BLUE MOUNTAINS CITY COUNCIL PUBLIC INQUIRY

Organisation Structure and Resource Allocation Issues

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1.0   Background to Request from the Office of Local Government

In early May 2019 I was approached by the officer assisting the Commissioner, Mr Angus Broad to establish my availability and interest in assisting the Blue Mountains Public Inquiry with advice in relation to organisation structure issues as they relate to a Public Inquiry into the Blue Mountains City Council. The information provided at the time to assist in my consideration of the request was in the following general terms:

By way of background, on 27 June 2018 the then Minister for Local Government convened a public inquiry into Blue Mountains City Council. There are nine terms of reference that may be divided into two parts, one relating to asbestos issues and the other, relating to governance issues.

Due to other ongoing investigations, the asbestos issues are currently on hold.

There are four terms of reference that do not relate to asbestos issues, one of which ToR 4 has already been the subject of hearings and will form an interim report.

The remaining three terms of reference are proposed to be dealt with in hearings to take place in July this year.

Relevantly, the three current terms of reference include ToR 8, which call on the Commissioner to inquire and report to the Minister with respect to whether:

In exercising functions pursuant to Parts 1 and 2 of Chapter 11 and Part 2 of Chapter 13 of the LG Act, the governing body and the senior staff of the Council has determined, reviewed and re-determined an appropriate organisational structure and resource allocation in accordance with the guiding principle in section 8A(1)(c), (2)(c) and the role of the governing body in section 223(1)(g), (h) and (l) of that Act.

The Inquiry would seek to obtain a report that addresses:

- the methodology and considerations when councils are determining their organisational structure
- the circumstances (including frequency) when an organisational structure should be reviewed
- the interconnection and relationships between a council's organisational structure and resource allocation
- what processes should be undertaken in determining a council's organisational structure
- to the extent that it may be of assistance, an overview of organisational structures adopted by comparable councils

I subsequently met with Mr Broad in Sydney City on Tuesday 21 May 2019 to explore the extent of advice that would be required. Later, on Wednesday 14 August 2019 I was provided with documentation in relation to the issues to assist in my research.   As a supplement to the five (5) dot points above I was also asked to comment on the role of councillor under section 223(1) (g), (h) and (l) and the appropriate way for councillors to undertake those roles.   And, by way of a clarifying advice I was asked on 21 August to address:

1. *The considerations and factors underlying an organisational structure, together with the processes that a council should undertake when reviewing its structure.*

2. *As the Inquiry is directed to consider resource allocation, the Inquiry seeks an explanation of the IP&R Framework and any comments that may be useful in considering the position of the Council*

3. *Again, to the extent that it may be useful, the Inquiry would welcome any comments stemming from a comparison of similar sized councils.*

2.0   Background to Stephen Blackadder of Blackadder Associates Pty Ltd

I have been associated with local government most of my life, with a family association going back to 1954.

After leaving high school in 1972 I joined Canterbury Council as a rates clerk. I then served in administrative management roles at North Sydney and Wyong Councils and then became Deputy Town Clerk at Woollahra Council. I gained an Associate in Local Government Administration (ALGA) at the Mitchell College in 1977 and a Bachelor of Business (BBus) from the Mitchell College (Charles Sturt University) in 1987. From 1988 to 2007 I served as General Manager (CEO) at Rockdale and Warringah Councils and in 2010 I also served for 5 months as Acting General Manager at Burwood Council after the Council had dismissed its General Manager for corrupt conduct.

In 2007 I established my management consulting firm and I have been working with local governments across Australia since that time (12 years). Our areas of expertise are in the following service areas:

- Executive Search and Selection
- Interim Manager Placements
- Leadership and Culture Building
- Councillor Induction and Training
- Organisational Reviews
- Strategic Planning
- Governance and integrity
- Hogan Leadership

In 2011 I was privileged to be appointed by the then Minister for Local Government, the Hon, Don Page MP, as a member of the Local Government Acts TaskForce and I worked for two (2) years in developing the foundation of changes to the 1993 local government act from 2011. I have not worked for the State Government since the completion of that report in 2013.

In relation to the Blue Mountains City Council, to the best of my knowledge I only know a small number of people associated with the Council. Councillor Kevin Schreiber is known to me not in relation to BMCC but in Cr Schreiber's capacity as a former Mayor and Councillor of Sutherland Shire Council and in my role at the time as General Manager of neighbour council Rockdale. I also met Councillor Mick Fell on one occasion, when I recruited the CEO of the Western Sydney Regional Organisation of Councils (WSROC). This was at a WSROC Board Meeting and it was a very limited meeting. I also know the Director City and Community Outcomes, Luke Nicholls – not in any way associated with BMCC, but in his former life as General Manager of Bankstown City Council some many years ago and when I was at Rockdale City Council. I have no personal association with any person associated with BMCC.

I have never worked for BMCC in any capacity in the past and to the best of my recollection have not met the Mayor, General Manager, other Councillors and other senior staff of the Council at any time.

The Blackadder Associates website says this about Organisational Reviews:

> *"When you're close to the organisation or working on the inside, it's sometimes difficult to see what you could be doing better or differently.*
>
> *Our skilled team can provide an initial overview of your operational performance using key indicators, and we can workshop with executive teams to identify key priorities. We can conduct a comprehensive organisational review to examine, in detail, your strategy, structure, and culture. We also conduct individual service reviews using a best-value methodology.*
>
> *Our skilled team can gain an understanding of the key job activities, the strategic and cultural environment, service levels, staffing challenges and future sustainability of your Council.*
>
> *We spend time comparing the structures of similar councils to compare budgets, staffing levels and service profiles and appreciating the organisation's appetite for change.*
>
> *We have a proven record of ensuring structure follows strategy.*
>
> *We will work with the Mayor, Councillors, leadership and management teams to discuss emerging issues. We can then determine whether your organisation has a focus on performance, customers, efficiency and how open your team is to implementing solutions, such as shared services or outsourcing.*
>
> ***Our approach can:***
>
> *Recommend innovative and best-practice solutions*
> *Provide a detailed action plan*
> *Include a draft Communication Plan to maximise staff engagement*
> *Ensure that the organisation structure aligns with — and gives life to — the Community Strategic Plan.*
> *Let us partner with you to formulate and recommend innovative, best-practice solutions, including a detailed implementation plan for your Council.*

This section is quoted to acknowledge we have undertaken many comprehensive and some not so comprehensive organisational reviews of councils since 2007. The last significant review was at Parramatta City Council in 2018.

With our knowledge of local government, the legislation, and organisation structure assessment I am pleased to be able to respond to the request for advice.

3.0   The Blue Mountains City Council – a Background

In researching issues for this task, it was important that there be a fundamental understanding of the context in which the Council operates. This is particularly relevant in better understanding some aspects of the strategic focus of the Council, its culture and why it is structured in the manner it is.

I note that the Council has a Vision, Mission and Values:

Our Vision
To build a successful future for the Blue Mountains.

Our Mission
Improving the well-being of our community and the environment.

Our Values
- Working Together
- Works Safe Home Safe
- Service Excellence
- Value for Money
- Trust and Respect
- Working for Community

It is noted the Council developed Organisational Values in 2013/14 through a comprehensive staff consultation process.

The Council is the largest employer in the local government area – 550 permanent staff and 150 plus casuals. 65% of staff are 45 years or older, and 5% are under 25.   52% are female and 48% are male.

The Community Strategic Plan has six (6) key directions:

- Lead – inspiring Leadership
- Protect – an environmentally responsible City
- Care - an inclusive, healthy and vibrant city
- Live – a liveable city
- Move – an accessible city
- Thrive – an economically sustainable city

It is also noted the Council has twenty four (24) strategic plans developed or under development.

