

challenges improvement innovation good governance

# Local Government Reform Program - Promoting Better Practice

## **REVIEW REPORT**

## **NARRABRI SHIRE COUNCIL**

**OCTOBER 2006**



**dlg** Department of Local Government

## TABLE OF CONTENTS

1. ABOUT THE REVIEW .....	3
2. EXECUTIVE SUMMARY .....	7
3. RECOMMENDATIONS.....	9
4. CONTEXT .....	14
5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS .....	15
6. DELIVERING AND ACHIEVING.....	19
7. COUNCIL'S RESPONSE .....	48
8. SUMMARY .....	50

## 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.

### Review process

Promoting Better Practice is designed to encourage improvement in the way councils conduct their activities and to ensure good governance. Promoting Better Practice is also about monitoring performance of councils.

Reviews also have a wider role in the development of local government services across the state and identifying the need for future action or legislative change by the department.

A review involves a 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.

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.

It is expected that a review will only “scratch the surface” of council operations. The analysis of the corporate self-assessment and the practice checklist, as well as the activities undertaken during the review visit, give reviewers a reasonable picture of the council’s operations and future strategic direction.

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

### **Narrabri Shire Council Review**

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

Senior Investigations Officers John Canadi and Caroline Egberts comprised the review team, and conducted an on-site review of Council from 31 May to 1 June 2006.

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

- How has Council determined its ambitions and priorities?
- How do these ambitions and priorities drive the Council’s services and resources?

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

All Councillors were provided with a survey form (non-compulsory) to provide them with an opportunity for direct input into the review process. For example, the form sought their views on matters such as their role; training and support; strategic directions; conduct of council meetings; relationship with staff and community; and Council's strengths and weaknesses. All Councillors were also invited to meet the review team. One Councillor completed the form.

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

The on-site review involved meetings with Council's Mayor and General Manager and interviews with senior Council staff as well as other operational staff. A number of Council's policies and other documents were also reviewed on-site.

A draft review report was prepared and forwarded to Narrabri Shire Council on 16 August 2006 for consideration and comment. Council considered the report at its ordinary meeting held on 19 September 2006.

Council's corporate response to the draft report was forwarded to the department on 27 September 2006 and is reproduced in its entirety in section 7 of this report (pages 48-49).

Council is pleased to have been part of the review process and views the recommendations as an initiative to further enhance the operation of Council.

Council is also pleased that the report recognises the positive steps Council has taken in recent times to become a well-managed and effective organisation.

Council has also provided information in relation to 8 out the 30 recommendations that have been, or are being, acted upon.

The review team was thanked for their professionalism and considerate approach whilst at Council.

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

## 2. EXECUTIVE SUMMARY

Since the election of new Councillors in 2004, Narrabri Shire Council is leading a positive and vigorous process to more strategically and efficiently address the future needs of the Narrabri community.

In general, there appears a cooperative, respectful and positive working relationship between the staff and Councillors of Narrabri Shire Council. Both elected officials and senior management have set a clear and shared vision. Narrabri is:

*“to deliver services to, and represent the interests of the whole community and provide a quality living environment within available resources”.*

Council’s vision appears well integrated with its corporate goals, priority areas, key actions and performance indicators.

A major organisation restructure was undertaken in early 2005 to foster an increased focus on customer service and economic development.

While Council has elements of a sound governance framework in place, the review team noted evidence of significant gaps in policies, procedures and practices across Council’s functional areas. Some of these have been addressed recently. The review team has made some recommendations to strengthen the framework and address outstanding gaps.

In the area of planning and other regulatory activities, we note that the important task of reviewing council’s local environmental plan is underway.

Other planning and regulatory activities (such as enforcement and prosecutions and companion animals management) require some attention.

Council is in a satisfactory financial state. Some recommendations have been made to enhance its performance in several areas including asset management and management of its community lands.

Council is active in providing or assisting with the provision of a range of community services. It is currently exploring a number of tourism development and economic development initiatives.

The Crossing Theatre, completed in 2002, is an innovative regional cultural facility. It contains two cinemas, a large auditorium and gallery and other spaces for a variety of functions. The review team has made some recommendations in relation to the external management of the facility.

Council appears to have a dedicated and motivated workforce. Over the past twelve months the main priority in Human Resources has been staff recruitment. This has enabled Council to implement the new organisational structure. Council has a well-developed set of human resource policies. The development of a long-term workforce plan to meet current and future needs of the organisation is recommended.

The elected body of Council has exercised strong leadership to equip Narrabri Shire Council with a new organisational structure and staffing to ensure that it moves toward its vision in a positive way.

The onus is on the General Manager to work with staff to ensure the efficient and effective operation of the council's organisation.

The review team wishes to thank Council and staff for their help in completing this review both prior to and during our visit.



### 3. RECOMMENDATIONS

#### *Strategic*

1. In order to maximise Council's capacity to monitor, report on and achieve its goals, Council should review the content and format of its Annual Report 2005/2006 to align with its recently reformatted Management Plan to ensure that the Management Plan and Annual Report are integrated with each other and other Council plans.
2. More detail about key regional alliances and initiatives being undertaken by Council in partnership with other councils/partners should be set out in the management plan and be reported on in the annual report.
3. Council should assess the value of its ongoing involvement in its alliances, joint projects and/or resource sharing ventures with other councils/partners on a regular basis, including the extent to which they contribute toward achieving Council's objectives.

#### *Governance*

4. Council should develop and implement mechanisms (including the General Manager's performance reviews) to review the extent to which the new organisational structure is achieving Council's goals and organisational improvement. Adjustments should be made, if necessary.
5. The Council's Code of Meeting Practice should be reviewed in terms of the relevant clauses in the Local Government (General) Regulation 2005 and the Meetings Practice Note No 16 reissued by the Department of Local Government in November 2005.

