

challenges improvement innovation good governance

Promoting Better Practice Program

REVIEW REPORT

HUNTERS HILL COUNCIL

JULY 2007



dlg

Department of Local Government

TABLE OF CONTENTS

1. ABOUT THE REVIEW	3
2. EXECUTIVE SUMMARY	6
3. RECOMMENDATIONS	8
4. CONTEXT	10
5. COUNCIL’S AMBITIONS, PRIORITIES AND FUTURE FOCUS	11
6. DELIVERING AND ACHIEVING	14
6.1 Governance	15
6.2 Planning and Other Regulatory Functions	24
6.3 Asset and Financial Management.....	30
6.4 Community and Consultation	36
6.5 Workforce Relations.....	41
7. COUNCIL’S RESPONSE	47
8. SUMMARY- WHAT’S WORKING WELL & CHALLENGES	55

1. ABOUT THE REVIEW

Review objectives

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

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

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

Review process

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

Hunters Hill Council Review

Hunters Hill 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 on 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?

John Gibbons, a Senior Risk Management Consultant acting for the Department of Local Government, conducted an on-site review of council during February 2007.

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

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

In order to review a council it is necessary to examine its performance across a range of functions. A number of modules of a best practice checklist have been

developed to assist council in assessing its functions and checking its compliance. Council's response to the checklist is used as a guide for the on-site review and tests how council has set about delivering its priorities and measuring its achievements.

The on-site review consisted of discussions with council's senior staff, conducting interviews, attending a council meeting, and the review of a number of council's policies and other documents.

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

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

2. EXECUTIVE SUMMARY

Hunters Hill Council appears to be a well-managed organisation. It enjoys excellent community and employee satisfaction and is proactive in its approach to achieving continuous improvement. The council has good governance, which filters through into all areas of operation, its policies and procedures, and through its adoption of a risk management approach to issues. Establishing an audit committee could enhance council governance. However small staff numbers combined with their regular rotation or relief in other positions does not make this as important an issue as in other councils. During this review, council demonstrated itself as an organisation thinking strategically, forming effective partnerships, achieving economies through outsourcing and seeking to adopt good practice in local government.

The council has very strong management foundations as seen through a strategic focus on its future needs and the integration of this focus throughout the organisation. There is a constructive approach to decision-making on the part of both council management and elected officials through a shared vision to achieve the goal - 'How to make things better for the community'.

Council aligns its business priorities with its identified goals. Council monitors its progress in relation to meeting its priorities through its quarterly financial reports and monthly if considered material. Council moves its finances to align with meeting its priorities through this monitoring. Council's management and strategic plans are underpinned by a goal of timely decision making and funding so that issues remain manageable. This financial planning has identified an alternative source of revenue, a long-term rates strategy, and reserves for capital works and community facilities.

The relatively small number of staff has necessitated the development of a flexible workforce that seems to be skilled in the acquisition and transfer of skills to enable staff to relieve in other positions. There is strong staff support, as demonstrated in the flexible working arrangements, for the promotion of a caring working environment/culture extending from the General Manager through to all council staff. This environment also nurtures the potential and career development of council staff.

The council is mindful of its responsibility as trustee of public assets and has developed an asset management plan. This allows council to assess, evaluate, maintain and replace assets proactively.

Council has developed a corporate approach to complaint management, which has been implemented throughout the organisation.

Council uses performance indicators across the organisation, to ensure a best value approach to services is developed. Hunters Hill Council also has a very strong community service focus. The council understands its community and has comprehensive community services and activities to meet diverse community needs.

While no areas of major concern were identified during the review, a number of areas that could be considered for improvement were identified and they are the subject of the recommendations following this summary.

In conclusion, council has strong and clear leadership that means it is well positioned to strategically address the future needs for the Hunters Hill Council area.

3. RECOMMENDATIONS

It is recommended that:

Ambitions, Priorities and Future Focus

1. Building on council's strategic vision, council should continue to develop and document its long term strategic plan and work to integrate this strategic plan with other key planning documents such as its LEP, its social and community plan and its State of the Environment Report.

Governance

2. Contractors to council are made aware of its Statement of Business Ethics and that the Statement be specifically referenced in subsequent contract renewals.
3. The development of strategic risk management plans is pursued until finalised.
4. Council considers the establishment of an Internal Audit Committee and periodically undertake internal audit reviews of high-risk activities.
5. Council reviews and strengthens its policy and procedures in relation to delegations, procurement and disposal.
6. The Communication Devices and Access Policies are revised to include all the required content.
7. Council ensures that its Summary of Affairs is published twice yearly in the NSW Government Gazette, as required under the FOI Act.
8. Council considers separating service planning from service delivery with a view to making staff roles clearer.

Regulatory Affairs

9. Council completes the development of an on line lodgement and tracking system for development applications as soon as practicable.
10. Council expedites the review and development of its Enforcement and Prosecution and Local Orders Policies.

11. Council develops a compliance program to ensure that all swimming pools in the area are inspected within a specific time frame and on a cyclic basis.
12. Council formally develops a Companion Animals Management Plan and considers enhancing its community education program on Companion Animals by submitting information articles to the local newspaper and further promoting the program in local schools.
13. Council expedites a decision in relation to the maintenance of its swimming pools and reviews the adequacy of safety measures at those pools.

Asset and Financial Management

14. The Total Asset Management Policy is reviewed in conjunction with the development of a corporate asset management system.
15. The security of the off site storage of data is reviewed to reduce the risk of theft or unauthorised access to the data.

Community and Consultation

16. Council develops a guarantee of service setting out the service standards it aspires to deliver in its operations.
17. Council completes the development of a policy on implementing the principles of multiculturalism.

Workforce relations

18. Council formalises an Internal Appeals Process.
19. Council should consider conducting employee attitude surveys periodically, and should ensure it identifies, prioritises and acts on all issues and concerns emerging from such surveys.
20. Council formalises its Secondary Employment Policy.

4. CONTEXT

Hunters Hill is the smallest local government area in New South Wales, and retains its original municipal boundaries drawn at the time of its inauguration in 1861. It encompasses the “peninsula” suburbs of Woolwich, Hunters Hill, Huntleys Point and Henley as well as a portion of Gladesville. It is 575 hectares in area and is situated at the confluence of the Lane Cove and lower Parramatta Rivers, less than 5 kilometres from the Sydney Central Business District.

The topography is of an essentially riverine nature, with a large proportion of the municipality visible from the Lane Cove and Parramatta Rivers. Its aboriginal name is “Moocooboola”, which acknowledges the “meeting of the waters” of the two rivers. The built environment is predominantly made up of single-family dwellings. A significant number of these are sandstone buildings from the second half of the 19th century, showing the influence of the French developers of that time and the Italian stonemasons and builders who worked and lived in the area. It is otherwise well treed and of deep relief, with sandstone a feature of the both the land and the buildings on the peninsulas, and a flatter, more “suburban” character to areas such as Boronia Park.

Heritage Conservation has long been of central concern to many of the residents of Hunters Hill and bodies such as the Hunters Hill Trust were established in the late 1960s in response to a perceived erosion of the heritage values of the council area. It was the scene of radical action in the 1960s and 1970s in relation to the proposed development of Kelly’s Bush (subject of the first ‘Green Ban’ in the world) and the expressway associated with the Gladesville Bridge.

