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Promoting Better Practice Program

REVIEW REPORT

GWYDIR SHIRE COUNCIL

MARCH 2008

Department of Local Government

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1.   ABOUT THE REVIEW

Review objectives

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

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

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

Review process

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

The process involves a Department of Local Government (DLG) review team evaluating the effectiveness and efficiency of the Council's operations and giving feedback. This involves checking compliance, examining appropriate practices and ensuring that Council has frameworks in place to monitor its performance. The results of reviews are analysed and fed back to the elected Council, the Director General of the Department of Local Government and the Minister for Local Government.

Gwydir Shire Council Review

Gwydir Shire Council was asked to complete a strategic management assessment and a comprehensive set of checklists about key Council practices. The review team examined these and a range of other source documents prior to visiting Council, in order to gain a preliminary understanding of the pressures on Council and how the Council has sought to manage that environment.

The strategic management assessment tool asked Council to respond to four critical questions:

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

Senior Investigations Officers Paul Terrett and Caroline Egberts comprised the review team, and conducted an on-site review of Council from 18 June 2007 to 20 June 2007.

The on-site review involved a meeting with Council's Mayor and General Manager, a briefing for Council's senior staff, conducting interviews, attending a councillor briefing session and Council Committee meeting and the review of a number of Council's policies and other documents and visits to a number of Council facilities/worksites.

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

This report details the review's findings, recommendations and council's initial response. The Department asks Council to table the report at the next available Council meeting as well as prepare and submit an action plan to address agreed issues. Council is also expected to provide regular progress reports on the implementation of the action plan to the Department.

2.   EXECUTIVE SUMMARY

Gwydir Shire is one of the newest local government areas in the State. It was proclaimed in March 2004 as a result of the voluntary merger of Bingara and Yallaroi Shires, together with a northern part of Barraba Shire. It covers an area of 9,121 square kilometres and in 2006 had an estimated population of 5,310 people.

The creation of the new Council presented many challenges. During the transitional period, a number of community meetings were held in towns and villages throughout the Shire. These played a positive role in bringing the Council and residents together and provided a foundation to work from.

Council has made significant progress toward integrating the former structures into a single effective administration that can respond to meeting diverse and changing community needs. The review team strongly recommends Council pursue an ongoing strategy to consolidate and build upon the integration of Council's operations and the communities it serves. The strategy should involve the regular review of the ongoing viability and efficiency of maintaining two administrative centres, and two council chambers.

Council has the elements of an effective strategic planning framework. It has prepared a draft *Corporate Sustainability Strategy and Plan 2007,* which sets out Council's broad vision, mission, values and strategic directions. In five (5) years time and beyond, Council would like the Gwydir Shire to be the recognised leader in Local Government through continuous learning and sustainability.

Council has the basis of good governance framework in place. However, there are a number of areas requiring strengthening and several areas where council does not comply with some requirements of the *Local Government Act 1993*.

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

Council monitors and documents its progress against the priorities set out in the management plan on a quarterly basis. Its annual report details this achievement

against its objectives and performance indicators. However, Council's management plan, other operational plans and annual report could be better aligned and integrated with its *Corporate Sustainability Strategy and Plan 2007.*

Council has failed to comply with legislative requirements to complete and submit to the Department its annual audited financial statements and an annual report. While the review team acknowledges the Council has faced many challenges since amalgamation, Council must ensure that it completes and lodges the required documents for 2006/2007.

Council's draft financial statements show some improvement in its financial position since 2005/06. Nevertheless, to ensure Council's ongoing sustainability, the review team recommends careful, ongoing financial monitoring.

The Council has clear, strategic land use controls in place for the whole of the Shire. Consultants worked with the communities in each town to develop 15-year community strategic plans, which include land use planning elements. These local plans assisted Council in revising its Local Environmental Plan. Council does not have a section 94 contributions plan, which could result in the Council not attracting income to establish required community facilities.

Council also does not have an organisation-wide enforcement policy. It does undertake investigations into matters and proceeds to issuing penalty infringement notices when required to do so. However, to demonstrate that its regulatory processes are transparent and comprehensive, practices in this area should be formalised in appropriate policies that are available to the community.

Council provides a range of community services across the Shire and centrally at its one stop shop in Bingara. A range of mechanisms is used to keep the community informed of its activities and to seek input. For example, Council at the request of the community established a network of community contact people to act as a conduit between their particular community, the elected and staff members.

The Gwydir Shire Council Social Plan 2007 – 2011 has a clear, logical format that complies with Departmental guidelines. The review team have made some suggestions for improvements. While the plan appears to be appropriately linked to Council's draft Corporate Sustainability Strategy and Plan, it could be better integrated with Council's management plan.

The Gwydir Learning Region (GLR) is a major community and economic development initiative. It is a local, affordable and innovative way of addressing barriers to further education and skills development to foster a more sustainable future for residents and Council. The GLR, winner of the 2006 NSW Training Initiative Award, is a community strategic partnership between Council and various local education providers.

Council has an Economic Development Charter, and as mentioned, prepared a community strategic plan for each of its eight towns and villages. Council is encouraged to ensure that it commits resources to carrying out these plans.

Gwydir Shire Council appears to have a dedicated and motivated workforce. It has a human resource strategy, to integrate and guide its overall human resources effort particularly in the areas of recruitment and retention and staff training and development. To complement this strategy, Council is continuing to develop a comprehensive set of clear policies and procedures.

Concurrently with the work done to improve the educational levels and vocational skills of the general population via the Gwydir Learning Region, Council has also applied these strategies to its workforce. Council has transformed itself into a 'Learning Organisation' to gain greater efficiency and productivity.

3. RECOMMENDATIONS

Ambitions, Priorities and Future Focus

1. Council's draft Corporate Sustainability Strategy and Plan 2007 should be amended to include a clear timeframe. The Department recommends that a Council's strategic plan cover a ten-year period.

2. Council should move toward adopting the Corporate Sustainability Strategy and Plan 2007 and implement strategies among councillors, staff members and the community to better understand and foster ownership of the plan.

3. Council should identify opportunities to share resources with other councils to gain better efficiencies in operation.

4. Council should expand and strengthen its relationship with Willoughby Council to identify other opportunities to work together and share resources.

Governance

5. Council should develop an ongoing strategy to review of the ongoing viability and effectiveness of maintaining two administrative centres, and two council chambers.

6. As a matter of priority, in accordance with section 428 of the Local Government Act 1993, Council should prepare and issue an annual report.

7. Council is encouraged to use clause 259 of the *Local Government (General) Regulation 2005* to move its meeting into Committee of the Whole without excluding the press and/or public to maintain a relaxed style of debate while still operating in accordance with meeting procedure.

8. **Actioned 13 December 2007**. Councillors should be provided with a copy of the Department's Meetings Practice Note No 16, 2005.

9. Council should review its code of meeting practice and meeting practices generally to minimise the use of general business and "questions without notice".

10. Council should explore strategies to overcome scheduling issues in relation to councillor training. For example, some training could be scheduled to coincide with Council's regular meeting schedule, when councillors are already in attendance at Council.

11. Council should explore strategies such as a community education and mentoring program to facilitate members of the public to stand for Council at the next election.

12. A summary of all complaints received by Council should be reported to senior management on a half yearly basis.

13. **Actioned December 2007**. Council should, as a matter of priority, prepare a Summary of Affairs and implement an internal control mechanism to ensure that it is submitted for publication in the Government Gazette by the due date.

14. **Actioned 13 December 2007**. Council should supply all councillors and designated persons with a copy of the Department's Circular 04/16 to assist them in completing written returns of interests.

15. Council should review its Statement of Business Ethics so that it extends to private contractors doing work with the council and is included as part of all tender documents.

16. Council should establish a gifts register and remind all staff of its policy and procedure in this area, particularly to declare and register all gifts as required.

17. Council should ensure that its risk management policy and its risk management efforts extend to identifying and managing all business risks it faces.

18. Council should examine the costs and benefits of establishing an internal audit function. Council may wish to examine peer assessment or jointly funded internal auditing with other council's in the area.

19. Council should develop a fraud policy and carry out fraud and corruption risk assessment on a regular basis.

20. Council should prepare a disaster recovery/business continuity plan. The Department's Circular 07/12 that will assist council in developing such a strategy*.*

21. Council should make the required changes to its record keeping practices, to facilitate compliance with the *State Records Act 1998*, to ensure that its records system supports the needs of the organisation and to facilitate community access. Specific changes required, as set out in this report, include:

   - Educating councillors and staff to be aware of their responsibilities in the recording keeping area and encouraging them to comply with Council's procedures

   - Making changes to its record keeping practices by developing a records disaster recovery plan (as part of its broader disaster recovery/business continuity planning), provision for records disposal and provision for storage of councillor documents.

   - The records repository should be located off-site. Council could consider working with other councils to establish a records repository.

22. Council should continue to review it Privacy Management Plan and is encouraged to ensure the final plan and its implementation is aligned with improved record keeping practices.

23. To ensure that Council's section 355 committees carry out their functions in an appropriate manner, Council should:

   - ensure that each committee has a constitution or charter setting out its membership, functions and delegations

   - provide members with appropriate training on their roles and responsibilities under *the Local Government Act 1993* and Council's code of conduct.

   - provide an operational manual to which they can refer on an ongoing basis.

Planning and other Regulatory Functions

24. Council should continue with its strategic land use planning in order to meet Department of Planning deadline for a new local environmental plan in line with the new template.

25. Additional planning activities should be noted in Council's management plan, such as when the Local Environmental Plan and Development Control Plans are due to be completed.

26. Council should develop a section 94 contributions plan.

27. In accordance with section 53 of the *Local Government Act 1993*, Council should review and include the required information in its land register.

28. To comply with section 35 of the *Local Government Act 1993,* Council is encouraged to continue reviewing and developing plans of management for all of its community land.

29. Council should develop a procedure for granting and managing leases over community and operational land. Council should establish and maintain a register of leases, which details the required information specified in the *Local Government Act 1993*.

30. To demonstrate that its regulatory processes are transparent and comprehensive, Council practices in this area should be formalised in an enforcement and prosecution policy. Information about this policy and how to report alleged breaches and non- compliance should be available to the community.

31. Council could consider the feasibility of resource sharing with neighbouring councils to establish a regional compliance and inspection program.

32. Council's management plan should include the most up to date information available from its supplementary State of Environment report.

33. Council should explore and implement ways to encourage dog and cat owners to register their animals.

34. Council should ensure its companion animals management plan is linked to and integrated with its management plan.

Asset and financial management

35. As a matter of priority, Council should put mechanisms in place to ensure that its financial statements and other statutory reports are lodged on time as required.

36. Council is encouraged to develop 10 year financial plan to support the implementation of its Corporate Sustainability Strategy and Plan 2007

37. **Removed**.

38. Council should undertake a systematic assessment of the condition of all its infrastructure assets

39. Council should develop a register that details the valuation and most recent condition assessment for each asset.

40. The updated information on its assets should be used by Council to prepare and implement a long-term asset management plan and infrastructure maintenance programme.

41. Council should consider and plan for its future IT arrangements including opportunities to share resources with other councils.

42. Council should explore and implement strategies to take better advantage of its Intranet and Internet to communicate both internally and externally to the community.

43. Council should follow best practice as defined by the Premier's Department and in the AS7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures

Community and consultation

44. Priority strategies of the Gwydir Social Plan 2007-2011 to be implemented in the coming 12 months (i.e. an Access and Equity Statement) should be included in Council's latest management plan and reported on in Council's annual report.

45. Council's management plans should include specific performance measures for each of the social plan strategies.

46. Council should build upon strategies in its social plan and use the resources developed by the Local Government Association and Shire Association to adopt a more strategic and positive approach to addressing the issues of its ageing community.

47. Priority strategies on ageing should be determined on an annual basis and be incorporated in Council's management plan. Progress in relation to these priorities should be reported on a quarterly basis as well as in Council's annual report.

48. Council should build upon strategies in its social plan for Indigenous people particularly young Indigenous people. Priority strategies should be incorporated in Council's annual management plan and progress should be reported on a quarterly basis as well as in Council's annual report.

49. Given the significant Indigenous population, Council should consider formally acknowledging Aboriginal and Torres Strait Islander people as the traditional owners of their own lands by including a 'Acknowledgement to Country' at the beginning of the Council meeting and other official Council ceremonies. Council should also consider the flying of the Aboriginal Flag.

50. Council is encouraged to use the *Cultural Planning Guidelines for Local Government 2004* to develop a more comprehensive and integrated approach to its involvement in cultural services by developing a cultural plan as part of or linked to its social plan and management plan.

51. The copy of the draft Gwydir Shire Tourism Plan 2006 – 2011 on Council's website should include the period that the plan covers.

52. Council should finalise and adopt its draft Tourism Plan 2006 – 2011 and ensure that it is linked to the final Gwydir Shire Corporate Sustainability Strategy and Plan. Priority strategies to be implemented in the short term should be included in Council's management plan and reported on in Council's annual report.

53. Council is encouraged to consider what resources it has available and develop ways to assist each of the towns and villages in carrying out their community strategic plan, as well as conducting an annual reviews of progress.

54. The impacts of Council's organisational restructure in the economic development, tourism, community services and cultural services areas need to be closely monitored. If necessary, appropriate measures should be put in place to enable an integrated, coordinated and manageable approach to these function areas.

Workforce Relations

55. **Removed.**

56. Council should, as a matter of priority, complete its audit and evaluation of all positions to ensure that each job description accurately reflects the duties of the position it refers to. This should also include revising job titles to suit the position.

57. Council should continue with its current revision of the progression steps within its recently adopted salary structure and finalise its job description audit and evaluation.

58. Council should continue towards completing its skills audit and training database as well as individual training plans once the salary system progression steps are defined.

59. Council should develop a succession plan for key areas of its operation, which includes addressing gaps left in Council's workforce potentially left by the significant number of employees who will be retiring over the next 10 years. The succession plan should, where appropriate, be linked to Council's training plan.

60. Council should finalise and make operational its hazard register.

61. As Council's consultative committee is <u>operational</u> in nature, the Council's General Manager (or nominee/s) should represent Council on this committee rather than councillors.

62. Minutes of the consultative committee should be circulated to councillors to assist their decision making in relation to Council policy on industrial issues and keep them informed about current issues and outcomes.

63. Council should update its EEO management plan and include relevant strategies of the *National Framework for Women in Local Government 2001* and the *Review of the National Framework for Women in Local Government – The Way Forward 2007.*

64. Council should immediately commence the practice of carrying out exit interviews for staff members leaving Council. Information and data recorded from exit interviews should be considered as part of ongoing workforce planning and human resource policy development.

