

# **Promoting Better Practice Program**

## **REVIEW REPORT**

### **HOLROYD CITY COUNCIL**

**MAY 2013**



**Premier & Cabinet**  
**Division of Local Government**

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## EXECUTIVE SUMMARY

This Promoting Better Practice Review examined Holroyd City Council's compliance with a broad range of legislation that is relevant to its operation. Current policies and procedures that were in place relating to how the Council operates were also examined. However, the scope of this review report is limited to documenting examples of better practice and those aspects of the Council's operations that warrant further development and attention.

Overall, while the reviewer identified that the Council engages in a number of better practices, there are some important issues that the Council should give priority to improving or further developing.

Holroyd City Council presents as a well-managed and efficient local government body with strong links to the local community.

The recent adoption of the *Living Holroyd Community Strategic Plan – A 20 year vision for the City of Holroyd* clearly identifies community priorities within the context of the NSW State Plan, and identifies the challenges facing the area. The links between the long-term Community Strategic Plan, four-year Delivery Program and the annual Operational Plan appear well-developed.

The Council is also commended for its successful community services program, and awards that it has received as recognition from the local government sector.

The review has identified some areas that require further development that the Council needs to consider. In particular, an area for development for the Council will be in strengthening the links between Resourcing Strategy and other key integrated planning documents. To achieve this, the Council will need to complete its asset management planning as a priority. Details of all areas for development are provided in the body of this report, and recommendations have been made to assist the Council in addressing them.

## **PART I. BACKGROUND**

### **1 ABOUT THE REVIEW**

#### **Promoting Better Practice Review objectives**

Promoting Better Practice Reviews have a number of objectives. The objectives include generating momentum for a culture of continuous improvement, and the promotion of good governance and ethical conduct. The reviews are designed to act as a 'health check', giving confidence about what is being done well and helping to focus attention on key priorities.

#### **Review process**

The review process involves a reviewer or review team from, or on behalf of, the Division of Local Government, Department of Premier and Cabinet (the Division) evaluating the effectiveness and efficiency of a council's operations and giving feedback.

There are essentially five steps in a typical review - preparing, assessing, checking, analysing and reporting. The completion of a comprehensive self-assessment checklist by the subject council is a key element in all Promoting Better Practice Reviews.

The review team takes a risk-based approach, targeting its resources to areas identified as core matters to be examined as part of a Promoting Better Practice Review and those matters considered to be important having regard to the circumstances of an individual council. It does not examine every aspect of a council's operations.

All reviews involve checking compliance with a range of statutory requirements, examining appropriate practices, and ensuring that the council has frameworks in place to monitor its performance. All reviews seek to identify better and noteworthy practices, and areas requiring improvement or further development.

The reviewer/s examine local circumstances in order to understand the pressures on the council and how the council has sought to manage that environment.

The scope of the review report is limited to documenting those areas the review team identifies as:

- exceeding good practice (referred to as better practice)
- in need of improvement or further development
- otherwise noteworthy for the reasons detailed in the body of the report.

SIGNIFICANT OBSERVATIONS	DESCRIPTION
Better practice	<ul style="list-style-type: none"> <li>• Beyond or above minimum compliance requirements and good practice indicators.</li> <li>• Innovative and/or very effective.</li> <li>• Contributes to continuous improvement within the sector.</li> </ul>
In need of improvement or further development	<ul style="list-style-type: none"> <li>• Does not satisfactorily meet minimum compliance and good practice indicators and may impact negatively on the Council's operations.</li> <li>• Significant improvement initiatives that are in progress and which need to be continued.</li> </ul>
Otherwise noteworthy	<ul style="list-style-type: none"> <li>• May include successful initiatives which respond effectively to local circumstances or practice that is in other ways significant for the Council/community.</li> <li>• Practice which in general exceeds good practice but may have some aspects that require fine tuning.</li> </ul>

A council's overall performance is ranked according to policies, practices, systems and other means it has in place to:

- plan strategically
- govern its day to day operations
- undertake its planning and regulatory obligations
- manages its assets and finances
- involve the community
- recruit and retain its workforce.