4.0 Terms of Reference – Issues to be Addressed

The following issues will be addressed in this report:

- The **methodology and considerations** when councils are determining their organisational structure together with the **processes** that a council should undertake when reviewing its structure.

- The **circumstances** (including frequency) when an organisational structure should be reviewed

- The interconnection and relationships between a council's organisational structure and **resource allocation and** an explanation of the IP&R Framework and any comments that may be useful in considering the position of the Council

- To the extent that it may be of assistance, an overview of organisational structures adopted by **comparable councils**

- The **role of councillor** under section 223(1)(g), (h) and (l) and the appropriate way for councillors to undertake those roles.

5.0   Methodology and considerations when determining an organisational structure

The most suitable structure for any organisation is a combination of many factors and there is no perfect structure for a local council generally. However, the long term outcomes expected by a council's customers and community will be the primary determinant of what is necessary for a council to arrange its staff and other resources to deliver works or services in the most efficient and effective manner.

When deciding on how to structure an organisation the adage *"Structure follows Strategy"* is often quoted. That is, it is important for any organisation to know where it is going before it decides on the capacities and capabilities required of its staff to get there.

Lewis Carroll perhaps said it best in his classic 1865 novel *"Alice in Wonderland":*

"Cat: Where are you going?
Alice: Which way should I go?
Cat: That depends on where you are going.
Alice: I don't know.
Cat: Then it doesn't matter which way you go."

Integrated Planning and Reporting Framework

In about 2009 the NSW State Government introduced perhaps the most beneficial legislative requirement it had made of local government. For the first time it required each local council to work with its community to develop a minimum ten (10) year community strategic plan – a plan for the community developed with the community.   Prior to that each council developed a four (4) year management plan – which effectively was the council business plan – which looked inwards rather than outwards.   Ten (10) years later and the Integrated Planning and Assessment Framework has been warmly embraced by local government and today touches every aspect of the Council's operations.

It is perhaps useful to acknowledge how the Framework operates. First, it has to give recognition to the NSW State Plan and other key State and regional plans, and then through a Community Engagement Policy the Council will work with its local community to develop a minimum ten (10) year Community Strategic Plan.   This does not mean the Council cannot develop other strategic plans – such as a Heritage Plan – its just that those plans will inform the development of the Community Strategic Plan.

The implementation of the Community Strategic Plan elements is aided by the Council developing its Resourcing Strategy – three (3) important components involving a minimum ten (10) year Long Term Financial Plan, a minimum ten (10) year Asset Management Plan providing projections of asset maintenance, rehabilitation and replacement costs, and a four (4) year Workforce Management Plan showing projections on workforce needs and how it might be appropriate for the works and services provided, how productive, skilled and diverse in its characteristics.

The four (4) year Delivery Program is essentially the Council document – the one which is "owned" by the organisation where the Community Strategic Plan is "owned" by the community. The Delivery Program turns the strategic goals found in the Community Strategic Plan into actions by identifying the key activities the council has committed to undertake over its four-year term.

The one (1) year Operational Plan is essentially the Council's annual budget and details the individual projects and activities to be undertaken in the year to give life to the commitments in the Delivery Program.   It contains a Statement of Revenue Policy, which includes the proposed rates, fees and charges for that financial year.

Finally, the Annual Report is designed to enable the Council to report back to its community about progress on implementation of the Delivery Program, progress towards achieving Community Strategic Plan outcomes, and financial performance against the annual and longer-term budgets.   At the end of each Council term of office the Council is required to produce an End of Term Report to outline progress in implementing the Community Strategic Plan over the previous four years.   This is an "outcomes" report - what have been the results for the community and council as a result of the activities undertaken.

Each local council in NSW will have similar challenges and the quadruple bottom line assessment is often used by councils in grouping challenges together in its Community Strategic Plan – with a focus on the environmental, economic, social and governance aspects which a local community will have an interest in.

Legislative Framework

Section 332 of the Local Government Act provides:

332   Determination of structure
(1) A council must, after consulting the general manager, determine the following:
   (a) the senior staff positions within the organisation structure of the council,
   (b) the roles and reporting lines (for other senior staff) of holders of senior staff positions,
   (c) the resources to be allocated towards the employment of staff.
(1A) The general manager must, after consulting the council, determine the positions (other than the senior staff positions) within the organisation structure of the council.
(1B) The positions within the organisation structure of the council are to be determined so as to give effect to the priorities set out in the strategic plans (including the community strategic plan) and delivery program of the council.

(2) A council may not determine a position to be a senior staff position unless:
   (a) the responsibilities, skills and accountabilities of the position are generally equivalent to those applicable to the Executive Band of the Local Government (State) Award, and
   (b) the total remuneration package payable with respect to the position is equal to or greater than the minimum remuneration package (within the meaning of Part 3B of the Statutory and Other Offices Remuneration Act 1975) payable with respect to senior executives whose positions are graded Band 1 under the Government Sector Employment Act 2013.

(3) For the purposes of subsection (2) (b), the total remuneration package payable with respect to a position within a council's organisation structure includes:
   (a) the total value of the salary component of the package, and
   (b) the total amount payable by the council by way of the employer's contribution to any superannuation scheme to which the holder of the position may be a contributor, and
   (c) the total value of any non-cash benefits for which the holder of the position may elect under the package, and
   (d) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits.

Section 333 of the Act provides:

The organisation structure may be re-determined under this Part from time to time. The council must review, and may re-determine, the organisation structure within 12 months after any ordinary election of the council.

Section 332 has substantially remained unchanged since 1993 – the fundamental requirement in Part 1 has been:

(1) A council must determine:
• an organisation structure

> • *those positions within the organisation structure that are senior staff positions*
> • *the resources to be allocated towards the employment of staff.*

The provisions of Clause 1 were changed in 2016, along with the addition of Clause 1A and 1B.   The Council is still responsible for determining the organisation structure but must consult with the General Manager. *"Consult"* is not defined so each Council will interpret this in their own way.

Methodology for Reviewing a Council's Organisational Structure

Unlike the Integrated Planning and Reporting Framework the Office of Local Government has not produced any guidelines on how a Council might conduct a review of its organisational structure. Without such a resource available to guide it in the steps which might apply to the review of the organisational structure each Council has to apply a methodology which suits its needs. Our experience suggests there are six (6) key phases in conducting an organisational review:

Phase 1 - Project Initiation – a resolution of the Council to do so and establishment of clear terms of reference

Phase 2 – Establishment of Design Principles, Criteria and Assumptions

Phase 3 - Detailed Review of Directorates and Functions

Phase 4 – Development and refinement of preferred structure option

Phase 5 - Present recommended structure for consideration of the Council

Phase 6 – Adoption of preferred structure for the purposes of Award consultation with staff affected.

At the outset, the Council might ask a number of questions:

- Does the current organisational structure position the Council to achieve its strategic objectives?
- How can the structure be organised to better serve customers?
- How can enterprise-wide costs be reduced while still delivering core services?
- Is the Council using alternative service delivery methods to suit its needs – such as shared services with other councils or organisations, contracting out, or outsourcing, or other delivery methods?
- Are decision-making accountabilities in the right place and well-defined to support strategy and service delivery?
- Is the span of control effective for the leadership needed, and does the organisation have the right capacity and capability in its staff group?

The first step is to ensure the Council has its **strategic direction** in place – and since 2009 every Council in NSW has been required to develop a minimum ten (10) Community Strategic Plan.   And, every Council has been required to at least review its organisational structure in the first twelve (12) months of every term of office.

The next step is to decide on the **core capabilities** which will be needed to deliver the strategy. And this revolves around the Council's Resourcing Strategy – has the Council projected its financial position sufficiently over the next ten (10) years, has it identified the status of its assets and made provisions for their maintenance and replacement, and does it have the right capacity and capability in its staff group to effectively deliver services?