4. CONTEXT

Gwydir Shire Council was formed as a result of the voluntary merger of Bingara and Yallaroi Shire Councils and the northern part of Barraba Council in March 2004. Gwydir Shire is located in North West New South Wales within the North West Slopes and Plains region, with undulating hills, which flatten towards the west. The Gwydir River is a prominent feature.

Map 1 Gwydir Local Government Area
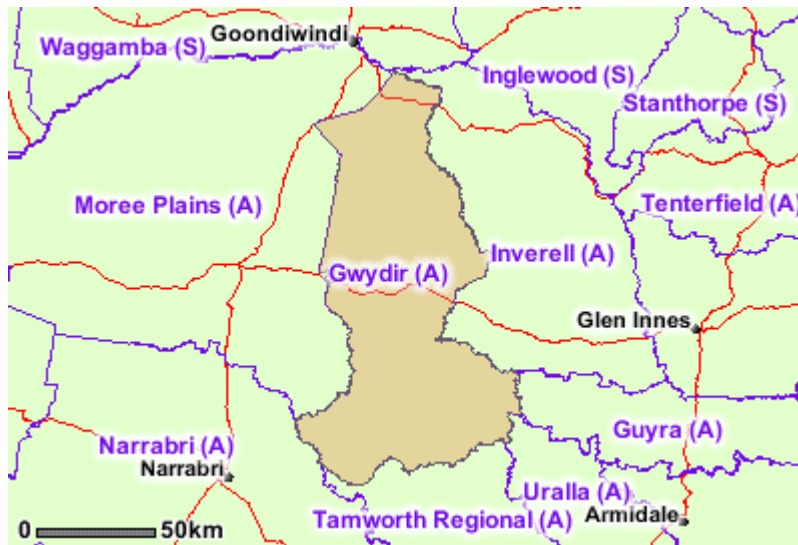
The Shire starts at the Nandewar Range north of Bells Mountain and continues north almost to the Queensland border, while to the east it is bounded by Inverell, Guyra and Uralla Shires, to the west by Moree Plains and Narrabri Shires and to the south by the Tamworth Regional area.

The Shire covers an area of 9,121 square kilometres and its estimated population in 2006 was 5,310 people (Australian Bureau of Statistics 2006 Census data). The main centres of population are at Warialda and Bingara. There are six small villages: Warialda Rail, Gravesend, North Star, Croppa Creek, Coolatai and Upper Horton.

The Shire's economy relies mostly on the agricultural industry followed by related services, light industry and retail. Tourism is developing as a larger portion of the economy. Agriculture in the Gwydir area has started to diversify from the traditional

sources of beef, sheep and cropping. It is expanding into aquaculture, olives and seed oils such as sunflower and linseed.

Key community facilities and services such as hospitals, aged care hostels, medical centres, caravan parks, swimming pools, pre-schools, libraries, and tourist information centres are available at both Warialda and Bingara.

Council has nine (9) councillors. Council also has an office and council chambers in each of the two town centres. Council's Ordinary Council Meetings are held normally on the last Thursday of each Month and alternate between Warialda and Bingara. Warialda is the centre for the Council's technical services functions and Bingara is the centre for the administrative functions.

5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS

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

Strategic planning framework

Planning is a process to translate community needs and aspirations into council services. To be meaningful, plans must result in actions and outcomes for the community and not be done just to satisfy statutory requirements. Plans should be well integrated to strengthen the focus and achievement of outcomes.

Council has the elements of an effective strategic planning framework. It has prepared a draft Corporate Sustainability Strategy and Plan 2007 which sets out Council's broad vision, mission, values and strategic directions. Its key strategic themes or outcomes are:

- A healthy and cohesive community
- Building the business base
- An environmentally responsible shire
- A proactive customer-oriented organisation
- Regional and local leadership.

A critical limitation of the strategy and plan is that it does not refer to a timeframe. The Department recommends that a council's strategic plan cover a ten-year period. **(Recommendation 1)**

Council's draft Corporate Sustainability Strategy and Plan 2007 cascades into or links to a number of other Council plans including the:

- Shire Wide Local Environmental Plan (under development)

- The Gwydir Shire Social Plan 2007-2011

- The Gwydir Shire Tourism Plan 2006 – 2011

- The Gwydir Learning Region Operational Plan

- The Good Governance guide

- The Management Plan

The practical application of Council's strategic framework is not yet evident as its overarching plan and strategy remain in draft form. There appears to be a lack ownership or awareness of the contents of the document throughout the organisation. The use of a consultant, a residents' reference group and only senior staff to develop the document may have contributed to this, but this needs to be addressed. **(Recommendation 2)** Council has identified the opportunity of working with Willoughby City Council on the implementation of the Sustainability Strategic Plan.

Council may well benefit from considering the benefits of adopting the Australian Business Excellence Framework approach. Holroyd and Port Stephens Councils are currently involved in such a program, with apparent success. In the response to the draft report Council advised that it currently applies the criteria established under the appropriate Australian Standard. Council should evaluate which approach best meets the Council's needs.

Ageing population

Responding to and planning for the major changes and service demands that will be created by Australia's ageing population is a major challenge for all levels of government. Gwydir is NSW's 11th oldest local government area, with 19% of its population currently aged 65+ years.

While Council's social plan includes a range of strategies for older people, Council does not appear to have a clear vision of the potential extent of impact of its ageing community. This issue is addressed further below.

A Learning Community and a Learning Organisation – strategic partnership

Currently Gwydir has a labour market "entry/exit ratio" of 0.6, meaning that it has 6 people at labour market entry age (15-24 years) to every 10 people approaching retirement age (55 – 64 years). The ratio is expected to be 0.4 by 2022. This deterioration in the labour market will place additional pressures on economic development in the area.

The Gwydir Learning Region (GLR) is a local, affordable and innovative means of addressing impediments to further education and skills development to foster a more sustainable future for residents of the Gwydir Shire and Council.

The GLR, winner of the 2006 NSW Training Initiative Award, is a community strategic partnership involving Gwydir Shire Council, the Department of Education and Training (local schools and New England Institute of TAFE), Adult and Community Education and the University of New England. It has the primary goal of promoting lifelong learning and work skills development in the community.

Individuals are able to extend their learning, develop new skills, discover new interests, achieve personal goals and pursue employment pathways previously not available to them. These opportunities have also been applied to Council's work force to create a 'Learning Organisation' to gain greater efficiency and productivity.

Strategic partnerships and resource sharing

While Council is involved in a successful partnership with other agencies through the GLR, it does not have any strategic partnerships with other councils. It has some resource sharing arrangements with neighbouring councils. For example, Council shares a Road Safety Officer with Moree Plains Shire Council and Council is also a member of the Northern Libraries Group. Council should identify opportunities to resource share with other councils to gain better efficiencies in operation. **(Recommendation 3).** Since the review the Council has explored other types of co-operation including joint business continuity, training and peer internal audits.

Council is also in a Friendly City relationship with Willoughby City Council. Currently this relationship consists largely of exchange visits and as such appears to be an untapped resource. Council should hold discussions with Willoughby Council to

expand and strengthen this relationship**. (Recommendation 4)** Council has now identified other opportunities of working with Willoughby City Council including risk management, food inspection, town planning, records management and information technology.

6. DELIVERING AND ACHIEVING

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

6.1 Governance

"Corporate governance refers to all the means by which entities are directed and controlled." (Standards Australia, HB401-2004:12) Corporate governance is important because it enhances organisational performance; manages and minimises risks; increases the confidence of the community and the local government sector in the organisation; ensures that an organisation is meeting its legal and ethical obligations; and assists in the prevention and detection of dishonest or unethical behaviour.

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

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

Overview of Gwydir Shire Council

The creation of Gwydir Shire Council in March 2004 presented a number of challenges. During the transitional period, bringing what were essentially two whole

organisations and part of another together, Council hosted a series of community meetings in towns and villages throughout the Shire. Councillors and staff reported that these meetings played a positive role in bringing the Council and residents together and provided a foundation to work from.

This process ensured that matters of concern were dealt with promptly and allowed councillors to build a positive relationship with the community. A high level of consultation appears to continue today.

Council has made significant progress toward integrating the former structures into a single effective administration that can respond to meeting diverse and changing community needs.

Warialda is the centre for the Council's technical services functions and Bingara is the centre for the administrative functions. The two centres are being linked through the use of information technology and other communication strategies.

One of the primary objectives of the amalgamation was to maintain the existing employment numbers within each of the main urban centres of Warialda and Bingara. Council adopted its current organisational structure in April 2007 and currently employs 133 equivalent full-time (EFT) staff. Since amalgamation 11 positions have been made redundant.

The executive management team is made up of the General Manager, the Finance and Administration Director, the Engineering Services Director and the Social and Environmental Director.

The review team strongly recommends Council adopts an ongoing strategy to consolidate and build upon the effective integration of both Council operations and the communities it serves. While we acknowledge that a change to existing arrangements may not be received well within the broader community the long term advantage to the community of an effective Council operation may outweigh these concerns. This strategy should consider regular review of the ongoing viability and effectiveness of maintaining two administrative centres and in particular two Council chambers. **(Recommendation 5)**

Bluett Award

Every year the AR Bluett Memorial Award recognises two councils that have achieved the greatest relative progress in the state. In the local government sector, winning a Bluett Award is recognised as the highest accolade that a council can achieve. Gwydir Shire Council Shire won the 2004/2005 Award.

Factors that influenced the decision to present Gwydir Shire Council with the award included:

- community consultation mechanisms
- a management plan based on council's sustainability plan
- the implementation of a new salary system and information technology system
- the adoption of an equitable rating system encompassing the new shire
- the implementation of a high speed Government Wideband Internet Protocol
- the expansion of the Gwydir Learning Region to address learning needs of residents and council staff, and as a way of promoting social cohesion, revitalisation and economic development

Good governance guide

In June 2006 Council adopted a good governance guide. The guide outlines Council's governance practices and the expectations that Council has of its elected members, staff and community members involved in assisting Council to manage its various activities. The guide is based on best practice models from both Victoria and NSW. It is available on Council's website.

Reporting to the community

Each year, under section 428 of the *Local Government Act 1993*, councils are required to prepare an annual report on its work and activities. The Act and Regulation stipulate what must be included.

Gwydir Shire Council has failed to prepare an annual report since its formation in 2004. During their visit, the review team impressed upon Council representatives the importance of the annual report as a key mechanism by which a council is made accountable for its actions to both the Department and the broader community.

(Recommendation 6) The failure by Council to submit audited statements in a timely manner is an area of concern for the Department.

Council meetings

Council has nine (9) councillors and council chambers in each of the two main town centres, Warialda and Bingara. Council's Ordinary Meetings are held on the last Thursday of each month and alternate between the two chambers.

Unfortunately, the review team's visit took place during a week when a Council meeting was not scheduled. The mayor reported that while he conducts the meeting in accordance with Councils' Code of Meeting Practice, an informal meeting procedure ensures and offers each councillor the opportunity to fully participate in all the matters under consideration and debate. Other councillors interviewed by the review team supported that view.

The review team advised Council that this type of discussion could more appropriately take place by resolving under clause 259 of the *Local Government (General) Regulation 2005* to move into the "Committee of the Whole". The meeting remains open to the public unless Council closes it under section 10A(2). In essence the council meeting becomes a committee meeting and the rules of debate do not apply. This allows councillors to overcome the limits on the number and duration of speeches referred to in clause 250 of the Regulation. **(Recommendation 7)**

Closed Council Meetings

As a general rule, meetings of the council and its committees are required to be open to the public. Council closed its meeting seven (7) times in the last 12 months. Where council determines that a matter should be dealt with in confidential session, sections 10A-10D of the *Local Government Act 1993* outline the requirements for this action. The rules of debate for council meetings or committee meetings remain the same whether the meetings are open or closed.

Council should review its procedure for closing part of Council meetings. Specifically, it should determine and describe the reasons for closing the meeting in its minutes

and demonstrate that a public interest test (where applicable) has been applied before the meeting is closed.

Councillors should be provided with a copy of the Department's Meetings Practice Note No 16, 2005, which is available on the Department's website at www.dlg.nsw.gov.au to assist in their understanding of meeting procedures. **(Recommendation 8)** Council has advised that on 13 December 2007, they circulated to councillors a copy of the meeting practice note. After the September 2008 elections, Council should provide to all new councillors a copy of this meeting practice note.

General Business

Clause 249 of *the Local Government (General) Regulation 2005* allows questions to be raised at council meetings. The right to ask questions at council meetings should be used appropriately, and not on matters outside of the proper business of the council meeting.

Pursuant to clause 241 of the Regulation, questions during a council meeting should be in relation to the business before council and councillors should avoid raising business that can be discussed under other items of business on the agenda. Business that can be discussed and dealt with at council meetings under clause 241 includes:

- Business that a councillor has given written notice of within the required time before the meeting (clause 241(1)(a)) and of which notice has been given to councillors (section 367 of the *Local Government Act 1993*).
- Business that is already before the council or directly relates to a matter that is before the council (clause 241(2)(a)). For example, business that was discussed at the last council meeting or business in a report made by council staff in response to an earlier council request for a report.
- The election of a chairperson for the meeting (clause 241(2)(b)).
- A matter raised in a mayoral minute (clause 241(2)(c)).
- A motion to adopt committee recommendations (clause 241(2)(d)).

- Business ruled by the chairperson to be of great urgency (clause 241(3)) but only after a motion is passed to allow this particular business to be dealt with.

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

Council should review its code of meeting practice and meeting practices generally to minimise the use of general business and "questions without notice". (**Recommendation 9)** Following the review Council ceased general business or questions without notice.

Councillor induction and ongoing training

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

Council has a structured induction and training program for councillors. Scheduling training appears to have been an issue. Council should look at scheduling some training as part of Council's regular meeting schedule, at which time councillors have already made a time commitment. **(Recommendation 10)**

It was reported during the review that a number of councillors were intending not to stand for re-election for another term. Council is encouraged to investigate a community education and mentoring program to encourage members of the public to stand as councillors. Council may also wish to encourage community leaders to stand. Council should provide prospective candidates with information in relation to the roles and responsibilities of being a councillor. Alternatively, Council may wish to

conduct information sessions to key groups such as service organisations and clubs to share information on Council and how to stand as a councillor. **(Recommendation 11)**

Customer service and complaints handling

An effective complaint handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction to provide a useful source of information and feedback for improving the council's service.

Council has developed a Customer Service Charter, which includes Council's vision, mission and statement of values. It establishes clear service values and standards that customers can expect to receive from Council. This includes timeframes in which particular services will be provided.

Council should collect details of all complaints received and provide a summary to senior management on a six (6) monthly basis to assist in identifying problem areas. **(Recommendation 12)**

Summary of Affairs

Councils are required to publish a "Summary of Affairs" in the Government Gazette each six months. This is a requirement of the *Freedom of Information Act 1989* (FOIA). Aside from being a statutory requirement, the preparation of a Summary of Affairs is an important process, as it requires the council to identify and list each of the council's current policy documents.

