Local Government Reform Program - Promoting Better Practice

REVIEW REPORT

TUMBARUMBA SHIRE COUNCIL

DECEMBER 2005

Challenges Improvement Innovation Good Governance

dlg   **Department of Local Government**

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1. ABOUT THE REVIEW

Review objectives

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

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

Review process

The review process was developed after extensive research into council performance measurements in Australia and overseas. The review process is based upon a range of models including:

- the UK Audit Commission council inspection model
- the ICAC corruption resistance reviews
- LGMA/ICAC governance health check
- LGMA financial health check
- previous programs conducted by the Department of Local Government

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 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.

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.

Council Review

Tumbarumba 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.

Bronwynn Nosworthy, a Senior Risk Management Consultant acting for the Department of Local Government, conducted an on-site review of council from 27 June to 30 June 2005.

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

- how has council determined its ambitions and priorities?

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

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

The on-site review consisted of conducting interviews with the General Manager and senior management, and meeting with the Mayor and the review of a number of council's policies and other documents.

Council's General Manager was invited to comment on a confidential draft version of this report issued by letter on 5 October 2005. The General Manager responded by letter dated 8 December 2005 (a copy of which is included in this report). The General Manager's comments have been considered in preparing this final report.

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2. EXECUTIVE SUMMARY

The present General Manager, Brian Pearson joined the council in May 2005, and has many years of experience in the NSW local government. Previous to this time, Tumbarumba Shire Council had a long history of a high turnover of general managers. This ultimately led to instability and disruption being felt within the organisation, the results of which are still having an impact.

The council needs to prioritise an equitable training program for all staff, committees and councillors. In the past, the council approach to training has been on an ad hoc basis.

A risk management plan provides council with a framework to proactively identify and manage generic and specific risks. Fraud is a specific risk facing all councils across their operations. Council does not have an overall plan to guide its risk management activities. It does not have a procurement policy that formally assesses risk. It does not have an internal audit program. There is no systematic scrutiny of council's operations systems and performance. There are security issues and lack of risk management in regard to records management. Council needs to implement such systems as a matter of urgency.

The council currently operates on minimum levels of legislative and statutory compliance throughout the organisation. This issue needs prompt attention.

The council has lacked development and formalisation of policies and procedures, and there has been little strategic planning throughout the organisation. Policies and procedures that are in place have not be reviewed and updated with legislative amendments for considerable amounts of time. In the results of this review, it can be seen that council and its leadership are now proactive in addressing these issues.

There are also concerns with management reporting, records management and IT issues.

Council makes some use of performance reviews in most areas. This is not widespread across the organisation. Council needs to effectively use performance reviews and comparisons with established standards to ensure a best value approach to services is developed.

There has been significant improvement over recent years in the human resource area, with formal documentation of policies and procedures and preparation for the implementation of the new skill and performance based salary system. This has been assisted by resource sharing in relation to a Human Resources Officer with Tumut Shire Council.

Overall, Tumbarumba has a strong community service focus. The council understands its community and has comprehensive community services and activities to meet community needs. The council is performing well in environmental and water issues as well as in tourism development for the area.

The council is an organisation where people like to work. The council faces a future challenge with an ageing workforce. Council needs to develop a workforce plan to identify changes that may occur in workload in particular divisions. Council also needs to develop strategies to address the problems associated with attracting and retaining senior management.

In summary, the council has strong and determined leadership, which will help move it into a stronger position to strategically address the future needs of Tumbarumba Shire Council area. This report contains a significant number of recommendations to allow council to address and improve its operations and performance. It is acknowledged that, given council's size and the challenges in attracting and retaining staff, it will take some time before council fully implements all of these recommendations.

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3.   RECOMMENDATIONS

It is recommended that council:

1.   Continue its work to develop, update and finalise its strategies, policies and long term financial plans as well as the implementation of an asset management plan.

2.   Ensure that management plans, social and community plans, strategic plans and annual report are all closely linked.

Governance

3.   Review and update the Privacy Code of Practice.

4.   Review compliance of the privacy management plan and update as appropriate.

5.   Develop a records management policy and a disaster recovery plan.

6.   Conduct more community research, hold public meetings and internal workshops prior to the adoption of the management plan.

7.   Continue to prepare quarterly reports for the General Manager and council on all complaints received and outcome of complaints received.

8.   Develop a Statement of Business Ethics, which is separate from the Code of Conduct.

9.   Provide all section 355 committee members with a copy of constitution or charter and ensure that all section 355 committee members participate in regular training.

10. Formalise and maintain section 355 committee operating procedures.

11. Ensure that all deliberations from section 355 committee meetings are appropriately recorded.

12. Develop a structured induction program for all section 355 committee members.

13. Update council's policy and procedures to govern and direct interaction between staff members and councillors.

14. Amend the Councillor's Expenses and Facilities Policy to address the issue of councillor legal expenses, and ensure that compliance with the policy is audited periodically.

15. Develop and formalise an overall risk management plan.

16. Develop and formalise a procurement policy that formally assess associated risks.

17. Develop an internal audit program and establish an audit committee.

18. Develop and formalise monitoring and auditing procedures for procurement and disposal policies and procedures and contract performance.

19. Review and update the Protected Disclosures internal reporting policy.

20. Ensure that councillors, staff and delegates receive on going training in council's Protected Disclosure internal reporting policy.

21. Develop and formalise procurement and disposal of goods and services policies and procedures.

22. Ensure that all delegations have been appropriately reviewed, updated and are applied correctly.

23. Develop a gifts and benefits policy and maintain a gift register.

Regulatory Functions

24. Ensure that council alerts applicants to the availability of the right of review, under section 82A of the EPA Act and section 100 of the Local Government Act.

25. Ensure that the checklist being developed for DAs includes residential DAs.

26. Develops a notification DCP to formalise and regularise its practice of notifying affected persons of development applications and section 96 applications.

27. Ensure council provides a review process, as required under section 82A of the EPA Act and section 100 of the Local Government Act.

28. Obtains and uses current DA forms.

29. Prepares and adopts a generic section 94 contributions policy for development in the council area, and establishes a section 94 contributions register in line with the section 94 policy.

30. Promptly updates the State of the Environment Report.

31. Ensure that the updated State of the Environment Report includes management plans, special council projects and environmental impacts of council's activities.