6. Council should develop a statement of business ethics to communicate both internally and externally the ethical standards that Council abides by and expects others to abide by when doing business with Council.
7. Council should examine the costs and benefits of establishing an internal audit function. Given the Council's size, consideration should be given to contracting for this function or to sharing this function with other councils.
8. Council should develop a risk management plan that provides a framework to proactively identify and manage generic and specific risks.
9. Council should conduct routine fraud risk assessments as part of its risk management responsibilities.
10. Council should conduct routine risk assessments of council's procurement and disposal procedures.
11. Council should develop a disposal policy for its assets.
12. Council should review its procurement policy in light of recent legislative changes.
13. Council should review its complaint handling policy in line with a comprehensive complaint handling policy such as the NSW Ombudsman's Complaint Handler's Toolkit.
14. Specific targets and timeframes to support its broader objectives, strategies and high-level performance indicators should be included to enhance Council's draft Management Plan 2007-2010 and beyond.

*Planning and other regulatory activities*

- 15 Council should review its State of Environment Report and amend, where necessary, its next Report.
- 16 Council should develop a policy to guide its staff in relation to enforcement and prosecutions and provide information to the public on how to report non-compliance and alleged breaches.
17. Council should develop and implement a companion animal management plan, which includes related community education programs.
18. Council should commence reporting on a periodic basis to the department on the activities in its dog pound using the annual survey form.

*Asset and financial management*

19. Council should develop a comprehensive asset management plan that includes the rationalisation of assets, and a maintenance program.
20. Council should develop plans of management for all community land under its control as required under the Local Government Act.
21. Council should investigate the development of a rating hardship policy.

*Community and consultation*

22. Council's next Community and Social Plan should be prepared using the Department's Social and Community Planning Guidelines 2002 and should include specific actions, timeframes and responsibilities that align with council's management plan priorities.

23. As advertised in Council's 2004-2005 Annual Report, Council's Social Plan should be available on its website for public viewing.
24. Council's Manager, Community and Economic Development should take overall responsibility for implementing and reporting on the Social Plan. This should include clear linkages between council's social, economic development and tourism plans, Council's Management Plan and Annual Report.
25. Council should, as a matter of priority, prepare an Access and Equity Statement to be included in (or appended to) its Management Plan 2007-2010. The Statement should:
  - list which Community and Social Plan actions and any other activities it will carry out to improve access and equity for its residents during 2006/2007.
  - outline specific actions, timeframes and responsibilities
  - be linked to the 2006/2007 budget
  - be reported on in the next annual report. This should include specific achievements against actions set out in its Access and Equity statement.
26. Council should investigate and implement strategies to strengthen its relationship with the indigenous community and other service providers.
27. Council should put in place mechanisms to rectify current problems identified to ensure proper accountability of funds received and spent by Entertainment Services Project Management Pty Ltd in its management of the Crossing Theatre.
28. Council should undertake a process for determining the ongoing management of the Crossing Theatre that is in accordance with the tendering provisions of the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*.

*Workforce relations*

29. Council should develop a long-term workforce or succession plan that looks at the staffing needs of each section of council and allocates staff according to workload and priorities.
  
30. Council should review the membership of its consultative committee and update the committee's constitution accordingly.

## 4 CONTEXT

### *Location and geography*

Narrabri Shire is located on the North West Slopes and Plains of New South Wales in the heart of the Namoi Valley. The Shire covers an area of 13,065 square kilometres.

The Council was formed in 1981 and currently employs about 120 employees.

### *History and governance*

Local government was introduced to the area in 1883 when Narrabri was proclaimed a municipality. In 1969 the municipality was amalgamated with the Namoi Shire and proclaimed the Narrabri Shire. Narrabri has 12 Councillors.

Narrabri is considered the administrative centre of the Shire. There are also a number of towns and villages in the Shire. These include Baan Baa, Bellata, Boggabri, Cubbaroo, Cuttabri, Edgeroi, Gwabegar, Maules Creek, Merah North, Pilliga, Spring Plains, Turrawan and Wee Waa.

### *Economy*

The well-established local economy is based on rural industries including high quality sheep, beef cattle, cropping and associated secondary industries. It has a significant scientific research community linked to the Australia Telescope, Cotton Research Centre and Wheat Research Centre.

### *Demographic overview*

The population of the Shire is about 14,500 people <sup>1</sup>. Of these approximately 1,084 (7.8%) are Aboriginal and Torres Strait Islander people. Young people aged 0 to 12 years of age represent 20% of the population. Older people aged 60 years and over make up 17% of the community.

<sup>1</sup> Regional Population Growth, Australia & New Zealand, Australian Bureau of Statistics 2002-03

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

This part of Council's assessment focussed on Council's strategic focus and priorities in the longer term. Issues assessed by the review include whether:

- Council has a clearly stated vision and description of its strategic intent
- the vision and strategic directions are shared and realistic
- specific priorities have been determined to support the vision and directions
- the directions and priorities reflect community needs and aspirations
- the priorities drive Council's service provision and encourage the effective use of its resources including strategic alliances and regional resource sharing
- Council regularly measures its progress and is able to deliver performance improvement
- there are "Whole of Council" approaches and systems promoting improved organisational performance

### *Vision and strategic direction*

In March 2004, shortly after its election, the new Council held a "Future Directions" workshop to determine its strategic direction.

Council's vision is set out in its 2006/2009 Management Plan. Narrabri Shire Council aims "to deliver services to, and represent the interests of the whole community and provide a quality living environment within available resources".

Council's Corporate Plan, also outlined in the management plan, further defines its strategic directions. Council has identified seven areas for its strategic direction.

These are governance and business support; development of the local economy; the environment; road networks; water services; community facilities; and cultural values/community well being.

Specific objectives, strategies, priorities and performance indicators are linked to each of these activities.

Annual community consultation sessions held in the various centres across the Shire helped Councillors determine priorities.

### *Planning and Reporting Framework*

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.

Council's progress against the management plan must be reported on in an annual report. Section 428 (1) of the Act requires councils to prepare a report by 30 November of each year as to its achievements with respect to the objectives and performance targets set out in its management plan for that year. Matters to be included are set in section 428 (2).