A description of each of the rankings in relation to performance is provided below:

*Description of performance rankings.*

PERFORMANCE RANKING	DESCRIPTION
<b>Performing well</b>	<ul style="list-style-type: none"> <li>• Meets all requirements to a good or high standard</li> <li>• Demonstrates elements of good/better practice</li> </ul>
<b>Satisfactory</b>	<ul style="list-style-type: none"> <li>• Meets all or most requirements to an acceptable standard.</li> <li>• Improvements have been identified by the council and progress toward their rectification is evident.</li> </ul>
<b>Requires action</b>	<ul style="list-style-type: none"> <li>• A critical requirement has not been met</li> <li>• Significant improvement or further development is required in a particular area.</li> </ul>

**Holroyd City Council Review**

Holroyd City Council was asked to complete a comprehensive checklist/questionnaire about key Council practices. The reviewer was Bronwynn Nosworthy, a consultant with Internal Audit Bureau Services, acting on behalf of the Division. She examined these and a range of other source documents prior to visiting the Council, in order to gain a preliminary understanding of the circumstances of the Council and how the Council is responding.

The on-site component of the review took place during April and May 2012. It involved attendance at group presentations made by relevant staff from each of the four divisions of the Council, including Directors. The General Manager attended all of these presentations. A review of a selection of the Council's policies and procedures was also conducted on-site, along with the supply of other documentation after the on-site review had been completed.

**Next steps**

This draft report includes recommendations which are set out within the draft action plan at the back of this report (see Part V). The Council is asked to provide comments on the draft report and complete the action plan. These will be reproduced in the final report.

The final report is to be adopted by the Council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the

Division will advise whether it intends to monitor the implementation of the recommendations of the report or leave this responsibility with the elected body and senior management of the Council.

## 2 ABOUT THE COUNCIL AND THE AREA

### Location and history

Holroyd is a local government area and suburb in the Western Sydney region of New South Wales. Originally known as the Municipality of Prospect and Sherwood, it was incorporated in February 1872. In 1927, it was renamed the Municipality of Holroyd after Arthur Holroyd, the first mayor. In December 1990, the area was declared the City of Holroyd.

Holroyd was traditionally occupied by people of the Darug Aboriginal Nation. A totem of the Darug people is the Warali Wali, which is the Darug word for possum.

The Holroyd local government area includes many areas of historical importance, including Prospect Hill, which was the site of the first Aboriginal–European reconciliation held in 1805.

The Aboriginal population for the Sydney region in 1788 has been estimated as being between 5000 and 8000 people, of which about 2000 belonged to the inland Darug people: 1000 between Parramatta and the Blue Mountains and 1000 between what are now Liverpool and Campbelltown.

### Local issues

The main challenges identified by staff and councillors, as well as community responses which informed the development of the Community Strategic Plan, appear to be associated with cultural diversity and low-level incomes.

### The Council

The Council is comprised of twelve elected Councillors, including the Mayor. The Mayor is elected each year from the twelve elected Councillors. A new Council was elected in September 2012.

The Council has four wards - North, South, East and West. Three councillors are elected from each ward to represent the residents and ratepayers within the ward.



As at 30 June 2011, the Council employed approximately 451 full-time equivalent staff. The Council's organisational structure is described in more detail within the Workforce Relations Section of this report.

### 3 SUMMARY OF KEY FINDINGS

Better practices/Other noteworthy practices		Areas for improvement	
<b>STRATEGIC POSITION</b>			
p.15	There is evidence that the outcomes of the Community Engagement Strategy were used to develop the Community Strategic Plan.	p.39	Strengthen links between the Long-Term Financial Plan and other documents in the Integrated Planning and Reporting suite.
p.14	Plans developed as part of the Integrated Planning and Reporting framework reflect community priorities through comprehensive participation.	p.38	Finalise asset management plans as a matter of priority.
p.14	The above plans are clearly presented and well-integrated in a logical hierarchy between the Community Strategic Plan, Delivery Program/Operational Plan.	p.16	A detailed budget needs to be included within the Operational Plan.
<b>GOVERNANCE</b>			
p.23	A strong set of values exists which has been developed and refined through the community engagement process.	p.26	Monitoring and auditing of the disposal of assets and contractor performance is required.
p.24	Fraud Control Policy	p.26	A system to ensure legislative compliance and internal reporting is required.
p.25	A clear understanding and processes to handle information requests are demonstrated.		
p.26	Extensive staff and councillor training on code of conduct, discrimination, bullying, protected disclosures and complaints handling.		

Better practices/Other noteworthy practices		Areas for improvement	
pp23-4	Risk management plan, Internal audit program, and Audit and Risk Committee has external membership.		
p.22	<i>The Holroyd Model</i> (continuous improvement model).		
p.20	Numerous recent awards recognising achievement across several areas of the Council.		
<b>PLANNING AND REGULATORY</b>			
p.29	High number of development applications determined under staff delegation.	p.31	The Council should consider developing a local approvals policy.
p.30	Education programs promoting responsible companion animal ownership	p.32	The Council should consider developing a local orders policy.
		p.32	Monitoring of variations and trends in orders issued is required.
<b>ASSET AND FINANCIAL MANAGEMENT</b>			
p.37	Well-developed long-term Asset Management Strategy and Asset Management Policy.	p.38	Complete asset management planning as a priority.
p.36	Competitive neutrality principles promoted in business activities.	p.38	Examine subsidy levels of the Council's businesses.
p.36	An annual review of overdraft requirements.	p.39	Stronger links between the Long-Term Financial Plan, Community Strategic Plan and Delivery Program/Operational Plan are required.

