	<i>Executive Manager – O P &amp; G</i>	
21.	<i>The Council should review its End of Term reporting format to ensure that it includes outcomes and indicators which link to the Community Strategic Plan.</i>	<i>Medium</i>	<i>Council review its end of term reporting to ensure the format is appropriate to report on the outcomes documented in the new CSP.</i>	<i>12 Months</i>	<i>Executive Manager – O P &amp; G</i>	<i>OPaG Strategic Action Plan has been developed with clear strategies and actions for the development of a Community reporting framework, including end of term.</i>

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
22.	<i>Where relevant, implementation actions should be reflected in Operational Plan/s and Resourcing Strategy documents.</i>		<i>Council redevelop its Resourcing Plans and OP ensuring implementation actions are included where appropriate.</i>	<i>10 Months</i>	<i>Executive Manager – O P &amp; G</i>	
23.	<i>The Council must urgently review its Long-Term Financial Plan to ensure that it complies with the requirements of the Local Government Act 1993, and to ensure that it links to the strategies and goals contained in the Community Strategic Plan and Delivery Program.</i>	<i>High</i>	<i>Redevelop Councils LTFP ensuring the integration and clear links between all of Councils IP&amp;R documents and compliance with the requirements of the LG Act.</i>	<i>10 Months</i>	<i>Manager Finance &amp; Supply</i>	<i>OPaG Strategic Action Plan has been developed with clear outcomes, strategies and actions for a comprehensive review of all IP&amp;R documents including ensuring the compliance, integration and linkages between all of the documents.</i>
24.	<i>The Council should finalise its current review of assets and develop asset management plans as a priority.</i>	<i>High</i>	<i>Asset Management Plans be developed.</i>	<i>10 Months</i>	<i>Executive Manager – O P &amp; G</i>	<i>Asset Management Group formed to facilitate the construction of AMP's. Templates for Asset plans developed. Strategies, actions and clear timeframes for the development of such identified in OPaG Strategic Action Plan.</i>

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
25.	<i>The Council should ensure that it communicates its future infrastructure management liabilities to the community by reflecting this information in the scenario modelling included in its updated Long-Term Financial Plan.</i>	<i>High</i>	<i>Scenario planning be utilised in Councils redeveloped LTFP and initial AMP's and utilised to inform and engage the community during the engagement process.</i>	<i>10 Months</i>	<i>Manager Finance &amp; Supply/ Executive Manager O P &amp; G</i>	
26.	<i>As part of its long-term financial planning process, the Council should strongly consider the introduction of area-wide ad valorem rating amounts for Residential and Business rating categories, and further consider the merits of introducing a common rating structure.</i>	<i>High</i>	<i>During the redevelopment of Councils key strategic documents Council review its rates structures and strategic rate mix.</i>	<i>10 Months</i>	<i>Manager Finance &amp; Supply</i>	
27.	<i>The Council should develop a policy on its use of debt (borrowing and overdraft facility) and ensure that the adopted policy is published on its website.</i>	<i>Medium</i>	<i>Council develop a Funding Policy, including targets and parameters.</i>	<i>10 Months</i>	<i>Manager Finance &amp; Supply</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
28.	<i>The Council should ensure that it has developed plans of management for all of its community land.</i>	<i>Medium</i>	<i>Ensure plans of management for all community land are in place and are readily obtainable.</i>	<i>10 Months</i>	<i>Manager Open Space</i>	
29.	<i>The Council should further strengthen its Workforce Strategy by including information and activities relating to workplace equity and diversity, workplace health and safety, and employee support and development.</i>	<i>High</i>	<i>A revised Workforce Strategy be developed incorporating all legislative requirements and elements of better practice.</i>	<i>10 Months</i>	<i>Manager Human Resources</i>	
30.	<i>The Council should include input from staff in the Workforce Strategy.</i>	<i>High</i>	<i>Input from staff encouraged in the development of the revised Workforce Plan and all staff notified.</i>	<i>6 Months</i>	<i>Manager Human Resources</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
31.	<i>The Council should ensure that all supervisors and Managers are held accountable for the implementation of the performance management process.</i>	High	<i>Council review its Personnel Evaluation Protocol and Procedures to ensure a clear accountability framework.</i>	6 Months	Manager Human Resources	