The process of identifying and listing each policy is valuable because it affords the council the opportunity to identify the scope of its policies any identify omissions and any redundant policies. Distributing a copy of the Summary to staff and councillors is a simple way in which they can be made aware of the matters on which the council has a policy.

Gwydir Shire Council did not publish a summary in 2006 and therefore is not complying with the FOIA. It is recommended that Council prepare a Summary of Affairs and implement an internal control mechanism to ensure that it is submitted for publication in the Government Gazette by the due date. **(Recommendation 13)**

Subsequent to the review, in December 2007, Council published in the government gazette its summary of affairs.

Pecuniary interest

Chapter 14 of the *Local Government Act 1993* sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private pecuniary interests. The Act also requires councillors and designated staff to lodge returns of interest. Part 8 of the Regulation prescribes the information required to be included when lodging returns.

The review team examined most recent returns and found that they were generally completed to a satisfactory standard. However, we suggest Council review its administrative processes for the completion of disclosure of interest returns, to ensure that they are signed and that lodgement dates are recorded. Council should provide all councillors and designated staff with a copy of Departmental Circular 04/16 to assist them in completing their returns. **(Recommendation 14)** All councillors were provided with the circular on 13 December 2007.

Statement of business ethics

A statement of business ethics can be an excellent tool for raising private sector awareness of public sector values. This is important because strong working relationships with the private sector are an essential part of building an efficient and cost-effective public sector. While Council has adopted a Statement of Business Ethics, it should extend this document to contractors doing business with Council. A reference to these ethics does not appear routinely in Council's tender documentation. *(***Recommendation 15)**

Gifts register

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

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

It is therefore important that councils develop a policy and procedures to guide and assist council officials in dealing with gifts and benefits and to support the provisions in the model code of conduct regulating gifts and benefits. From 1 January 2005 councils are required to maintain a gifts register to, as a minimum, record the receipt of gifts of more than nominal value.

While Council has a gifts and benefits policy and procedure, it does not have a gifts register. Council has advised that the register has not been set up as to date no Councillor/s or staff has/have actually received any gifts or benefits that would need to be recorded on a register. This appears at odds with the reality of most council operations. Council is encouraged to remind staff of its policy and procedure and that any gifts should be recorded on the gifts register. **(Recommendation 16)**

Risk management

Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. While risk cannot be entirely eliminated, councils should aim to establish a risk aware culture and to continually work towards establishing structures, processes and controls that cost effectively reduce the council's risk profile and thereby protect the interests of council, the public and other key stakeholders. There should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

Councils are exposed to a wide range of risks as a consequence of their diverse functions. The significance of specific risks will vary from council to council. A risk management plan should provide a council with a framework to proactively identify, communicate and manage generic and specific risks. It is important that Council consider the development and implementation of a risk management plan to minimise the likelihood of negative events which could have otherwise foreseen and thereby managed or avoided. Such a plan should extend beyond those risks that are insurable. Council may wish to refer to AS/NZS 4360:2004 for more information on risk management.

Council is developing a risk management strategy and it is anticipated that a draft strategy will be presented to Council in the coming months. Councils need to continually work towards establishing structures, processes and cost effective controls that reduce the council's risk profile. In doing so, councils of course need to

be mindful that there should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

In working on risk management, Council needs to look beyond insurable risks and work to identify and manage all business risks. While the review team acknowledge that some work has been done in this area, Council needs to address all risks it faces. **(Recommendation 17)**

Internal audit and control

Internal audit and control provides for systematic scrutiny of an organisation's operations, systems and performance. It assists in ensuring that service standards are met, data records are accurate and complete, and established procedures are being followed.

Council does not have an internal audit committee or an internal audit plan. An internal audit committee and/or an internal audit function would assist the Council in monitoring and improving its internal controls, and Council should examine the costs and benefits of establishing such functions. Council has advised that following a resolution of Council at its September 2005 Council meeting that it sought to establish an audit committee. However, no independent, qualified member of the community could be identified and the matter was not pursued. Council may wish to look at other committee structures or seek an independent from another council.

Council may also wish to look to its neighbouring councils or to Willoughby Council to conduct a peer assessment of its internal controls. It should also examine resource sharing of this internal audit function with other councils in the area. **(Recommendation 18)**

Council does not appear to have undertaken any fraud risk assessment. Nor does it have a fraud control policy or strategy. Changes to the Australian Auditing Standard 210 (AIS210) now require all external auditors to obtain a written representation from management that the organisation has systems to deal with fraud risks. Council needs to address this issue. **(Recommendation 19)**

Council does not have a disaster recovery/business continuity plan. Such a plan is an important part of a business's risk management strategy. The Department has

issued circular 07/12 that will assist Council in developing such a strategy. **(Recommendation 20)**

Records management

Council is required to make and keep full and accurate records of its activities in accordance with section 12 of the *State Records Act 1998*. Council must establish and maintain a records management program that conforms to best practice standards and codes. The review identified several opportunities for council to improve its record keeping practices.

Council does have a records management policy. This policy reflects good practice. However, the review revealed that the policy is not adhered to. Council needs to be aware that ISO 15489-2002 has superseded Australian Standard AS4390. This new standard has been adopted as a code of best practice for the NSW Public Sector for records management policies and procedures.

Councillors take on their positions with council with a variety of knowledge, experience and commitment with a view to providing strong leadership and good governance of the council. They may not however have a knowledge or understanding of their responsibilities for recordkeeping. This includes the regulatory and best practice requirements they are expected to observe when undertaking duties on behalf of council.

To facilitate the efficiency of council business and to ensure that its decisions and actions are transparent and accountable, Council needs to educate its councillors to meet their specific record keeping responsibilities. One way councillors can be informed of their responsibilities is through the issue of policy and procedures. State Records NSW has created *Sample records management policy and procedures for councillors* that can be modified by councils to suit their needs. State Records NSW has also produced a brochure titled *What have records got to do with me?* This is available free of charge. All councillors should be provided with a copy.

Council currently stores its old documents at the back of the Council offices or in old filing cabinets. This on site approach to archiving is unsafe and exposes Council to the risk of major records loss in the event of a fire. It appears that no documents or files have ever been archived or destroyed.

The current Records Management Policy states that records are maintained in accordance with the General Disposal Authority (GDA10). The review found no evidence of this. Neither did the review uncover any disposal procedures. All records need to be reviewed periodically to determine if they should be retained, archived to State Archives or destroyed in accordance with GDA10. A copy of this Authority is available from the State Records' website.

A good records management policy should incorporate information about, and procedures for, community access to records under section 12 of the *Local Government Act 1993*. While the Act provides for access, it is important to note that the Act also imposes an obligation on the council's Public Officer to assist people gain access to records. A well-written policy and straightforward procedures can be a practical way of assisting the public to gain access to records.

Council should make the required changes to its record keeping practices, to facilitate compliance with the *State Records Act 1998*, to ensure that its records system supports the needs of the organisation and to facilitate community access.

The records repository should be located off-site and Council should consider working with other councils to establish a records repository in the area to minimise the risk to records. **(Recommendation 21)**

Privacy management

The *Privacy and Personal Information Protection Act 1998* ("PPIPA") provides for the protection of personal information and for the protection of the privacy of individuals. Section 33 of the PPIPA requires all councils to prepare a Privacy Management Plan. Council is currently reviewing its Privacy Management Plan. While the review team did not examine the scope or outcomes of this review, Council is encouraged to ensure the final plan and its implementation is aligned with improved record keeping practices. **(Recommendation 22)**

Section 355 Committees

Council has a number of section 355 committees. These committees provide an opportunity for community involvement and can be an effective way of delivering services. Currently only three of Council's committees appear to have constitutions.

As these committees carry out functions on behalf of Council, it is important they all have a constitution or charter setting out their membership, functions and delegations. To ensure that committee members carry out their functions in an appropriate manner, Council should provide appropriate training as well as providing an operational manual to which they can refer on an ongoing basis. **(Recommendation 23)**

6.2   Planning and other regulatory functions

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

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

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

Strategic land use planning

As a result of the amalgamation, three separate Local Environmental Plans (LEPs) currently cover the Gwydir local government area (i.e. the Barraba LEP 1990, the Yalleroi LEP 1991 and Bingara Shire Council LEP 1994).

Council is currently developing a new comprehensive LEP in line with the recent amendments to the *Environmental Planning and Assessment Act 1979*. The Department of Planning has sought to standardise planning instruments by issuing a new prescribed LEP template that councils are required to utilise.

As noted earlier, Council has engaged consultants to develop 15-year community strategic plans, which assisted in setting direction on land use plans. These local plans are being used by Council to revise its Local Environmental Plan.

Council is required under section 73 of the *Environmental Planning and Assessment Act 1979* to keep its planning instruments and policies, such as Development Control Plans (DCP), "under regular and periodic review". A further challenge resulting from recent changes to planning legislation includes the requirement that only one DCP

may apply to a site. To comply with this requirement, a DCP may cover the whole local government area, a precinct or a site. Site-specific DCPs operate to exclude the application of all other DCPs to the site.

Council should continue with its strategic land use planning review in order to meet Department of Planning deadlines. **(Recommendation 24)** To better inform the public of the land use planning process underway, Council should include additional information in the Management Plan, such as when the LEP and DCPs are due to be completed. **(Recommendation 25)**

Planning staff

Council has a bursary scheme, which contributes to educational expenses of a part time Council officer to study planning at the University of New England. This will lead to full time employment in the industry.

Development assessment

Council receives approximately 100 development applications (DAs) per year and has a turnaround period of approximately 13 days. The Environmental Services Branch is located in the Warialda office. However Council allows DAs to also be submitted at the Bingara office.

Council stated that the development assessment processes and competencies have been reviewed in the past two years and as a result the process have been refined and streamlined. DA processing is monitored through the TRIM electronic records management system.

The vast majority of development applications (97%) are determined under delegated authority. A development application will only be submitted to Council for approval where there:

- is significant public interest

- are unresolved submissions/ objections from the public

- has been a previous resolution of council

- has been a statutory review requested by the applicant.

Council should ensure that 'significant public interest' and the 'unresolved submissions from the public' are more clearly defined and that guidelines are provided to assess if development applications are to be referred to the Council.

Section 94 contributions plans

Council has no section 94 contributions plan for the former areas of Yallaroi and Bingara. As a result Council's management plan does not specify the works planned to be undertaken in the 2006/07 financial year and beyond under the section 94 contributions plan. Council needs to develop a new section 94 contributions plan and should integrate the section 94 plan with the new LEP and DCP.

Council is encouraged to support the changes to the section 94 plan. Given the significant number of feedlots approved, Council cannot entirely predict when it may need to provide for the extension and augmentation of its community facilities in conjunction with future development. It is unable to levy a contribution towards this renewal from any new developments if it does not have contributions plans in place**. (Recommendation 26)**

Land Assets

The review team was provided with a copy of the Council's two land registers from the former Yallaroi and Bingara Shires. These include operational and community land. Section 53 of the *Local Government Act 1993* requires specific information to be included in a council's land register. Gwydir Shire Council needs to review and include the required information in its land register. **(Recommendation 27)**

Plans of management

Section 35 of the *Local Government Act 1993* requires councils to use and manage community land in accordance with a plan of management. Council does not currently have plans of management for all of the community land under its control. Council is in the process of reviewing and developing plans of management for the land in question and must pursue this process. **(Recommendation 28)**

Register of Leases

Council does not have a procedure for granting and managing leases over community and operational land. Nor does it keep a register of leases granted. The register should contain the land classification, asset number, lessee, usage, property description, the lease period for most leases and the amount of the lease. **(Recommendation 29)**

Enforcement

In the exercise of their functions under the *Local Government Act 1993* and various other Acts, councils are required to ensure compliance and, where necessary, take enforcement action.

Councils must properly deal with allegations about unlawful or non-compliant activities, which include activities that are prohibited or unauthorised, or contrary to the terms of a consent, licence or approval, or other instrument of permission issued pursuant to lawful authority. Failure to properly deal with such allegations, quite apart from being poor administrative practice, could expose a council to liability for compensation and the expense of litigation.

The way in which councils exercise their enforcement powers also plays an important part in the public's perception of councils. Alleged inconsistencies in responses to non-compliance issues are a major source of complaints about councils.

The enforcement practices of councils must be resolute and demonstrate both parity and transparency. They must signal the position taken by the particular council regarding such issues. It is good practice that councils and other agencies with such powers set out in a considered way a policy to be used to ensure rational and consistent decisions are taken. An enforcement policy should deal with the manner in which the council will carry out its functions, the procedural steps that may be involved, the circumstances in which council will institute court proceedings and the manner and circumstances in which discretions may be exercised.

Gwydir Shire Council does not have an organisation-wide enforcement policy. It is evident that Council undertakes investigations into matters and proceeds to issuing

penalty infringement notices. Council also undertakes routine inspections in a range of its areas of regulatory responsibility.

The review team was advised that the steps council officers need to follow in enforcing regulatory requirements are communicated by managers and through team meetings. Council should document its policy and procedures in relation to dealing with non-compliance issues. The NSW Ombudsman's Enforcement Guidelines are a useful resource in developing this policy **(Recommendation 30).**

As enforcement is the responsibility of only a few officers of Council, Council should investigate working with other councils in sharing resources in the regulatory area to minimise duplication and develop expertise in the regulation and enforcement areas. **(Recommendation 31)**

State of the Environment Report (SOE)

Both the comprehensive State of the Environment (SOE) report 2004/05 and the Supplementary SOE 2005/06 were reviewed. Overall these reports comply with the requirements for SOE reporting. They are well considered and well prepared documents that state the main environmental issues and the council's response to those issues.

Noteworthy are the "At a Glance" tables, particularly those in the supplementary report that succinctly summarise the State-Pressure-Response as well as the future activities of the Council in respect to each environmental indicator. The Council appears to have an active role in environmental management across all indicators, and most particularly those most relevant to its shire area.

In terms of land management, a major undertaking by the Council is its current development of a Sustainability Strategy and new LEP. Council has received Department of Planning funding and engaged a consultancy firm to assist with this.

In terms of water, the Council is developing stormwater management plans for all towns and villages without one and is actively supporting landcare projects to restore waterways. It has just purchased new water meters and plans to increase its water quality monitoring regime.

In terms of biodiversity, the Council appears appraised of issues threatening native habitats and supports various landcare and community education initiatives. Council is also planning to develop a roadside vegetation management plan.

Waste recycling has commenced in new areas to reduce waste to landfill. The Council actively promotes recycling and supports various education campaigns including Clean Up Australia Day and DrumMuster, as well as various school competitions.