Hunters Hill is predominantly residential, with “strip” commercial development along its western boundary on Victoria Road, and local shopping centres at Boronia Park, Hunters Hill and Woolwich. Institutions such as the Gladesville Hospital, St Josephs College, Marist Girls College and Villa Maria also feature strongly in the character of the area.

Its closest LGA neighbours are Ryde, Lane Cove and Canada Bay.

5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS

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

What is working well

Overview

Hunters Hill Council is a dynamic and innovative organisation dedicated to creating a sense of community, a healthy environment and economic prosperity for its community. Council is committed to providing, facilitating and brokering high quality services that meet the present and future needs of the community, efficiently and effectively, while being ecologically sustainable and retaining the things that make the community the special place that it is. Council is focused on developing an environment of trust and respect, of community activism, of encouraging innovative solutions, and delivering fairness and equity to all stakeholders.

Council's vision is of sustainability and prosperity with a strong commitment to environmental protection and enhancement.

Councillors appear dedicated and committed to protecting and promoting the best interests of the community. While each councillor may have their own opinions and interests about issues and priorities within the community, they all work together as an effective team willing to rise above any politics and focus on good decision-making. Councillors also appear to have an excellent relationship with council staff members.

Council's draft 2007/08–2016/17 Strategic Management Plan describes what kind of place the community would like to live in, and what critical issues will impact on this. It then outlines what role council plays as a community leader in managing the community vision, and identifies strategies that council will pursue to achieve the vision. It is enunciated via four Key Result Areas, each with a Strategic Goal and a

set of Strategic Objectives and the Business Programs that Council will implement to achieve them. Each Business Program will have its own Management Objectives and Outcomes against which it will measure its degree of success in meeting each goal.

Council adopts performance indicators across the organisation and seeks community feedback to ensure its efforts remain focused.

While the evidence of a strategic focus is welcome, what is more encouraging is council's recent decision to expand its strategic focus to the coming 10 years. Local councils as managers of community infrastructure and major providers of community services need to plan strategically for a longer period, at least 10 years.

With this in mind, council should continue to develop its current strategic plan. This plan should be integrated with council's other key planning documents such as social and community plan, its local environmental plan and its State of the Environment Report. (***Recommendation 1***)

An ageing population

Responding to, and planning for, the major changes and service demands, that will be created by Australia's ageing population, will be a major challenge for all levels of government.

Hunters Hill already has a relatively "mature" demographic profile compared to other LGAs. Between 2004 and 2014 Hunters Hill's population is projected to increase in size from 14 464 to 15 397 or by 15.5 per cent. Its youth, working age and its elderly population are all expected to grow significantly. However, the increases in youth and working age populations are expected to be more significant than the increase in its elderly population. This is not the normal trend, and can be attributed to the already high proportion of the population that is elderly.

Hunters Hill's 65+ population is projected to grow by 11.8 percent by 2014. It is currently 14.3% of the population and this is projected to grow to 14.6 per cent by 2014.

These changes would not be expected to have a significant impact on the demand on services, facilities and infrastructure or other aspects of council's operations.

Hunters Hill Council's social plan includes a number of recommended actions for all target groups. It is evident that council has integrated strategies across all its functional areas to address the challenges that each group presents. Progress in relation to these strategies is reported on annually in the council's Annual Report.

Working with other councils

Council works collaboratively with its neighbouring councils and other organisations. Council is a strong supporter and participant of the Northern Sydney Regional Organisation of Councils and both Metro-pool and United Independent Pools. Given council's size, it is clearly an important issue for council to work collaboratively with other councils on shared issues.

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.

Overview

There is clear evidence that the council has a culture where divisions work together to achieve their objectives. This is enhanced by the comparatively small number of staff, their regular interaction due to their close physical proximity and their shared use of facilities.

Council promotes important issues and provides information so that the community can make informed decisions. Council also provides leadership in planning for the future of the community and represents the needs of the local communities to higher levels of government.

There is evidence of strong links between financial management and the organisation's priorities. This is clearly evident in the financial statements that are presented to council. These statements provide comparisons and analysis of the budget position against the management plan objectives.

Council has brought together the views that have been gathered from the community and used them to guide its strategic and planning processes. Council has conducted resident surveys the most recent canvassed twenty-nine aspects of council services. It also conducted a Newsletter Questionnaire on three contentious issues in 2005. The results of these surveys form the basis for the key strategic directions for council.

Council aligns its business priorities with its identified goals. Council monitors its progress in relation to meeting its priorities through its quarterly financial reports. Council manages its finances to align with its priorities through this monitoring process.

Council recognises that one of the most important strategic challenges facing local government is the effective management of infrastructure. Council has a strategic asset management plan for its area, and its aim is to ensure local infrastructure supports future social, economic and cultural needs.

Hunters Hill Council's social planning framework provides an innovative solution to its community's social planning requirements and demonstrates a clear understanding of the dynamics of that community.

Council has regular briefing sessions for councillors to keep them informed of current issues. There are clear examples of the different divisions of council working together on issues. The General Manager openly fosters this teamwork and collaborative approach.

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

Council has placed a lot of emphasis on developing a strong governance framework, as evidenced in an ongoing program to develop and review policies, guidelines and codes to support its “Framework for Good Governance at Hunters Hill Council” adopted in November 2005. There is evidence the review process itself has worked as a catalyst for further improvements to this framework.

During the review it was apparent that there was an ongoing effort to address any shortcomings in the policy framework and that there was a very positive attitude towards good governance. Council’s small staff numbers and the regular interaction between staff and both the General Manager and to a lesser extent the Mayor, enabled good values to be promoted through strong leadership.

Ethics and values

The council has developed a Statement of Values, a Code of Conduct, a Statement of Business Ethics and other documents to give clear guidance and direction in the area of values. The documents were in the process of being loaded onto the council website at the time of the review on site visit. These and other relevant documents such as the Privacy Code of Practice are now available on the web site.

Council publishes its values in its Management Plan on an annual basis. For staff, these values are reinforced through induction training, the employment performance system applications and job descriptions. These actions ensure that all councillors, staff, delegates and the community are aware of the council’s explicit values.

Council provides a copy of the Code of Conduct to all new staff and councillors at induction sessions on commencement. Councillors and staff participate in ongoing training on the issue. Staff are either issued with or have ready access to a comprehensive policy manual.

As noted above, council has a Statement of Business Ethics that was adopted by the Corporate Management Team in April 2006. This statement provides guidance to external parties, such as suppliers and contractors, on the standards that are required when dealing with the council or acting on the council’s behalf. Council

should ensure the Statement of Business Ethics is issued to council's main contractors (**Recommendation 2**). The statement is now available on council's website.

Protected disclosures

Protected disclosures are an important means by which councils can signal commitment to ethical practice. They also can act as an early warning system for management.

Council has an internal reporting policy to assist staff in making any disclosures of alleged corrupt conduct, maladministration or serious and substantial waste of public money under the Protected Disclosures Act 1994. Council informs its councillors, staff and council delegates of the requirements and protections of the Protected Disclosures Act 1994 through staff induction and training and through councillor development programs. The Internal Reporting Policy was last revised in June 2006.

Pecuniary interest

The Local Government Act 1993 sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private interests that constitute pecuniary interests. The Act requires that councillors and designated staff complete and lodge disclosure of pecuniary interest returns.