The next step would be to establish **organisational design principles** which would guide the review.   In the BA assessment of such design principles we have drawn upon available literature and better practice guidelines for public sector organisations, as well as our professional experience with many organisation review projects undertaken since 2010. We like to examine the following:

Vertical design

An organisation should not have more organisational layers than necessary to perform effectively and in our view the number of layers is ideally between 5 and 7. Those layers should reflect decision making and accountability in line management reporting arrangements and a range of job classification levels or grades can exist at the same layer.

Typically, management layers reflect the following five decision making and leadership roles:

Strategic Leadership
- Highest level of strategic leadership and decision making
- Helps define and set the overall organisation strategy and targets
- Oversees and manages the overall allocation of resources consistent with the organisation's overall strategy and targets
- Delivers on the organisational strategy and targets

Divisional Leadership
- High level strategic decision making
- Direct and shape part of the organisation
- Translate the organisation's strategy into the delivery of services, systems and outcomes
- Complex project planning and delivery

Functional Leadership
- Strategic and tactical decision making
- Design, build, manage and improve services and systems to optimise performance
- Provide advice to functional areas where no precedent exists

Team Leadership
- Tactical decision making
- Focus on service delivery, output, quality and improvement Enable teams by framing and supporting their work
- Suggest alternatives to the next level up

Team Members
- Decision making within defined boundaries

Accountability

Decisions should be made at the lowest practical level and more direct reports and fewer layers can improve accountability. Employees and managers are more empowered and held more closely accountable for work outcomes and this can lead to improved decision making and faster business response times.

Too many direct reports can leave employees feeling disengaged and removed from both management and organisational objectives and it can also lead to decision making 'bottle necks'.

Task Complexity

The optimal number of direct reports will depend on the type of work being managed.

- A large number of direct reports may be most effective where work is routine and standardised, often completed within well-defined parameters.

- Fewer direct reports may be appropriate where work requires specialist capability and close oversight of complex tasks with high risk.

- Different types of work occur in the one organisation and the optimal number may therefore vary within an organisation.

The table on the following page from the Australian Public Service Commission's *APS Framework for Optimal Management Structures – Guidelines for HR Practitioners, July 2014* provides indicative guidance on benchmark number of direct reports which may be applicable to work categories.

Number of Direct Reports by Work Type			
Category 1 Specialist policy and strategy – highly technical. High levels of judgement and risk	**Category 2** Policy, program and service development. Program and service delivery oversight	**Category 3** High level service delivery. Case management	**Category 4** High volume service delivery. Regular and less complex tasks
No of direct reports: 3 - 7	No of direct reports: 5 - 9	No of direct reports: 6 - 9	No of direct reports: 8 - 15
Provide advice in an area of technical expertise and specialisation. High level subject matter expertise is required in all jobs and at all levels. Highly complex tasks. Decisions have significant risk, include reputational risk. High level of influence in area of specialisation. High level of judgement High level of stakeholder engagement.	Distinct area of expertise with a level of specialisation. Broad policy advice across multiple areas within the same sphere of influence. Requirement to shape strategy and policy and develop methodologies. Responsible for promulgation of strategy, policy and revisions. High level of innovation. Design and delivery of complex programs.	Tailored approaches to delivery of outcomes. High to medium complexity. Low number of routine application (one offs). Broad range of work types and interactions. Fluid priorities and objectives. High level of stakeholder engagement.	High volume of routine and repetitive tasks. Tasks easily grouped. Boundaries and frameworks for business processes and decision making are clearly defined & tested Processes are simple and replicated across multiple situations. Work is determined with minimal interaction required. High level of technology supports work processing.

Career progression

An optimal number of direct reports and layers will provide opportunities for employees to progress and develop their skills and expertise through opportunities to act up and be promoted.

A large number of direct reports and fewer organisational layers may limit opportunities for employees to progress their management careers without leaving the organisation, thereby impacting on talent development and retention.

Structures should enable staff development, career progression and mobility.

Innovation and Change.

An optimal number of direct reports and layers will enable changes to be adopted more readily.

A large number of direct reports and fewer organisational layers facilitates better communication and staff engagement because there are fewer organisational layers for information to cascade through.

Fewer direct reports and more vertical layers can promote the development of silos which inhibit information sharing, collaboration and cross-functional teamwork.

Structures should facilitate cross-functional cooperation, collaboration and flexibility.

Structures should also facilitate effective communication up and down and across the organisation.

Simplicity and Clarity

Structures should be easily understood and like functions and services should be grouped into logical work clusters, especially where there is a high level of inter-dependency or inter-operability between them.

Structures should be easy to navigate for employees and for the organisation's customers and stakeholders. Structures should enable and support the timely provision of information and services to customers and stakeholders.

Structures should facilitate effective and efficient decision making by avoiding unnecessary duplication, overlaps or blurred lines of accountability.

Cost Efficient

An optimal number of direct reports and layers will help to ensure management costs and overheads are kept to a level which is financially sustainable and appropriate for the size and complexity of the organisation.

Structures should help to minimise transactional and operating costs, and allow the organisation to effectively manage, measure and benchmark its service delivery performance and costs.

The design of structures should support roles being classified consistently and according to their true work value.

The design of structures should avoid creating an ongoing reliance on using contractors where roles can be filled by staff.

6.0   Circumstances (including frequency) of Review

In our experience there are many circumstances that can lead to a review of a Council organisation structure.

The first of course is the statutory requirement to review the structure in the first twelve (12) months of the elected council coming into office.

Another may coincide with the opportunity to recruit a new general manager. After a period of time in the role the new General Manager may bring forward findings which might involve a re-organisation proposal. Under Clause 7.1 of the Standard Contract for General Managers in NSW the new General Manager is to sign a Performance Agreement within 3 months after commencing in the role and such agreement sets out agreed performance criteria.   With our executive recruitment services we have been involved in many workshops with councils and new general managers in order to agree the priorities for the general manager in the first year of employment. This workshop can often foreshadow a review of structure under Section 333 of the Act in order to address issues the new General Manager flags with the council as requiring attention.

Another circumstance may involve the Council receiving a major grant or subsidy or taking responsibility for a new service or function and this necessitating a change to the organisation structure to engage suitably skilled employees to provide that function.

The General Manager may, through a performance management process, terminate the employment of a senior staff member and then take the opportunity to re-organise roles and responsibilities across the organisation or in specific areas so that a new person can be appointed.

Arising from a significant change in Council policy, perhaps after a new Council or new Mayor is elected, there may be a need to strengthen or indeed to eliminate a Council function or service.   This may require a reallocation of funds and the appointment of staff skilled in the new area in order to effectively deliver the function or service.

There may be a change outside the scope and control of the Council.   This could be as a result of world events, local climate issues (emergency events), or State or Federal government legislative change.

Whatever the circumstance, Section 333 of the Local Government Act enables the Council to review the organisation structure at any time and for any reason.

7.0   Resource Allocation and the IP and R Framework

Under Section 332 of the Local Government Act the allocation of resources is specifically mentioned:

> *332   Determination of structure*
> *(1) A council must, after consulting the general manager, determine the following:*
> > *(a) the senior staff positions within the organisation structure of the council,*
> > *(b) the roles and reporting lines (for other senior staff) of holders of senior staff positions,*
> > *(c) the resources to be allocated towards the employment of staff.*
> *(1A) The general manager must, after consulting the council, determine the positions (other than the senior staff positions) within the organisation structure of the council.*
> *(1B) The positions within the organisation structure of the council are to be determined so as to give effect to the priorities set out in the strategic plans (including the community strategic plan) and delivery program of the council.*

The Council is responsible under the Section for allocating resources towards the employment of staff.   This is a not that well understood legislative provision by many councils – and whilst the Council effectively only has an interest in senior staff positions, it does have the ability to allocate resources towards the employment of staff and in that way can influence the workforce management of the Council.