32. Prepares annual supplementary SOE reports.

33. Develops and formalises a drought management plan and integrated water cycle management strategy.

34. Conducts an evaluation of its planning function.

35. Reviews and updates plans of management council owned land.

36. Develops and then regularly reviews and updates plans of management for all community land.

37. Updates the current LEP and integrates this plan with the management plan.

38. Develops a formal risk based program for monitoring compliance with environmental requirements in the council area.

39. Develops a separate system for the reporting and investigating of non-compliance and unauthorised developments.

40. Develops a compliance program for private swimming pools as well as a program for the promotion of the Swimming Pools Act 1992.

41. Develops a Companion Animals Management Plan and related strategies, as required by the Local Government Act.

42. Ensures that procedures are established to enable the use of CAR, and that all deemed dangerous dogs and reported dog attacks are reported to the department.

43. Ensures that water safety strategies are updated in accordance with the department's Practice Note No.15: Water Safety.

Asset and Financial Management

44. Develops formal business plans for each entrepreneurial business enterprise.

45. Discloses full and complete council budgets in the management plan and annual report.

46. Ensures that the annual report fully complies with legislative and statutory requirements fully disclosing all financial statements, notes to the financial statements and the accompanying audit report.

47. Identifies and develops strategies to enable access to sustainable sources of funds.

48. Develops a 5-10 year long term financial plan.

49. Uses the financial health check developed by LGMA.

50. Develops and formalises a comprehensive asset management plan.

51. Ensures that all assets are itemised and that there is a graphical record of all land owned or under the control of council.

52. Develops a rates hardship policy.

53. Ensures that the financial direction of the council is linked and aligned to its strategic objectives and plans.

Community and Consultation

54. Formalises a tourism plan for the Shire area.

55. Establishes a formal agreement of MOU with the local Aboriginal community or local Aboriginal Land Council.

56. Conducts a regular community survey, and acts on the results in a planned and co-ordinated way.

57. Develops and formalises a recreational plan.

58. Develops a Local Ethnic Affairs Priority Statement.

Workplace relations

59. Reviews the EEO Management Plan and related strategies to ensure they reflect current legislation.

60. Develops a formal induction manual to support induction of new staff.

61. Develops a human resource strategy, which addresses issues such as shortages of specialised skills, an ageing workforce and succession planning.

62. That security protocols are developed to be used to support confidential information in human resource files.

63. Develop and introduce a performance component is into the new salary system.

64. Develop an overtime policy and that all staff have access to, and are aware of the policy.

65. Promptly conduct an employee attitude survey, and continue to conduct, evaluate and act on the results of such surveys on a periodic basis.

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4.   CONTEXT

Tumbarumba Shire is located on the south western slopes of the Snowy Mountains, 504km south west of Sydney.

Rich grazing land, horticultural activities, native bushland and views of the Snowy Mountains surround the Tumbarumba Shire, which includes the towns of Khancoban and Tumbarumba and the villages of Rosewood, Jingellic, Tooma, and Laurel Hill.

Tumbarumba Shire has a rich heritage including gold, timber, agriculture, and the Snowy Mountains Scheme. The area is becoming increasingly known for its 'cool climate' wines.

The Shire has a strong community sentiment, everyday facilities and services and thriving industries.

The council has eight (8) councillors. Due to recent changes to the Local Government Act, elections were held in March 2004, with the next elections scheduled for September 2008. The positions of Mayor and Deputy Mayor are filled annually by the conduct of an election by councillors in September.

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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

The council has an overall strategic plan, "Sustaining the Magic", which provides the framework for land use, employment, population and economic development strategies.

The General Manager and councillors are proactive in their approach to addressing issues that have been inherited from the past.

There are clear examples of the different divisions of council working together on issues. Council has developed processes to enable this to work.

The council has and continually works towards increasing the promotion of tourism in the area. A tourism grant recently awarded to the council will assist in this goal. An example of this is the Snowy Valleys Way. This is an new cross border road touring project involving the Shires of Gundagai, Tumut, Tumbarumba, Towong and Indigo. The project is to create an exciting and unique tourist route from Gundagai in the north to Beechworth in the south.

There is evidence that the council is able to respond to problems and help reach solutions in the community. An example of this is the organisation of a forum to address community violence. The council promptly organised an anti-violence summit. At the May meeting, council resolved to convene an anti-violence summit following growing frequency in incidents.

The summit is to involve the local Police, licensing authorities and other organisations, with a view to establishing appropriate protocols for all parties

involved. Council has called for submissions from interested persons and/or organisations that may like to detail their thoughts, issues, and concerns in relation to the matter. This summit is aimed at ensuring that Tumbarumba continues to remain a safe place, free from violence and unsociable behaviour.

Tumbarumba received the Silver Public Health award for the second year. This was for council's work on food safety, on-site sewage management, water monitoring, swimming pools, sharps disposal, skin penetration and the monitoring of undertakers. Council was the only one of three councils in the Greater Murray area to receive an award.

The council hosts the Riverina Highlands Region Weeds Working Group. Council's manager of Environmental Services is the Chair and Natural Resources officer has acted as secretary. This group has facilitated a new Regional Management Plan for blackberry, instigated a working relationship with the CSIRO and facilitated funding to support a research program into the biological control of blackberry.

There is clear evidence that council has a culture where divisions within the organisation work well together to achieve overall objectives. Examples of this include close working relationships between all divisions on planning processes and community areas. Other examples include the establishment of interdivisional committees dealing with specific issues such as plans of management.

Council also has examples where it works collaboratively with its neighbouring councils and other organisations. For example, council continues to participate in the South West Region Waste Management Group to utilise new regional landfill at Jugiong and has completed the acquisition of site for the new transfer station and recycling centre. The council also has a resource sharing arrangement with Tumut Council, and Tumut Council has also offered some of its policies and procedures, plans and strategies for use by Tumbarumba. Council has entered memoranda of understanding with Greater Hume Shire Council, Towong Shire Council (Victoria) and is negotiating an MOU with Tumut Shire Council.

Additionally, council is a strong supporter and participant in the Riverina Eastern Regional Organisation of Council (REROC). The REROC Forum has been a success

in obtaining grants for sustainability program and regional organics management plan. Council in partnership with REROC has also organised drumMUSTER collections.

CHALLENGES TO IMPROVE

Council needs to continue its work to develop, update and finalise its strategies, policies and long term financial plans as well as the implementation of an asset management plan. Council may find the department's strategic management assessment document and the department's Management Planning Guidelines useful in this process *(Recommendation 1)*

Council needs to ensure that its overall strategic plan, its management plan, social and community plans and annual report are all closely linked and effectively integrated. *(Recommendation 2)*

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6. DELIVERING AND ACHIEVING

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

6.1 Governance

"Corporate governance refers to all the means by which entities are directed and controlled." (Standards Australia, HB401-2004:12) Corporate governance is important because it enhances organisational performance; manages and minimises risks; increases the confidence of the community and the 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.