The council maintains a register of disclosure of interest returns by councillors and designated persons, as prescribed by section 449 of the Local Government Act. Council has in its Code of Meeting Practice and meetings procedures an agenda item called 'Pecuniary Interest' at Section 2.8 and the operation of this provision was witnessed at the Council meeting attended.

Management plan

Each year council is required to prepare a draft management plan with respect to its activities for at least the next 3 years and its revenue policy for the next year. Sections 403 and 404 of the Local Government Act 1993 and the Local Government (General) Regulation 2005 require certain particulars to be included in council's draft

management plan. The draft management plan is to be exhibited in accordance with section 405 of the Act.

The council's Strategic Management Plan appears to have been prepared in accordance with the relevant provisions of the Local Government Act and Regulations.

Prior to its adoption, council conducted research to ascertain community views, conducted public meetings, and internal workshops, and appropriately public displayed the plan. Council monitors the implementation of the management plan through quarterly reports to council.

Risk management and internal control

Council's risk management philosophy is currently under review. Council has comparatively limited staff resources and, while it could outline operational risk management treatments, it had difficulty "finding time" to develop a comprehensive risk management plan. However, council is working to get other councils together to form strategic partnerships and combine resources with the Metropool and United Independent insurance Pools to develop risk management plans. Whatever approach council takes, this is an important task that council should pursue until it is finalised. (**Recommendation 3**)

Council does not presently have an Internal Audit Committee. The General Manager works closely with the Manager, Finance and Administration to consider financial governance in the organisation. The establishment an Internal Audit Committee is something council states it will consider this year in conjunction with the strategic risk management review. Staff interaction, relief and rotation is high compared to many other organisations, suggesting any systematic or random error would be likely to be detected by control processes or by other staff. As such, internal control is quite dynamic. That said, it could be improved by periodically conducting internal audit reviews of high-risk activities to ensure systems and controls were adequate to ensure compliance with legislation and management directives/policies. (**Recommendation 4**)

Council has a Fraud Prevention and Control Policy. To further respond to fraud risk, in early 2007, council utilised the recently launched NSW Audit Office Fraud Improvement Kit.

The Council has a gifts and benefit policy and procedures and maintains a gift register in file form, which is consistent with its obligations under the Model Code of Conduct.

Purchasing

The review examined council's policies and procedures on the purchasing of goods and services, the management of contracts and the disposal of assets. This review revealed evidence of a lack the rigour in this area one would find in larger LGAs. However, the relatively small number of transactions reduces the relative risk. Nevertheless, a review of this area would be appropriate. (**Recommendation 5**)

Records management issues

Council's has a Records Management Policy, Records Management Procedures, a Records Disaster Recovery Plan and a Records Disposal Plan/Schedule. These policies and guidelines apply to both electronic and paper based records.

Council last reviewed its Privacy Policy and Management Plan in June 2006. Staff and councillors received training in the requirements of the privacy legislation. This topic has recently been discussed at a councillor development session and is also covered in councillor induction programmes.

The council has a policy register containing all its policies. Access to these policies is also being developed on the internet site. While it was evident that policies were being reviewed on a cyclical basis, the detail in the Communication Devices and Access Policies does not cover all the required content, and this policy should be reviewed. (**Recommendation 6**)

Council should be commended for putting significant effort into revising policies. During the site visit, it was noted that not all policies had been reviewed within a two-

year cycle. In its response to the draft report, however, the General Manager noted that the Governance Framework now provides for regular review of all policies.

The Summary of Affairs is a mechanism whereby agencies must properly identify and catalogue their policies. It helps ensure compliance by the agency with these policies. The summary of affairs must be published in the NSW Government Gazette twice yearly under section 14(1) (b) and (3) of the Freedom of Information Act 1989. It appears council has not met this requirement in the past. Council advised in response to the draft report that the latest summary of affairs had been published. Council should take steps to ensure it does so on a continuing basis in the future.

(Recommendation 7)

Legislative compliance

Council has a system in place that ensures that legislative and regulatory obligations are identified and met. Council also has subscribed to the Local Government Managers Australia Good Practice Toolkits project to develop tool kits across key governance areas for NSW local councils. The recent toolkit on procurement will be of value to council in complying with Recommendation 5 above.

Decision-making

Council undertook a review of its organisation structure in March 2005, which is within 12 months of council election as required by the Local Government Act. The management plan contains an ongoing requirement for the alignment of the organisation with council's Strategic Program.

Council has a management plan reporting system through which progress on all elements of the management plan are regularly reported. Comprehensive performance reviews are undertaken on a quarterly basis and subsequently reported to the council and the community. The performance of the management plan is judged by specific performance indicators for service delivery of required projects on time and within budget, and completion of an annual set of tasks that comprise instalments of the council's four year Strategic Program. Council's strategic and management planning model ensures that all plans in the organisation are driven by

the council's overall strategy, which is determined by the elected representatives and reviewed every four years.

Council uses a variety of methods to communicate its annual report to the community. The council's annual report is available through the council's website and at community libraries. It is distributed to key organisations and the council advertises in local papers promoting the availability of the annual report for review.

Council has a formal structure for senior management meetings. Council's Corporate Management Team regularly meets and keeps minutes and produces business papers. Council also has a system of management and council support teams that meet around the themes of the Management Plan. Senior staff meet regularly to discuss issues. Formal business papers are produced and minutes of all meetings are appropriately recorded.

Council has a standard format for reports to council, and all council reports are linked to the Strategic Management Plan.

Council has adopted a code of meeting practice. In 2006 the Council held 20 ordinary meetings and one extraordinary council meeting. Meetings are rarely closed to the public. Council is strict in applying the reasons set under the Local Government Act for excluding the press and the public. Members of the community are encouraged to speak on any issue or area of concern at council and committee minutes, as set in code of meeting practice.

Council's section 355 committees include the following:

- Hunters Hill Senior Support Group
- General Purpose Committee
- Hunters Hill Council Event Committee
- Joint Library Service Advisory Committee
- Hunters Hill Local Traffic Advisory Committee
- Public Transport and Traffic Advisory Committee
- Playground Working Party
- Conservation Advisory Panel

- Children’s Services Committee
- Hunters Hill Art and Craft Committee.

These section 355 committees develop their own constitution from standard templates, detailing membership, functions, delegations and the application of the council’s code of conduct. Documented procedures and operation manuals are produced in consultation with the committee and council officers and have relevant training sessions. All section 355 committees keep records of their deliberations.

Councillor development

Council has a structured induction program for elected members. It is extensive and covers topics such as the council’s charter, strategic planning, management planning, governance, finance, workforce development, development and planning controls.

Council also has an ongoing program of training and development for its elected members. Councillor development is provided on certain topics and councillors are able to attend a range of conferences, seminars and training sessions. Council keeps records of all training undertaken by its councillors.

Councillor staff interaction

Council has a policy in place on access to information for councillors. Council also has developed and implemented a policy in relation to the interaction between councillors and staff. These policies were adopted by the Corporate Management Team in April 2006 and presented to a Councillor Development Workshop held in May 2006.

Complaints handling

The Corporate Management Team adopted council’s complaints handling policy in April 2006. The Ombudsman’s Toolkit and Complaint Handling Manual have been used as a basis for the council’s policy and practices. The council’s complaints handling policy and procedures define the person responsible for the complaints, and how they are handled, as in accordance with the Ombudsman’s Guidelines. A

training course in this area has been included in next year's organisational training plan. Elements of this policy are also addressed in the council's code of conduct. Counter staff also receive regular training in this area.