But, resourcing goes further than staff. Under the Integrated Planning and Reporting Framework the Resourcing Strategy involves staff, assets and financial projections. Probably the most important aspect confronted by local government in the last ten (10) years since the introduction of the Framework and brought to the fore by the detailed examination of council financial sustainability through the Fit for the Future process was the realisation that asset management in most councils required urgent attention.

Then, the IPART assessment of council financial sustainability highlighted to local government how serious an issue asset management is and the importance of allocating sufficient funds, particularly in the future, to effective asset maintenance and replacement.   Even of greater significance has been the need for Councils to seek to derive a return on investment from many of its assets – and for the Council to have an income focus. Many Councils in the past, and indeed the present have been guilty of not taking a commercial approach to its asset management.

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8.0   Structures at Comparable Councils

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There is a somewhat common refrain when speaking with Councils – *"oh, but we are different…."*. It is interesting to note that the City of Blue Mountains can claim to be quite unique. It is a community of 80,000 people living in 27 towns and villages, is one of only two cities in the world surrounded by a designated World Heritage National Park, and is the only council in NSW with the classification *"urban fringe large".* It covers 143,000 hectares of which 70% forms part of the World Heritage Area.

Blue Mountains is listed with six (6) other Councils in Category Seven of the Office of Local Government Comparisons:-

Blue Mountains
Camden
Campbelltown
Central Coast
Hills
Hornsby
Penrith

Each Council is different, in terms of population, area, staff numbers and budget. We often find it is difficult to benchmark an organisation structure having regard for the significance differences between each council. For illustrative purposes only the structures at the Category Seven Councils are:

Camden Council
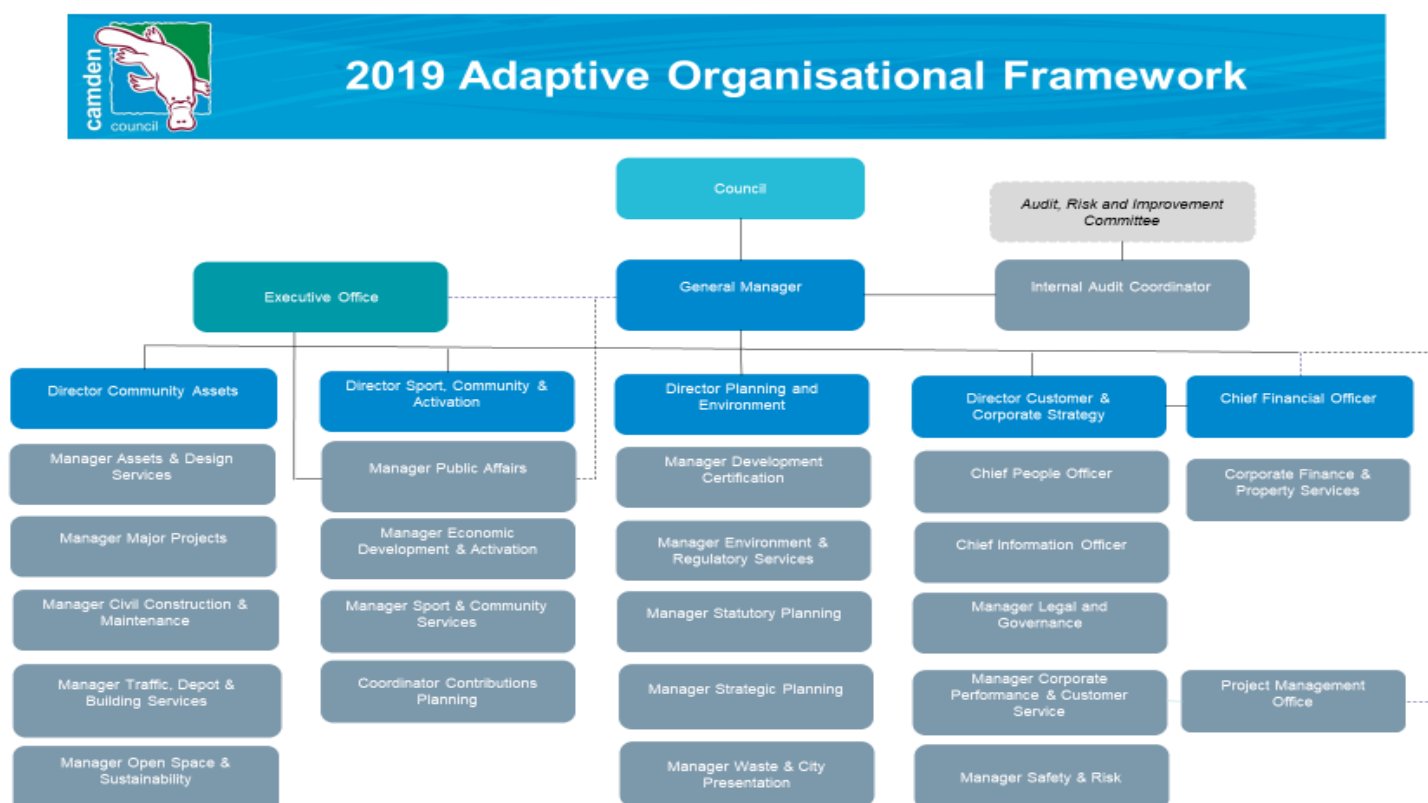
Campbelltown Council

Lindy Deitz
General Manager

- Office of the General Manager
- Internal Audit
- Communications and Marketing

Phu Nguyen
Director City Governance

- Corporate Services and Governance
- Corporate Support Systems
- People and Performance
- Strategic Property

Jenny Franke
Director City Lifestyles

- Sport, Recreation and Leisure
- Community Connections
- Community Life

Kevin Lynch
Director City Delivery

- Operations
- Infrastructure
- Open Space

Jim Baldwin
Director City Development

- Urban Release and Engagement
- Urban Centres
- City Standards and Compliance

Rebecca Grasso
Director City Growth

- City Growth and Strategy
- City Marketing and Economy
- Creative Life

Central Coast

Gary Murphy
Chief Executive Officer

Evan Hutchings
Governance Director

- Business Enterprise
- Procurement and projects
- Governance and Business Services

Krystie Bryant
People and Culture Executive Manager

- People Planning and Operations
- Business Partnering and Employment relations

Julie Vaughan,
Connected Communities Director

- Community Engagement
- Community Partnerships
- Libraries Learning and Education
- Leisure and Lifestyle
- Facilities and Asset Management
- Leasing and Asset Management

Scott Cox,
Environment and Planning Director

- Development Assessment
- Environment and Certification
- Strategic Planning
- Natural and Environmental Assets
- Waterways and Coastal Protection
- Open Space and Recreation
- Business Support and Systems

Craig Norman,
Chief Financial Officer

- Financial Services
- Financial Performance
- Plant and Fleet

Peter Auhl,
Chief Information Officer

- Digital Information Services
- Technology and Customer Service
- Office of the Chief Technology Officer
- Core Systems Consolidation Program