Council is receiving assistance from the Heritage Office to undertake a heritage study and conservation management policy for Gwydir, encompassing both Aboriginal and other heritage. Noise and air quality are considered but have less focus, as they are not significant issues for the largely rural area.

The reports discuss strategies Council can undertake to reduce the impacts of its own work on the environment (eg. plant purchase to reduce emissions).

Council appears to be proactive in engaging with partners including State agencies, community groups, schools and the Catchment Management Authority to achieve environmental outcomes.

The Supplementary SOE indicates that the Department of Planning was not happy with the draft Sustainability Strategy and draft LEP. Both the comprehensive and supplementary SOEs lack comparative data over time on indicators. Council should consider incorporating this data as a useful measure of trends overtime (eg waste to landfill and water quality data may be useful).

Most disappointingly the extracts on the SOE in the draft management plan 2008-2010 (p 10-13) are identical to that for 2007-2009 and there is no annual report to review. These factors tend to negate the good work laid down in the SOEs and erode confidence that the Council is actually implementing new environmental strategies and achieving outcomes. **(Recommendation 32)**

Companion Animals

The primary aim of the *Companion Animals Act 1998* is to provide for the effective and responsible care and management of companion animals. Local councils are

responsible for implementing the *Companion Animals Act 1998*. The Act imposes requirements on both councils and the owners of companion animals.

Council's companion animals management plan has identified strategies that Council will pursue in meeting its obligations under the *Companion Animals Act 1998*. This includes community education, enforcement, environmental and community amenity strategies. Council has met its obligation under section 64 of that Act to seek alternatives to that of euthanasia and if practicable. Euthanasia rates for the Council are low with 14.3% in 2003, 25% in 2004 and 40% in 2005 – 2006.

Council has 42 cats and 456 dogs on the companion animal register, however of these 4 cats and 267 dogs have lifetime registration. Council should encourage dog and cat owners to register their dogs and cats. Council should also take steps to integrate its companion animals management plan with its management plan proper. **(Recommendations 33 and 34)**

6.3   Asset and financial management

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

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

- *Financial management*
- *Asset management*
- *Rates and charges*

Overview of financial position

At the time of the review, Council had not submitted financial statements for 2005/2006 to the Department and it is therefore difficult to establish a comprehensive and accurate assessment of its finances. Council provided a copy of the draft result for 2005/2006, which shows Council to be in an unsatisfactory financial position. Council has achieved a deficit in its net operating results in the past two years, based on these results.

Council has a total income for 2005/2006 of $18,438,000 this was made up as follows:

Rates and Annual Charges	$4,333,000	23.5%
User Charges and Fees	$4,034,000	22%
Grants and Contributions	$9,058,000	49%
Other revenue	$1,013,000	5.5%

Council's income statement ending 30 June 2006 shows a deficit result from operating results after all activities of $19,000 compared to the deficit in the previous year of $2,191,000.

Financial management

Council's 2005/2006 financial statements, which were due on 7 November 2006, have not been lodged. This is the second year running that Council has not lodged its financial statements by the due date. The financial statements for the period ending 30 June 2005 were not received until April 2006. It does not provide a sound foundation for decision making when the reported information is up to 12 months old. Council needs to put mechanisms in place to ensure that the financial statements and other statutory reports are lodged on time in the future. **(Recommendation 35).** The Council has advised that the 2005/06 Financial Statements have now been audited and submitted to the Department. The 2006/07 Financial Statements were submitted to the Auditor on 14 January 2008 and are yet to be submitted to the Department.

Given that the 2005/2006 financial statements are not available, for the purposes of the review, the review team has focussed on the 2004/2005 financial statements.

Council's unrestricted current ratio (UCR) measures the adequacy of its working capital and the ability to satisfy obligations in the short term. For the 2004/2005 financial year the UCR was 1.11. This ratio is considered to be unsatisfactory. A good UCR is greater than 2.

Council's unrestricted cash for 2004/2005 was $27,000. While liquidity is determined by UCR, a healthy unrestricted cash balance gives Council the option to meet unbudgeted expenses. Council should strive to maintain a steady unrestricted cash balance. What constitutes an acceptable unrestricted cash balance is for individual councils to determine.

The Debt Service Ratio (DSR) in 2004/2005 was a satisfactory 10.04%. This indicator assesses the degree to which revenues from ordinary activities are committed to the repayment of debt. A DSR of less than 10% is good.

The Rates & Annual Charges Outstanding Percentage (RACO%) in 2004/2005 was 6.72%. The RACO% assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. A benchmark for rural councils is less than 10%.

It is acknowledged that Council was affected in 2004/05 by the costs associated with the amalgamation and the impact of employee leave entitlements.

Given that Council does not have audited 2005/2006 financial statements, the accuracy of quarterly reporting to Council is questionable. Section 407 of the *Local Government Act 1993* states that the General Manager must report to the Council within two months of the end of each quarter in relation to performance targets set by the current management plan. It appears that these reports have been presented to the ordinary meeting of Council on time. But unless councillors and the public are provided with accurate annual reports a true picture of the Council's financial position cannot be fully assessed. **(See Recommendation 6)**

Long-term financial planning

Councils are required to develop a budget each financial year as part of the management plan. This includes providing estimates of revenue and expenses for the next two years.

The Department is also encouraging councils to develop long-term financial plans that are integrated with the council's strategic plan. These financial plans allow a council to forecast the revenue and expenses that are associated with the council's strategic direction. By undertaking longer-term financial planning, a council is able to forecast its financial position, measure the sustainability of its proposed activities and decide whether it can fund additional activities and services. **(Recommendation 36)**

Pensioner Rates and Hardship Policy

Section 577 of the *Local Government Act 1993* allows councils to extend concessions to avoid hardship in relation to its rates and charges. Council does not have a rates hardship policy in place. Given the demographics of the area (a large aged population and high proportion of residents on Centrelink payments) this issue should be considered when Council reviews the debt recovery policy. **(Recommendation 37)** Council has advised that the current debt recovery policy does consider the needs of low income earners and pensions. In light of the policy, recommendation 37 is removed, however, Council should be mindful of this when reviewing its policy.

Asset management and infrastructure maintenance

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to maximise asset service delivery potential and manage related risks and costs over entire asset lives. It requires effective coordination of the Council's financial and engineering resources.

The written down value (WDV) of Council's assets for 2004/05 period are as follows:

- Roads, Bridges and Footpaths   61%
- Stormwater Drainage   40%
- Water Supply Network   68%
- Sewerage Network   34%

The Department considers that WDV below 50% may be cause for concern. This is because once an asset has been depreciated substantially, there may be deterioration that requires major reconstruction.

As at 30 June 2005 Council estimated that it would cost approximately $17,800,000 to rehabilitate its infrastructure assets to a satisfactory standard. Currently there is a shortfall in estimated maintenance to actual maintenance funded.

It is prudent that Council regularly revalue its assets (last valuation in 2003) to support better financial planning based on an improved understanding of the cost of maintaining each asset. The Department has announced the need for councils to introduce fair-value accounting for all infrastructure assets. Council needs to be pro-active in revaluing assets and improving asset management practices.

Council should undertake a systematic assessment of the condition of all its infrastructure assets. **(Recommendation 38)** This process will facilitate the Council being able to make informed decisions about the need to fund asset maintenance and replacement.

Council should develop a register that details the valuation and most recent condition assessment for each asset. **(Recommendation 39**)

Council should prepare a long-term asset management plan together with a comprehensive infrastructure maintenance programme. This will ensure proper

medium to long-term decisions in terms of Council assets and priority of such decisions. In drawing up such plans, Council also needs to weigh the costs of investing in infrastructure renewal over the medium term against the potential costs of failing to do so over the long term. **(Recommendation 40)**

The review team notes that the Council does have a roads hierarchy. This hierarchy should include sealed roads and unsealed roads in the Council area and identifies road maintenance priorities. Further, Council has identified savings in the reseal of roads and this has improved the cost and efficiency of its road maintenance program.

Council is working with Moree and Narrabri Shire Councils, in sharing resources on asset management. In particular, Council has a joint agreement with Moree Shire and the Roads and Traffic Authority for a Road Safety Officer.

Information technology

Council does not have a strategy or plans of action for information technology. Such a strategy identifies industry standard hardware and software requirements.

Council needs to review its current IT platform/database to ensure that communication within and between departments is seamless, ensuring that there is organisational-wide access to all relevant information. The review team acknowledges the challenges in the information technology areas since amalgamation and the ability now for the Council's two offices to share information. Council may be hindered in the future by the lack of IT support. It is commendable that Council has developed a "school-base" trainee to do its information technology, however in the long term Council should have access to contemporary IT services to meet community expectations.

Within this context Council should consider and plan for its future IT arrangements including opportunities to share resource with other councils. **(Recommendation 41)**

Council should take better advantage of its intranet and internet to communicate. Employees should have access to information that will assist them in preforming their job and the intranet should hold such information as staff policies, corporate information, etc. Similarly the public should have access to Council policies and

information, including information of Councils business activities, tourism etc. **(Recommendation 42)**

Council should follow best practice as defined by the Premier's Department and in AS 7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures. Council should continuously review the system to reflect the changing nature of technology. **Recommendation 43)**

6.4 Community and consultation

A council's charter requires that a council:

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

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

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

Community service provision

Geographic isolation is a significant issue for many residents in outlying rural areas in the Shire, particularly in relation to access to shopping, health, professional and educational facilities and services.

Council provides a range of community services across the shire and centrally at it community services 'one stop shop' in Bingara. Services at the one stop shop include Centrelink, an RTA agency, a neighbourhood centre and youth and family services.

The communities in the various areas of the Shire were consulted during 2004/2005 regarding their views on setting up precinct committees, but their preference was for the establishment of a network of community contact people to act as a conduit between their particular community and the elected and staff members.

During 2005 councillors and staff also worked with these communities to develop community strategic plans for each of the seven villages/localities. These plans list the issues and priorities for each locality. Councillors and staff continue to regularly visit outlying areas 'to meet, listen and act on problems confronting residents.'

Council also holds two community meetings per year to specifically inform and consult the community on its proposed infrastructure and maintenance works. One is held in April before Council's budget is set and another in October to gain feedback on progress to date and to report to the community on current works. These also involve a two way discussion on the current and future needs of the Gwydir Shire.

Social Plan 2007 - 2011

Clause 200(2) of the *Local Government (General) Regulation 2005* requires all councils to develop a social/community plan. This plan must be prepared in accordance with guidelines issued by the Department. The guidelines require councils to prepare a social/community plan that examines and prioritises the needs of the local community, as identified through research including a demographic analysis and consultation with the local community. The plan guidelines require a plan to be prepared at least every 5 years. The plan must also specifically discuss the needs of seven target community groups that may be disadvantaged in some way.

The Gwydir Shire Council Social Plan 2007–2011 complies with Departmental guidelines. The plan was developed through a consultative process carried out from May 2005 to October 2006. It outlines the various roles Council plays in addressing social issues. These roles include being a direct provider of services, a partner with other agencies, or as an advocate for the community to other levels of government.

The plan has a clear and logical format. The demographic profile shows effective use of both in-house and consultancy resources. Data was also drawn from the 2006 Sustainability Profile for the Shire. The use of graphs and tables assists in conveying the information more easily to the reader.

However, given that the plan identifies low educational levels as a significant factor in the Shire, the language style of the report may in places be inaccessible to many residents. A copy of both the draft and final plan is available on the Council website.

Some of the impacts of amalgamation are considered in the plan. The need to establish an identity for the new Shire and address place-based issues such as cultural heritage have been identified as key priorities.

Information about the various social justice groups in the community including children, young people, people with disabilities, women, older people and indigenous people is provided in the plan as well as actions proposed to address service gaps identified for each of these groups.

There is appears to be no assessment of the effectiveness of the previous social plans of Bingara and Yalleroi Councils to inform the Gwydir Shire Social Plan. The current plan does not contain a specific reference as to when it will be reviewed and how an assessment of its effectiveness will be undertaken. While there is a reference to an annual review of the social plan as one of the "desired outcomes" of the management plan, no details are provided on how this will be achieved.

The social plan appears to be well linked to Council's draft Corporate Sustainability Strategy and Plan, which sets out Council's broad vision, mission, values and strategic directions. Priority initiatives identified in the social/community plan must be considered for inclusion in Council's management plan for implementation and progress should be reported on in Council's annual report.

Council's 2007-2008 draft management plan makes specific reference to the social plan, when it was last updated and where it can be accessed. However, while there are references to principal activities regarding community services, most statements are of a generalist nature.

The draft management plan also does not include an "Access and Equity Statement" (i.e. statement which lists which social plan recommendations Council intends to implement in the coming year). Only two actions from the social plan are referenced in the draft management plan and these lack timeframes. **(Recommendation 44 and 45)**

Reporting to Council

The practice of Council staff addressing social and cultural issues within reports submitted for Council's consideration is commended.

Gwydir's ageing population

Responding to and planning for the major changes and service demands that will be created by Australia's ageing population is a major challenge for all levels of government. Between 2004 and 2022 the population of Gwydir is projected to decline in size, from 6,338 people to around 5,471 people (-14 per cent).

With 19% of its population currently aged 65+ years, Gwydir is NSW's 11th oldest local government area. By 2022 it will be its 19th oldest. Gwydir's 65+ population is projected to grow from its current 1,203 to around 1,495 by 2022 (24 per cent).

At an average increase of 0.46 percentage points per year, this 'force of ageing' is substantially faster than that projected for both NSW as a whole (0.33) and the Sydney metropolitan area (0.43). Council's population aged 85 and over is projected to increase in proportion from 1.9% to 3.4% of the population (*Population Ageing in New South Wales and its Local Government Areas*, Dr. Natalie Jackson, Director, Demographic Analytical Services Unit, University of Tasmania).

The impact on the demand on services, facilities and infrastructure will be significant and will impact on virtually all aspects of Council's operations.

The *Australian Local Government Population Ageing Action Plan 2004 - 2008* was prepared by the Australian Local Government Association to build the capacity of local government to plan for an ageing population. To achieve this objective, the plan provides a flexible and dynamic framework that builds awareness, encourages action, fosters partnerships and improves access to information.

The action plan complements other related national ageing strategies, such as the *National Strategy for an Ageing Australia,* and intersects with the considerable work already undertaken in individual jurisdictions.

For example, the Local Government Association and Shires Association have produced *Planning the Local Government Response to Ageing and Place*. This paper is intended to offer a framework to assist councils to begin to plan for the population ageing unique to their area by:

- providing information on what is happening with general population trends and access to population projection information for each local government area,

- providing information on the existing and likely diversity amongst older people,

- providing evidence on what population ageing means for all roles that councils performs, and

- encouraging councils to examine their numbers and proportion of older people and their rate of population ageing, in conjunction with the evidence on impacts, to identify what roles they may need to change and when.