The complaints handling policy operates to manage all complaints received and the actions taken by the council. Council advised it has not received any recent complaints. All council staff, through the code of conduct training and customer service training, have been advised to inform the public of their right to submit a formal complaint to the council.

Access to information

The council ensures that there is reasonable access to information for inspection at the office of the council during office hours. Front counter staff are responsible for the calling of the information from the relevant management area. It is the responsibility of the management area to provide the information. Counter staff advise the public of their rights under section 12(1) and section 12(6). Council has an Access to Information Policy.

Service planning and service delivery

Council has a large number of functions being undertaken by a comparatively small number of staff. While this has advantages such as multi-skilling and making staff aware of the interrelationships between various functions, it also makes some staff roles unclear. It may therefore be of some benefit to consider separating service planning from service delivery. That said, it is recognised that this may result in the need for additional staff and so increase council costs. (**Recommendation 8**)

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 planning instruments

Council has identified a number of areas in its current local environmental plan that need to be reviewed and strengthened. It intends to undertake the review and implement the changes as a matter of priority. This will presumably be done in conjunction with adoption of the new Department of Planning template.

Council assists the community in obtaining land use information by making relevant information available in the following ways:

- on the council's website
- via face to face enquiries at the council office
- by giving members of the public the opportunity to contact specific council officers for information
- putting information on display at public libraries; and
- holding public meetings and consultations as a component of policy development or in relation to development proposals.

Council integrates and links its management plan with its LEPs, DCPs, State of the Environment Report and other planning policies by referring to these instruments and related strategic goals in the Strategic Management Plan. Council's land use planning instruments such as the LEP and DCPs are in line with and shaped by council's Strategic Management Plan, which operates to implement that strategy.

Development application process

Council is committed to delivering effective pre-lodgement advice to DA customers. Council's DA service is reflective of good practice. Council has a pre-lodgement advice service for applicants and, due to the small number of applications, is able to give a far more personalised service than councils with significant numbers of applications. Council has a system for monitoring the progress of assessments and turnaround times. Turnaround times are reported to council. A quarterly report is presented to the council that details relevant DA statistics and turnaround times. Additionally, KPIs have been identified within the council's management plan and these are also reported to the council on a quarterly basis.

Council is currently evaluating its planning function and reviewing its LEPs, DCPs and planning policies. There was evidence of the high priority that is being given to expedite this task to ensure policies meet the needs of the local area.

Council's electronic lodgement and on-line tracking of DAs and assessments is under development. Council should ensure this system is in place as soon as practicable (**Recommendation 9**). Council has monitoring system in place to enable DA's to be easily located at any point during processing. A new DA application enquiry system was introduced in May 2006.

The council provides separate DA information sheet and a matrix of submission requirements for particular land use or development types. A checklist sheet is also provided to applicants.

Council's Development and Environment Department maintains a Procedure Manual that contains information on how a DA can be called up to the council. A weekly report is provided to the council that includes information relating to all

determinations made under delegated authority and major applications that are received.

Council applies the 'stop the clock' provisions of the EP&A Regulation (clause 109-112) in accordance with these regulations and the council's procedure manual. It also provides a review process for applications for development consent or for approval under either section 82A of the Environmental Planning and Assessment Act or section 100 of the Local Government Act. In the event that an appeal is lodged staff explore the option of encouraging 82A review with amended plans/information or mediation to resolve outstanding issues.

Where an application is received, staff consult with the applicant and may suggest a modification of the application so that it is in a format that may be able to be approved.

Section 94 contributions

Council has prepared and adopted section 94 plans for its area and there are guidelines available for the making of assessments under section 94 of the Environmental Planning and Assessment Act. The Finance and Administration area of council maintains a section 94 register that ensures that section 94 contributions are monitored and spent within a reasonable time and in an area to which they relate.

State of the Environment Reporting

Council uses the Department of Local Government's environmental guidelines: "State of the Environment Reporting by Local Government". Council, in conjunction with the Northern Sydney Councils, has prepared a comprehensive supplementary report of the environment as part of its annual report pursuant to section 428(2)(c) of the Act in the last year, and this report appears to meet the requirements of the Local Government (General) Regulation 2005.

The councils show a commitment to managing the environment through the emphasis it places on sustainability. Council is tackling the pressures jointly faced by other Northern Sydney LGAs. The council's stated response has been to work

with the community and the State government to try and address the challenges these issues present in a cohesive and consultative way. Innovative management strategies and projects have been introduced especially in relation to bush care and stream remediation.

BASIX

The council has put in place measures that ensure compliance with the BASIX certification system. Information and educational material is available during the assessment process about BASIX requirements. During pre-lodgement discussions, applicants are advised that they must comply with BASIX legislative requirements.

Graffiti removal

The council has a register of graffiti removal pursuant to section 67C of the Local Government Act. The council has experienced little problem with graffiti in the past.

Enforcement

Council currently does not have an Enforcement and Prosecutions Policy to guide its work in the area of enforcement, which is a key regulatory function of local councils.

(Recommendation 10)

Council has a separate system for the reporting and investigation of reports of non-compliance and reports of unauthorised development submitted to the council.

Council has a compliance program for food preparation premises operating under public health legislation. Food handling courses are conducted for local proprietors and their premises are inspected twice per year and in response to complaints.

Council has a compliance program for monitoring activities regulated under Chapter 7 Part 1 of the Local Government Act 1993. Council has developed a strategy and undertakes inspections based on a risk assessment.

In response to complaints of non-compliance on sites for which a private certifier has been appointed as the principal certifying authority, council refers any complaints directly to the private certifier. If these cannot be adequately addressed by the

principal certifying authority (PCA), council staff will take appropriate action. Council has submitted reports on the actions of private certifiers and generally has been dissatisfied with the result of subsequent investigations undertaken into certifier conduct.

Swimming Pools

The Swimming Pools Act 1992 requires council to promote awareness of the requirements of this Act in relation to private swimming pools within the council's area.

Hunters Hill Council does not currently have a compliance program for domestic swimming pools in its council area but responds to complaints and follows up upon application for additions or building certificates. If necessary, it imposes a condition requiring compliance with AS 1926. Council needs to develop a compliance program to ensure that all swimming pools in the council area are inspected within a specific time frame. (**Recommendation 11**)

Environmental management

Council has a proactive program for monitoring environmental conditions. A council officer monitors water quality at Tarban and Brickmakers Creeks. Council's stormwater management plan is contained in its DCP 25 and council advised its Waste Management DCP is currently in the process of being reviewed.

Companion animals

The adoption of a Companion Animal Management Plan is recognised as good practice. Council has not adopted such a plan. It also does not conduct formal community education programs but relies on the interaction of staff with relevant residents. Council is encouraged to take steps to develop a planned approach to its work in this area. (**Recommendation 12**)

Council actively pursues outstanding registrations and identifications of companion animals in the area in a number of ways, including the use of the Register; by the receipt of complaints and the follow-up of these complaints with owners.