Boris Bolgoff,
Roads Transport Drainage and Waste Director

- Waste Services and Business Development
- Roads Business Development and Technical Services
- Roads Construction and Project Management
- Roads Asset Planning and Design
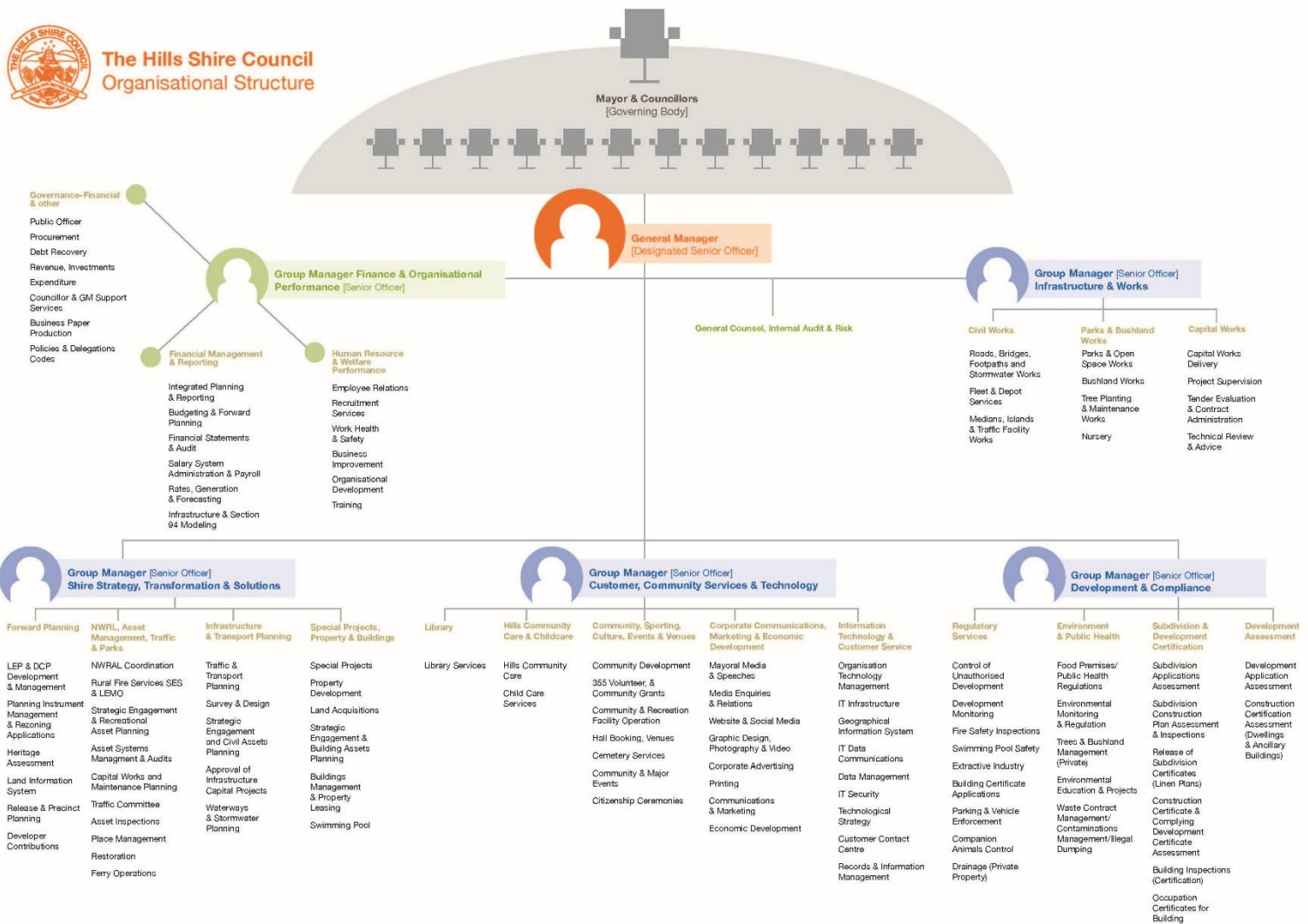- Roads Maintenance and Asset Evaluation

Jamie Loader,
Water and Sewer Director

- Water Technical Services
- Water Construction and Project Management
- Water Planning and Development
- Water Assets and Facilities Management

Ricardo Martello,
Innovation and Futures Executive Manager

- Corporate Strategy and Performance
- Economic Development and Project Delivery

The Hills Council

The Hills Shire Council
Organisational Structure

Mayor & Councillors
[Governing Body]

General Manager
[Designated Senior Officer]

General Counsel, Internal Audit & Risk

Governance-Financial & other
Public Officer
Procurement
Debt Recovery
Revenue, Investments
Expenditure
Councillor & GM Support Services
Business Paper Production
Policies & Delegations Codes

Group Manager Finance & Organisational Performance [Senior Officer]

Financial Management & Reporting
Integrated Planning & Reporting
Budgeting & Forward Planning
Financial Statements & Audit
Salary System Administration & Payroll
Rates, Generation & Forecasting
Infrastructure & Section 94 Modeling

Human Resource & Welfare Performance
Employee Relations
Recruitment Services
Work Health & Safety
Business Improvement
Organisational Development
Training

Group Manager [Senior Officer] **Infrastructure & Works**

Civil Works
Roads, Bridges, Footpaths and Stormwater Works
Fleet & Depot Services
Medians, Islands & Traffic Facility Works

Parks & Bushland Works
Parks & Open Space Works
Bushland Works
Tree Planting & Maintenance Works
Nursery

Capital Works
Capital Works Delivery
Project Supervision
Tender Evaluation & Contract Administration
Technical Review & Advice

Group Manager [Senior Officer] **Shire Strategy, Transformation & Solutions**

Forward Planning
LEP & DCP Development & Management
Planning Instrument Management & Rezoning Applications
Heritage Assessment
Land Information System
Release & Precinct Planning
Developer Contributions

NWRL, Asset Management, Traffic & Parks
NWRAL Coordination
Rural Fire Services SES & LEMO
Strategic Engagement & Recreational Asset Planning
Asset Systems Managment & Audits
Capital Works and Maintenance Planning
Traffic Committee
Asset Inspections
Place Management
Restoration
Ferry Operations

Infrastructure & Transport Planning
Traffic & Transport Planning
Survey & Design
Strategic Engagement and Civil Assets Planning
Approval of Infrastructure Capital Projects
Waterways & Stormwater Planning

Special Projects, Property & Buildings
Special Projects
Property Development
Land Acquisitions
Strategic Engagement & Building Assets Planning
Buildings Management & Property Leasing
Swimming Pool

Group Manager [Senior Officer] **Customer, Community Services & Technology**

Library
Library Services

Hills Community Care & Childcare
Hills Community Care
Child Care Services

Community, Sporting, Culture, Events & Venues
Community Development
355 Volunteer, & Community Grants
Community & Recreation Facility Operation
Hall Booking, Venues
Cemetery Services
Community & Major Events
Citizenship Ceremonies

Corporate Communications, Marketing & Economic Development
Mayoral Media & Speeches
Media Enquiries & Relations
Website & Social Media
Graphic Design, Photography & Video
Corporate Advertising
Printing
Communications & Marketing
Economic Development

Information Technology & Customer Service
Organisation Technology Management
IT Infrastructure
Geographical Information System
IT Data Communications
Data Management
IT Security
Technological Strategy
Customer Contact Centre
Records & Information Management

Group Manager [Senior Officer] **Development & Compliance**

Regulatory Services
Control of Unauthorised Development
Development Monitoring
Fire Safety Inspections
Extractive Industry
Building Certificate Applications
Parking & Vehicle Enforcement
Companion Animals Control
Drainage (Private Property)

Environment & Public Health
Food Premises/ Public Health Regulations
Environmental Monitoring & Regulation
Fire Safety Inspections
Swimming Pool Safety
Building Certificate Applications
Trees & Bushland Management (Private)
Environmental Education & Projects
Waste Contract Management/ Contaminations Management/Illegal Dumping

Subdivision & Development Certification
Subdivision Applications Assessment
Subdivision Construction Plan Assessment & Inspections
Release of Subdivision Certificates (Linen Plans)
Construction Certificate & Complying Development Certificate Assessment
Building Inspections (Certification)
Occupation Certificates for Building

Development Assessment
Development Application Assessment
Construction Certification Assessment (Dwellings & Ancillary Buildings)

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Hornsby Shire Council

Management

General Manager – Stephen Head

As chief executive officer the general manager implements the decisions of Council's elected representatives. He is also responsible for the day-to-day management of Council as a corporate organisation and provides the most direct link between the councillors and staff.