Better practices/Other noteworthy practices		Areas for improvement	
<b>COMMUNITY COMMUNICATION AND CONSULTATION</b>			
p.42	Community engagement and regular surveys of the Council's performance.	p.43	Development of a Tourism Plan is suggested.
p.43	The Aged and Disability Services Strategic Plan guides the Council's strong community performance.	p.44	The preparation and adoption of an Economic Development Plan/Strategy is suggested.
p.43	Best practice review used in the development of the Social Plan.	p.17	The Community Engagement Strategy should more clearly articulate how social justice groups will be engaged
p.41	Community engagement addresses social justice principles.		
<b>WORKFORCE RELATIONS</b>			
p.47	Winner of Business Excellence Award in OHS &E for improved injury management.	p.47	Assign timeframes to each strategy/action identified in the Workforce Management Plan.
p.46	Strong and active Consultative Committee.	p.48	Strengthen the links between the Workforce Management Plan and the Delivery Program/Operational Plan.
p.47	Promotion of EEO principles throughout the organisation.		
p.46	Child protection policy and procedures.		

**PART II. PLANNING A SUSTAINABLE FUTURE**

This part of the review focussed on the Council’s strategic intent, and how it has involved its communities and other stakeholders in developing long-term strategic plans. The review assessed the clarity of the Council’s strategic direction, whether its plans reflect a shared and realistic vision, and its overall approach to corporate planning. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to the Council’s performance in this area.

**4 STRATEGIC PLANNING AND REPORTING**

A planning and reporting framework for NSW local government has been introduced to improve local councils’ long-term community planning and asset management, as well as to streamline reporting to the community.

The new framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans. The Community Strategic Plan is supported by a Resourcing Strategy that includes long-term financial planning, asset management planning and workforce management planning. The framework is set out in the following diagram:



**Table 1: Assessment of the Council's Strategic Planning and Reporting Framework**

Area	Status
Integrated Planning and Reporting	Performing well
Community Strategic Plan	Performing well
Community engagement	Satisfactory
Resourcing Strategy (overall)	Satisfactory
Long-term financial planning	Performing well
Asset management planning	Requires action
Workforce management planning	Performing well
Delivery Program	Performing well
Operational Plan	Satisfactory
Annual reporting	Performing well

### ***Integrated Planning and Reporting***

The following is a summary of the review of the Council's Integrated Planning and Reporting suite of documents. The review found that the Council largely meets the legislative requirements of the Integrated Planning and Reporting framework. The Workforce Management Plan, the Asset Management Plan and the Long-Term Financial Plan are discussed in the other relevant sections of this Report.

The strengths in the Council's Integrated Planning and Reporting are as follows:

- The *Living Holroyd Community Strategic Plan – A 20 year vision for the City of Holroyd* clearly summarises community priorities in the context of the NSW State Plan and the challenges facing the area.
- The links between the Community Strategic Plan, Delivery Program/Operational Plan are clear and logical.
- The assumptions detailed in the Long-Term Financial Plan are well-explained.

### **Community Strategic Plan**

The *Living Holroyd Community Strategic Plan* identifies five key priority areas which reflect the quadruple bottom line. Social justice principles are addressed in a number

of the strategies. The Plan presents a clear and concise summary of the challenges facing the local government area over the next twenty years.

While community priorities are summarised and have been translated into clear strategies, the Plan could be strengthened by the inclusion of further details on the outcomes of community engagement and how this is translated into the key priority areas.

The Plan contains a page dedicated to links with the NSW State Plan, and includes an outline of links between *Living Holroyd* 'Directions' and State Plan priorities. The Council's role in delivering objectives is clearly identified. While other relevant partners, including State agencies, are identified against each key priority area, it is unclear how these partners will be involved in supporting the achievement of community objectives. High-level performance indicators are also included for each strategic area as 'City Targets'.

#### Community Engagement Strategy

Holroyd City Council has a published Community Engagement Strategy. The Strategy outlines a broad process for engaging a cross-section of the Holroyd community. It is unclear how specific social justice groups are to be engaged in the development/review of the Community Strategic Plan.