Council's Social Plan includes a range of strategies for older people. For example, in the area of accommodation, Council owns and manages a number of retirement units in Bingara and Warialda as well the Naroo Hostel, which provides a home for frail aged older people. However, it was not evident to the review team that Council has a clear vision of the potential extent of impact of its ageing community or developed integrated strategies across all sections of Council and with other stakeholders.

The Department encourages Council to build upon strategies in its social plan and use the resources developed by Local Government Association and Shires Association to adopt a more strategic and positive approach to addressing the issues of its ageing community. Priority actions should be determined on an annual basis and incorporated in Council's management plan and budget, the business plans of each section and the work plans of individual officers. Progress in relation to these priorities should be reported on a quarterly as part of the review of Council's management plan reports as well as in its Annual Report. **(Recommendation 46 and 47)**

Indigenous people

The Gwydir Shire Social Plan 2007-2011 gives scant regard to the needs of Aboriginal people, on the basis that they represent only 1.6% of the population of the Shire. This is only slightly under the State average of 1.9%. Also the median age of the target group is 16 years and may therefore require closer attention.

The Local Government Association and Shires Association Policy Statements state that local government acknowledges Aboriginal and Torres Strait Islander people as the traditional owners of their own lands by including Aboriginal people in official

Council ceremonies using local customary protocols such as 'Welcome to Country' and by encouraging the flying of the Aboriginal and Torres Strait Islander Flag.

Gwydir Council supports an annual memorial and reconciliation service at Myall Creek Station (the site of a massacre of 28 unarmed Indigenous people in 1838). Council does not fly indigenous flags.

'Acknowledgement of Country' is where organisers of an event acknowledge and show respect for the traditional owners and custodians of the land where it is taking place. It is a sign of respect. A number of councils in NSW include such an acknowledgement at the beginning of each council meeting. **(Recommendation 48 and 49)**

Cultural planning

Council does not have a cultural plan. A section of Council's social plan is dedicated to cultural heritage and includes a basic action plan aimed at preserving the Shire's cultural environment and heritage. The focal point for a number of cultural activities is the Roxy Theatre in Bingara. After being closed for some 40 years, the art deco building was restored to its original state and reopened to the public in 2004. The theatre is home to local and touring theatrical events, cinema screenings, music recitals and the activities of a range of community groups.

The *Cultural Planning Guidelines for Local Government 2004* recognise that the delivery of cultural services by councils can be strengthened by integrating cultural strategies more closely with council's broader priorities and objectives. In this way, cultural amenities can be seen not as something remote or apart from everyday life but fundamental to people's needs and the business of local government.

Council is encouraged to use these guidelines to develop a more integrated approach to its involvement in cultural services by developing a cultural plan as part of or linked to its social plan and management plan. **(Recommendation 50)**

Tourism

The draft Gwydir Shire Tourism Plan 2006 – 2011 is available on Council's website. The plan appears very comprehensive and easy to read. However, the copy of the

plan on the website does not have a cover sheet displaying the date. **(Recommendation 51 and 52)**

Economic Development

While Council does not have an overarching economic development plan, it has an Economic Development Charter, which provides a broad policy framework.

As mentioned earlier, during 2005 councillors and staff were involved in extensive community consultations throughout the towns and villages of the shire to develop community strategic plans for each. These plans, funded and supported by the Department of State and Regional Development, include a 15 year vision for their community and detailed action plans to address a broad spectrum of issues in the community. Each community strategic plan is to form the overarching planning document for both the community and Council. The plans are to be reviewed on an annual basis.

Each plan recognises its link to other important Council documents such as the draft Corporate Gwydir Shire Sustainability Strategy and Plan 2007; the draft Gwydir Shire Tourism Plan 2006–2011 and the draft Gwydir Shire Social Plan 2007-2011.

Council is to be commended for its efforts in completing these comprehensive plans in partnership with the community and Department of State and Regional Development. However, in its latest restructure Council did not retain the position of Economic Development Officer. This position appeared to have a pivotal role in working with the various communities to develop their community strategic plans.

Council's is encouraged to consider what resources it has and how it will support each of the towns and villages in carrying out their plan and conducting an annual review. **(Recommendation 53)**

Community service, tourism and economic development functions

Council's latest restructure resulted in the removal of the Economic Development Officer and Community Services Manager positions from the organisational structure. In the area of cultural services, there is an officer to manage the Roxy Theatre and the General Manager undertakes some strategic cultural activities.

A number of community service positions report directly to the Social and Environmental Director. The Youth Worker Coordinator has a wide range of responsibilities including families, Centrelink and toy library. While these broader responsibilities are incorporated in the position description, they are not reflected in its title.

In addition to this, the functions of economic development, tourism, community services and cultural services are now split across the organisation. There does not appear to be clear mechanisms for maintaining integration and coordination between these functions.

Also, given the reduction of two key positions, high workloads could become an issue for some of the incumbents of the remaining positions in these areas. Therefore the impacts of Council's organisational restructure in the economic development, tourism, community services and cultural services areas need to be closely monitored. If necessary, appropriate measures should be put in place to enable an integrated, coordinated and manageable approach to these function areas. **(Recommendation 54)**

The Gwydir Learning Region – a community strategic partnership

The Gwydir Learning Region was originally formed in 2000 and caters for all ages and competencies. It is based on individual learning rather than a one size fits all approach. Individuals are able to extend their learning, develop new skills, discover new interests, achieve personal goals and pursue employment pathways previously not available to them.

Council is a key player in this important strategic partnership with other local stakeholders to build skills and social capital, which are vital for rural and remote communities. The direct cost to Council is relatively minor, (no more than $20,000 in any given year and usually around $10,000). The Gwydir Learning Region Committee is a council committee chaired by the Mayor.

GLR is also an innovative means for aligning skills development with local employment skills shortages. For example, with a growing number of older people in the area there was a need for more aged care workers. A course in Aged Care and Nursing Certificate III level was designed for school and mature aged students. All

nine participants received employment in this field. A theatre course organised by the GLR assisted in forming a live theatre company that regularly makes use of the renovated Roxy Theatre in Bingara. Council identified a shortage of staff with a heavy vehicle licence and this was also addressed through a GLR course.

John Mitchell and Associates independently evaluated the Gwydir Learning Regional Model in May 2006. The key findings from the evaluation include:

- A high level of success amongst past and present users including their ability to articulate a range of social and economic benefits they have gained from their participation.

- A high level of engagement in Vocational Education and Training programs in the Shire compared with the rest of the state. TAFE enrolments from the GLR have increased 30% from 2001 to 2005, 336 to 435. Adult and Community Education activity is also above the average participation rate in other parts of the state. The amount and breadth of vocational training undertaken by employees of Council is also extensive.

- External validation from senior DET officers citing a range of achievements of the GLR in terms of creating individual learning and local employment opportunities.

- The primary success factors for the GLR are identified as shared values, partnerships and collaboration: all relationship based.

- The GLR is an example of a low cost, high return initiative in that little direct funding has underpinned its success. However, a considerable amount of goodwill and un-costed time and effort have also aided its success.

- To be sustainable over the long term the GLR needs to seek new forms of support and funding, use new technologies to deliver education, prepare for the departure of old champions and foster other to assume leadership roles.

- While current and recent data is available in relation to the effectiveness of the GLR, more outcomes data of a longitudinal nature needs to be collated.

- A number of elements of the model are transferable. NSW Department of Education and Training is considering ways to make the model more transferable.

The GLR is a local, affordable and flexible means of addressing impediments to further education and skills development in rural areas such as distance and costs. Council, through the GLR, is committed to skilling the community, bringing community projects to fruition and developing opportunities for new business ventures to build a more sustainable future for residents of the Gwydir Shire.

Recreational facilities and programs

Council's Social Plan contains a brief section and basic action plan on leisure and recreational facilities. Of particular note is a joint venture between Council, Warialda High School, Warialda TAFE, and Warialda Sports Council. The Work Out Warialda is a fully functional fitness centre and training facility for personal development, health and fitness. The centre caters for all ages and levels of fitness.

All stakeholders contribute to the development of the Centre by sharing rent for the building and supporting the centre until it is able to pay its own way. Council subsidises membership for its staff to encourage their use of the facility.

Work Out Warialda (WOW), established under the banner of the Gwydir Learning Region, also provides educational and training opportunities. A number of Year 11 students are undertaking a Certificate II in Fitness at the centre and can progress to a Certificate III. The students are involved in the practical business and customer service side of operations outside of school hours and during school holidays. Under the supervisions of trained teachers, students also assist with a number of programs areas such as pre-screening and personal training.

6.5 Workforce relations

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

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

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

Overview

As mentioned earlier, Gwydir Shire Council was formed by the amalgamation of Bingara and Yallaroi Shire Councils and the northern part of Barraba Council in March 2004. Since that time Council has been involved in merging human resource systems and policies to achieve a single integrated organisation with a productive, multi skilled workforce.

Gwydir Shire Council adopted its current organisational structure in April 2007. Since amalgamation 11 positions have been made redundant. The executive management team is made up of the General Manager, the Finance and Administration Director, the Engineering Services Director and the Social and Environmental Director.

Council employs 133 equivalent full-time (EFT) staff. While the majority of staff are aged between 25-54 years, 23 (14%) are aged 55 years and over. Notably, three staff are aged 65 years and over. Council employs 59 females, which represents 37% of the total workforce.

Human resources strategy and workforce planning

Workforce planning and human resource development are critical activities intended to ensure there are sufficient, appropriately qualified and experienced staff to carry out a council's charter and vision. All councils are exposed to a number of workforce issues, such as:

- the shortage of specialised skills in certain areas, such as in the area of environmental planning. The 'National Skills Shortage Strategy for Local Government May 2007' provides more information and is available online at www.lgma.org.au.

- an ageing workforce

- changing workloads as council's and government priorities change

- career opportunities outside council and the local government area.

Councils should develop a long-term workforce plan, which encompasses continuous processes to shape its workforce so that it is capable of delivering its charter now and in the future. The long-term plan should:

- consider and address internal and external factors affecting its workforce such as those mentioned above

- consider the profile of the current workforce

- result in human resource policies and programs to address workforce issues. Examples are: recruitment and retention strategies and succession plans for key positions; increased opportunities for apprenticeships, cadetships and traineeships to address these concerns.

- outline methods to monitor and evaluate the effectiveness of workforce planning measures.

A human resources strategy can integrate and guide council's overall human resources effort, particularly in the areas of recruitment and retention and staff training and development. A strategy of this kind may be stand alone or may be integrated into Council's overall corporate strategy.

The key is to ensure that, consistent with the Council's view on the future direction of the organisation, planning is underway to support that direction at the human resources level. Its importance is underlined by the requirement to report annually in the management plan on Council's human resource activities (section 403(2)). Such a strategy is a key part of effective modern strategic management.

Gwydir Council has an appropriately aspirational human resource strategy which commits it to having a productive, multi-skilled workforce with staff enjoying satisfying careers and receiving realistic training and development opportunities that provide for the delivery of quality services to customers. The strategy was adopted in June 2004 and reviewed in June 2006. An action plan has been developed to implement and monitor the strategy. Council has included specific objectives, performance measures and funding relating to human resource issues in its draft management plan 2007-2010 which are consistent with the achievement of this strategy.

Human resources policies

To complement its human resource strategy, Council has a comprehensive set of clearly, documented policies and procedures. The first page of each policy has a number, title, person responsible, date of adoption, date of review and stated objective. All of these documents are available in hard copy as well as in PDF files on the shared internal computer drive.

Council is encouraged to refer to 'Human Resources Policies – A Manual for Local Government' produced by the Local Government Association and the Shires Association of NSW when reviewing its human resources policies. **(Recommendation 55)**

Recruitment and selection processes

Council's recruitment and selection policy, procedures and forms were examined. The recruitment and selection policy is comprehensive. In conjunction with the Consultative Committee, and in accordance with relevant legislation and the Gwydir Shire Notional Agreement Preserving a State Award (NAPSA), Council has developed, implemented and reviewed protocols for the recruitment and selection of employees that will complement organisational performance. Two recruitment files

were checked at random. Both files indicated that the selections in question had been undertaken in a manner consistent with Council's policy and procedure.

Job descriptions and evaluations

As a result of Council's organisation restructure, the responsibilities of various positions have changed. For example, the Youth Worker Coordinator position now has a broader range of responsibilities. Council is currently undertaking an audit and evaluation of all positions to ensure that each job description accurately reflects the duties of the position it refers to. This should also include revising job titles to suit the position. **(Recommendation 56)**

Employee remuneration

The Gwydir Shire Notional Agreement Preserving a State Award (NAPSA) requires Council to have a salary system that determines how employees are paid and requires that an "employee shall be paid the salary system rate of pay that recognises the skills the employee is required to apply on the job".

Council is currently implementing a new salary structure based on the Wyatt system, which establishes the work value (a salary band and level) for each position by assessing the outcomes and use of skills required to carry out the duties. Council has made a budgetary provision for staff progression in accordance with the award. Completion of the implementation of the new system is identified a priority in Councils draft management plan. **(Recommendation 57)**

Staff development

Concurrently with the work done to improve the educational levels and work oriented skills of the general population via the Gwydir Learning Region, Council has also applied these strategies to do the same for its work force.

This was done with the objective of transforming Council into a 'Learning Organisation' and to meet the micro-economic objectives of the Federal Government's National Competition Policy to gain greater efficiency and productivity.

Strategies adopted include:

- increased opportunities for staff to obtain tertiary qualifications

- working with the New Apprenticeships and Traineeships Centre at Moree. Council employs 24 worker and school based trainees and 7 apprentices.

- Increased opportunities for staff to attend short courses to assist their technical, professional and managerial development.

- The development of courses through the Gwydir Learning Region to address skills development for staff in particular areas such as heavy vehicle licences, aged care and automotive.

- Provision of language, literacy and numeracy support through the Workplace English Language and Literacy Program to increase participation of disadvantaged staff in training.

Council has a structured induction program that appears to be consistently applied in a timely manner within the first two weeks of when a staff member first commences their employment.

Development of the 2006/2007 training plan is well underway. Council's draft management plan also includes a skills audit of staff as a priority. The audit will be used to create individual training plans and a training database. **(Recommendation 58)**

Council is commended for its very progressive and high quality approach to developing its workforce.

Succession planning

A central element of workforce planning is succession planning and management. This involves managing the recruitment and professional development processes in line with information on employees leaving council and the potential workforce to ensure the workforce can be sustained to effectively achieve council's objectives.