Deputy General Manager and Infrastructure and Major Projects Director – Robert Stephens

Robert manages the Infrastructure and Major Projects Division which is responsible for Hornsby Shire's infrastructure, including roads, drains, community buildings and amenities. There are more than 1,300 local roads that fall under Council's control, as well as 25 regional roads, more than 260 kilometres of footpaths and around 200 kilometres of foreshore. Another important task is the construction and maintenance of public buildings, including community centres, libraries, childcare centres, public toilets, bus shelters and aquatic centres.

Robert, who is known by everybody as Bob, has worked in state and local government for more than 20 years. He has a degree in science and post-graduate qualifications in urban and regional planning.

Deputy Manager and Corporate Support Division Manager (Acting) - Glen Magus

The Corporate Support Division is responsible for helping councillors and staff with a variety of services and facilities. Its duties include managing Council's finances, human relations, customer service, administration, property services, information systems and communications.
Glen is a qualified CPA and has a Bachelor of Business and a Postgraduate Diploma in Accounting and a Master of Leadership and Management. He has spend the last 25 years in Local Government across two Councils. Since joining Hornsby Shire Council, Glen has held numerous roles and has served as Chief Financial Officer for several years. His main responsibility is to bring about financial improvement and efficiency to the organisation.

Glen is currently acting in the role of Corporate Support Manager.

Community and Environment Division Director - Steve Fedorow

Encompassing community services and the arts including the management of Wallarobba Arts and Cultural Centre, Hornsby Mall and 26 community centres throughout the Shire; public event management; as well as providing community development services with focus areas extending from young people to the aged.

Council's library network provides members of our community with the opportunity to borrow digital and print resources in English and other community languages as well as a range of programs to encourage literacy within the community.

Steve is the Director of the Community and Environment Division which encompasses the human side of Council's services, as well as environmental management of our Shire. Steve is responsible for overseeing the provision of a diverse range of services including libraries, garbage and recycling services, community services and the arts, and management of our natural environment.

Steve has a degree in Environmental Health and has worked for Hornsby Shire Council since 2011.

Planning and Compliance Division Director - James Farrington

The Planning and Compliance Division seeks to strike a sustainable balance between the needs of Hornsby Shire's growing population and the protection of our natural environment. Its main responsibility is helping to decide what developments are allowed to proceed and the standards they need to meet.

James has a degree in town planning and has worked at Hornsby Shire Council since 1997. He is eager to prepare for the future housing and employment needs of residents through a planning framework that attracts investment and promotes sustainable development.

Penrith Council
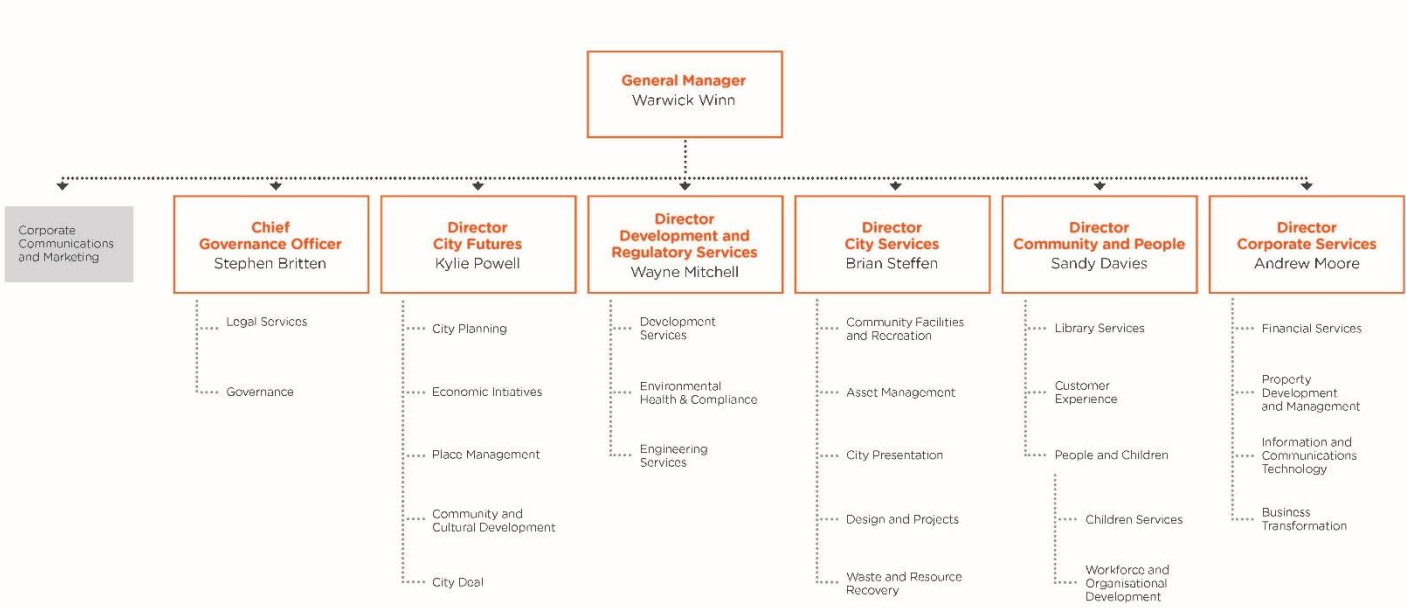
9.0   Role of the Governing Body in Organisational Design

Prior to the changes to Section 223 of the Local Government Act in August 2016, and the greater clarity given to the role of the Governing Body in considering organisational structure issues, there had been quite challenging events at some Councils over the years.

Under Section 332 of the Act it simply gave the Council the power to adopt an organisation structure and to designate senior staff positions.   The most common practice in Councils was to adopt the second level positions as senior staff and to place those positions on term contract. Many smaller rural councils did not have the financial capacity to pay senior staff at Band One under the Senior Executive Service of the State Government (note the current Total Remuneration Package value of Band one at 1 July 2019 is $192,600) and the second level positions were engaged under the State Award.

At the same time, some of the larger metropolitan councils also took the opportunity to designate level 3 manager positions as senior staff as they were deemed to have executive band responsibilities and were able to be paid accordingly.