Water safety

Council has developed an education program for owners of pools. Council's two public pools have relevant safety signage. However, neither has a lifeguard or communication device and it is understood one of pools is currently closed pending a decision on its future. (**Recommendation 13**)

6.3 Asset and financial management

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

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

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

Overview of financial position

Operating results and trends

Council has achieved surplus operating results before capital items for two of the last three years. After a deficit of \$0.015M in 2003/04, council achieved surpluses of \$0.22M in both 2004/05 and 2005/06. Council has achieved surplus results after capital items for the three years increasing from \$0.117M in 2003/04 to \$0.51M in 2005/06. Both, at face value, appear good results.

Liquidity and cash position

Council's unrestricted current ratio (UCR) in 2005/06 was satisfactory at 1:3.84. This was up from 1:3.75 in the previous year. Council has had sound unrestricted current ratios over the past 3 years. The UCR measures the adequacy of working capital and the ability to satisfy obligations in the short term. It does not include externally restricted activities such as water, sewer or specific grants. A good UCR is considered to be greater than 2.

Council's current ratios, unrestricted current ratios, debt service ratios and outstanding rates and annual charges have all been sound for the last three years. Employee leave entitlements were high, but that is expected to have corrected somewhat due to the retirement of council's longest serving staff member in 2007.

Total loans outstanding at 30 June 2006 amounted to \$1.85M, which was approximately \$0.250M less than the previous year.

Council's overall financial position appears to be satisfactory. Council has key elements of a good financial planning framework, including asset maintenance programs and long-term asset planning for its infrastructure. Council also has a program of quarterly reporting of financial performance against performance standards, which is satisfactory. However, additional comment on the adequacy of the asset maintenance programs will follow.

The Council has no Category 1 or 2 business activities.

Council measures its performance against predetermined standards to assess the financial health of the organisation. The last Financial Health Report was conducted in September 2006. Performance measures are also reported in the council's Strategic Management Plan and in the annual financial statements. The Financial Health Check is undertaken twice per year. The financial indicators are discussed regularly with the General Manager and Finance Working Party before adoption by council.

Special variations

No special variations have been approved in recent years. Council has applied for a special variation in 2007/08 towards a 10 year Capital Works Program for improvements to community facilities and risk management. The Minister for Local Government has approved a 7.54% increase in rates as a result of the application.

Pensioner rates and hardship policy

Council has a pensioner rates and charges reduction policy under section 582 of the Local Government Act 1993. The council has resolved not to give any further reduction than provided in the legislation. Council has a hardship policy for ratepayers affected by revaluations, which was last reviewed in February 2007.

Debt recovery

Council's policy is not to borrow beyond the base program unless a funding source or savings from other programs to meet the loan repayments have been determined. The level of debt has been relatively constant for the last three years. A range of State and Federal grant funds are utilised by council to support annual construction and maintenance programs.

Infrastructure maintenance

The written down values of council's assets as at 2005/06 are as follows:

- Roads, Bridges and Footpaths at 22%
- Stormwater Drainage at 65%.

Council's estimated costs to bring assets to a satisfactory condition were \$4.79M in 2005/06. In 2004/05, council estimated costs of \$4.68M to bring assets to a satisfactory standard.

DLG considers that WDV below 50% may be cause for concern, but this must be assessed having regard to the asset management system as a whole and the level of funding being devoted to maintenance. The valuations were discussed with the General Manager, who agreed the stormwater system was old and in places difficult to upgrade due to size of easements and topography. He advised the likelihood of flooding was low. The condition assessments and valuations will be reassessed as part of the condition assessment audit mentioned below.

The shortfall in estimated maintenance to actual maintenance funded for 2005/06 was \$0.19M, an increase of \$0.13M over the previous year. Again, the asset maintenance situation and funding position of the ten-year maintenance plan was discussed with the General Manager, who stated that the situation was manageable and to be examined in conjunction with the development of the asset management system so that a sustainable plan was developed.

Council has undergone a process of asset rationalisation and downsizing, with the regular review of the plant and vehicles, building utilisation and other assets.

Asset management planning

Council has an asset maintenance program. Council has maintenance programs for a range of assets. The programs are developed predominantly from asset systems and/or service specifications.

Council maintains a register of infrastructure, which includes asset identification, valuation and condition assessments. Council has a register covering assets, and which includes asset ID, valuation and depreciation. Council advised all assets are identified in the assets register.

Council has not conducted a condition assessment of significant assets recently. Some categories of assets such as seawalls and environmental improvements (drainage systems) are not in the valuation table. Discussions with staff revealed that work is underway to rectify this by the development of a corporate asset management system including software systems and GIS mapping and the adoption of a common approach with other NSROC LGAs. Options being considered include resource sharing, outsourcing and forming a strategic alliance. Council has proposed \$50,000 in 2007/08 and 2008/09 towards the establishment of the asset management system. As the deficiency has been recognised, and the development of the corporate asset system is already in progress, no recommendation in terms of that development is considered appropriate. However, the Total Asset Management Policy should be reviewed and rewritten in conjunction with the development to ensure consistency. (**Recommendation 14**)

Land Assets

Council maintains a property register of all council land as well as leases and licences and land that is under its care, control and management. Council also has generic plans of management for all of its owned land and is currently developing plans of management for the balance of its open space. This is a matter council should look to finalise promptly.

Resource sharing

Due to its relatively small size council has been proactive in its region regarding resource sharing and is involved in the following resource sharing activities with other councils:

- Metropool Joint Insurance Pooling (and linkages with Westpool to form United Independent Pool)
- Northern Sydney Regional Organisation of Councils –NSROC.

It is also proactive in seeking economies by outsourcing services such as waste collection and street sweeping.

Insurance

Council self-insures for public liability, professional indemnity and property risk. Public liability and other insurance pooling is managed through Metropool (7 regional councils) while property insurance pooling is undertaken with 14 councils through United Independent Pool.

Council's involvement in corporations

The council is a member of the following corporations:

- NSROC - the council is a member of the Northern Sydney Regional Organisation of Councils
- Westpool - is a joint committee of seven western Sydney councils. Westpool is a voluntary association established for the purpose of risk management and insurance pooling
- United Independent Pool (UIP) - is a joint committee of fourteen Sydney councils. UIP is a voluntary association also established for the purpose of risk management and insurance pooling for the mutual benefit of the member councils.

Information technology

Council has adopted an information strategy that incorporates plans of action for Information Technology, Information Management and Information Systems. Council's information strategy identifies industry standard hardware and software requirements. The strategy for business systems is based on a single platform using applications from Aussoft (or their integrated partners such as Infovision). Council has an integrated property system and an integrated financial system with interfaces

where required and a range of specialist systems, which meet the standards for hardware, software and performance as, established by the Information Strategy.

A number of innovations were under development at the time of the review including the improvement of the website and software upgrades. The only issue that considered in need of improvement is the security implications of the current system of off site backups of files for disaster recovery being stored at a private residence.

(Recommendation 15)

6.4 Community and Consultation

A council's charter requires that a council:

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

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

- *The methods council uses to involve and determine the views of its community*
- *Social and community functions of council*
- *Annual reporting*
- *Cultural planning*
- *Principles of multiculturalism*
- *Reporting to the community and keeping the State government informed about its activities*

Social and community planning

Hunters Hill Council has adopted consultative and proactive approach in its social planning. It has undertaken surveys of older people, families regarding children's services needs, youth in relation to recreational facilities and residents generally seeking input. Focus groups have been held with non-English speaking residents and with service providers.