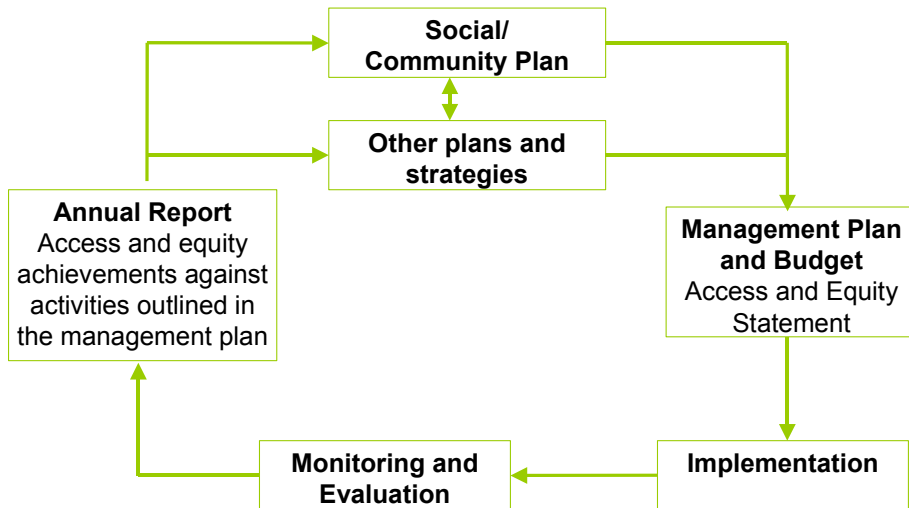


Diagram 1: Key elements of planning and reporting for local councils in NSW

A major corporate priority of the Department of Local Government for 2006 and beyond is to work with councils to better integrate their planning, service delivery and reporting. Key elements of planning, service delivery and reporting are outlined in Diagram 1.

Integrated planning is about ensuring that council planning requirements and processes are sufficiently interconnected to maximise the achievement of council's goals and desired outcomes. If plans are not integrated it is likely that their implementation will work against each other to fragment and confuse responsibilities and targets, and undermine the achievement of council's goals.

Integrated reporting is about ensuring that reporting is linked to the councils' plans, particularly in regard to the progress toward achieving those plans and then accurately informing the development of future plans.

Council's Management Plan 2006-2009 has been reformatted and therefore does not appear to align with its Annual Report 2004/2005. There appears to be little or

no integration between Council's Management Plan, Annual Report and other key documents such as the State of the Environment Report and the Social/Community Plan. For an analysis of these plans see sections 6.2 Planning and other regulatory functions and 6.4 Community and Consultation. **(Recommendation 1)**

*Working within the region*

Narrabri Shire Council is a member of the Namoi Regional Organisation of Councils (NamoiROC) along with Gunnedah, Gwydir, Liverpool Plains, Tamworth Regional and Walcha Councils.

Participation in this group is not reported on in Council's Annual Report (see section 428(2)(q) of the Act). Some information about the specific initiatives or significant achievements of this group and other groups should be set out in the management plan and be reported on in the annual report. **(Recommendation 2)**

There does not appear to be any formal monitoring or evaluation in relation to Council's participation in these groups or specific projects to assess the ongoing value of Council's involvement. **(Recommendation 3)**

## 6 DELIVERING AND ACHIEVING

This part of Council's assessment focussed on its capacity and systems to achieve and deliver its strategic intent and priority goals. Policies, procedures and practices have been examined across Council's key operational areas of:

- governance
- planning and other regulatory functions
- asset and financial management
- community and consultation
- workforce relations.

As well as monitoring compliance with legal and ethical obligations, the review team explored the roles, responsibilities and relationships between Councillors and staff members and examples of resource efficiencies.

### *Overview*

In general, there appears a cooperative, respectful and positive working relationship between the staff and Councillors of Narrabri Shire. The Mayor and General Manager both reported that they work well together.

The Councillor who responded to the review survey indicated that since being elected in 2004 the present Councillors have implemented many changes in management structure, measurement of performance and financial reporting. Council staff members are described as very helpful and polite.

### *Council's organisation restructure*

In accordance with the provisions of section 333 of the *Local Government Act 1993*, Council initiated an organisational restructure in February 2005.

This restructure was major and included the abolition of the position of Deputy General Manager/Director Environmental Services. The executive management team is now made up of the General Manager and two senior staff (the Director Corporate Services and the Director Engineering Services).

The functions of the Environmental Services Department were distributed to the Engineering, Corporate Services and General Manager's departments. A number of new positions were created at the middle level of the organisation.

One of the new areas that has been introduced as a result of the restructure is the Economic Development section. This section has been placed under the General Manager and encompasses economic development, community development, tourism and promotion. Its aims include broadening and strengthening the economic base of the Shire and creating new, diversified employment opportunities.

Council believes that the new organisational structure will be of great benefit to the Shire with increased focus on customer service and economic development.

The structural changes have resulted in new staff members. The review team spoke to many of the newly appointed managers and line managers. Each of them were enthusiastic about the council's new structure and most expressed the view that it would assist progress toward achieving Council's vision.

The review team noted evidence of the newly appointed managers responding to significant gaps across Council's function areas by initiating many new policies, procedures and practices. While the review team supports these initiatives, it is of concern that gaps of such magnitude existed prior to the restructure.

The elected body of Council has exercised strong leadership to equip Narrabri Shire Council with a new organisation structure and staffing compliment to ensure that it moves toward its vision in a positive way.

The onus is on the General Manager to ensure the efficient and effective operation of the council's organisation.

It is important that Council develop and implement mechanisms to review the extent to which the restructure is achieving its goals and organisational improvement; and make adjustments, if necessary. One key existing mechanism is the General Manager's performance reviews. **(Recommendation 4)**

## 6.1 Governance

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

### *Governance and business support as a strategic area*

The Council has elements of a sound governance framework in place. One of Council's seven strategic areas is governance and business support. Council, in its Management Plan 2006-2009, is "committed to governing the organisation and its operations with a high level of integrity, equality, fairness and in the most cost effective way possible".

Several corporate goals and activities are proposed to achieve this commitment over the 2006-2009 period.

### *Clear understanding of councillors and staff roles and responsibilities*

Councillors and council staff appear to have a clear understanding of their respective roles within council. In interviews, the mayor, general manager, senior staff and others indicated a clear understanding of the delineation between the role of the councillors and council officers.

### *Councillor expenses and facilities*

A policy on the payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors is a requirement under section 252 of the Local Government Act. Narrabri Shire Council's policy is modest in terms of the nature and scope of expenses and facilities offered. It generally complies with recent departmental advice contained in Circular to Councils 04-60.