#### Resourcing Strategy

The Council presents its Resourcing Strategy as a single document, including the Long-Term Financial Plan, the Workforce Management Plan, and the Asset Management Strategy.

#### Delivery Program and Operational Plan

Integration is enhanced by the presentation of the Delivery Program and Operational Plan as a single document.

The Delivery Program and Operational Plan address all key community priority areas identified in the Community Strategic Plan. There is a logical hierarchy of Community Strategic Plan Outcomes and Strategies, Delivery Program Actions and Operational

Plan Priorities. The inclusion of indicative timeframes in the Action Plan would strengthen the document.

Performance 'outputs' in the Operational Plan should be reviewed to ensure they are specific and measurable. The responsibility for the implementation of specific activities by Council officers is included.

There are no apparent links between the financial information presented in the Delivery Program and the scenario presented in the Long-Term Financial Plan. The links could be strengthened by the inclusion of more detailed information about how proposed strategies will be funded.

A detailed budget is not included for the Operational Plan. A Statement of Revenue Policy is separately presented but it does not contain a concise statement of income and expenditure.

Relationships with key partners identified in the Community Strategic Plan have not translated into the Delivery Program/Operational Plan actions and strategies.

#### Overall integration of plans

The Community Strategic Plan, Delivery Program/Operational Plan are well-integrated and this is supported by consistent numerical referencing and colour coding.

There are some links between the Workforce Management Plan strategies, and Delivery Program actions and Operational Plan priorities. The links between the Delivery Program/Operational Plan and Resourcing Strategy are not clear, particularly in the case of the Long-Term Financial Plan. These links could be strengthened by the inclusion of more detailed information about how proposed strategies will be funded. The linking of elements of the Resourcing Strategy to each other and the remainder of the plans would enhance overall integration.

Areas for further development include the following:

- the Council needs to finalise its Asset Management Plans as a priority



- the Council should revise its Community Engagement Strategy to make clear the methods to be utilised and how social justice groups will be engaged
- performance 'outputs' in the Operational Plan should be reviewed to ensure they are specific and measurable
- a detailed budget should be developed as part of the Operational Plan
- further information should be included to demonstrate sensitivity to the key assumptions provided in the Long-Term Financial Plan
- the Council needs to provide evidence that it has engaged the community in relation to agreed service levels, and ensure this is reflected in the Council's planning
- The links between the component parts of the Resourcing Strategy and the other plans needs to be strengthened.

**Recommendation 1**      *The Council should continue to refine and develop the suite of Integrated Planning and Reporting documents, particularly in relation to relevant recommendations contained within this Promoting Better Practice Program report.*

### **The Council's response**

#### **Recommendation 1**

In the 12 months since the Better Practice Review was undertaken, the Council has worked to review and reform its suite of Integrated Planning and Reporting documents. The Community Strategic Plan was reviewed between October 2012 and January 2013. The reviewed document was adopted by the Council at its meeting on 19 February 2013.

Throughout the review of the Community Strategic Plan, the Council worked to refine its existing Community Engagement Strategy to include how Holroyd is unique in its demographic makeup, and a further workplan has outlined how the social justice groups were engaged, for example Community Leaders Forums, Youth Engagement activities, targeted stakeholders groups. Future iterations of the Community Engagement Strategy will demonstrate more specifically how the groups are engaged.

In line with the Local Government Act, the Council must prepare a new Delivery Program after each ordinary election of councillors to cover the principal activities of the Council for the four-year period commencing on 1 July following an election. Holroyd Council has reviewed its Delivery Program and Operational Plan in accordance with the Act and has included the following:

- The Delivery Plan and Operational Plan still make up the one document but its alignment and structure has been reviewed and reformed to further reflect linkages with the Resourcing Strategy (Workforce Management Strategy, Asset Management Strategy and the Long Term Financial Plan).
- The 2013-2017 Delivery Program highlights the key actions to be completed over the four years of the program commencing 1 July 2013. On adoption by the Council, the documents will be made available on the Council's website.
- The City Targets have been reviewed and refined aligning Actions in the Delivery Program to Outcomes for the Community in the Community Strategic Plan.
- The Operational Plan has established a range of priorities over its 12 month period including priorities rolling over to the four-year period of the Delivery Program, showing indicative timeframes over the year of the current Operational Plan, as suggested by the DLG review.
- Performance Measures have been reviewed and are specific and measurable, as suggested by the DLG review.
- The Resourcing Strategy links have been established as part of the Delivery Program and Operational Plan templates:
  - Links to the Workforce Strategy shows which area of the Council is responsible for the delivery of services for a particular component of the plan
  - Strategies in the Workforce Strategy have also been linked to the Delivery Program using coding
  - Asset Management Plan/Strategy has been updated to show the links between the Community Strategic Plan, Delivery Program and the Resourcing Strategy for each Asset class in their introductions and summary. The links are then shown in the Delivery Program
  - The 20+ Asset Management Plan and the Stormwater Program are currently being linked
  - The Capital Works list is linked to the Delivery Program through numbering reflected in the Delivery Program