The social planning framework contains a variety of planning initiatives that are prepared in line with the departmental guidelines. Key actions derived from the social planning framework are included in the Strategic Management Plan, the cultural plan and other relevant plans. This is reviewed as part of the annual reporting process.

The framework shows cross-referencing to other council planning instruments and represents a understanding, not only of the strategic planning process, but also of council's multifarious roles within the social planning environment. There is good translation from the social planning framework to the Strategic Management Plan and subsequently to the annual report. The plan is available on the council's web site.

The framework shows an understanding of the need for an ongoing consultative processes and the various roles that a council may play in the social planning environment. It is commendable to see the support offered by both councillors and staff to the range of activities conducted and the reporting on the activities by the Mayor in the Annual Report.

Community participation

Council consults with social justice groups within its area through advisory committees, which mainly comprise of citizen representatives. Council actively consults and conducts surveys of interest groups within the community and undertakes a resident survey annually.

Council also provides programs from a community development approach. Council does not have 'direct service' programs, but through social planning and community development provides a resourcing, co-ordination and support role. Council's programs and services together with Objectives, Performance Targets and Performance Indicators reported in the annual report. There is a "stocktake" undertaken each year and the programs are revised on a four-year cycle.

Service standards

Council bases service standards on service requests received and measures performance against complaints received. Complaints are rare mainly due to the comprehensive induction and on-going staff training programs. Nevertheless, council should look to develop a guarantee of service with specific performance targets for the provision of core services such as:

- Responding to telephone enquiries

- Responding to emails
- Responding to correspondence

The guarantee of service should also articulate how council aims to treat members of the public in its dealings. The service standards should be integrated with the complaints handling policy and the code of conduct so that members of the public know what to do where the standard of service falls below the level set out in the guarantee of service. (**Recommendation 16**)

Cultural planning

Council's Cultural Plan was developed to clearly reflect the community ideals of a sense of history, community, environment and culture. The plan details the opinions and attitudes of residents of Hunters Hill.

The cultural plan was finalised in March 2006 after extensive community consultation and research. It contains a detailed inventory and description of local cultural assets, resources and infrastructure. The plan has the following goals:

- Actively promote cultural development and community involvement
- Maintain and increase access to cultural places and facilities
- Develop and promote art/ public art
- Develop and promote youth culture
- Maintain and promote migrant and indigenous heritage, and
- Promote cultural tourism.

Council also undertakes a range of cultural activities such as supporting NAIDOC Week, Senior's Week, Youth Week, International Day of People with a Disability, Harmony Day, etc.

Principles of Multiculturalism

The council does not have policy on implementing the principles of multiculturalism but work on its development is underway. (**Recommendation 17**)

A significant majority of residents of the council area are English speaking. The council supports a range of multicultural groups in the community through involvement in local festivals and community events.

Council provides a \$15,000 annual subsidy to Ryde/Hunters Hill Community Transport and provides Community Transport access to a council building at a subsidised rental. Council has also leased premises in Gladesville Road Hunters Hill at discounted rates for use by Hunters Hill/Ryde Home and Community Care in running its programs.

Council also supports the work of the Le Vesinet Friendship Committee, which operates a student exchange program. It has a friendship pact with the town of Le Vesinet in France, having regard to this town as the birthplace of important early settlers.

The Aboriginal community in the area is small and programs have not been specifically targeted at this community. An active reconciliation group is operating in the community and has participated in local festivals and events. Council has participated on the Northern Sydney Aboriginal Social Plan Working Group, which has developed the Northern Sydney Regional Aboriginal Social Plan.

Reporting to the community and keeping the State government informed about its activities

Council has an extensive program of communication as well as consultation with the local community and the State Government. Major elements of this program include the following:

- the annual report, which is available to both the community and the State Government
- A review is undertaken and published every quarter of the council's Strategic Management Plan performance
- Prior to the adoption of the Strategic Management Plan, the council advertises extensively seeking comment from the public and holds public forums to receive input from the community

- The Mayor has a information column in several local newspapers and the council has an Media Information Program
- Many major council projects and initiatives have their own consultation or communication strategy as part of the project.

Tourism and economic development

Council, due to size and nature of its area, does not have a tourism plan. There is a Discover Hunters Hill website which was developed by DiscoverHuntersHill, an incorporated association of community groups and businesses situated within the Hunters Hill local government area. It has the goal of showcasing the Hunters Hill area as a place of national historic significance. There are very limited retail or commercial operations within the council area.

6.5 Workforce relations

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

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

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

Overview of the organisation

The council employs 56 EFT staff with expenditure on employee costs for the last two financial years of:

- 2004/05 \$3,248,000
- 2005/06 \$3,478,000

These figures represented 38% and 38.3% respectively of Expenses from Continuing Operations. This percentage has fluctuated slightly over the last five years and reflects the effect of vacancies and recruitment actions, despite attempts to maintain the same staff base. The variations are an item discussed at the planning workshops and contingencies discussed and are not considered an item of concern.

It is noticeable that the council actively seeks to offer flexible working conditions to attract or retain experienced staff on a part time basis for some positions. This was described as a "win win" situation, as the workload is smaller but the need for specialist skills and experience is the same. Therefore staff can work and meet both

council's and their own domestic requirements. Council believes this allows council to attract staff that it would otherwise have difficulty in attracting and retaining within its salaries budget.

Human resources strategy and policies

Council has a current Human Resource Strategy Plan. The plan commences on induction and includes actions to address the following key workforce issues:

- Recruitment and retention of staff
- Training needs
- OH&S issues
- Workplace/industrial relations issues and approach to consultation
- Equity and diversity.

Council appears to have a solid policy framework across its human resources area, including a human resources policy and procedure manual, a documented recruitment and selection policy, and provisions to ensure selection panels are trained in merit selection. All positions have written job descriptions. Council has a documented salary system and is attempting to make the consultative committee more relevant within the organisation.

Council presents its human resources policy and procedures in a manual. These policies and procedures cover the following:

- Recruitment, selection and appointment
- Attendance, leave and absences
- Discipline
- Salary system/performance management.
- Equal Employment Opportunity
- Probation
- Drug and Alcohol Use
- Workplace Bullying

All staff can access policies and procedures by the following:

- Policies and procedures are documented in a manual;
- Policies and procedures are listed and accessible via the intranet, and
- Induction and staff training courses.

Consultative committee

Council has established a Consultative Committee in accordance with the Local Government (State) Award 2004. The aim of the Consultative Committee is 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, and performance management systems.

The committee has met 3 times since staff representatives were elected in July 2006 and it keeps the appropriate records of all its deliberations. These are available to all staff. Prior to this, the committee had not met for approximately two years but was reinstigated following a number of attempts by the General Manager. The apparent difficulty in motivating staff to participate was due to the small number of staff, who are co-located and interact frequently.

Staff are trained and aware of how the committee operates, their role and rights, the constitution and timing of meetings. The minutes to all meetings are circulated to all representatives and posted on noticeboards. There is evidence of adequate follow-up and resolution of issues raised.

Recruitment and selection

Council has a documented selection policy and procedures manual that applies to all recruitment by the council. Council ensures that selections are made on the basis of merit, as required by section 349 of the Local Government Act 1993, by the following:

- All advertisements and job descriptions clearly outline the qualifications, and both essential and desirable criteria required; and
- All applicants are selected for interview based on a culling process.

All procedures are formally documented in the recruitment and selection policy. The council develops and ensures that all selection criteria are made available to all applicants. The council also has a formal policy concerning the use and composition of selection committees.