### *Meetings*

Council's Code of Meeting Practice was adopted in 2004. While the review team did not undertake a comprehensive review of the document, it was noted that the Code relates to clauses in the Local Government (Meetings) Regulation 1999, which has

been repealed. Council's Code should be reviewed in terms of the relevant clauses in the Local Government (General) Regulation 2005 and the Meetings Practice Note No 16, reissued by the Department of Local Government's in November 2005.

**(Recommendation 5)**

Unfortunately, the review team's visit took place during a week that a council meeting was not scheduled. However, the Mayor and General Manager reported that council meetings are efficiently run and cover a large volume of business. Meetings are usually held on the third Tuesday of the month. They usually start at 9:30 am and run until approximately 4:00 pm. Extraordinary business is also covered during this time.

*Pecuniary interest returns*

The Local Government Act sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private interests that constitutes a pecuniary interest. The Act requires that councillors and designated staff complete and lodge disclosure of interests. It is important that councillors and staff observe these requirements as to not do so has the potential to seriously undermine the community's confidence in the integrity of local government and the decision-making processes.

We also examined pecuniary interest returns lodged by all councillors, as well as those of selected council staff. Generally the returns were completed correctly. Two returns were lodged marginally late and one return was incomplete in that not all sections were filled out. The department's recently issued Pecuniary Interest Guidelines should assist councillors and designated officers to fully comply with their obligations in the future.

### *Values and statement of business ethics*

Organisational values are part of a framework of organisational integrity. They are an important way in which the leaders of an organisation can communicate to the rest of the organisation and the community at large what the organisation stands for.

A statement of business ethics is a particular form of values statement directed to 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.

Council has a strong statement of values that is contained in its draft Management Plan for 2006-2009. It includes a range of values directed to the community.

To complement Council's statement of values, Council could adopt a statement of business ethics. A statement of business ethics should cover key issues around the values council stands by and what contractors need to be aware of in doing business with council. It should cover some key issues in terms of acting appropriately during tendering and procurement processes, and specifically cover the key issue of gifts and benefits. **(Recommendation 6)**

### *Risk management and internal control*

A risk management plan provides council with a framework to proactively identify and manage generic and specific risks so that ethical behaviour and practice can be promoted. Council does not have an overall plan to guide its risk management activities. It does not have a fraud policy, nor has it carried out a fraud risk assessment.



In addition, Council does not have a procurement policy that assesses risk. There is no systematic scrutiny of risk in terms of Council's operations, systems and performance. **(Recommendations 7, 8 and 9)**

A further gap in this area is the lack of a disposal policy guiding the disposal of its assets. The failure of council to adopt such a policy increases the risk it will fall victim to corrupt practices. **(Recommendations 10 and 11)**

### *Purchasing and Tendering*

Provisions relating to purchasing and tendering are set out in section 55 of the *Local Government Act 1993*. Also The Local Government (General) Regulation 2005 consolidates a number of local government regulations including the Local Government (Tendering) Regulation 1999.

Council adopted a Procurement Policy in December 2003 and amended it in July 2004. It is a comprehensive policy, which generally complies with the Act. However, it should be noted that the Policy still refers to calling public tenders in excess of \$100,000. The Act and Regulation have raised this threshold to \$150,000. Council should determine if it wishes to revise the limit in its policy. **(Recommendation 12)**

### *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 adopted a very basic *Complaints Policy* which is not available to members of the public on Council's website. The document is not dated nor does it record the date it was last reviewed.

Most of the key elements of successfully managing complaints are covered in the policy. However the policy may be improved by including the following:

- a three tiered review system
- performance targets for turnaround of complaints
- complaints dealt with separately to requests for service
- reporting outcomes to Council and
- staff training in regard to complaints handling.

The policy should be reviewed in line with a comprehensive complaint handling guideline such as the NSW Ombudsman's Complaint Handler's Toolkit. **(Recommendation 13)**

#### *Management Plan and Annual Report*

The review team examined Council's draft Management Plan 2006-2009 as well as its Annual Report for 2004/2005. Both are generally in compliance with statutory requirements.

As mentioned earlier, the latest draft Management Plan has been reformatted and appears well integrated with Council's strategic directions. While the plan sets out objectives, strategies and high-level performance indicators, it does not include more specific targets and timeframes. There are no milestones as to when particular targets may be reached over the three-year period. **(Recommendation 14)**

Council's Annual Report 2005/2006 will need to be aligned with the new management plan format. **(see Recommendation 1)**

## 6.2 Planning and Other Regulatory Functions

Councils must ensure that all planning and development in their local government area complies with the *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2000*.

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

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

- council's planning instruments and policies
- development assessment
- section 94 plans
- environmental management
- companion animals.

### *Local Environmental Plan*

Council's environmental management plans are directed towards the management development, protection, enhancement and conservation of the built, natural and social environments of the Shire. Local Environmental Plans are Council's principal way of doing this and are applied in conjunction with State and Federal legislated management plans.

Council currently has three LEPs that deal with specific areas. They each have separate zone and area requirements and produce a deal of confusion due to the disparity in those requirements.

A local environmental study that was prepared for the whole of the Shire formed the basis for the development of a new Local Environmental Plan (LEP). However, the new LEP, which was submitted to the former Department of Infrastructure, Planning and Natural Resources, was cancelled due to the instigation of its new planning reforms.

Council has advised that it will work with the Department of Planning to develop a suitable LEP.

#### *Development Control Plans*

The review team was advised that the Council has a number of Development Control Plans. These included plans on exempt and complying developments, subdivision and medium density. The review team was advised that the DCPs are old and outdated. However, Council is in the process of reviewing these DCPs and it is expected that an “all of shire” DCP will be issued in the future.

#### *State of the environment report (SoE)*

Narrabri’s SoE Report 2005 falls short of giving the reader a comprehensive impression of the local environment, but does provide a basic description of the state of each environmental segment that is required to be reported on. It is difficult to get a feel for progress in each sector as there is little comparison with previous reports.