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

Code of Conduct

The council's code of conduct adopted under the Local Government Act is important because it assists councillors and council staff to understand the standards of conduct that are expected of them.

The council's current code of conduct was adopted in September 2004. This code is observed by councillors, staff members, and delegates of the council. The code of conduct is listed on every council paper as well as in the annual report, management plan and on the council's website. A copy of the code of conduct is also provided to all councillors and new staff on commencement. It is included in the council's employment handbook and disciplinary guidelines.

There have been limited amounts of training provided to staff members and councillors. Two councillors and the director of corporate and community services attended a recent training course on disciplinary procedures, and the General Manager is proposing to have increased training opportunities for both staff and councillors, and incorporate with the disciplinary amendments in the code of conduct. The department's project with Local Government Learning Solutions to develop an education resource and facilitators' guide should assist council in this regard. These resources will be made available to all councils shortly.

Pecuniary interest

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 pecuniary interest returns. It is important that councillors and staff observe these requirements, as to not do so has the potential to seriously undermine the community's confidence in the integrity of local government and decision-making processes. The council appropriately maintains a register of disclosure of interest returns by councillors and designated persons, as required by section 449 of the Act.

Privacy Code of Practice and Management Plan

The council has an appointed privacy contact officer, and all staff and councillors have received training in the requirements of the privacy legislation. The council has a privacy code of practice, which was adopted in June 2000. This code needs to be reviewed and updated. *(Recommendation 3)*

Council has an adopted privacy management plan but this plan has not been reviewed for 5-6 years. Also council has not conducted a review of its compliance with privacy legislation within the last two years. *(Recommendation 4)*

Records Management

Council is required to make and keep full and accurate records of all its activities in accordance with section 12 of the State Records Act 1998. Council must establish and maintain a records management program that conforms with best practice standards and codes. Council uses TRIM computerised records management system, to ensure compliance with section 12(1) of the State Records Act. Council has no records management policy nor a current records disaster recovery plan. *(Recommendation 5)*

Organisational Structure

Pursuant to section 333 of the Local Government Act, council must re-determine its organisational structure within 12 months of an ordinary election. The council undertook a review of its current organisational structure in March 2004.

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 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 adopted its current management plan on 23 June 2005. Prior its adoption, the council conducted internal briefings, with senior management and elected councillors, published the draft plan on the web page, and was displayed at the Post Office and corner shop to allow the public an opportunity for comment before the plan was adopted. Prior to adopting a management plan, council should also consider conducting more research and engaging in strategies to ascertain community views. Council has already held some internal workshops with councillors and staff on the upcoming management plan, and is encouraged to continue to use these internal workshops to assist in the development of the plan. *(Recommendation 6)*

Council presently conducts quarterly management reviews, which are reported to council. The General Manager would like to bring in monthly management reports resulting from the monitoring of the implementation of the management plan.

The council holds MANEX meetings on a fortnightly basis or more frequently if required. These meetings are formally structured and comprise of all senior management staff.

Council Meetings

Ordinary council meetings are held every month. In the last twelve months there has been one extraordinary meeting, and there have been twelve closed council and committee meetings.

Public and community group attendance at council meetings is encouraged, so as to provide a forum for discussion on issues of special concern.

Register of Policies

The council maintains a current register of all policies. This register is readily accessible by all staff. The council also has just implemented procedures that assist in communicating new and amended policies to all responsible staff.

Managerial Performance Review

A performance review of the General Manager is conducted on an annual basis. The review is conducted by a staff review committee, comprising of the Mayor and nominated councillors. The committee group appears to be balanced, documents evaluations, and makes independent evaluation of the performance of the General Manager. The performance targets used in the review process are reflected in the council's management plan and strategic plan.

Legal Services

The council has recently appointed a law firm from Albury, for a period of three years, to provide legal services as required. Reporting on the progress of legal matters to council occurs as necessary.

Complaints Handling Policy

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 services.

The council has just begun to collect status reports and monitor complaints received. Currently, reports are not prepared on the number of complaints received, the progress of handling, and outcome of complaints. On average the council receives about 40 complaints per year. *(Recommendation 7)*

The council has a policy that defines a *complaint*, and establishes performance targets for turnaround times. The policy also addresses proper recording of complaints and outcomes, and complaints are dealt with separately from requests for service.

Training is also provided to staff on complaints handling. All complaints received by council, are reported to the council and the public has access to this information. The Complaints Handling Plan has just been reviewed and was to be adopted in July 2005.

Code of Meeting Practice

Council does not have a Code of Meeting Practice to further guide the conduct of council meetings. The General Manager is addressing this issue.

Statement of Business Ethics

Council has business relationships with the private sector but does not have a statement of business ethics to guide this relationship. This is important because strong working relationships with the private sector are an essential part of building an efficient and cost-effective public sector.

Business ethics are included in the council's code of conduct. A statement of business ethics can be an excellent tool for raising private sector awareness of public sector values. *(Recommendation 8)*

Section 355 Committees

The council has section 355(b) committees that are involved in management, advisory and council activities. Council provides a code of conduct along with a procedural manual for committee members. Council committees are provided with section 355 guidelines but are not provided with a copy of the constitution or charter.

The section 355 committees are not provided with regular training. *(Recommendation 9)*

The section 355 committee operational procedures need to be documented and formalised. There is no structured induction program for elected members. *(Recommendations 10, 11 and 12)*

Interactions between Councillors and Staff

Presently, the council does not have an up to date policy or any procedures that govern and direct the interaction between council staff members and councillors. Council should update the policy and procedures. *(Recommendation 13)*

Councillor Expenses and Facilities Policy

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. The council does have a policy concerning the payment of expenses and provision of facilities to elected members under section 252, and has a policy that regulates the use of communication devices including the internet and email.

Access to this policy is available to councillors and members of public via intranet and internet, and satisfies section 12 access requirements. This policy did not address computer/telephone/fax facilities at home at the time of the review, but this has now been addressed. It should also address legal expenses, and compliance with the policy should be the subject of periodical audit. *(Recommendation 14)*

Risk Management and Internal Control

A risk management plan provides council with a framework to proactively identify and manage generic and specific risks. Fraud is a specific risk facing all councils across their operations. Council does not have an overall plan to guide its risk management activities. It does not have procurement and disposal policy that formally assesses risk. It does not have an internal audit program or an audit committee. There is no systematic scrutiny of council's operations systems and performance. Council needs to implement such systems as a matter of urgency.