Given the ageing of the workforce in Australia in general and chronic skills shortages in some technical areas, succession planning is vital. An article published by the University of Dalhousie, Canada, lists the following ten top practices in the area succession planning:

1   Identifying the broad skills, talents and experience needed in the future

2   Identifying what will attract and keep workers, starting with existing staff

3   Identifying collective opportunities for training and development of employees

4   Identification of career development opportunities for individuals

5   Regularly reconsidering rewards and recognition that are available to current and future employees

6   Providing opportunities for promotions and career advancement

7   Creating awareness and support for this particular issue

8   Taking a systematic approach

9   Opportunities for partnering with other councils to address this issue

10 Developing a plan with actions that align with other plans such as council's strategic plan, management plan and workforce plan

A copy of this article is available from the university's website at http://www.dal.ca/Continuing%20Education/Files/AMHRC/Top10Practices.doc.

At present 23 staff (14% of Council's total workforce) are aged 55 years and over. Notably, three staff are aged 65 years and over. Council does not currently undertake succession planning for key positions.

Council employs 26 trainees and seven (7) apprentices. Council is commended for its active involvement in this area. It represents a very proactive and, potentially, a very effective strategy to assist shaping Council's workforce so that it is capable of delivering its charter now and in the future.

Notwithstanding Council's positive efforts in this area, a more formalised approach to succession planning that builds upon its current practices in this area is encouraged. **(Recommendation 59)**

Occupational Health and Safety (OH&S)

The review did not involve a comprehensive audit of Council's occupational health and safety practices. However, the review team did consider a range of OH&S matters to gain an understanding of Council's OH&S system. These included

Council's policy on OH&S obligations, the operation of Council's OH&S Committee and the system/s for recording and following up on identified hazards/accidents.

Satisfactory OH&S policies and procedures are in place. Council updated its Safety Action Plan in May 2007. The OH&S committee now meets regularly in accordance with its constitution. Council has adopted a suitable injury management and return to work policy. Systematic OH&S risk assessments are carried out particularly in high-risk areas such as construction works and pools. Standardised forms have been developed for these assessments.

A policy to minimise the risk associated with the use of hazardous substances has been developed. A hazard register is currently being developed. While work place injury/time lost incidents have increased slightly in the last 12 months. This appears to have occurred as a result of increased reporting due to the introduction of new incidents books and an enhanced awareness of safety in the workplace. Time lost as a result of workplace injuries in the last 12 months has decreased since last year. **(Recommendation 60)**

Consultative committee

Council has established a consultative committee to provide a forum for consultation between Council and its employees. The functions of the consultative committee are about day-to-day management issues such as award implementation, training, job redesign, performance management systems and hours of work.

As this committee's role is <u>operational</u> in nature, Council's General Manager (or nominee/s) should represent Council on this committee. It is inappropriate for councillors to be members of consultative committees. **(Recommendation 61)**

However, Council should distribute minutes of consultative committee meetings to councillors for their information. This will enable councillors to develop effective Council policy on industrial issues and remain informed about current issues and outcomes. **(Recommendation 62)**

The review team met with staff and management representatives of Council's consultative committee. The committee appears to be operating according to its constitution and currently meets on a regular basis. Representatives reported a

positive, productive working relationship between staff, management and Councillors.

Employee relations/communication

It is important that organisations have effective means of communication with staff. Effective communication systems will typically use a range of channels to disseminate information.

In interviews with individual staff members and representatives of the consultative committee the morale of staff in general was perceived to be quite positive and productive. During the amalgamation process the general manager met with all staff on a regular basis and was accessible on a one to one basis.

"Gossip on the Gwydir" is a newsletter that Council issues to all staff on a regular basis. The May 2007 edition was easy to read and included Council's vision, a feature article on the new Director Social and Environmental Services, information on the completion of timesheets, Council's latest organisational structure and salary packaging. As such, it appears to be a very worthwhile use of resources.

The use of surveys to gather information from staff can be an effective communication tool. Gwydir Council participated in a benchmarking survey along with a number of other councils in NSW in 2004. Findings covered aspects such as job satisfaction, academic qualifications, business skills, demographic structure and tenure. Generally the survey was positive and will be used as a benchmark for future surveys.

Equal employment opportunity (EEO)

The Act requires councils to prepare and implement an EEO management plan. The Gwydir 2005 EEO action plan is out of date. Council's has included the development of an updated EEO management plan in its draft management plan.

Approximately 32% of Council's total workforce is female. Council does not employ any staff of Aboriginal and Torres Strait Islander origin or culturally and linguistically diverse backgrounds or people with disabilities.

Earlier this year the Australian Local Government Women's Association Inc released the Review of the National Framework for Women in Local Government – The Way Forward. The document can be downloaded at http://www.algwa.org.au.

The Framework identified that in 2001 in Australia and NSW approximately 40% of people employed in the local government were women and 26% of councillors were women. Only 5% of general managers and 30% of managers and administrators in local government were women. The 2007 review has found that women are still significantly under-represented in elected member and employed positions in local government in Australia. Gwydir Shire Council statistics relating to female employees are below the national and state average.

The Way Forward document provides strategies that can be applied by state and local authorities to achieve the full and equal participation of women in local government. **(Recommendation 63)**

Employee Leave Entitlements

Council's 2004-2005 audit report identified that Council had several long-term employees with significant levels of leave entitlements. The audit also identified cases where some employees took leave in excess of their entitlements.

Since this time, Council has implemented a system to bring employee leave into line with Council policy. Weekly reviews are undertaken of all leave balances including sick leave. The results are reported to payroll staff and supervisors for follow up and action.

Secondary Employment

Section 353 of the Local Government Act 1993 sets out the requirements for both the general manager and staff in relation to secondary employment. Section 353(1) stipulates that a General Manager must not engage in outside employment or contract work without the approval of council. The general manager can prohibit a staff member from engaging in secondary employment. The Model Code of Conduct also regulates secondary employment (see sections 6.13 and 6.14).Council has an appropriate secondary employment policy.

Exit interviews

Employee exit interviews are an important part of HR management and monitoring employee retention and satisfaction. Avoidable losses can result from employee job dissatisfaction, poor management practices, the lack of advancement opportunity, and sometimes, personal harassment by or conflict with a co-worker or manager. The unnecessary loss of talented staff is a significant cost to council.

Information gained from exit interviews, if consistent over time, may provide valuable pointers for developing and reviewing Council's human resource management policy. It may also help to clarify possible concerns in organisational culture. The data can be gathered in a structured way by using either a questionnaire or interview, or perhaps both. Council does not currently carry out exit interviews. **(Recommendation 64)**
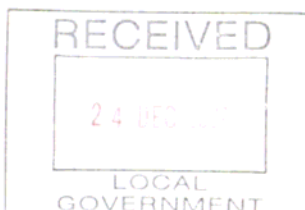
7. COUNCIL'S RESPONSE

18th December 2007

Director-General
Mr. G Payne AM
Department of Local Government
Locked Bag 3015
Nowra NSW 2541

RECEIVED

2 4 DEC

LOCAL
GOVERNMENT

Dear Sir

Promoting Better Practice Review – Draft Report

Thank you for your letter dated 15th November 2007, received by the Council 3rd December 2007 and for the extension of time to reply.

The Council considered the draft Report at its Meeting on 13th December 2007 and resolved to endorse the draft response prepared by the Council's staff.

The Council's formal response and action plan is enclosed for your consideration.

The implementation of the action plan will be reviewed monthly by the Council's Senior Management Team and the Council at a quarterly meeting of its Corporate Strategy and Policies Committee.

Please do not hesitate to contact the Council if any further information is required in order for your Department to finalise the report.

Please pass on the Council's thanks to Mr. Terrett and Ms. Egberts for their efforts in finalising the draft report and the useful recommendations contained therein.

Yours faithfully

Max Eastcott
General Manager

Attachments: Formal Response
                   Project Timeline

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Better Practice Review Comments

The Department of Local Government has produced a draft report following the Council's evaluation by two Departmental personnel during June 2007.

The attached project implementation timeline has been reviewed by the appropriate Council staff and is considered achievable within the resources available to the Council.

The recommendations from the draft report are listed along with comments.

1.   RECOMMENDATIONS

Ambitions, Priorities and Future Focus

1.   **Council's draft Corporate Sustainability Strategy and Plan 2007 should be amended to include a clear timeframe. The Department recommends that a Council's strategic plan cover a ten-year period.**

    This is a reasonable recommendation and will aid in the evaluation of the effectiveness of the Council's on-going implementation of the strategic plan. The draft report rightly points out that a meaningful plan should have the proposed actions detailed and the outcome measures defined.

    Action required: Target date for adoption March 2008 Council Meeting (General Manager).

2.   **Council should move toward adopting the Corporate Sustainability Strategy and Plan 2007 and implement strategies among councillors, staff members and the community to better understand and foster ownership of the plan.**

    Communication both internally and externally continues to be an issue for the organisation. The fundamental objective of this recommendation is a metaphor for the organisation's overall lack of a strategic focus on communication and gaining stakeholder ownership to the plans or actions proposed.

    The draft Corporate Sustainability Strategy and Plan was developed with the assistance of external consultants, a resident reference group and internal senior staff involvement.

    There is also the opportunity to work with Willoughby City Council (WCC) on the implementation of the Sustainability Strategy and Plan. When the Council's staff were in Willoughby they met with Dr Hayden Washington who is employed purely for sustainability matters at WCC. The discussion was about carbon credits and he was very interested in developing a working relationship with Gwydir. He spoke about community education and promotion and community ownership of sustainability. When talking about the carbon credit idea he indicated that he would attend with some of his staff to educate local landholders, students etc, and this could possible be expanded to assist with the process of creating overall ownership

Action required: The Plan presented to the Council in March 2008 to include a comprehensive communication, stakeholder engagement strategy with an action plan and outcome measures. (General Manager)

The reference to the opportunity for improvement in the *Australian Business Excellence Framework (ABEF)* needs further evaluation although the Council does currently apply the criteria established under the appropriate Australian Standards to a limited degree.

The program is set around five key questions:

1. What is keeping Management awake at night?
2. What are your objectives, in priority order?
3. What are your drivers for continuous improvement?
4. How do you prioritize which opportunities for improvement you'll work on first?
5. What formal improvement techniques do rely on?

The Australian Business Excellence Framework translates the principles of Business Excellence into a set of criteria that can be used by the Council for assessment and improvement planning.

The Framework identifies:

Twelve Principles of Business Excellence.
Seven interrelated Categories that emphasise the holistic nature of the model.
Seven Categories, and
Twenty-Two items (spread across the seven categories).

The twelve principles of the Framework are:

1. Clear direction allows organisational alignment and a focus on achievement of goals.
2. Mutually agreed plans translate organisational direction into actions.
3. Understanding of what customers' value, now and into the future, influences organisational direction, strategy and action.
4. To improve the outcome, improve the system and its associated processes.
5. The potential of an organisation is realised through its people's enthusiasm, resourcefulness and participation.
6. Continual improvement and innovation depend on continual learning.
7. All people work *in* a system; outcomes are improved when people work *on* a system.
8. Effective use of facts, data and knowledge leads to improved decisions.
9. All systems and processes exhibit variability which impacts on predictability and performance.

10 Organisations provide value to the community through their actions to ensure a clean, safe, fair and prosperous society.

11 Sustainability is determined by an organisation's ability to create and deliver value for all stakeholders.

12 Senior leadership's constant role modelling of these Principles and their creation of a supportive environment to live these Principles are necessary for the organisation to reach its true potential.

The seven categories of the framework are:

1 Leadership
2 Strategy and Planning
3 Knowledge and Information
4 People
5 Customer and Market Focus
6 Innovation, Quality and Improvement
7 Success and Sustainability

Each of the categories includes a statement of intent and consists of a number of Sub-categories called Items. There are twenty-two Items spread across 7 Categories.

The Framework provides descriptions for each of the items and these descriptions have been designed specifically to provide guidance to organisations as to what they must address in order to achieve sustained improvement.

Category	Item
1 Leadership	1.1 Strategic direction 1.2 Organisational culture 1.3 Leadership throughout the organisation 1.4 Environmental and community contribution
2 Strategy and Planning	2.1 Understanding the business Environment 2.2 The planning process 2.3 Development and application of resources
3 Knowledge and Information	3.1 Collection and interpretation of data and information 3.2 Integration and use of knowledge in decision making 3.3 Creation and management of knowledge

4	People	4.1 Involvement and commitment
		4.2 Effectiveness and development
		4.3 Health, safety and well being
5	Customer and Market Focus	5.1 Knowledge of customers and markets
		5.2 Customer relationship management
		5.3 Customer perception of value
6	Innovation, Quality and Improvement	6.1 Innovation process
		6.2 Supplier and partner processes
		6.3 Management and improvement of processes
		6.4 Quality of products and services
7	Success and Sustainability	7.1 Indicators of success
		7.2 Indicators of sustainability

Action required: ABEF to be evaluated and a report of suitability to be prepared for Council consideration in April 2008 after review by the Senior Staff Team (Human Resources Manager)

3. **Council should identify opportunities to share resources with other councils to gain better efficiencies in operation.**

Immediately following the Council's amalgamation in March 2004 the Council's focus was internally and getting the Council's processes and procedures in order. There is still some work left to undertake but the progress has been acceptable.

This recommendation is now challenging the Council to evaluate the opportunities inherent in a more structured review along with the Council's immediate neighbours.

This Council's natural inclination appears to be an affiliation with Narrabri and Moree Plains Councils over this Council's other neighbours.

The types of co-operation currently being investigated include:

- A joint working party of council risk management professionals is working on a template for Business Continuity Plans (this is a sub committee of the Northern Inland Risk Group).

- Joint training initiatives between Moree Plains, Narrabri, Walgett, Brewarrina and Gwydir Shire Councils to pool resources to ensure that training is delivered in these local government areas (this is one of the initiatives of the Regional HR group); and

- A register of staff members from councils that are members of the Northern Inland Risk Group that are available to undertake peer audits on other local government areas. (2 GSC staff members are on this list)

Action required: The Council commence formal discussion with Tamworth, Inverell, Narrabri and Moree Plains Councils regarding the possibility of closer co-operation leading to mutual advantage. (Mayor)

4. **Council should expand and strengthen its relationship with Willoughby Council to identify other opportunities to work together and share resources.**

Areas of opportunity already discussed with Willoughby City Council include;

- Risk Management (Peer Audits of systems etc)
- Environmental Services (Food Inspections working on projects both in Gwydir and Willoughby)
- Town planning expertise from Willoughby looking at opportunities at Gwydir Shire Council
- Events team from Willoughby assisting with Motor Home Show, planning for Orange Festival and suggested Honey Festival in Warialda.
- Working collectively on social planning
- Sharing Records Management expertise particularly in the areas of archiving, Disposal and State Records
- Possibility of staff exchange for Information Technology staff
- On-the-job training for GIS systems and audit of current information with a delegation from WCC having already visited this Shire

Another possibility is to discuss the potential for WCC to provide the peer reviewed internal audit and fraud evaluation.