The following comments are made following a detailed review of the report:

- Much information presented is not up to date. For example, water quality data is sourced from 2002 (3 years old). This may be because council relies on other agencies and bodies for relevant information and appears to have little or no capacity to generate its own data. For whatever reason, it does not do much for the relevance and topicality of the document.
- Gaps in information are not identified and commented on. No plans or activities are reported to rectify deficiencies.
- Council's own activities in regard to the environment receive scant attention. The activities that are presented come from a development perspective. For example, provision of tips and garbage disposal rather than waste minimisation incentives or initiatives other than "promoting recycling wherever possible".
- Narrabri acknowledges that town water is the second highest usage of groundwater resources under pressure but council appears to be doing little to encourage more conservation (average annual consumption per assessment is well over 500 kilolitres).
- There is no evidence of community involvement or consultation with this reporting process. Community participation in environmental management seems primarily to centre on voluntary activities mainly promoted by non-council groups. For example Clean Up Australia and Drummuster. While council has an important role in supporting these initiatives within its community there is not much evidence of Council going beyond this.

**(Recommendation 15)**

### *Enforcement*

Council does not have a policy to guide staff in relation to enforcement and prosecutions. Council should document its policy and procedures in relation to dealing with non-compliance issues and make these available to the community.

**(Recommendation 16)**

### *Companion animals*

The adoption of a local companion animal management plan assists Council in achieving a balanced relationship between companion animals, humans and the environment. Such a plan also provides Council with an opportunity to identify the future direction of these services and strategies to meet the challenges faced in the provision of these services. Council does not currently have such a plan or related community education programs. **(Recommendation 17)**

Council has not reported pound data to the department for some time. The *Companion Animals Act 1998* provides that the Director General may “*require a council to report to the Director-General on any matter relating to the activities of a council pound operated by the council or the council's agent*” (section 67A). Council should commence providing relevant pound data to the department on a periodical basis using the annual survey form. **(Recommendation 18)**

### 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
- operating results and trends.

Council achieved an operating surplus before and after capital items for the past two years. In 2004/05 it budgeted for a deficit after all activities in the amount of \$1.43 million, yet achieved a surplus of \$1.455 million. This was a slight reduction on the 2003/04 surplus of \$1.845 million (when it budgeted for a surplus of \$774K). In 2005/06, Council again budgeted for a surplus after all activities of \$174K.

In the past four years Council has improved on its results before capital items, from a deficit of \$6.973M in 2001/02 to a surplus of \$978K in 2004/05. Council's results after all activities shows a similar improvement as is evidenced in the following table.

#### *Budgeted vs. Actual Results*

	Before Capital		After Capital	
	Budget	Actual	Budget	Actual
<b>2004/05</b>	(\$1.759M)	\$978K	(\$1.431M)	\$1.455M
<b>2003/04</b>	(\$189K)	\$1.288M	\$774K	\$1.845M
<b>2002/03</b>	\$654K	(\$908K)	\$1.322M	(\$384K)
<b>2001/02</b>	\$2.420M	(\$6.973M)	\$3.152M	(\$6.285M)

Grants and contributions for operating and capital purposes have remained relatively stable over the 4 year period and have had no real impact on the results.

### *Liquidity and Cash Position*

Council's unrestricted current ratio (UCR) for 2004/05 was 6.16, a continuing improvement over the past 4 years. For the periods 2003/04, 2002/03 and 2001/02 it was 4.13, 2.15 and 1.84 respectively. 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 unrestricted cash over the past 4 years is considered adequate:

<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
\$866K	\$1.229M	\$258K	\$286K

*The Rates and Annual Charges Outstanding Percentage (RACO%) is:*

<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
7.94%	10.23%	10.03%	10.10%

2004/05 shows a decrease of 2% from previous years and brings Council's outstanding rates to an acceptable level. The RACO% assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. A benchmark for rural councils such as Narrabri is less than 10%.

Council's Debt Service Ratio (DSR) has remained stable at around 5% over the past two years, a reduction from 7.6% in 2002/03. 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. A DSR ratio from 10% to 15% is considered borderline and a DSR or more then 15% is considered to be of concern.

Total loans outstanding as at 30 June 2005 were \$7.874M. No new loans were raised in the 2004/05 financial period. Council applied for loans of \$1.880M in 2005/06 for buildings.

#### *Auditor's Comments*

Council's auditors, taking into consideration the nature and level of the internally restricted assets (reserves) set aside, are of the opinion that Council's Available Working Capital at 30 June 2005 was sound. Given this, and the other indicators, they are of the opinion that Council's overall financial position was sound at 30 June 2005.

#### *Special Variations*

Council applied for, and had approved, a special variation in 1995/96 of 3.9% (pegged rate 2.2%). Council has not applied for a special variation since that time.

#### *Business Activities*

Council has declared two business activities - Water Supply and Sewerage Service. Water Supply had a surplus result before and after capital amounts of \$931K and \$1.056M respectively, while Sewerage Service had a deficit before and after capital amounts of (\$474K) and (\$419K) respectively.

### *Timeliness of Submission of Financial Statements*

Council has submitted the financial statements on time for at least the last 4 years.

### *Asset Management*

Although council is using technology to map and manage its assets, it has not commenced work on a long-term strategy. It also does not have a comprehensive asset management plan. Furthermore, council has an incomplete register of assets. This has prevented Council from forward planning all of its long-term asset requirements. Council should prepare such a plan, including any potential rationalisation of assets. **(Recommendation 19)**

### *Plans of management for community land*

The *Local Government Act 1993* requires that councils classify public land under their control as either community land or operational land. Councils cannot sell community land, and cannot lease, license or grant any other estate over it for more than 21 years. Councils must manage community land in accordance with a plan of management adopted by the council.

Council does not currently have plans of management for all the community land under its control as required by the Act. Council should act promptly to develop plans of management for the land in question. **(Recommendation 20)**

### *Rates hardship policy*

Section 577 of the *Local Government Act 1993* allows a council to extend concessions to avoid hardship in relation to its rates and charges. Council does not have a Rates Hardship Policy in place. Council should consider adopting such a policy. **(Recommendation 21)**

## 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.

### *Community Newsletter*

Narrabri Shire Council produces a quarterly newsletter, which provides information about various initiatives. The newsletter also provides a vehicle to consult with the community.

### *Economic Development*

One of the new areas introduced as a result of Council's restructure in March 2005 is the Economic and Community Development Section. This section has been placed under the General Manager and encompasses economic development, community development, tourism and promotion.