The council does not have documented processes and procedures for monitoring and auditing of purchasing and tendering, contract performance and the disposal of assets. The council presently uses only standard guidelines but needs to document the specific monitoring processes and auditing procedures to be used by council staff. *(Recommendations 15, 16, 17 and 18)*

Protected Disclosures

Council uses the standard internal reporting policy to assist staff with disclosures, under the Protected Disclosures Act 1994. This policy was last reviewed in 1994. Protected disclosures information is not accessible on intranet or by other access means. Council mentions protected disclosures in the induction manual only. Nor does council have a system for the internal reporting of legislative non-compliance or prosecutions against council. Council should act promptly to develop such systems. *(Recommendation 19)*

The council does not on a regular basis inform councillors, staff and council delegates of the requirements and protections of the Protected Disclosures Act 1994. Training on protected disclosures has been provided, but not for some time. *(Recommendation 20)*

Procurement and Disposal of Goods and Services

The council has no formal documentation of policy and procedures for the procurement and disposal of goods and services. The council presently relies on State Government guidelines. Council follows appropriate policy for tendering and disposal, all decisions are reported to council. The council has procedures but these procedures are not formally documented. *(Recommendation 21)*

Councillor Induction and Training

New councillors require induction training to equip them with the skills required to properly carry out their duties and allow them to be effective members of council's elected body. To assist councillors in achieving these goals, councillor induction training should familiarise councillors with the activities and functions of their council and the legislative framework in which they operate.

The program should ensure that councillors are made aware of their general legal responsibilities as an elected member and their obligations of disclosure under the pecuniary interest provisions of the Local Government Act.

It appears the General Manager recognises that council needs to provide more councillor induction training for councillors. The General Manager is currently developing a training program based on the identified needs of councillors, and ensuring that there is equitable access to training opportunities for all councillors; and to ensure that all councillors undergo training at least once per year.

Delegations

The power of delegation is an important tool that assists council officers to carry out the functions of council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the Local Government Act and continually reviewed to ensure they remain current.

The council's record of delegations is out of date. Delegations have not been reviewed or updated in last two years. An update has just commenced. There has been no audit examination of the exercise of delegations on a regular basis. The council needs to address committee structure and delegations to ensure appropriateness to the size and complexity of council business.
(Recommendation 22)

Gifts and Benefits Policy

The council does not have a gifts and benefits policy, and does not maintain a Gifts Register. *(Recommendation 23)*

6.2 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*
- *environmental management*
- *graffiti removal*
- *enforcement practices*

Strategic Plan

The council has an overall strategic plan that it uses as a framework for planning land use. The relevant strategy document, is entitled 'Sustaining the Magic', and was adopted in July 2002.

Determination of Development Applications

Council indicates that 80% of its DAs are dealt with under delegated authority. Councillors 'call up' DAs as a rare occurrence rather than a rule. This would indicate that councillors are aware of the role of staff in the determination of DAs and the need for council to focus on major and significant DAs. Management and the elected council receive reports on major development applications. Only major development applications and the associated implications are reported to council, such as subdivisions of land, applications of significance and controversial applications.

The council provides a pre-lodgement advice service for DA applicants to assist with the provision of all relevant information. The council addresses issues at pre-lodgement meetings that assist in minimising the use of the formal appeal process

arising from its DA and approvals decisions. There has not been any appeals against determinations since before January 1999.

The council uses a manual tracking system to identify all DAs at any time during processing. The council does not have a program to improve DA processing times, but does attempt to complete within a two week timeframe.

The council manually monitors the processing and progress of DAs via a spreadsheet. Currently the council does not have facilities available for enable the electronic lodgement or on-line tracking of DA assessments.

The council has statutory registers, which record development consents that have been granted. No evidence was found of council alerting applicants to the availability of the review rights, under section 82A/section 100. *(Recommendation 24)*

Council does not have a procedural manual or guide that can be used to assist staff when assessing DAs. The council is currently working on a checklist but this checklist does not cover residential DAs. *(Recommendation 25)*

The council does not have a notification DCP or categories of advertised development in its LEP, but does notify in practice. To ensure consistency and accountability in this area, council should develop a notifications DCP. *(Recommendation 26)*

The council does not provide a review process for applications for development consent and for approval under section 82A of the EP&A Act and section 100 of the LGA. This is a statutory mechanism that can avert matters proceeding to the Land and Environment Court, and should be established. *(Recommendation 27)*

The current DA forms used by the council are significantly out of date. *(Recommendation 28)*

Section 94

The council has not prepared and adopted section 94 contributions plans for its area. As such, council currently has no legal capacity to collect much-needed funds towards infrastructure costs arising from the demands generated by new development. Granted council is not currently exposed to major development pressure, but it is vitally important that whatever development occurs takes place in an environment where council can validly impose contribution requirements to meet the costs of infrastructure and community service demands associated with the new development. Accordingly, council should develop at the very least a generic section 94 contributions plan in accordance with the relevant legislative requirements, and establish a section 94 contributions register. *(Recommendation 29)*

Environmental Management and Reporting

Council uses the ACT-Capital region individual reports as environmental guidelines.

Council prepared a comprehensive State of the Environment Report in 2000, as part of its Annual Report, pursuant to section 428(2)(c) of the Act. This SOER met the requirements of clauses 34, 35 and 36 of the recently repealed Local Government (General) Regulation 1999. In preparation of the 2000 report, the council consulted with an interest group operating around Tumut for water monitoring with DWLC, and also used DIPNR information. The council also consulted with community and environmental groups involved with council in monitoring changes to the environment.