The recruitment and selection policy covers key issues including:

- Requirement for current job descriptions;
- Process for developing selection criteria - both essential and desirable;
- Requirements for advertising;
- The need for impartiality and independence;
- The need for confidentiality;
- Provision of guidance about managing conflict of interest that may arise;
- Requirement for decisions and reasons for decision to be fully documented; and
- Definition of who is accountable for key decisions throughout the process.

Job description and evaluation

All positions within the council have written job descriptions and all employees have copies of their respective job descriptions. Council has a formal policy and practice for the review of job descriptions.

Job selection

The process appears to meet all contemporary standards and internal applicants are given face-to-face feedback on their performance in the selection process. There is no process specified to manage internal appeals and none have been lodged for at least the last five years. Despite this fact it is nonetheless considered good practice that council should have a process. (**Recommendation 18**)

Employee remuneration

Council has a documented salary system and also takes into account special market forces that may affect individual positions. Every position is graded and council has a formal job evaluation program using the Wyatt system. Relativities are gauged by

reference to available sources including other councils. Salary ranges are specified and progression is made after performance appraisals.

Council has made budgetary provisions for staff progression in accordance with clause 7 of the Local Government (State) Award.

Equal employment opportunity

Council prepares an Equal Employment Opportunity Management Plan and reports on EEO strategies and outcomes in its Annual Report.

Staff development

Council has a structured formal induction program for all new staff, which includes an information pack that includes the job specification, key tasks and responsibilities, decision making, communication etc. Council has a policy and procedures that requires managers to assess the performance of their staff against identified performance targets.

It also has an ongoing needs based training program (as required by the Local Government (State) Award 2004), which is also detailed in the Annual Report.

Council, due to its relatively small staff base, has some difficulty in finding officers internally with the necessary experience to relieve in managers positions for prolonged periods. However, it has a strong ethic of developing, multi-skilling and rotating staff to maximise the potential of its staff base.

Grievance management

Council has grievance management procedures in place to deal efficiently and effectively with any disputes. Simplistically the manager discusses the issue with the staff member and the relevant information and outcomes are recorded on the staff members personnel file and the staff member signs the file note.

Council has not recently conducted an employee attitude survey however employees are given the opportunity to express concerns or give and receive feedback as part of the documented performance management system and other interaction with their

manager. Notwithstanding, council should consider regularly conducting such surveys and should identify, prioritise and resolve any resulting issues.

(Recommendation 19)

Secondary employment

Council does not have a formalised policy on secondary employment as it has not been an issue to date. **(Recommendation 20)**

Occupational Health and Safety

All accidents are reported to the OH&S Committee and council appears to have a well-developed OH&S policy and procedural framework. Safe work method statements and material safety data sheets were sighted.

The council uses very few hazardous substances, but ensures staff wear appropriate PPE. Council manages risks associated with the use of hazardous substances by ensuring that staff receives specific training in accordance with occupational health and safety requirements and any changes to procedures or methods. The number of workplace injuries is low and there was no staff on long term sick leave. Sick leave is routinely monitored by a review of the sick leave cards.

7. COUNCIL'S RESPONSE



HUNTER'S HILL COUNCIL

ABN 75 570 316 011

TOWN HALL, ALEXANDRA STREET, HUNTERS HILL 2110

PO BOX 21, HUNTERS HILL 2110

DX: SNDX 99626

TELEPHONE: (02) 9879 9400

FAX: (02) 9809 7338

EMAIL: council@huntershill.nsw.gov.au

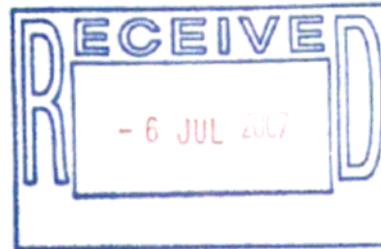
File: 370/28

Enquiries: Barry Smith

03 July 2007

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

Attention: Dominic Riordan



Dear Garry:

Promoting Better Practice Review Draft Report (Your Ref: A98457)

Reference is made to the above report received by Council on 12 June 2007.

As requested, Council has reviewed the draft document, including a joint discussion between Councillors and Senior staff. The comments in the attached document have been made with specific reference to the recommendations in the draft report.

Council would also like to bring to your attention three matters that could need some alteration due to what we understand may be typographical errors.

Page 31 – Special Variations

Council application for a special variation in 2007/2008 is not for '*...costs toward a new civic centre*'.

The application is for funding towards an identified 10-year Capital Works Program for improvements to community facilities and risk management.

Page 34 – Information Technology

'The strategy for business systems is based on 'best of breed' applications using either Aussoft or Infovision for each key business area (accounts, rating, governance, payroll) rather than assuming a single platform.'

The strategy is based on a single platform using applications from Aussoft, (or their integrated partners such as Infovision (records management), rather than a system based on 'best of breed', with its inherent additional licensing costs and potential integration problems.

Principles of Multiculturalism

An Italian Day Centre operates to offer meals to elderly residents of Italian background and council provided a \$15,000 grant to Gladesville and District Community Aid for their volunteer visiting program for the Italian community. The council supports a Chinese Day

Centre operated by Hunters Hill Respite Care. Council also supports the work of the le Vesinet Friendship Committee and continues its strong link with a sister city in France.

All Hunters Hill/Ryde Home and Community Care (HACC) programs are co-located in three adjoining buildings at 42, 44 and 46 Gladesville Road Hunters Hill.

There is no Italian Day Care Centre. This is a program that is run from Gladesville Road Community Centre (44 Gladesville Road) under the HACC program, specifically for the Italian Community.

This is a similar program to the Chinese Day, which is also auspiced under the HACC program at Hunters Hill Respite Care (42 Gladesville Road).

Council provides a subsidy of \$15,000 per year to Hunters Hill/Ryde Community Transport, under the HACC program. Community Transport also utilises a part of a Council building in Crown Street Henley at a subsidised rental.

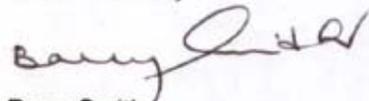
All HACC programs are coordinated from one location, at 46 Gladesville Road.

All properties are assessed as commercial rentals and then discounted for community service obligations (CSO's). Each building is under lease and users pay rental at the discounted rate.

The Le Vesinet Friendship Committee is not a sister city relationship, it is a friendship pact. LeVesinet is located not far from Paris and was formed in recognition of the early French settlers in Hunters Hill, such as Joubert and Jeanneret. The primary role of the Committee is the facilitation and operation of an annual student exchange program.

Should you require any further information please do not hesitate to contact me on 9879 9431 or email genmanager@huntershill.nsw.gov.au

Yours sincerely



Barry Smith
General Manager

RECOMMENDATION

Item 1 Building on Council's strategic vision, Council should continue to develop and document its long term strategic plan and work to integrate this strategic plan with other key planning documents such as its LEP, its social and community plan and its State of the Environment Report.
Page 12

Comment

This process has commenced with the 2007/08 plan being prepared on a 10-year basis.

Integration of other key planning documents has been a feature of Council's management planning process for a number of years.

The Plan will continue to evolve as the focus on such matters as the LEP Template and Asset Management change.