A key focus of this section is to develop the local economy through growth, support and the development of its tourism and promotional activities. Key initiatives proposed for 2006 to 2009 include production of brochures and marketing materials, development of a regional wine growers and producers association, and ensuring a flood free industrial area within Narrabri.

### *Tourism*

Council aims to develop Shire Tourism facilities and to promote the Shire as an attractive tourist destination. Council employs a Tourism Development Manager to undertake a range of activities to achieve this aim. A key priority is to finalise a Tourism Development Plan.

A marketing strategy for the Narrabri local government area is underway and has resulted in the development of a tourism brand and logo. Council has also launched a new tourism brochure for the Narrabri Shire.

The Narrabri Visitors Information Centres had 31,234 visitors during 2004/2005. Brochures are updated every two years by staff at the Tourist Information Centre. Proposed initiatives for 2006/07 include investigating the feasibility of a tourist drive plan.

### *Social Plan*

The Local Government (General) Regulation 2005 requires all councils in NSW to develop a social/community plan to meet the needs of residents in their area. The plan must be prepared in accordance with guidelines issued by the Department.

The Narrabri Social Plan 2005 was first prepared in April 2000 and was reviewed in 2001/02, 2004 and again in 2005. Council's most recent version of its Plan was submitted to the Department on time. However, it does not state the period that the plan covers. In other words it does not have an end date.

The Social Plan was updated using a consultative approach, which included hosting a series of meetings, one-to-one interviews and phone contact with a range of local service providers and community organisations.

While the plan is well presented and readable, it does not meet some of the minimum requirements set out in the Department's *Social and Community Planning Guidelines 2002*. This may be explained by the reference to the Department's 1998 guidelines in the plan's executive summary.

The plan also lists "actions required by Narrabri Shire Council from the 2004 Social Plan" and records "actions taken". However, it does not include the most important element of recommending future actions for council and stakeholders to consider.

**(Recommendation 22)**

Council's *Annual Report 04-05* states that the Social Plan is available on Council's website for public viewing. The review team were unable to locate the plan on the website. **(Recommendation 23)**

Council's recent creation of a new section of Economic and Community Development is viewed as a positive step. However, it was not clear from Council's Management Plan 2006-2009 and the review team's meeting with the Economic Development Manager, how community development and social planning functions are to be integrated into this section of council.

It is critical that the Manager, Economic and Community Development be familiar with the Department's Social and Community Planning Guidelines 2002 and take responsibility for implementing and reporting upon the Social Plan. Clear linkages between the social, economic development and tourism functions, and Council's management plan are also viewed as important. **(Recommendation 24)**

### *Reporting Access and Equity Activities*

The Social and Community Planning Guidelines (section C2) and Manual (section C1) issued by the Department sets out what an Access and Equity Activity Statement must include. Included in the management plan and linked to the budget, it is a simple statement and/or list that outline what actions from its Community and Social plan, as well as any other activities, it will carry out to improve access and equity to services and facilities for its residents during the next year. Progress should then be reported in the next annual report.

Council's Draft Management Plan 2006–2009 does not include an Access and Equity statement. Council's *Annual Report 04-05* includes only a brief generic statement on access and equity issues and a general update on its Social Plan. **(Recommendation 25)**

### *Relationship with the Indigenous community*

While Council's Social Plan acknowledges that a very significant proportion (7.8%) of Narrabri's total population is of Aboriginal or Torres Strait Islander origin, one of the key gaps identified in the Plan and Council's Annual Report 2004/2005 is that meetings of the Aboriginal Liaison Committee (consisting of Council and Aboriginal Services representatives in the Shire) are no longer occurring. No actions have been identified or taken to respond to this deficit. **(Recommendation 26)**

### *The Crossing Theatre*

The Narrabri Crossing Theatre was completed in November 2002. The Centre is one of the largest of its kind in regional New South Wales.

The Centre contains:

- two cinemas – one with 259 seats and the other with 80 seats
- a large auditorium and gallery for productions and concerts that can seat up to 850 people
- an adjoining kitchen and floor space that can accommodate up to 400 guests for a sit-down meal
- the Riverside Room, which is suitable for smaller functions such as cocktail parties or as a foyer for functions in the auditorium
- the Band Room, which has storage space for instruments
- an area suitable for outdoor functions and Marquee events
- the Exhibition Room, which can also be used for smaller functions, exhibitions and seminars.

Entertainment Services Project Management Pty Ltd is contracted by Narrabri Shire Council to manage the Crossing Theatre incorporating the management of the cinemas and the provision of live entertainment on behalf of Council.

It is not appropriate to disclose the details of commercial arrangements that council has with the management company of council's Crossing Theatre. However, it is appropriate for the review team to make comment about concerns regarding the accountability of funds received and spent by the management company for operating the theatre. There appears to be poor accountability measures in place for the receipt and payment of monies associated with management of the theatre. Council staff identified the lack of accountability measures as a risk. Proper accounting controls should be instigated for monies received and spent by the management company. **(Recommendation 27)**

Council is in the process of obtaining a particular liquor licence ('Governor's Licence') for the theatre. The future role of the Centre Manager as the main licensee under Council's licensing application is a significant variation to the current agreement and it would not be fair or appropriate to either party to try to negotiate an agreement when the final conditions placed on the licensee are not known.

Council has therefore, as an interim measure, extended the current management agreement with Entertainment Services Project Management Pty Ltd until two months after Council's Licence application is determined. Council should keep in mind the tendering requirements of the *Local Government Act 1993* and the Local Government (General) Regulation 2005 before negotiating and entering into any new contractual agreements. **(Recommendation 28)**



## 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:

- organisational structure
- recruitment and selection processes
- job specifications and employee remuneration
- occupational health and safety
- employment contracts
- equal employment opportunity
- staff development
- workforce planning
- consultative committee processes.

### *Overview of the organisation*

Council is a major employer within the Shire and employs approximately 120 staff (equivalent full time). Of the current employees, 16.5% are aged 55 years and over and 11.5% are aged 24 years and under. Women represent 39% of council's workforce. Approximately 1.6% of staff members are Aboriginal or Torres Strait Islander. Council does not currently employ any staff with a physical disability or of non-English speaking background.