This report was produced using consultants "Terra Consulting". It identifies and applies the pressure-state-response model; outlines the condition of each environmental sector; makes comparison of statement of the condition of each environmental sector with a previous report; specifies relevant environmental impacts and related activities for each environmental sector; does include relevant background information for each environmental sector; reports major environmental impacts and related activities for each environmental sector. This report was to be updated in November 2004 but as yet, has not been. *(Recommendation 30)*

The comprehensive report includes information relating to the region and parts of the region that solely relate to the council's own area. The comprehensive report includes information on all required sections 428(2)(c). The report does not include management plans, special council projects or environmental impact of council activities, as required in sections 428(2)(c). *(Recommendation 31)*

Not only is council's comprehensive SOE report outstanding, but the council has not prepared annual SOE supplementary reports as required.
(Recommendation 32)

The council has a risk based proactive monitoring program for environmental management. It has an on site sewerage management plan, a stormwater management plan and a waste management strategy. The council uses the REROC site sewage management plan. The council is also involved in the catchment management authority that covers its area. The council has a CMA liaison officer who works in the council office. The council has covered these areas very well. But there is no drought management plan or integrated water cycle management strategy. *(Recommendation 33)*

Public Health
The council has a compliance program for food preparation premises operating under the public health legislation. The council does have a compliance program for monitoring activities regulated under Chapter 7 Part 1 of the LGA. These programs appear to be working satisfactorily.

Evaluation of Planning
The council has not evaluated its planning function in the last two years, and an evaluation report on planning function not been completed for some length of time. *(Recommendation 34)*

The council has plans of management for council owned land but these plans need to be reviewed. *(Recommendation 35)*

The council does have a generic plan of management for all its community land but it is very poor and needs to be reviewed and updated. *(Recommendation 36)*

Local Environmental Plan

The council has a single local environmental plan that covers the entire council area. This LEP was gazetted in August 1988 and has not been reviewed or updated since that date. This is contrary to section 73 of the Environmental Planning and Assessment Act. This provides that that councils must keep their local environmental plans and development control plans under regular and periodic review. The council is currently working on updating and integrating its management plan with its LEPs, DCPs, and State of the Environment Report. *(Recommendation 37)*

The council does not have a proactive program for monitoring compliance with environmental requirements in the council area. The council does not use a formal risk based approach to determining issues for proactive monitoring for compliance. *(Recommendation 38)*

The council does not have a separate system for reporting and investigating reports of non-compliance or unauthorised development. If any reports of non-compliance or unauthorised development are received, the 'Complaints' request form is used and is processed into TRIM. The council publishes in the local newspaper the reporting and investigation of non-compliance or unauthorised development. *(Recommendation 39)*

Swimming Pools

The Swimming Pool Act 1992 requires council to promote awareness of the requirements of this Act in relation to private swimming pools within its area. Council does not have a program to meet these requirements. The council does not have a compliance program to ensure it is notified of all swimming pools in its council area, and that such swimming pools comply with the Swimming Pools Act 1992. There is no formal program regarding domestic swimming pools but information is available on request.

The council does not have a program to promote awareness of the Swimming Pools Act 1992. *(Recommendation 40)*

Companion Animals

The council does not have a companion animals management plan, does not run community education programs, does not have in place strategies to reduce euthanasia rates of unwanted animals, does not proactively pursue outstanding registrations and identifications of companion animals in the area, and does not offer micro-chipping services to the community. *(Recommendation 41)*

The council does not have any procedures for reporting dog attacks to the department. If any dog attacks are reported to council the council reports these to the local Police. The council does not have a procedure to enter dangerous dogs data on the Companion Animals Register (CAR), does not have a procedure to enter nuisance cat and dog data on to the CAR. The council does send out warning letters to owners regarding nuisance reports. Under the Local Government Act, all deemed dangerous dogs and reported dog attacks are recorded on the CAR. *(Recommendation 42)*

Water Safety

The council has not, as yet, acted on the Department's Practice Note No 15: Water Safety. The council has plans to upgrade its water safety strategies to ensure compliance. *(Recommendation 43)*

6.3   Asset & Financial Management

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

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

- *financial management*
- *asset management*
- *insurance*

Overview of financial position

Council's overall financial position has been improving. It had reported deficits before and after capital items for 6 consecutive years up to 2003/04.

Results for the 2003/04 year showed a deficit before capital items of $373k and a surplus after capital items of $1.2M. Council's financial statements for the current year, 2004/05, reveal a surplus of $488K before capital items and $2.153M after capital items.

Financial management

Council's unrestricted cash ratio (UCR) for the 2004/05 period was 3.54. 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 greater than 2.

Council's unrestricted cash for the periods 2003/04 and 2004/05 were $105k and $763k respectively. The Rates and Annual Charges Outstanding percentage (RACO%) in 2003/04 was 5.53 and for 2004/05 was 5.51%. The RACO assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. A benchmark for rural councils is less than 10%.

The Debt Service Ratio (DSR) in 2003/04 was 0.04% and for 2004/05 was 0.22%. 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 considered to be good.

The written down value of the council's assets for the 2004/05 period are as follows:

- Roads, Bridges and Footpaths 36%

- Stormwater Drainage 34%

- Water Supply 44%

- Sewerage 21%

The Department considers that WDV below 50% may be cause for concern. In 2003/04, council estimated the cost to bring assets to satisfactory condition was $11.15M. Annual maintenance was estimated to be $2.04M, whereas program maintenance was $2.1M, a shortfall of $65k. Internally restricted funds set aside for infrastructure replacement for the same period amounted to $376k.

The auditor commented, "We commend council's efforts in improving its unrestricted working capital position during the past year."

The council consults with the community in formulating annual capital works programs. The council participates in entrepreneurial/business enterprises and actively seeks private works, which are identified by council as its business activities. The council has also had some preliminary discussions regarding a small land subdivision. The council needs to ensure that there are formal business plans for each of its entrepreneurial business enterprises. *(Recommendation 44)*

Asset management
Council prioritises future projects, monitors predicted liquidity/working capital/debt servicing levels, and makes plans for any required future borrowings and other revenue raising requirements through decision making processes at meetings and community consultations.

In considering capital expenditure on long term assets, the council performs costs/benefit analysis and conducts a formal economic justification for the capital expenditure, the use of contractors or internal resources, resource sharing with other councils, and alternative funding arrangements ie loans, leasing, reserves revenues.

Drivers that council uses to direct funding within councils maintenance program include customer complaints, the RTA inspection system, heavy patching program and footpath inspections.

The condition of the assets is determined by internal and external inspections. It is a priority for council to implement these strategies as a formalised overall system, and council has advised it will develop and implement total asset management, including reviewing condition assessments and utilisation rates.

National competition policy

NCP businesses are disclosed in the council's annual report. Council has no Category 1 NCP businesses. The council is involved in 3 NCP businesses. The council has adopted a system to deal with NCP complaints. The council has provided a summary of its progress in implementing the competitive neutrality principles in its annual report.