In 2016 the role of the Governing Body was changed in a number of respects.   We have been asked to comment on the role of the Governing Body under section 223(1) (g), (h) and (l) and the appropriate way for the Council to undertake those roles.   Those parts provide:

> ### 223   Role of governing body
> *(1) The role of the governing body is as follows:*
>   *(a) to direct and control the affairs of the council in accordance with this Act,*
>   *(b) to provide effective civic leadership to the local community,*
>   *(c) to ensure as far as possible the financial sustainability of the council,*
>   *(d) to ensure as far as possible that the council acts in accordance with the principles set out in Chapter 3 and the plans, programs, strategies and polices of the council,*
>   *(e) to develop and endorse the community strategic plan, delivery program and other strategic plans, programs, strategies and policies of the council,*
>   *(f) to determine and adopt a rating and revenue policy and operational plans that support the optimal allocation of the council's resources to implement the strategic plans (including the community strategic plan) of the council and for the benefit of the local area,*
>   *(g) to keep under review the performance of the council, including service delivery,*
>   *(h) to make decisions necessary for the proper exercise of the council's regulatory functions,*
>   *(i) to determine the process for appointment of the general manager by the council and to monitor the general manager's performance,*
>   *(j) to determine the senior staff positions within the organisation structure of the council,*
>   *(k) to consult regularly with community organisations and other key stakeholders and keep them informed of the council's decisions and activities,*
>   *(l) to be responsible for ensuring that the council acts honestly, efficiently and appropriately.*

We have been asked to address g), h) and l):

g)   to keep under review the performance of the council, including service delivery,
Comment: This is also a key role of a Councillor – under Section 232 (2) of the Local Government Act …*"A councillor is accountable to the local community for the performance of the council".*

As the Governing Body the Council meets periodically to make decisions in the best interests of its community. It keeps under review the performance of the Council by receiving reports from and through the General Manager. Each Councillor has an individual responsibility under Section 232 (a) *"to be an active and contributing member of the governing body"*, and (b) "*to make considered and well informed decisions as a member of the governing body".*

It is also a responsibility of the General Manager under Section 335 of the Local Government Act to advise the Council and to prepare in consultation with the Mayor and the Governing Body the council's community strategic plan, community engagement strategy, resourcing strategy, delivery program, operational plan and annual report. The General Manager also ensures the Mayor and Councillors receive timely information and advice – Section 335:

> *The general manager of a council has the following functions:*
> *(a) to conduct the day-to-day management of the council in accordance with the strategic plans, programs, strategies and policies of the council,*
> *(b) to implement, without undue delay, lawful decisions of the council,*
> *(c) to advise the mayor and the governing body on the development and implementation of the strategic plans, programs, strategies and policies of the council,*
> *(d) to advise the mayor and the governing body on the appropriate form of community consultation on the strategic plans, programs, strategies and policies of the council and other matters related to the council,*
> *(e) to prepare, in consultation with the mayor and the governing body, the council's community strategic plan, community engagement strategy, resourcing strategy, delivery program, operational plan and annual report,*
> *(f) to ensure that the mayor and other councillors are given timely information and advice and the administrative and professional support necessary to effectively discharge their functions,*
> *(g) to exercise any of the functions of the council that are delegated by the council to the general manager,*
> *(h) to appoint staff in accordance with the organisation structure determined under this Chapter and the resources approved by the council,*
> *(i) to direct and dismiss staff,*
> *(j) to implement the council's workforce management strategy,*
> *(k) any other functions that are conferred or imposed on the general manager by or under this or any other Act.*

So, there is a joint partnership between the Mayor, Councillors and General Manager in developing the strategic documentation and in considering that documentation at meetings of the Council.

Because of the complexity of the information provided to the Governing Body many Councils adopt a workshop approach prior to the formal council meetings.   At such an informal gathering Councillors can receive a plain English outline of proposals and be able to ask questions and to test the information provided by or through the General Manager. Those workshops are not a formal meeting of the Council and decisions cannot be taken at those meetings.

 (h) to make decisions necessary for the proper exercise of the council's regulatory functions,
Comment: The Regulatory Functions of the Council are outlined in Chapter 7 of the Local Government Act. Those functions include:

- Approvals
- Orders
- Local Policies
- Appeals

In relation to Approvals, Section 68 of the Act outlines the activities which require the approval of a Council. They include:

> *"This table lists activities under section 68 of the Local Government Act 1993 that require the prior approval of the council, except when exempt from the need for approval by the regulations or this Local Approvals Policy.*
> *Part A - Structures or places of entertainment*
> *1. Install a manufactured home, moveable dwelling or associated structure on land.*

Part B - Water supply, sewerage & stormwater drainage work

1. Carry out water supply work

2. Draw water from a council water supply or a standpipe or sell water so drawn

3. Install, alter, disconnect or remove a meter connected to a service pipe

4. Carry out sewerage work

5. Carry out stormwater drainage work

6. Connect a private drain or sewer with a public drain or sewer under the control of a council or with a drain or sewer which connects with such a public drain or sewer.

Part C - Management of waste

1. For fee or reward, transport waste over or under a public place

2. Place waste in a public place

3. Place a waste storage container in a public place

4. Dispose of waste into a sewer of the council

5. Install, construct or alter a waste treatment device or a human waste storage facility or a drain connected to any such device or facility

6. Operate a system of sewage management (within the meaning of s.68A).

Part D - Community land

1. Engage in a trade or business

2. Direct or procure a theatrical, musical or other entertainment for the public

3. Construct a temporary enclosure for the purpose of entertainment

4. For fee or reward, play a musical instrument or sing

5. Set up, operate or use a loudspeaker or sound amplifying device

6. Deliver a public address or hold a religious service or public meeting.

Part E - Public roads

1. Swing or hoist goods across or over any part of a public road by means of a lift, hoist or tackle projecting over the footway

2. Expose or allow to be exposed (whether for sale or otherwise) any article in or on or so as to overhang any part of the road or outside a shop window or doorway abutting the road, or hang an article beneath an awning over the road.

Part F - Other activities

1. Operate a public car park

2. Operate a caravan park or camping ground

3. Operate a manufactured home estate

4. Install a domestic oil or solid fuel heating appliance, other than a portable appliance

5. Install or operate amusement devices

7. Use a standing vehicle or any article for the purpose of selling any article in a public place

10. Carry out an activity prescribed by the regulations or an activity of a class or description prescribed by the regulations.

It is noted the Blue Mountains City Council has a Local Approvals Policy, it being last adopted on 1 May 2018 (Minute no. 143).

Under Section 124 of the Local Government Act a council may order a person to do or to refrain from doing a thing specified in Column 1 of the Table to that section if the circumstances specified in Column 2 of the Table exist and the person comes within the description opposite it in Column 3 of the Table.   Orders can be in a number of categories:

- Orders requiring or prohibiting the doing of things to or on premises
- Orders requiring that premises be used or not used in specified ways
- Orders requiring the preservation of healthy conditions
- Orders requiring the protection or repair of public places
- Orders requiring compliance with approval

Under Section 377 of the Local Government Act a Council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council under this or any other Act, other than the following:

> *(a) the appointment of a general manager,*
> *(b) the making of a rate,*
> *(c) a determination under section 549 as to the levying of a rate,*
> *(d) the making of a charge,*
> *(e) the fixing of a fee,*
> *(f) the borrowing of money,*
> *(g) the voting of money for expenditure on its works, services or operations,*
> *(h) the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment),*
> *(i) the acceptance of tenders to provide services currently provided by members of staff of the council,*
> *(j) the adoption of an operational plan under section 405,*
> *(k) the adoption of a financial statement included in an annual financial report,*
> *(l) a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6,*
> *(m) the fixing of an amount or rate for the carrying out by the council of work on private land,*
> *(n) the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work,*
> *(o) the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the Environmental Planning and Assessment Act 1979,*
> *(p) the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194,*
> *(q) a decision under section 356 to contribute money or otherwise grant financial assistance to persons,*
> *(r) a decision under section 234 to grant leave of absence to the holder of a civic office,*
> *(s) the making of an application, or the giving of a notice, to the Governor or Minister,*
> *(t) this power of delegation,*
> *(u) any function under this or any other Act that is expressly required to be exercised by resolution of the council.*
> *(1A) Despite subsection (1), a council may delegate its functions relating to the granting of financial assistance if:*
> *(a) the financial assistance is part of a specified program, and*
> *(b) the program is included in the council's draft operational plan for the year in which the financial assistance is proposed to be given, and*
> *(c) the program's proposed budget for that year does not exceed 5 per cent of the council's proposed income from the ordinary rates levied for that year, and*
> *(d) the program applies uniformly to all persons within the council's area or to a significant proportion of all the persons within the council's area.*
> *(2) A council may, by resolution, sub-delegate to the general manager or any other person or body (not including another employee of the council) any function delegated to the council by the Departmental Chief Executive except as provided by the instrument of delegation to the council.*
> *(3) A council may delegate functions to a joint organisation only with the approval, by resolution, of the board of the joint organisation.*

Accordingly, there is no requirement that the Governing Body of the Council exercise the power to issue an approval or order and it is normal practice for staff members to exercise those functions as part of their operational management responsibilities.