Action required: On-going discussion with WCC and a summary report to Council in March 2008 (General Manager)

Governance

5. **Council should develop an ongoing strategy to review of the ongoing viability and effectiveness of maintaining two administrative centres, and two council chambers.**

The purpose of this recommendation is to encourage the Council to maintain a watching brief on the on-going viability of the dual office structure. The current situation is the result of the compromise developed during the pre-amalgamation discussions between the former representatives of Bingara and Yalleroi Shires.

Any suggestion of a change will not be received well within the broader community.

However, the Councillors and staff have a responsibility to make the arrangement as effective and efficient as possible. This has been achieved although improvement is always being sought.

The Council also has the legal requirement to maintain the core numbers within the former communities of Yalleroi and Bingara due to the fact that each community had less than the trigger population of 5000 as at the date of the amalgamation.

Action required: That the Council review the existing 'two-Office' arrangement as a component of the Organisational Structure review required within 12 months of each incoming Council. (General Manager)

6. **As a matter of priority, in accordance with section 428 of the Local Government Act 1993, Council should prepare and issue an annual report.**

    The 2006/07 Annual Report (The written component excluding the audited Financial Statements) will be completed by 21st December 2007.

    The audited Statements form part of the Annual Report and the 2006/07 audit will not be completed until the week commencing 14th January 2008. The Annual Report will then be submitted to the Department and advertised.

    Action required: Completion of the 2006/07 Annual Report by 21st December 2007 (Public Officer)

7. **Council is encouraged to use clause 259 of the *Local Government (General) Regulation 2005* to move its meeting into Committee of the Whole without excluding the press and/or public to maintain a relaxed style of debate while still operating in accordance with meeting procedure.**

    This recommendation has been made without the benefit of the reviewers attending any of the Council's Meetings.

    There is no doubt that the Council has a relaxed, informal style at its meetings – but it works and ensures that every elected member has the ability to participate and, usually, the decisions are made through consensus and this reinforces the collegiate nature of the proceedings.

    The suggested approach will allow the style of meeting to continue whilst more closely aligning the proceedings to the requirements laid down within the Council's adopted Code of Meeting Practice. It seems an acceptable compromise.

    Action required: Trial from February 2008 Council Meeting.

8. **Councillors should be provided with a copy of the Department's Meetings Practice Note No 16, 2005.**

    Action required: A copy of the Practice Note circulated to Councillors on 13th December 2007. (General Manager)

9. **Council should review its code of meeting practice and meeting practices generally to minimise the use of general business and "questions without notice".**

    The Council's Meeting Agenda no longer have a *General Business* or *Questions Without Notice* section.

    Any late business must be urgent and approved by the Council for inclusion onto the Agenda for discussion.

    No further action required.

10. **Council should explore strategies to overcome scheduling issues in relation to councillor training. For example, some training could be scheduled to coincide with Council's regular meeting schedule, when councillors are already in attendance at Council.**

    Councillor training has been already conducted regarding responsibilities of Councillors with regard to the Code of Conduct and Ethics. This in house training was developed with one of the training objectives to cover Equal Employment Opportunity as well.

    Councillor training will be ongoing and the comments from the Review Team will be taken on-board.

11. **Council should explore strategies such as a community education and mentoring program to facilitate members of the public to stand for Council at the next election.**

    The planning for this has already commenced.

    Action required: Report to Council outlining the intended strategy for adoption by Council no later than the Council Meeting in April 2008. (General Manager)

12. **A summary of all complaints received by Council should be reported to senior management on a half yearly basis.**

    Action required: Commence process of half-yearly assessment of complaints from the Senior Staff meeting in February 2008. (Public Officer)

13. **Council should, as a matter of priority, prepare a Summary of Affairs and implement an internal control mechanism to ensure that it is submitted for publication in the Government Gazette by the due date.**

    The Summary of Affairs statement will be published in Government Gazette by due date in December 2007.

    Action required: Annual Summary of Affairs to be published during December each year. (Records Manager)

14. **Council should supply all councillors and designated persons with a copy of the Department's Circular 04/16 to assist them in completing written returns of interests.**

    Action required: The Departmental Circular distributed on 13th December 2007 and will be re-issued with the returns required as at 30th June 2008. (General Manager)

15. **Council should review its Statement of Business Ethics so that it extends to private contractors doing work with the council and is included as part of all tender documents.**

    The Council has a policy entitled F.01.09 Code of Ethics – Council Contractors (see attached). Council's policy F.01.04 is also relevant relating to the engagement of Consultants.

Actions required: That a report is prepared reviewing the on-going relevance of policy F.01.09. for consideration at the Council's March 2008 Meeting. (General Manager). That the Council's policy F.01.09 be provided as part of all tender documents issued. (Public Officer)

16. **Council should establish a gifts' register and remind all staff of its policy and procedure in this area, particularly to declare and register all gifts as required.**

   Gifts are covered in the internal training program that has been developed and this training program has already been delivered to ¼ of the overall staff.

   All the required staff training will occur over the next 12 months.

   An actual Gifts' Register does not currently exist because there have been no notifications of any gifts received. The Council's policy is attached.

   Action required: A Gifts' Register will be established (Public Officer). The required staff training will be delivered over the next 12 months to all staff. (Human Resources Manager)

17. **Council should ensure that its risk management policy and its risk management efforts extend to identifying and managing all business risks it faces.**

   Already been considered and risk action plan developed. See attached.

   Action required: As outlined in the attached action plan (Human Resources Manager).

18. **Council should examine the costs and benefits of establishing an internal audit function. Council may wish to examine peer assessment or jointly funded internal auditing with other council's in the area.**

   At its September 2005 Council Meeting the Council resolve to support the Department of Local Government's draft paper on an Internal Audit function:

   THAT Council advise the Department of Local Government that it supports the proposal raised in the discussion that each Council should establish an audit committee and have an adequate internal audit function appropriate to its size and functions.

   FURTHER that any statutory requirements should be in broad terms in the Local Government Financial Regulation to allow flexibility in how individual Council's meet the requirements. Each Council should develop their own internal charter for the audit committee that sets out roles and responsibilities, general scope of activities and structure. In respect of internal audit the charter should be approved by the audit committee.

FURTHER that the audit committee include both councillors and independent members, with the chairperson being one of the independent members.

FURTHER that the internal auditor should report to the General Manager, however direct access should be available to the Chairperson of the Audit Committee.

The Audit Committee was not pursued as no independent, qualified community member responded to the call for an expression of interest to participate.

The possibility of liaising with WCC on this matter will be explored as well as a co-operative endeavour with the neighbouring Councils.

Action required: An evaluation of the options available will be explored and a report will be prepared for the Council's consideration by the May 2008 Council Meeting. (General Manager)

19. **Council should develop a fraud policy and carry out fraud and corruption risk assessment on a regular basis.**

   Action required: To be evaluated as part of the response to Recommendation 18. (General Manager)

20. **Council should prepare a disaster recovery/business continuity plan. The Department's Circular 07/12 that will assist council in developing such a strategy.**

   Action required: To be evaluated as part of the response to Recommendation 17. (Human Resources Manager)

21. **Council should make the required changes to its record keeping practices, to facilitate compliance with the *State Records Act 1998,* to ensure that its records system supports the needs of the organisation and to facilitate community access. Specific changes required, as set out in this report, include:**

   - **Educating councillors and staff to be aware of their responsibilities in the recording keeping area and encouraging them to comply with Council's procedures**

   Action required: To be included into the Council's Training program and to be undertaken over the next 12 months (Human Resources Manager)

   - **Making changes to its record keeping practices by developing a records disaster recovery plan (as part of its broader disaster recovery/business continuity planning), provision for records disposal and provision for storage of councillor documents.**

   Action required: To be evaluated as part of the response to Recommendation 17. (Human Resources Manager)

- **The records repository should be located off-site. Council could consider working with other councils to establish a records repository.**

Action required: To be raised with the neighbouring Councils as part of the response to Recommendation 3. (Human Resources Manager)

22. **Council should continue to review its Privacy Management Plan and is encouraged to ensure the final plan and its implementation is aligned with improved record keeping practices.**

Action required: That the current Privacy Management Plan will be reviewed and better aligned with the changes required in the records management area. Target completion date before the end of July 2008. (Human Resources Manager)

23. **To ensure that Council's section 355 committees carry out their functions in an appropriate manner, Council should:**

- **ensure that each committee has a constitution or charter setting out its membership, functions and delegations**

Most of Council's 355 Committees have a Charter approved by the Council.

Action required: Audit the 355 Committees and establish those Committees requiring attention with regard to a charter by end of June 2008. (Public Officer)

- **provide members with appropriate training on their roles and responsibilities under *the Local Government Act 1993* and Council's code of conduct.**

Action required: Develop a training plan for the members of each 355 Committee by the end of May 2008 (Training Officer).

- **provide an operational manual to which they can refer on an ongoing basis.**

The Council has issued Operational Guidelines to its 355 Committees.

Action required: Audit the 355 Committees and establish those Committees requiring copies of the Council's Operational Guidelines for 355 Committees by the end of June 2008 (Public Officer).

Planning and other Regulatory Functions

24. **Council should continue with its strategic land use planning in order to meet Department of Planning deadline for a new local environmental plan in line with the new template.**

The Council are working with the Department of Planning staff to progress the finalisation of the Shire's new Local Environmental Plan.

A workshop has been conducted with Councillors to establish some preliminary ideas for zoning adjustments.

Action required: That the LEP be approved for advertising before end September 2008. (Environmental and Social Services Director)

25. **Additional planning activities should be noted in Council's management plan, such as when the Local Environmental Plan and Development Control Plans are due to be completed.**

This will be done. The information will also be addressed in the 2006/07 Annual Report.

Action required: That the notations be included in the 2008 Management Plan and the 2006/07 Annual Report (General Manager).

26. **Council should develop a section 94 contributions plan.**

The Council has considered and declined adopting a Section 94 Contributions Plan in the past.

Action required: Report to Council by end March 2008. (Environmental and Social Services Director)

27. **In accordance with section 53 of the *Local Government Act 1993*, Council should review and include the required information in its land register.**

The required detail is available but held within different sources at present:

- the name (if any) by which the land is known
- the address or location of the land
- the reference to title of the land
- the name of the owner of the land
- whether or not the land is Crown land
- the classification under this Part of the land
- whether or not there is a plan of management for the land
- the zoning (if any) of the land under an environmental planning instrument
- particulars of any agreement (including any lease or licence) entered into by the council with respect to the land.

Action required: That the land register be consolidated into one document by the end January 2008 (General Manager)

28. **To comply with section 35 of the *Local Government Act 1993,* Council is encouraged to continue reviewing and developing plans of management for all of its community land.**

This is an area that does require attention.

Action required: That the plans of management for all Council's community land be finalised by the end of July 2008. (Co-ordinator Public Officer)

29. **Council should develop a procedure for granting and managing leases over community and operational land. Council should establish and maintain a register of leases, which details the required information specified in the *Local Government Act 1993*.**

Action required: That the staff prepare a draft policy for consideration by Council before the end of June 2008. (Public Officer)

30. **To demonstrate that its regulatory processes are transparent and comprehensive, Council practices in this area should be formalised in an enforcement and prosecution policy. Information about this policy and how to report alleged breaches and non- compliance should be available to the community.**

The development of this policy would be a very useful document in assisting the Council to have a consistent and fair response to the enforcement of its various responsibilities.

Action required: That the staff prepare a draft policy for consideration by Council before the end of May 2008. (Environmental Services Manager)

31. **Council could consider the feasibility of resource sharing with neighbouring councils to establish a regional compliance and inspection program.**

Action required: To be raised with the neighbouring Councils as part of the response to Recommendation 3. (Environmental and Social Services Director)

32. **Council's management plan should include the most up to date information available from its supplementary State of Environment report.**

The revised State of the Environment report has been finalised (November 2007) and will be printed in the 2006/07 Annual Report.

Action required: The 2008/09 Management Plan to include an action/outcome reference to the State of the Environment Report. (Environmental and Social Services Director)

33. **Council should explore and implement ways to encourage dog and cat owners to register their animals.**

Action required: That a strategy to increase the registration of companion animals be developed for Council's adoption by the Council Meeting in March 2008 (Environmental Services Manager)

34. **Council should ensure its companion animals' management plan is linked to and integrated with its management plan.**

Action required: The 2008/09 Management Plan to include an action/outcome reference to the Companion Animals Management Plan. (Environmental and Social Services Director)

Asset and financial management

35. **As a matter of priority, Council should put mechanisms in place to ensure that its financial statements and other statutory reports are lodged on time as required.**

This has been an issue of concern since the amalgamation on 17th March 2004.

The 2005/06 Financial Statements have been audited and submitted to the Department on 2nd November 2007.

The 2006/07 Financial Statements have been substantially completed and the audit was scheduled for completion by 21st December 2007 but this has now been delayed by the Auditor until 14th January 2008.

The work undertaken over the last 6 months will result in a more timely completion of the 2007/08 Financial Statements and an improvement in the timetable for development of the 2008/09 Management Plan.

The Council has continued to receive the Monthly and Quarterly Financial reports as required under the legislation.

Action required: Compliance with the Statutory Timeframe for the 2007/08 Financial Statements. (Finance Manager – currently vacant)

36. **Council is encouraged to develop 10 year financial plan to support the implementation of its Corporate Sustainability Strategy and Plan 2007**

    See response to Recommendation 1.

    Action required: Target date for adoption March 2008 Council Meeting (General Manager).

37. **Given its large aged population and high proportion of residents on Centrelink payments, Council should consider and incorporate its position in relation to rates hardship in the next review of its debt recovery policy.**

    The Council's current Debt Recovery policy (F.01.02) contains the following paragraphs applicable to this recommendation:

    > OBJECTIVE:

    > To establish a debt collection program for both property related debts and other debts which maximises inward cash flow to Council and provides the flexibility to manage Council debt in a sensitive manner and at minimal expense to both Council and the respective debtor.

    > FROM POLICY:

    > In the circumstances where the debtor is a pensioner or a person suffering from financial hardship, the ability of the debtor to make full or part payments shall be carefully examined. Subsequent demands or arrangements shall be made without causing further financial hardship. Information provided by debtors to enable an assessment of their overall financial position shall, at all times, be treated as 'Confidential'.

    > It is not the intention of Council to cause hardship to any ratepayer through implementation of this policy. At all times, consideration shall be given to clearing the debt by way of mutually agreed arrangements of payment with a view to clearing the debt prior to the end of the

current financial year. This will minimise the possibility of compounding manageable repayment programs into long term debtor problem.