Management plan

The council's management plan contains a statement of objectives, performance targets, and means and manner of achieving targets, and a statement of pricing policy and proposed prices for all business activities in a general manner. The management plan does not contain a comparison of planned to actual performance. This is presented in budget reviews that are presented to council. The Annual Report also does not contain full budgets. *(Recommendation 45)*

Information technology

The council operates its key business systems on a single integrated software platform and uses consultants for IT issues i.e. Intranet. Council has a fully integrated system for some key processes, which include rates, finance, human resources. It does not include governance, tendering and contract management and complaints (currently being developed).

The council does not presently have an information and communication technology strategic plan. There is one currently being developed. IT projects are managed

according to good project management principles (consultation, strategic needs, business case, project plan, tendering).

Annual Report

Council does not present complete financial statements in the annual report, according to legislative and statutory requirements. The disclosure of full financial statements, including notes to the financial statements and the audit report in the Annual Report is required. *(Recommendation 46)*

Alternative sources of revenue

Council relies heavily on rates and grants as its main sources of income, despite developing private partnerships and contracts. Over time this could increase the rates burden on residents and businesses if alternative sources of revenue are not identified. Council should explore alternative sustainable sources of funds. *(Recommendation 47)*

Financial Management

Council has not developed an integrated long-term financial model for the next 5-10 years. The council used to have a 5 year model but it was reduced to 3 years. The financial plan was last updated on 1 June 2004, and needs to be updated and integrated into the strategic plan, based on a 5-10 year projection. *(Recommendation 48)*

Financial monitoring

Council has not used the financial health check that has been developed by the Local Government Managers Australia organization, to assess its financial health issues. Its use would assist council to identify areas for review. It is a proactive approach to financial management. *(Recommendation 49)*

Asset management

The council does not have a long term asset management plan. This issue has been stressed to council, and council has had a workshop on maintaining existing assets rather than purchasing new ones. Asset classes have been reviewed based on REROC and CAPEX.

The development of a comprehensive asset management plan will allow council to forward plan its asset maintenance requirements and properly identify and accumulate required funds to address asset maintenance issues. *(Recommendation 50)*

Council has not itemised all its assets. There are approximately 80-90% of buildings, which have been itemised. Parks and gardens need to be fully itemised. The council does not have a graphical record of land it owns or that is under its care and control. *(Recommendation 51)*

Rates hardship policy

Section 577 of the Local Government Act 1993 allows council to extend concessions to avoid hardship in relation to its rates and charges. Council does not have a rates hardship policy in place. *(Recommendation 52)*

Linking of strategic plans

Council needs to address setting strategic directions for its area and its organisation. It is important that the financial direction of the council is aligned to its strategic objectives. Therefore the development of council's long term financial plan needs to support its strategic direction. *(Recommendation 53)*

6.4 Community & 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
- 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*
- *access to information*
- *interaction between councillors and staff*
- *social and community functions of council*
- *annual reporting*
- *cultural planning*
- *ethnic affairs obligations*
- *reporting to the community and keeping the State government informed about its activities*

Community focus

Overall, Tumbarumba Council has a strong commitment service focus. It has a clear idea of the profile of its community, and has conducted an inventory of its community services and facilities. Council's draft social plan meets the requirements of the department's guidelines.

Community participation

Council has a number of subcommittees that regularly meet and include members from the community. This community participation is strongly encouraged and supported in the development of the community consultation policy to guide council's process in engaging its stakeholders.

Community feedback

Council has in place mechanisms to encourage community feedback, participation and consultation. Council consults with social justice groups in its area such as people with disabilities, young people, children, people from culturally and linguistically diverse backgrounds. The council has specific programs and services for these social justice groups. These groups are children's services, volunteers, aged, seniors, heritage and Australia Day. The council determines the community views on issues and council performance by rotating council meetings and the social planning process, encouraging submissions from community groups.

Methods that the council uses to determine the community views include surveys, focus groups, community forums, review of customer feedback and complaints, service contract performance reviews (only a few contracts) and informal assessment through networking.

Social and Community Planning

The council has finalised its social and community plan. The council has used the department's Social and Community Planning and Reporting Guidelines and is preparing its plan in conjunction with Tumut Council.

The council also conducted community consultation in the development of this plan, which included surveys, the establishment of a social planning committee, and staff visits to different interest groups.

The council has included plans for recreational facilities in the management plan, which outlines parks and centralising the facilities as part of the study in planning. The social and community plan is linked to the management plan.

Council uses the following mechanisms to consult with each social justice group:

- there are representatives on the social planning group
- the community services officer developed the community plan
- section 355 committees that are representative of stakeholders

Currently there is no social justice group program. Once the social and community plan has been adopted, the social plan group will develop a social justice group program.

Community and Government information

The council has a few mechanisms in place to ensure that both the local community and State government are informed as to council's activities.

Copies of the council's annual report and management plan are provided to the Department of Local Government. Council ensures that the community is informed of events and council activities through the publication and distribution of newsletters, weekly newspaper items, radio and television items, direct mail-outs to the community, community meetings and forums, and interviews on the television and radio.

Council maintains and updates a website. Information is made available through council facilities, its libraries and visitor information centres.

Tourism and economic development

Council has done considerable research and last year spent $189,000 on tourism programs. The council has the following tourism programs in place - snowy valleys way, tourism grants, the manning of the visitor information centre, funding of the tourism promotion officer from the Snowy River Shire. The council has just been given a $300,000 grant (to be spread over 5 councils) for promotion of tourism of the Snowy Mountains area, which includes Tumut and Bombala districts. Currently the council does not have a formalised tourism plan and this needs to be addressed. *(Recommendation 54)*

The council does not have an economic development plan but has an 'economic incentives policy', which is currently under review. This policy is also available on the council's website.

Council participation with community

Currently, council does not have a formal agreement or MOU with any local Aboriginal Land Council or Aboriginal community. *(Recommendation 55)*

The council has not conducted a community survey in the last two years on council's performance. The council did conduct a survey some time ago but had very low response rates. Council has not conducted a survey since then.
(Recommendation 56)

The council has no recreational plan and was not aware of the 'Getting Australia Active-Towards Better Practice for the Promotion of Physical Activity' publication, although it does have a Cycleways Plan. *(Recommendation 57)*

Ethnic affairs obligations

The council has no local ethnic affairs priority statement. Council publications are only in English, and the council does not provide or facilitate access to community language translation services for visitors to council. The council does not provide or facilitate access to community language translation services for telephone callers. It is recommended that the council, as a minimum, develop a local ethnic affairs priority statement. *(Recommendation 58)*

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:

- *consultative committee processes*
- *job descriptions and job evaluation*
- *recruitment and selection processes*
- *employee remuneration*
- *equal employment opportunity*
- *staff development*
- *grievance management*

- *occupational health and safety*

- *secondary employment*

Overview of the organisation

Tumbarumba Council underwent an organisational restructure in January 2004. This new structure divided the former Department of Technical Services, and created the Departments of Engineering Services and Development and Environmental Services.

