

COMPLIANCE REPORT ASSESSMENT

BALRANALD SHIRE COUNCIL

Performance improvement order dated: 24 April 2017

Period for compliance with order: Final compliance report – 13 March 2018

Terms of the order		Council's final report	OLG's assessment
Actions required	The performance improvement order required Council to provide the Minister with a final compliance report on its progress against the implementation plan.	Council resolved to adopt the compliance report at the Council meeting on 20 February 2018. The report was subsequently reviewed by the temporary adviser.	FULL COMPLIANCE Council provided the Minister with a final compliance report. The report details the status of each recommendation in the implementation plan as at February 2018.
Reporting timeframes	Council was required to provide the final compliance report by 14 March 2018.	Council provided the final compliance report on 13 March 2018 and the temporary adviser's comments on the report on 14 March 2018.	FULL COMPLIANCE: Council's final compliance report was provided as required under the performance improvement order.
Evidence to be provided	Documentary evidence to substantiate the actions taken and any improvements to Council's performance against the implementation plan.	The implementation plan is an annexure to Council's compliance report, detailing outcomes on each of the 39 recommendations contained in the plan.	There is evidence that Council has completed the majority of the recommendations in the implementation plan and made significant progress in relation to the remaining recommendations. This is a positive step and achieved despite the departure of the General Manager and Director Corporate and Community Services and the continuing challenge of recruiting

			<p>skilled and experienced staff to fill vacant positions.</p> <p>Notwithstanding the progress made, there are several underlying issues impacting on the proper and effective functioning of Council. These are broadly identified below.</p> <p>Reluctance on the part of the governing body to make decisions on more controversial and important matters</p> <p>Examples include:</p> <ul style="list-style-type: none">• application for a Special Rate variation – this was not supported by all councillors and finally adopted on the casting vote of the Mayor.• Caravan Park lease – some councillors appeared more interested in preserving the former arrangements rather than ensuring value for money for the community. OLG was required to intervene to ensure correct process was followed.• Bidgee Haven Hostel – significant income losses have been incurred over several years. While recent financial information suggests the Hostel has the ability to operate sustainably, Council’s management and ownership
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of the Hostel remains a contentious issue in the community and significant financial burden for Council.

Lack of cohesion on the part of the governing body and inability to provide adequate and consistent direction to the General Manager

There have been several instances of councillors requesting the General Manager to prepare reports for Council meetings, and then failing to consider the matter.

Failure to maintain a healthy and safe work environment for Council staff

There is evidence staff have been subjected to verbal abuse by councillors and community members at Council and Committee meetings.

Failure to communicate regularly and/or effectively with the community

The poor public opinion and ongoing criticism of Council is symptomatic of the community's lack of confidence that their elected representatives are carrying out their responsibilities in an appropriate manner. It should be noted that Council has gone some way toward ameliorating communication with the community by producing a monthly newsletter.

			<p>The newsletter was introduced by the former Acting General Manager and despite initial opposition by some councillors, continues to be produced.</p> <p>Lack of focus by the governing body on setting Council's strategic direction and differentiating between Council's strategic and operational arms.</p> <p>There have been several instances of some councillors using the media, including social media to criticise Council's decisions. There is also evidence of some councillors involving themselves in operational matters and of inappropriately diverting staff resources from day to day operations by making multiple councillor requests.</p> <p>The above is perhaps best summarised by the temporary adviser in his report on Council's implementation plan, as follows:</p> <p><i>"...Council acknowledges it has suffered reputational loss...and I have seen little evidence of Council attempting to change this.</i></p> <p><i>It is of concern...that these underlying issues will continue despite the PIO. I am not convinced that the Elected Members appreciate</i></p>
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			<p><i>the gravity of the situation and that work to date is viewed by some as a “box ticking” exercise.</i></p> <p><i>...many community members... have lost faith in the Council.”</i></p>
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Has the performance improvement order been implemented to the satisfaction of the Minister/Chief Executive?

Council has generally complied with the required actions under the performance improvement order.

The performance improvement order and the appointment of a temporary adviser have been successful in enabling Council to recognise the significant and serious risks facing its operations. However, there appears to be a lack of capacity or willingness by the governing body to take responsibility for the underlying issues impacting the effective administration of the Council. The lack of cohesion and lack of strategic direction on the part of the governing body coupled with the community’s lack of confidence in the Council appear entrenched. This will only serve to continue to impact negatively on the performance and reputation of Council.

Is any further intervention required? If yes, recommended intervention action to be specified.

Yes. It is recommended that the Minister exercise her powers under section 438U of the Act to order a Public Inquiry with the terms of reference to be provided. This will provide the community with an opportunity to express its views on the effectiveness of the governing body in managing the affairs of the Council.