Target Date: On-going

Governance

Item 2 Contractors to Council are made aware of its Statement of Business Ethics and that the Statement be specifically referenced in subsequent contract renewals.
Page 17

Comment

The Statement of Business Ethics is on Council's web site and brochures available at the Customer Service area.

All contractors will receive a copy of the Statement by 31 July 2007 and it will become a standard component of any future contracts and contract renewals process.

Target Date: Completed

Item 3 The development of strategic risk management plans is pursued until finalised.
Page 18.

Comment

Council is pursuing its risk management planning through its involvement with Metropool and Westpool who are developing an Enterprise Risk Management (ERM) framework for members. It is anticipated that outcomes of this process will be available before the end of 2007. Council will then be in a position to complete its own plan by June 2008.

Target Date: June, 2008

Item 4. Council considers the establishment of an Internal Audit Committee and periodically undertake internal audit reviews of high-risk activities.
Page 18

Comment

Council proposes the formation of a multi-disciplinary team from within Council's existing staff, with a charter to review major projects, processes and systems in line with Council ethics, policies and risk assessments. The objective of the group will be to assure quality results, compliance with policy and make recommendations to management for improvements if necessary.

Target Date: June 2008

Item 5 Council reviews and strengthens its policy and procedure in relation to delegations, procurement and disposal.
Page 19

Comment

Procurement and Disposal Policies will be reviewed. (This needs to be done in conjunction with the sustainability area, however an interim review will be done). In addition to this procedures and authorisations, including limits are under review in relation to Council's on line ordering system. Training in relation to this is anticipated to occur within the next three months.

Target Date: December, 2007

Item 6 The Communication Devices and Access Policies are revised to include all the required content.
Page 19

Comment

The policy will be reviewed and amended where necessary.

Target Date: September, 2007

Item 7 Council ensures that all policies and procedures are reviewed and updated every two years.
Page 19

Comment

The adoption of the Governance Framework and revised Policy Register provide a process whereby a regular review methodology now exists.

Target Date: Completed

Item 8 Council ensures that its Summary of Affairs is published twice yearly in the NSW Government Gazette, as required under the FOI Act.
Page 20

Comment

A mechanism has been put in place to ensure compliance.

Target Date: Completed

Item 9 Council considers separating service planning from service delivery with a view to making staff roles clearer
Page 23

Comment

This is a matter that will require significant thought, particularly in regard to the potential for additional costs as opposed to benefits.

An internal review of service delivery staff responsibilities is currently underway and opportunities may arise as part of this process.

Target Date: June 2008

REGULATORY AFFAIRS

Item 10 Council completes the development of an on-line lodgement and tracking system for
Page 25 development applications as soon as practicable.

Comment

Council has completed its development application on-line system; the system was launched in June 2007. With regard to on-line lodgement, this system is anticipated to be implemented at the end of December 2007 early January 2008.

Target Date: December, 2007

Item 11 Council expedites the review and development of its Enforcement and Prosecution
Page 27 and Local Orders Policies.

Comment

A policy will be developed for consideration by Council by 30 September, 2007.

Target Date: September, 2007

Item 12 Council develops a compliance program to ensure that all swimming pools in the area
Page 28 are inspected within a specific time frame and on a cyclic basis.

Comment

A swimming pools inspection program has been established for all swimming pools in the Municipality to be inspected bi-annually. These inspections will also be carried out through complaints received, Council's duty of care, building applications and applications for building certificates. The program will be carried out on a 'street by street' basis and recorded by Council.

Target Date: On-going

Item 13 Council formally develops a Companion Animals Management Plan and considers
Page 28 enhancing its community education program on Companion Animals by submitting information articles to the local newspaper and further promoting the program in local schools.

Comment

A Companion Animals Management plan and the associated education program will be Completed by Council February 2008.

Target Date: February, 2008

Item 14 Council expedites a decision in relation to the maintenance of its swimming pools and
Page 29 reviews the adequacy of safety measures at those pools.

Comment

Woolwich Baths require normal on-going maintenance which will be covered within Council's management plan. A report will be presented to Council for a decision on the future of Henley Baths by September 2007.

Target Date: September, 2007

ASSET & FINANCIAL MANAGEMENT

Item 15 The Total Asset Management Policy is reviewed in conjunction with the development
Page 33 of a corporate asset management system.

Comment

Funds have been provided across the next two financial years to enable the implementation of a corporate asset management system. Currently awaiting outcomes from the NSROC investigation and evaluation.

Target Date: June, 2008

Item 16 The security of the off-site storage of data is reviewed to reduce the risk of theft or
Page 35 unauthorised access to the data.

Comment

The Council Works Depot is scheduled for internal alterations to be undertaken over the next two months. A secure area will be incorporated in these alterations for storage of back-up data.

Target Date: September, 2007

COMMUNITY & CONSULTATION

Item 17 Council develops a guarantee of service, setting out the service standards it aspires to
Page 38 deliver in its operations.

Comment

This is a natural progression from the work completed in the Governance Framework and Policy Review development. It is anticipated that service standards will be developed progressively over the next 12 months.

Target Date: June, 2008

Item 18 Council completes the development of a policy on implementing the principles of
Page 38 multiculturalism.

Comment

Council to complete the development of an Ethnic Affairs Policy Statement by 30th July 2007

Target Date: July, 2007

WORKFORCE RELATIONS

Item 19 Council formalises an Internal Appeals Process.
Page 44

Comment

This process can be readily developed in conjunction with the Hunters Hill Consultative Committee and will be completed in the next quarter.

Target Date: September, 2007

Item 20 Council should consider conducting employee attitude surveys periodically and should ensure it identifies, prioritises and acts on all issues and concerns emerging from such surveys.
Page 46

Comment

An organisational climate survey was undertaken in 2006 and employee surveys are a natural progression from this.

A program for an annual staff development day is currently being prepared and employee surveys will be an informant for that process.

It is expected that an annual survey will be undertaken in November each year as a feed into the development of the HR Plan and strategies linked to the Strategic Management Plan.

Target Date: First survey, November 2007

Item 21 Council formalises its Secondary Employment Policy
Page 46

Comment

Section 353 of the Local Government Act is quite specific and covers this area. However, a specific Human Resources policy reflecting this and included in the HR Manual would be more informative for staff.

Target Date: September, 2007

8 SUMMARY - WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- Meeting present and future needs of the community
- Environmental and sustainability focus

Challenges to meet

- Continuing with the process of developing an integrated long term strategic planning process

GOVERNANCE

What is working well

- Pecuniary interests, councillor expenses and facilities policy
- Management Plan
- Gifts and benefits
- Section 355 committees
- Complaints handling

Challenges to improve

- Risk management and internal control
- Summary of Affairs
- Service planning and delivery

REGULATORY

What is working well

- Strategic planning
- Development applications and Section 94 contributions
- Environmental Reporting

Challenges to improve

- Enforcement and Prosecution and Local Orders Policies
- Swimming pools compliance program
- Companion Animals management plan

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Financial Management
- Asset Management Planning

Challenges to improve

- Total Asset Management Policy

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Social and community planning, community participation, cultural planning
- Reporting to community and state government

Challenges to improve

- Local ethnic affairs priority statement
- Guarantee of service

WORKPLACE RELATIONS

What is working well

- Human resource strategy and policies
- Consultative committee function
- Recruitment and selection, job description and evaluation
- EEO, OH&S and grievance management

Challenges to improve

- Staff attitude surveys
- Secondary employment