This restructure had enabled council to resolve an almost 3 year issue of being unable to attract staff to fill senior management positions, and has enabled council to allocate more resources to 'non-engineering' areas, such as parks and gardens and other development areas. Unfortunately, council's Director of Development and Environmental Services has recently resigned, placing new pressure on council in this area.

The council employs the equivalent of 72 full time staff. Members of the community who are Aboriginal, from non-English speaking background, women and people with disabilities are represented in staff employed at the council.

There has been significant work conducted in Human Resources since 2002. Previously, council did not have a Human Resources Officer position. Tumbarumba is currently resource sharing its HR Officer with Tumut Shire Council.

Policies and procedures

Recruitment, selection and appointment policies and procedures were reviewed in 2004. Attendance, leave and absences policy are in accordance with award conditions. There is a sick leave policy, but no annual leave policy. Policies need to be adopted by council and this is being rectified by the General Manager.

Consultative committee processes

The composition of the consultative committee is set out in the consultative committee constitution. The committee has met 5 times in the last twelve months. The committee records all its deliberations. The constitution includes provisions on election of chairperson and secretary, the frequency of meetings, and appropriate

recording of deliberations. The council has had recent training of the administrative representative and further training was to be conducted in July 2005.

Job descriptions and job evaluation

In the past, staff positions did not have written job descriptions. It has only been in the last twelve months that all new positions have had written job descriptions. Fifty (50%) of all current positions have written job descriptions. For the remaining, written job descriptions are being developed.

Council does not currently have a formal policy and practice for the review of job descriptions. In the new salary system, which will commence from the beginning of the new financial year ending 2006, competency statements and job description reviews will be formalised and be conducted every 12 months.

Work experience programs

The council has a formal process of increasing staff numbers. Council has utilised a number of work placement programs to provide experience to young people. Council currently has 2 trainees, and 4 traineeships, and a work experience program with the Tumbarumba High School. Vocational work is also available.

Recruitment and selection processes

The council has a human resources policy and procedure manual, which contains all its human resources policies and procedures. In the corporate services and environmental divisions, every staff member has backup staff member, in terms of performing duties during absences etc.

Council, in the past, has not tracked staff numbers, nor produced regular HR reports. The Human Resource Officer has begun work to address this issue, with quarterly reports being produced.

Council has a fully documented selection policy and procedures that apply to all recruitment conducted by the council. The council ensures that selections are made on the basis of merit, as required by section 349 of the Local Government Act 1993. All applications are assessed against the specific selection criteria. All questions covered during interview are formulated around the specific selection criteria. The

selection criteria is made available to all applicants. The council also does have an internal appeal process.

The recruitment and selection policy covers the following key issues and requirements for job description, the process for developing selection criteria, requirements for advertising, the need for impartiality, the need for confidentiality during the process, provides guidance about managing conflicts of interest that may arise, require decisions and reasons for decisions to be documented, and defines who is accountable for key decisions throughout the process.

Employee remuneration

The council has a documented salary system and this is used as the sole basis for determining an employee's salary. The council also has a formal job evaluation program, which assesses and measures the work value. The council has made a budgetary provision for staff progression in accordance with clause 7 of LGA.

Equal employment opportunity

Council prepares an annual EEO management plan and reports on EEO strategies and outcomes in its Annual Report. This policy and the related procedures were adopted in 2003, but have not been reviewed since its adoption. The EEO Management plan and related strategies need to be reviewed every 12 months. *(Recommendation 59)*

Induction Training

The council provides induction for new staff upon commencement of employment. Outdoor staff have always had an induction manual, which could be amended to enable it to be used for all new staff. New staff have an induction on the first day of employment and are provided with copies of all relevant documents and policies including obligations, rights and conditions of employment, job descriptions and code of conduct. *(Recommendation 60)*

The council does not have an equity based training plan, as required by clause 23 of the Local Government Award 2004. The Plan will be created from the new system being implemented in next financial year. There is training available to staff at intervals but it is not equity based. The General Manager and Directors approve all

attendance at training programs, and seek to ensure that attendance by staff is equitable. The General Manager is endeavouring to address this issue by setting a formal schedule of attendance at training programs.

Occupational health and safety

The council does have an occupational health and safety policy and an adopted rehabilitation policy, has formally constituted Occupational Health and Safety committees, and conducts systematic Occupational Health and Safety risk assessments. The triggers for these assessments are incident reports, workplace inspections, and new activities. The council's current Occupational Health and Safety policy was adopted in 2002 and is due for review in 2006.

There is a staff representative on the Occupational Health and Safety Committee and meetings are held every 2 (two) months. The Rehabilitation Policy and Return to Work program, which was adopted in 2002, is also due for review in 2006. Staff are made aware of this policy via the staff newsletter. There are currently 2 (two) trained Occupational Health and Safety staff members.

Resource Sharing

To address staff resource issues, council has established an agreement with Tumut Council to resource shares some of its staff. The staff involved are the Ranger, the Human Resources Officer, and the Road Safety Officer.

Workplace Planning

Council does not have a human resource strategy or plan, and no succession planning. Tumbarumba, like many regional councils, is 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
- 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 also address the issues of:

- council's ageing workforce
- the provision of a plan of succession for key positions
- increase opportunities for apprenticeships, cadetships and traineeships to address these concerns

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

The key is to ensure that, consistent with the council's view on the future direction of the organization, planning is underway to support that direction at the human resources level. Such a strategy is a key part of effective modern strategic management. Its importance is underlined by the requirement to report annually in the management plan on council's human resources activities (section 403(2)). *(Recommendation 61)*

Records Management and Security

There is currently no specific security protocols supporting human resource files. The Human Resource Officer places password protection on confidential files and uses the records system security levels. *(Recommendation 62)*

Performance reviews

Tumbarumba does not have a performance based salary system that is linked to the requirements of clause 7 (iv) of the Local Government (State) Award.