### *New organisational structure*

As mentioned earlier, Council initiated a major restructure of its organisation In February 2005. A number of the new managers and other council officers interviewed felt positive about the changes made and believe that they will assist in achieving improved organisational development and customer service.

The main focus in the Human Resources area during the last 12 months has been staff recruitment to implement the new structure. Other Managers have focussed on filling gaps in policies and procedures.

### *Recruitment and selection*

Recruitment and selection can be a constant activity as councils replace employees who move into other positions within council (eg restructures) or leave to take up external opportunities or those who retire just to mention a few.

Given the council's relatively extensive restructure, the focus of the Human Resources area has been on recruitment. For example, the restructure created a total of 29 positions with approximately 17 positions filled at the time of this review.

Council has a Staff Recruitment Policy (not dated) and a Recruitment and Selection Procedures document adopted in August 2005. Both documents are well presented and comprehensive.

The review team inspected several recruitment and personnel files. These files documented all steps of the Recruitment and Selection Procedures. For example, the file included copies of the job advertisement, job description, a record of who inquired and applied, culling sheets linked to the selection criteria, a record of interviews and reasons for recommending the successful applicant.

#### *Job specifications and employee remuneration*

The Local Government (State) Award 2004 requires that each council has 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”.

Personnel files reviewed reflect clear position descriptions and provisions of a documented salary system.

#### *Occupational health and safety (OH&S)*

Council adopted an OH&S policy in 2002 and amended it in April 2003. Council has also adopted a Rehabilitation Policy.

The Occupational Health and Safety Committee meets regularly to consider health and safety issues and make recommendations to Council on matters pertaining to the overall improvement of health and safety across the organisation. Regular systematic risk assessments are carried out.

A review of Council’s current structure of OH&S Management Systems is planned for 2006/2007.

### *Staff training and development*

A review of Council's training plan is currently in progress. It is intended that individual training plans that comply with statutory requirements consisting of professional development linked to competencies will be developed for all staff.

### *Staff Induction*

Induction of new employees is an important part of their orientation to the organisation. Receiving accurate information about their workplace such as the context, policies and procedures they will work within is critical.

Narrabri Shire Council has a structured induction program for new employees.

### *Performance management*

The Local Government Award requires that all employees shall have on-going feedback about performance. The Award states that the *"performance development process can be simplified to three stages:*

- (1) joint development on objectives and performance standards;*
- (2) progress reviews; and*
- (3) a formal performance review, which is followed by decisions and outcomes".*

Council has piloted a performance management system for part of the organisation. The system is currently under review and it is envisaged that this system will be implemented across the organisation during 2006/2007.

### *Equal employment opportunity (EEO)*

Council has adopted an Equal Employment Opportunity Management Plan 2005-2006. The implementation of all seven strategies of the EEO plan by December 2007 is included as a priority in Council's 2006-2009 Management Plan. A review of the EEO Management Plan will take place in December with the aim of developing further strategies to enhance Council's EEO practices across the organisation.

### *Workers compensation*

Council has successfully completed an injury management database. A review of policies and procedures associated with injury management will be undertaken in 2006/2007.

### *Employee Survey*

Council carried out an Employee Survey in March 2006. Analysis of the survey will be used to enhance human resource policies and practices as appropriate.

### *Workforce planning*

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 planning
- an ageing workforce (16.5% of Narrabri Shire Council's workforce is aged 55 years or over)
- a change in workload for certain sections as council's and government priorities change
- increases in career opportunities outside the area.

All councils should develop a long-term workforce plan that looks at the staffing needs of each section of council and allocates staff according to workload and priorities. The long-term plan should respond to the key issues outlined above by strategies such as:

- the provision of a plan of succession for key positions
- increase opportunities for apprenticeships, cadetships and traineeships to address these concerns
- making more work experience opportunities available across a number of areas to students, participants in labour market programs and participants of rehabilitation programs.

While Council has created the positions of Trainee Health and Building Surveyor and Trainee Engineer, it does not currently have a formal long-term workforce plan. **(Recommendation 29)**

#### *Consultative Committee*

The Local Government State Award requires councils to establish, and properly maintain, a consultative committee, which meets regularly. As indicated previously council does have a consultative committee that appears to meet on a regular basis.

The Award also prescribes that the size and composition of the consultative committee shall be representative of council's workforce and agreed to by council and the local representatives from the unions.

The Award requires consultative committees to adopt a constitution which shall include, but not be limited to, the election of a chairperson and secretary, meeting frequency, support services, access to information and communication with constituents. The current constitution was adopted in June 2005.

The review team noted that Narrabri Shire Council's committee's constitution provides for a councillor to be a member of the committee. This is not appropriate given the delineation between the role of the elected council and the general manager in relation to staffing matters. **(Recommendation 30)**



## 7. COUNCIL'S RESPONSE

Council's corporate response to the draft report is reproduced below.

**NARRABRI SHIRE COUNCIL**  
ABN 95 717 801 656

All correspondence should be addressed to:

The General Manager  
Narrabri Shire Council  
46-48 Maitland Street  
PO Box 261  
NARRABRI NSW 2390

**TELEPHONE NUMBERS**

**General Enquiries**  
(02) 6799 6866

**Administration Fax**  
(02) 6799 6888

**After Hours Emergency**  
0429 911 111

**General Manager's Dept**

General Manager  
(02) 6799 6833

Economic Development  
(02) 6799 6887

Tourist Information Centre  
Freecall: 1800 659 931

**Corporate Services**

General Enquiries  
(02) 6799 6832

Water Billing  
(02) 6799 6844

Sundry Debtor Enquiries  
(02) 6799 6846

Rates (02) 6799 6845

Health, Building, Town  
Planning and Animal Control  
(02) 6799 6855

**Engineering Services**

Roads, Water and Sewer,  
Salesyards, Parks & Gardens,  
Garbage (02) 6799 6877

Swimming Pools  
Boggabri (02) 6743 4379  
Narrabri (02) 6799 6730  
Wee Waa (02) 6795 4384

**Libraries**

Boggabri (02) 6743 4281  
Narrabri (02) 6799 6790  
Wee Waa (02) 6795 3064

**The Crossing Theatre**


General Information and  
Bookings (02) 6792 4654

Movie Information  
(02) 6792 2488

Fax (02) 6792 5637

**Email**  
council@narrabri.nsw.gov.au

**Website**  
www.narrabri.nsw.gov.au



Our Reference: IRM:KAB; G10/20024  
Your Reference:  
Contact Name: Mr Ian McCallum  
Telephone: (02) 6799 6833

27 September 2006

RECEIVED

29 SEP 2006

LOCAL GOVERNMENT

Mr G Payne  
Director-General  
Department of Local Government  
Locked Bag 3016  
**NOWRA NSW 2541**

Dear Mr Payne,

I refer to your letter dated 16 August 2005, received at Council on 24 August 2006, in relation to the Promoting Better Practice Review conducted of Narrabri Shire Council during May 2006.