32.	<i>The Council should ensure that all Manager and Deputy General Manager level position key performance indicators (KPIs) include measures in relation to their performance management responsibilities to be monitored in regular performance appraisals.</i>	High	<i>Council review the standard 'Performance Indicators' for Managers and Directors to ensure measures are in place to reflect their management and evaluation of staff.</i>	6 Months	Manager Human resources	
33.	<i>The Council should finalise and adopt its EEO Management Plan and Protocol and integrate these into its Workforce Management Strategy.</i>	Medium	<i>Council adopt its EEO Management Plan and incorporate it into the redevelopment of the Workforce Strategy.</i>	10 Months	Manager Human Resources	
34.	<i>The Council should define merit-based principles in its recruitment and selection protocol.</i>	Medium	<i>Council review its recruitment and selection protocol.</i>	6 Months	Manager Human Resources	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
35.	<i>Councillors should be regularly informed of the results of community consultations that are conducted by council staff.</i>	<i>High</i>	<i>Protocol developed to ensure Councillors are made aware of the results of all formal community consultations.</i>	<i>10 Months</i>	<i>Executive Manager – O P &amp; G</i>	
36.	<i>The Council should ensure that staff and councillors are trained in the implementation of the Community Engagement Strategy, and that mechanisms are established to ensure that the Strategy is used when conducting Council consultative activities.</i>	<i>High</i>	<i>Community Engagement centralised to the Communication Coordinator to facilitate. Instruction be provided to Councillors and appropriate Council staff regarding the implementation of the Community Engagement Strategy.</i>	<i>10 Months</i>	<i>Executive Manager – O P &amp; G</i>	
37.	<i>The Council should review and update its Economic Development Plan.</i>	<i>Medium</i>	<i>Council review its Economic Development Plan following the establishment of Councils new CSP.</i>	<i>12 Months</i>	<i>Manager of Strategic Planning &amp; Economic Development</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
38.	<i>The Council should implement a system for the electronic lodgement of development applications.</i>	<i>Medium</i>	<i>Council investigate a solution for the electronic lodgement of development applications.</i>	<i>18 Months</i>	<i>Manager Development, Regulation &amp; Environment</i>	
39.	<i>The Council should develop a formal training program for enforcement officers and ensure that this is reflected in the Council's broader training priorities.</i>	<i>High</i>	<i>A formal training program for enforcement officers be developed.</i>	<i>12 Months</i>	<i>Manager Development, Regulation &amp; Environment</i>	
40.	<i>The Council should develop a Local Orders Policy as a matter of priority.</i>	<i>High</i>	<i>Council develop a Local Orders Policy</i>	<i>12 Months</i>	<i>Manager Development, Regulation &amp; Environment</i>	
41.	<i>The Council should develop a publicly available parking priority policy.</i>	<i>Medium</i>	<i>Publicly available parking priority be taken into consideration during the development of the Car-parking AMP.</i>	<i>10 Months</i>	<i>Manager Development, Regulation &amp; Environment/ Manager Civil &amp; Works</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
42.	<i>The Council should ensure that any outstanding Companion Animals Register records of dog attack investigations, and dangerous and restricted dog notifications and declarations are finalised.</i>	High	<i>All outstanding Companion Animals Register records of dog attack investigations, dangerous and restricted dog notifications and declarations are finalised.</i>	1 Month	Manager Development, Regulation & Environment	
43.	<i>The Council should prioritise the review of its Companion Animals Management Plan in consultation with the local community, to ensure that appropriate strategies are put in place to reduce the number of impounded animals and improve outcomes for those that do become impounded.</i>	Medium	<i>Council review its Companion Animals Management Plan, including a community awareness and education program.</i>	6 Months	Manager Development, Regulation & Environment	
44.	<i>The Council should ensure that reports of the implementation of the Companion Animals Management Plan are provided to Council on annual basis.</i>	Medium	<i>Reports on the implementation of the Companion Animals Management Plan are provided to Council on an annual basis.</i>	10 Months	Manager Development, Regulation & Environment	