As previously mentioned, council will introduce a salary system based on skills based progression, linking employees' skills and training needs that are identified in individual training plans. The council still needs to introduce a performance review component to the new salary system that will be introduced in the new financial year. *(Recommendation 63)*

The Director of Corporate and Community Services, the Director of Engineering Services, the Director of Development and Environmental Services, and the Manager of Environmental Services are all appointed on performance based contracts. Contracts document how performance is measured but performance outcomes and reviews are limited.

Employee remuneration

The council has no policy on overtime. Overtime is mentioned in the induction program only. *(Recommendation 64)*

Grievance management

The council has conducted employee attitude surveys in the past, but not in the last 18 months. Council should conduct another one in the next 12 months and should thereafter conduct them periodically, ensuring that it evaluates and acts on the findings of each. *(Recommendation 65)*

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7. COUNCIL'S RESPONSE

Our ref: BJP:le

Contact: Brian Pearson

8 December 2005

The Director General
Department of Local Government
Locked Bag 3015
Nowra NSW 2541

Attn: Mr Dominic Riordan

Dear Mr Riordan

Re: Promoting Better Practice Review – Draft Report

I refer to Council's receipt of the Draft Report carried out as part of the Department's Promoting Better Practice Review and now provide my comments to you as requested.

Page 6 Item 2 Executive Summary

Comments provided are agreed with, however comment should be made in regards to the lack of staff resources (particularly experienced and qualified local government practitioners) available to carry out the many projects required to be completed.

Recommendations

Recommendation 1
I acknowledge the need to carry out recommendation 1, however recognition needs to be made of this significant resource and the funding difficulties Council has in developing adequate Asset Management Plans particularly, together with Financial Management Plans.

Recommendation 2
Is occurring through a proper consultation process.

Recommendation 7
Is being done and reported to Council on a quarterly basis.

Recommendation 9
Council has resolved to review the guidelines and documentation required and obligations upon all Section 355 committees.
Recommendation 10
Has been developed.

Recommendation 13
We currently have a policy and propose to update this.

Recommendation 14
Has been done.

Recommendation 15
The development of a Risk Management Plan is currently under way.

Recommendation 24
Tumbarumba Shire has never had an SEPP1 Concurrence granted and thus it does not appear to be an issue.

Recommendation 30
Council does not have any Section 94 Contribution Plans and hence no register.

Recommendation 61
A current induction programme exists for new staff.

Page 16, Paragraph 4
Council does not have Section 94 Plans. (See Recommendation 30)

Page 16, Paragraph 5
Council has resolved to enter into a Memorandum of Understanding with Tumut Shire Council and it is anticipated signing of this MOU will be completed in March 2006. Council also has a signed Memorandum of Understanding with the Greater Hume Shire Council and Towong Shire Council (Victoria) in regards to all its Local Government activities.

Page 20, Paragraph 4
Council conducted a number of internal workshops with Councillors and Staff with regard to the development of its 2005/2006 Management Plan.

Page 22, Paragraph 1
Suggest the number of complaints Council receives would be closer to forty (40) per year. The majority of those are minor issues and/or where funding has not been provided as part of Council's Management Plan process.

Page 22, Paragraph 4
Whilst Council does not have a Code of Meeting Practice the current General Manager supports the development of such. It is not a problem at this stage.

Page 23, Paragraph 2
A review of the Section 355 Committee operational parameters and guidelines is currently being carried out, however minutes from these committees are recorded when committee meetings are actually held.

Page 23, Paragraph 3
Council does have a policy of interaction between Council staff and Councillors.

Page 23, Paragraph 5
Councillor's Expenses and Facilities Policy does address computer, telephone and facsimile facilities.

Page 28
Council does not have any Section 94 Contribution Plans as advised earlier in this report.

Page 32, Paragraph 3
It is certainly subject to debate and not agreed with that Council's operating results have not been good in the past. Council's operating result, after capital items, for the 2004/2005 year revealed a surplus of $488K and after Grants and Contributions were included a surplus of $2,153m.

Page 32, Paragraph 6
Suggested that all the financial management issues be updated with the, now held, 2004/2005 audited figures.

Page 33
Due to a significant number of abnormal items in the last few financial years, including the transfer of roads from Council to State Road responsibility, significant abnormal adjustments were carried out in prior years, together with a review of utilisation of Council's infrastructure assets. As the development of a comprehensive total asset management system is introduced Council will further review the condition and utilisation rates.

Page 39, Paragraph 2
Council does not have a Cultural Plan, however Council has recently adopted the Social Plan for 2005 – 2010.

Page 40, Paragraph 5
Whilst Council doesn't have a Recreational Plan it does have a Cycle-ways Plan.

Page 41, Paragraph 3
Council has recently been advised of the resignation of the Director of Development & Environmental Services, thus again creating significant resource issues and difficulties for Council.

Page 41, Paragraph 6
Council did not previously have a Human Resources Officer position at all and in 2005 resolved to share such a position with Tumut Shire Council.

Page 44, Paragraph 1
Council has a formalised Induction Programme currently in place.

Page 44, Paragraph 2
Currently the Directors have delegated authority to approve training programmes within allocated funding for staff reporting to them. The issue of a whole of organisation training plan is to be addressed in 2006/2007.

I thank the Department for the opportunity to comment on the Draft Report and look forward to receiving the final report in the near future. Should you wish further clarification please do not hesitate to contact me.

Yours faithfully

B J Pearson
General Manager

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8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- Strategic planning
- Proactive approach in developing community and economic development
- Increasing tourism

Challenges to improve

- Update and integration of strategies, policies and long term financial planning

GOVERNANCE

What is working well

- Code of conduct
- MANEX and council meetings
- Managerial performance reviews

Challenges to improve

- Risk management and internal control, internal audit function
- Training and development of staff, councillors and delegates
- Protected disclosures, code of meeting practice, policies and procedures

REGULATORY

What is working well

- Strategic plan
- Public health and environmental management

Challenges to improve

- Plans of management for community and council owned land
- Water safety, swimming pools, companion animals, local environmental plan, SOER
- Development applications

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Financial management
- Management plan

Challenges to improve

- Disclosure in annual reports
- Long term planning
- Updating plans and policies
- Financial monitoring

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Community focus, participation
- Tourism and economic development
- Social and community planning

Challenges to improve

- MOU with Aboriginal Community
- Community survey
- Recreation plan

WORKPLACE RELATIONS

What is working well

- Policies and procedures
- Consultative committee process
- Job descriptions, job evaluation, work experience programs, recruitment and selection process, EEO, Induction training, OHS, resource sharing

Challenges to improve

- Workplace planning
- Records management and security
- Performance reviews for all staff
- Employee attitude survey.

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