As requested, Councillors were supplied with a copy of the draft report on 30 August 2006, and again at the Ordinary meeting of Council held on Tuesday, 19 September 2006. Councillors were advised of the request to keep the report strictly confidential.

At the meeting, Council resolved to advise you of its satisfaction with the review and its outcome and that it will be responding by way of an action plan to address the Review Recommendations upon public release of the Report. As well, Council resolved that I provide a response to any of the 30 recommendations that have been, or are being, acted upon. Accordingly, the specific recommendations are as follows:

1. *In order to maximise Council's capacity to monitor, report on and achieve its goals, Council should review the content and format of its Annual Report 2005/2006 to align with its recently reformatted Management Plan to ensure that the Management Plan and Annual Report are integrated with each other and other Council plans.*

Council's 2005/2006 Annual Report is being prepared along the lines suggested.

2. *More detail about key regional alliances and initiatives being undertaken by Council in partnership with other councils/partners should be set out in the management plan and be reported on in the annual report.*

The 2005/2006 Annual Report will reflect the suggested information.

5. *The Council's Code of Meeting Practice should be reviewed in terms of the relevant clauses in the Local Government (General) Regulation 2005 and the Meetings Practice Note No 16 reissued by the Department of Local Government in November 2005.*

Council's Code of Meeting Practice is currently being reviewed and amended accordingly.



12. *Council should review its procurement policy in light of recent legislative changes.*

The Policy is in the process of review for adoption at Council's November Meeting.

17. *Council should develop and implement a companion animal management plan, which includes related community education programs.*

Council adopted a Domestic Animals Policy incorporating provisions for Companion Animals at its September Meeting.

21. *Council should investigate the development of a rating hardship policy.*

Council adopted a Financial Hardship Policy at its July Meeting.

23. *As advertised in Council's 2004-2005 Annual Report, Council's Social Plan should be available on its website for public viewing.*

Council's Social Plan is now included on Council's website.

30. *In accordance with Council's resolution in December 2005, Council's consultative committee constitution should be updated by removing the councillor position from the committee's membership structure.*

The Constitution of the Consultative Committee has been amended to reflect the change in membership structure.

Council is pleased to have been part of the Review process and views the recommendations as an initiative to further enhance the operation of Council. Council is also pleased that the Report recognises the positive steps Council has taken in recent times to become a well managed and effective organisation.

I would like to extend thanks to the Review Team consisting of Senior Investigation Officers, John Canadi and Caroline Egberts, for their professionalism and considerate approach whilst at Council.

Yours faithfully,



Ian McCallum  
**GENERAL MANAGER**

## 8. SUMMARY

### COUNCIL'S PRIORITIES AND FOCUS

- Council's vision and strategic directions are set out in its draft Management Plan 2006-2009.
- Annual community consultation sessions are held across the Shire to help Councillors determine priorities.
- Council undertakes the key elements of planning and reporting required by the *Local Government Act 1993* but these activities could be better integrated.
- Narrabri Shire Council is a member of the Namoi Regional Organisation of Councils (NamoiROC). Council's involvement in this and other joint ventures should be reported on in its annual report.

### GOVERNANCE

- There appears a cooperative, respectful and positive working relationship between the staff and Councillors of Narrabri Shire.
  - Council has undertaken a major organisational structure with increased focus on customer service and economic development.
  - Narrabri Shire Council has elements of a sound governance framework in place.
  - One of Council's seven strategic areas and several of its corporate goals aim to improve governance and business support.
  - Councillors and staff appear to have a clear understanding of their roles and responsibilities.
  - Council's Code of Meeting Practice was adopted in 2004. The Code requires review to ensure it meets current legislative requirements.
  - The new format for Council's draft Management Plan 2006-2009 could be enhanced by including specific targets and timeframes
-

- Council's Complaints Policy is very basic and could be improved in several areas.

### **PLANNING AND REGULATORY**

- A local environmental study was prepared for the whole of the Shire and will form the basis of a new Local Environmental Plan.
- Narrabri's State of the Environment Report 2005 could be improved in a number of areas.
- Council does not have a policy to guide staff in relation to enforcement and prosecutions.
- Council does not have a local companion animals plan and needs to commence annual reporting of pound data to the department.

### **ASSET AND FINANCIAL MANAGEMENT**

- Council's overall financial position is sound.
- Council has declared two business activities - Water Supply and Sewerage Service.
- It also does not have a comprehensive asset management plan.
- Council does not currently have plans of management for all the community land under its control.
- The development of a Rates Hardship Policy also needs to be considered.

## COMMUNITY AND CONSULTATION

- Council has formed an Economic Development section to develop the local economy.
- A key priority is to finalise a Tourism Development Plan.
- The Narrabri Social Plan 2005 does not meet some of the minimum requirements set out in the Department's *Social and Community Planning Guidelines 2002*.
- Council's relationship with Aboriginal service providers should be reviewed.
- The Narrabri Crossing Theatre is an innovative cultural initiative of regional significance. However, Council is encouraged to continue to resolve issues related to its management by an external contractor.

## WORKPLACE RELATIONS

- Council has a range of human resource policies including well presented and comprehensive recruitment and selection policies and procedures.
- Council has clear job descriptions and provision of a documented salary system.
- Council has a sound occupational health and safety (OH&S) system.
- A review of Council's annual training and development program is in progress.
- An Employee Survey was carried out in March 2006.
- While Council has created the positions of Trainee Health and Building Surveyor and Trainee Engineer, it does not currently have a formal long-term workforce plan.