(l) to be responsible for ensuring that the council acts honestly, efficiently and appropriately.
Comment: This function of the Governing Body needs to be read also in the context of the role of a Councilllor under Section 232 of the Local Government Act to be *"an active and contributing member of the governing body"*, and *"to make considered and well informed decisions as a member of the governing body"*.

The Council has to adopt a Code of Conduct to guide the actions and decisions of Councillors and staff. Training in the features of the Code is essential, having regard for the importance of its provisions. The Council also has a Code of Meeting Practice to guide decision making at meetings of the Council.

Some Councils employ an Internal Ombudsman to monitor the actions of councillors and staff and to investigate any complaints against councillors and staff in the conduct of their duties. Councils also are subject to investigation under Part 5 of the Local Government Act – Inquiries, Reviews and Surcharging – and the conduct of the Council or individual councillors or employees can be reviewed by different statutory bodies, such as the Audit Office, NSW Ombudsman, and the ICAC.

10.0   Observations on the Blue Mountains City Council Organisational Review Process

We have been provided with documentation relating to the ongoing review of the Council initiated in January 2018. In particular we have had the benefit of examining a report titled *"BMCC Improvement Strategy and Action Plan 2019-2021 Including Proposed Organisation Design"* presented to the Council Meeting on 26 March 2019.

We have also examined documents relating to the Organisation Performance Review and the various stages involved in that review.   Those stages involved:

Stage 1 – "Where are we now as an organisation?   This involved a very comprehensive analysis of information and extensive consultation with staff through workshops, open day events, interviews, and anonymous submission forms. It also involved a Community Survey conducted in May 2018 to establish community satisfaction with the Council.   As a result of this stage there were a series of findings, identified strengths and challenges and a foundation to move to the next stage.

There were six (6) key improvement areas identified during this stage.

Stage 2 – "Where do we want to be as an Organisation? This stage involved consultation with Councillors, the Senior Leadership Team (Executive and Managers), Staff Reference Group (representing staff from all areas and levels of the organisation), and employees who attended open days and made submissions.   This stage examined the six (6 key improvement areas identified in Stage 1, assessing the strategic direction of the organisation, and conducting an organisation redesign process to align structure with strategy.

Stage 3 – "How will we get there?" and
Stage 4 – "How will we know we are there?"   The 2 stages involved further comprehensive consultation with Councillors and staff – 4 all staff open days (2 in July/August 2018 and 2 in February 2019) and a staff consultation document outlining the six (6) key improvement area and proposed organisation redesign and seeking feedback on those proposals.   Stage 3 involved the development of high level action plans to address improvement areas and Stage 4 identified key measures which would be used to track progress and measure success.

It is noted that the consultation process was designed to build a culture of continuous improvement and to respond to challenges and opportunities. In particular to respond to the six (6) key improvement areas and to continue the implementation of the *"Six Strategies for Financial Sustainability"*.

The Key Improvement Areas identified were:

- Culture and Structure
- Technology and Business Systems
- Training Capability and Skills Development
- Policies, Processes and Procedures
- Asset Management and Affordable Levels of Service
- Workplace Health and Safety

It is noted that as a result of the process the Council developed an Organisation Redesign with 3 key elements:

- Guidelines – six (6) were nominated
- A new Operating Model – with new interrelationships between strategy, services, structure and service delivery.
- A new Organisation Structure – with four (4) service based directorates.

It is also noted that the Council had the last major change to the organisation structure in 2011 – 8 years ago. It is noted that some refinements to the structure were adopted in March 2013, July 2015 and August 2017 and the structure now adopted by the Council aims at achieving the following:

➢ Improved alignment to delivery of the Community Strategic Plan Key Direction Objectives and Strategies
➢ A structure that supports a "strategy led" and "service focused" organisation with renewed focus on Workplace Health and Safety, customer service and best value service planning and delivery
➢ Continued focus on strengthening financial, asset and risk management
➢ Vertical integration of services so they are not split but rather located within a single Directorate and/or Branch – with service planning and delivery functions fully integrated together
➢ Improved clarity of roles, responsibilities and functions arising from more vertically integrated services
➢ Resulting overall in improved customer service and more effective, value for money service delivery.

In my view the process and methodology adopted by the Council in its review of the organisational structure is comprehensive, sound in its thoroughness and respectful of the role of councillors and employees in undertaking that review. I indicated earlier in this report that the six (6) phases that might be involved in any methodology to review an organisational structure are:

Phase 1 - Project Initiation – a resolution of the Council to do so and establishment of clear terms of reference

Phase 2 – Establishment of Design Principles, Criteria and Assumptions

Phase 3 - Detailed Review of Directorates and Functions

Phase 4 – Development and refinement of preferred structure option

Phase 5 - Present recommended structure for consideration of the Council

Phase 6 – Adoption of preferred structure for the purposes of Award consultation with staff affected

From the information provided to me it does appear the Blue Mountains City Council has met all the requirements for delivering a sound result.   I make no judgement on the merit or otherwise of the structure adopted. Each organisational structure should quite rightly reflect what is required to deliver the needs and aspirations of the local community as expressed in the Community Strategic Plan.   There is no *"one size fits all"* for organisational structures and in my view any structure can be made to work.

We have, however, found one over-riding determinant of success in every organisational review we have conducted – and that is the culture of the organisation. If staff are adequately resourced, have strong leadership from the general manager, executive team and managers, are motivated and inspired to deliver for the community, are empowered to make decisions, and are recognised and rewarded for effort, these are the characteristics which ultimately determine success and not organisational structure.

We have observed that the Blue Mountains City Council has surveyed its community on satisfaction with council services and achieved a satisfaction rate of 3.44/5 in 2018.   We also note it has surveyed its staff in 2016, and in 2018 through an Organisation Effectiveness Model (OEM). Key areas for improvement were identified and actions taken.   It is also noted that Blue Mountains City Council is values based – and organisational values were established in 2013-14 and in the recent survey the demonstration of great values and behaviours within teams was noted as the number one strength.

At the same time there were six (6) priority areas identified as a focus of improvement – the number one being to break down the silos that exist in different parts of the organisation. In our experience with the conduct of many organisation reviews across NSW we have found this to be a common area of improvement.

Whilst the Council might introduce a new organisational structure, and appoint a new or modified executive team, the real challenge ahead is to build a culture of performance and accountability.

11.0   Summary

It has been a privilege to provide this assessment of the process for undertaking an organisational review under the legislative provisions in NSW local government, and in the context of the actions taken by the Blue Mountains City Council to review its organisational structure.

As an observation, there are no guidelines available to NSW local government in reviewing a council's organisation structure.   At the same time there is a wealth of knowledge resident in Councils across NSW in the conduct of organisational reviews. Should the Office of Local Government see value in doing so it could engage with local government and seek assistance from Councils which have conducted comprehensive organisational reviews in recent years and develop a best practice model of process for councils to follow. The methodology used by the Blue Mountains City Council could be usefully developed as a starting point.

Stephen Blackadder, Managing Director
Blackadder Associates Pty Ltd
PO Box 493, Concord NSW 2137
m: 0412 255 149
e: stephen@blackadderassoc.com.au
w: blackadderassoc.com.au