The Council's staff are very considerate of the individual circumstances of each ratepayer and wherever possible reach an arrangement that is achievable by the resident.

Action required: The comments within the Better Practice Review Report will be considered when this policy is next reviewed following the September 2008 Council Elections at the October 2008 Council Meeting. (General Manager)

The following three recommendations relating to Council's assets are dealt with together:

38. **Council should undertake a systematic assessment of the condition of all its infrastructure assets**

39. **Council should develop a register that details the valuation and most recent condition assessment for each asset.**

40. **The updated information on its assets should be used by Council to prepare and implement a long-term asset management plan and infrastructure maintenance programme.**

The implementation of these recommendations is in line with the Council's on-going management of these issues.

Action required: That a comprehensive Infrastructure Asset Register be finalised by the end of December 2008. (Co-ordinator GIS and Assets Officer – vacant position)

The following three recommendations relating to IT are dealt with together:

41. **Council should consider and plan for its future IT arrangements including opportunities to share resources with other councils.**

42. **Council should explore and implement strategies to take better advantage of its Intranet and Internet to communicate both internally and externally to the community.**

43. **Council should follow best practice as defined by the Premier's Department and in the AS7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures**

These recommendations will be evaluated and a recommendation placed before the Senior Management Team for consideration.

Action required: That a briefing paper and evaluation be prepared for consideration by the Council's Senior Management Team before the end of May 2008. (Human Resources Manager/IT Officer)

Community and consultation

The following two recommendations are dealt with together:

44. **Priority strategies of the Gwydir Social Plan 2007-2011 to be implemented in the coming 12 months (i.e. an Access and Equity Statement) should be included in Council's latest management plan and reported on in Council's annual report.**

45. **Council's management plans should include specific performance measures for each of the social plan strategies.**

    The adopted Gwydir Social Plan is an amalgamation and general review of both the former Bingara and Yalleroi Council's Social Plans.

    As this is the first Social and Community Plan for the Shire, changes to reporting procedures will need to be addressed and a yearly report will need to be compiled. This will be done at the end of each financial year and incorporated into the Management Plan.

    A full list of actions will be compiled by the end of the financial year 2007/08 and presented to Council. A new list of desired actions can be put forward as a component of the 2008/09 Management Plan for Council's adoption.

    Action required: An action/outcome plan be prepared for inclusion in the 2008/09 Management Plan. (Youth Services Co-ordinator)

The following two recommendations are dealt with together:

46. **Council should build upon strategies in its social plan and use the resources developed by the Local Government Association and Shire Association to adopt a more strategic and positive approach to addressing the issues of its ageing community.**

47. **Priority strategies on ageing should be determined on an annual basis and be incorporated in Council's management plan. Progress in relation to these priorities should be reported on a quarterly basis as well as in Council's annual report.**

    A review of population growth and decline will be conducted after each census and updated as information comes to hand.

    The *Planning - Local Government Response to Ageing and Place* (LGSA) will be taken into consideration when reviewing the actions relating to this area of the Social Plan and incorporated in the Management Plan and Budget.

    The reporting process will need to be acted upon by individual staff members and responses coordinated by the Social Planner on a quarterly basis and presented at Council Meetings for approval and review.

Action required: An action/outcome plan be prepared for inclusion in the 2008/09 Management Plan. (Youth Services Co-ordinator)

The following two recommendations are dealt with together:

48. **Council should build upon strategies in its social plan for Indigenous people particularly young Indigenous people. Priority strategies should be incorporated in Council's annual management plan and progress should be reported on a quarterly basis as well as in Council's annual report.**

49. **Given the significant Indigenous population, Council should consider formally acknowledging Aboriginal and Torres Strait Islander people as the traditional owners of their own lands by including a 'Acknowledgement to Country' at the beginning of the Council meeting and other official Council ceremonies. Council should also consider the flying of the Aboriginal Flag.**

The current Gwydir Shire Council, according to the last Census, has an Indigenous population of 1.6%. The NSW Indigenous population is 1.9%.

The Council's adopted Social Plan will be reviewed in line with the comments in the draft report.

However, while the aboriginal population of Gwydir Shire is close to the State average, the median age is 16, and the adopted Social Plan includes this group within strategies and actions for young people.

While it can be argued that the Shire has a significant Aboriginal population, the group is well integrated in the Shire and represented within the individual access groups mentioned in the Social Plan.
At the moment, at the appropriate events, a 'Welcome to Country' is included and the Myall Creek Memorial is well supported each year as well as with ongoing maintenance of the site.

The introduction of a formal acknowledgment at the commencement of each Council Meeting will require a resolution of Council.

Action required: A report to Council by the April 2008 Meeting outlining the options with regard to the formal recognition of the Traditional Owners of the area covered by the Shire. (General Manager)

That a review of the Council's Social Plan be undertaken before the adoption of 2008/09 Management Plan. (Youth Services Co-ordinator)

50. **Council is encouraged to use the *Cultural Planning Guidelines for Local Government 2004* to develop a more comprehensive and integrated approach to its involvement in cultural services by developing a cultural plan as part of or linked to its social plan and management plan.**

Action required: The need for a Cultural Plan for the Shire will be evaluated and reported upon to Council with a target implementation date of December 2008 if supported by the Council. (Youth Services Co-ordinator)

51. **The copy of the draft Gwydir Shire Tourism Plan 2006 – 2011 on Council's website should include the period that the plan covers.**

   Action required: The Council's Website will be modified to implement this recommendation. (General Manager)

52. **Council should finalise and adopt its draft Tourism Plan 2006 – 2011 and ensure that it is linked to the final Gwydir Shire Corporate Sustainability Strategy and Plan. Priority strategies to be implemented in the short term should be included in Council's management plan and reported on in Council's annual report.**

   This plan was adopted by the Council at the December 2006 Council Meeting.

   Unfortunately the commencement of the report's recommendations has been delayed due to staff changes and other factors in part due to the conditions detailed in Recommendation 54.

   See comments for Recommendation 54.

53. **Council is encouraged to consider what resources it has available and develop ways to assist each of the towns and villages in carrying out their community strategic plan, as well as conducting an annual reviews of progress.**

   Action required: This issue will be addressed in the 2008/09 Management Plan. (Environmental and Social Services Director)

54. **The impacts of Council's organisational restructure in the economic development, tourism, community services and cultural services areas need to be closely monitored. If necessary, appropriate measures should be put in place to enable an integrated, coordinated and manageable approach to these function areas.**

   The restructure that was adopted by Council for implementation from 17th March 2007 has reduced the resources available in the areas mentioned in this recommendation.

   The decision to make positions redundant obviously has a flow on effect in terms of resources available to undertake specific tasks – this appears to be the concern being expressed in the recommendation.

   The tasks undertaken by these redundant positions were subsumed into other positions and, as pointed out in the report, the situation needs to be monitored.

   Action required: That the Council review the existing arrangement as a component of the Organisational Structure review required within 12 months of each incoming Council. (General Manager)

Workforce Relations

55. **Council is encouraged to refer to 'Human Resources Policies – A Manual for Local Government' produced by the Local Government Association and the Shires Association of NSW when reviewing its human resources policies.**

    The Council has referred to the documentation from the LGSA but was considered to be 'old' and basically 'out of date' when the GSC policies were being prepared.

    For example Gwydir's Grievance Policy is far superior to the suggested LGSA model.

    Action required: The Council will refer to the suggested documentation when reviewing its human resources policies. (Human Resources Manager)

56. **Council should, as a matter of priority, complete its audit and evaluation of all positions to ensure that each job description accurately reflects the duties of the position it refers to. This should also include revising job titles to suit the position.**

    This process has commenced and is partly complete.

    Action required: To be completed by end of June 2008. (Human Resources Manager)

57. **Council should complete the implementation of its new salary structure as a matter of priority.**

    The implementation of the salary structure adopted following the amalgamation is complete and has been for at least 12 months.

    This reference must relate to the current revision of the progression steps in the structure being undertaken by a sub-committee of the Consultative Committee. This also relates to the job description audit and evaluation.

    The revised progression criteria between the steps is yet to be defined and the Council is still operating and applying the criteria that existed under the former Bingara Shire Council's progression steps.

    Action required: The process of revising the progression criteria to continue and be implemented by the end of December 2008 (Human Resources Manager/Consultative Committee)

58. **To achieve its objective of ensuring an appropriate and equitable investment in organisational effectiveness while enhancing employee safety, performance and personal growth, Council should complete its 2007/2008 training plan, skills audit, individual training plans and training database.**

    The 2007/2008 Training Plan is complete.

Skills Audit & Training Database – The skills audit has been progressively undertaken over the past 4 -5 months, and individual training information has been included in the training database against staff names; this almost complete – Completion date by March 2008.

Individual Training Plans – will be finalised once the salary system progression steps are defined – see response to Recommendation 57.

59. **Council should develop a succession plan for key areas of its operation, which includes addressing gaps left in Council's workforce potentially left by the significant number of employees who will be retiring over the next 10 years. The succession plan should, where appropriate, be linked to Council's training plan.**

This exists at the moment but it happens in an informal way. The current process will be documented for inclusion in the HR Policy Manual.

Action required: That a formal succession plan will be developed in consultation with the Council's Directors and Human Resources Manager, reviewed by the Senior Management Team and submitted to Council for adoption by the end of December 2008.

60. **Council should finalise and make operational its hazard register.**

Several related policies have been drafted and introduced.

The Hazard Register is electronic and has been purchased.

The Council are awaiting training in the identification of workplace hazards, which will be an ongoing process.

Action required: That the Hazard Register to be completely operational by end of June 2008 (Human Resources Manager)

61. **As Council's consultative committee is <u>operational</u> in nature, the Council's General Manager (or nominee/s) should represent Council on this committee rather than councillors.**

This recommendation has been common in a number of the Better Practice Review Reports that have been finalised around the State.

The LGSA has a differing view on this matter.

Currently the elected Council has nominated two Councillors onto this Committee. Any alteration to this arrangement would need to be a Council resolution.

Action required: That a report be prepared for Council's consideration no later than the March 2008 Meeting. (General Manager)

62. **Minutes of the consultative committee should be circulated to councillors to assist their decision making in relation to Council policy on industrial issues and keep them informed about current issues and outcomes.**

   The minutes are tabled at the Council Meetings and any example of this not occurring in the past has been an oversight.

   Action required: That the Minutes of each Consultative Committee Meeting be referred to the next Council Meeting following the completion of the Committee's Minutes. (Human Resources Manager)

63. **Council should update its EEO management plan and include relevant strategies of the *National Framework for Women in Local Government 2001* and the *Review of the National Framework for Women in Local Government – The Way Forward 2007.***

   The EEO Action Plan has been amended and is attached for reference.

   The Human Resources Manager will research the *Women in Local Government Strategies* and include them in the EEO Action Plan.

   Action required: That the EEO will be reviewed by the end of March 2008 and address any deficiencies identified with regard to the Women in Local Government Strategies document.

64. **Council should immediately commence the practice of carrying out exit interviews for staff members leaving Council. Information and data recorded from exit interviews should be considered as part of ongoing workforce planning and human resource policy development.**

   Action required: That all departing staff be offered an Exit Interview prior to their departure. (Human Resources Manager)

Council has also provided the Department with a detailed project plan and timeline responding to each recommendation. This plan and timeline should form the basis of Council's action plan to be submitted to the Department following Council's adoption of this final report.

8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- Council has the elements of and effective strategic planning framework
- Council has a draft Corporate Sustainability Strategy 2007 that links to a number of other Council plans
- The Gwydir Learning Region is facilitating further education and skills development to foster a more sustainable future for the community and Council
- Council has a Friendly City relationship with Willoughby Council

Challenges to improve

- Council's strategic plan should be finalised and should cover a ten year period
- More opportunities to resource share with other councils should be explored.
- Council's relationship with Willoughby Council could be expanded.

GOVERNANCE

What is working well

- Council has addressed the challenges of amalgamation well
- Council won the 2004/2005 Bluett Award
- Council has adopted a Good Governance Guide
- New councillors have access to a structured induction program
- A Customer Service Charter is in place

Challenges to improve

- Council needs to keep reviewing and building upon the integration of the former councils and the communities
- As a matter of priority, Council should prepare and lodge an annual report
- A number of councillors may not stand for re-election. An information/community program to encourage new candidates could be explored.
- All risks need to be identified and addressed in a risk management plan
- Attention needs to be paid to Council's internal audit and control systems
- Records management systems also require attention

REGULATORY

What is working well

- Council is currently developing a new, comprehensive LEP
- Council operates a bursary scheme for a part time planner
- A companion animals management plan has been prepared
- The State of the Environment Reports are of a good standard.

Challenges to improve

- An enforcements and prosecutions policy is required
- Council needs to ensure all community land has a management plan
- Section 94 enhancements could be considered.

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Council's finances appear to be good but this needs confirmation
- A school based trainee manages most of council's information technology

Challenges to improve

- Council's 2004/2005 and 2005/2006 financial statements were not lodged on time
- A long term financial plan is needed
- Asset management requires attention including the valuation of assets, development of a register and asset management plans
- Future resource needs in the information technology area should be considered

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Council provides a range of community services across the shire and centrally at it community services one stop shop in Bingara.
- Council uses a range of mechanisms to consult the views of its communities
- The Gwydir Shire Council Social Plan 2007 – 2011 complies with Departmental guidelines and has a clear and logical format.

Challenges to improve

- Priority strategies (including specific performance measures) of the social plan should be included in Council's latest management plan and reported on.

- A more strategic and positive approach to addressing the issues of its ageing community and its Indigenous population is required.
- A more planned approach to its involvement in cultural services is encouraged.
- The draft Tourism Plan 2006 – 2011 should be finalised and implemented.
- Ways to assist each of the towns and villages in carrying out their community strategic plan and conducting an annual review should be explored.
- The impacts of Council's organisational restructure in the economic development, tourism, community services and cultural services areas needs to be closely monitored.

WORKPLACE RELATIONS

What is working well

- Council has an appropriately aspirational human resource strategy and has included specific objectives, performance measures and funding relating to human resource issues in its draft management plan 2007-2010.
- Council has a comprehensive set of clearly, documented human resource policies and procedures.
- The recruitment and selection policy is comprehensive and in accordance with relevant legislation and Award.
- Council's commitment to being a 'Learning Organisation' which offers a range of skills development and training opportunities to its employees.

Challenges to improve

- Completion of the audit and evaluation of all positions to ensure that each job description accurately reflects the duties of the position it refers to.
- Completion of the implementation of Council's new salary structure
- Completion of the skills audit of staff; the 2006/2007 training plan; individual training plans and a training database.
- A more formalised approach to succession planning is encouraged.
- An updated EEO management plan is required.