- The Introduction of CAMMS Interplan, a reporting and planning software package, will assist in monitoring our suite of Integrated Planning and Reporting documents from 1 July 2013
- Alignment of Council Business Papers and Reports to the Delivery Program through use of the Delivery Program Coding.
- A review from the DLG in May 2012 indicated that the Council had in fact provided adequate information representing the Budget in the Operational Plan. The Budget has been represented as a whole Budget for the Delivery Program and is then separated out as Budget summaries across each of the Key Directions (Active, Growing, Balanced, Connected and Dynamic).
- The Council has commenced a review of major service levels across the Council in line with the requirements of the Council's Infrastructure Working Party, and should be completed by December 2013.

The Council acknowledges that the Integrated Planning and Reporting documents are living documents and will continue to be reviewed in accordance with the requirements of the *Local Government Act 1993*.

#### ***The Division's comments***

The Council's efforts to better align its Integrated Planning and Reporting documents since the site visit in 2012 are acknowledged.

## **PART III. DELIVERING AND ACHIEVING**

This part of the review focussed on examining key structures, systems and processes involved in delivering the stated outcomes of Holroyd's Community Strategic Plan. This included considering the means by which the Council:

- governs its day to day operations
- undertakes its planning and regulatory obligations
- manages its assets and finances
- involves the community
- recruits and retains its workforce.

### **5 GOVERNANCE**

#### **5.1 OVERVIEW**

"Corporate governance refers to all the means by which entities are directed and controlled." (Standards Australia, HB401-2004:12). Corporate governance is important because it:

- enhances organisational performance
- manages and minimises risks
- increases the confidence of the community and the local government sector in the organisation
- ensures that an organisation is meeting its legal and ethical obligations
- assists in the prevention and detection of dishonest or unethical behaviour.

##### **5.1.1 Scope of review**

- *Ethics and values*
- *Code of conduct*
- *Risk management*
- *Internal audit*
- *Procurement, disposal and tendering*
- *Fraud and corruption prevention*
- *Access to information*
- *Complaints handling*
- *Legislative compliance*

### 5.1.2 Overview of Holroyd City Council's governance practices

Overall, Holroyd City Council has many effective governance systems and processes in place, and has prioritised further introduction of systems and internal controls to enhance its performance in this area.

Table 2 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's governance framework.

Significant observations relating to better practices, noteworthy practices and suggested improvements to build a stronger governance framework are presented in the following section.

**Table 2: Assessment of the Council's Governance Framework**

Area	Status
Values	Performing well
Code of Conduct	Performing well
Gifts and benefits	Performing well
Communications devices	Performing well
Disclosure of pecuniary interests	Performing well
Business ethics	Performing well
Risk management	Performing well
Internal audit	Performing well
Fraud and corruption prevention	Performing well
Business continuity	Performing well
Legislative and regulatory compliance	Requires action
Legal services	Performing well
Procurement, disposal and tendering	Requires action
Privacy management	Performing well
Records management	Performing well
Public Officer	Performing well
Access to information by the public	Performing well
Policy register	Performing well
Executive Management meetings	Performing well

Delegations	Performing well
Council meetings	Performing well
Council committees (s355 and others)	Performing well
Councillor induction and ongoing training	Performing well
Expenses and facilities policy	Performing well
Councillor/staff interaction	Performing well
Access to information by councillors	Performing well
Campaign donations	Performing well
Complaints handling	Performing well
Protected disclosures and internal reporting	Performing well
Strategic alliances	Performing well
Information technology	Performing well

### 5.1.3 Significant Observations

#### **Better Practice**

##### Awards

The Council has received numerous awards over the last three years. The most recent are listed below:

#### **Learning and Community Services**

August 2009 - Highly Commended Award for the *Healthy Holroyd Program* (Local Government Week Awards).

May 2010 - National Award for Local Government - *Women in Local Government Category* for efforts in implementing the National Framework for Women in Local Government.

June 2010 - Certificate for Achieving Milestone 1 in the *Cities for Safe and Healthy Communities – Alcohol and Other Drugs Harm-Minimisation Program* (National Local Government Congress).

August 2010 - Local Government Week Award - *Active and Inclusive Sports Program*.

September 2010 - Service to Community Award - Disability Services – *Inclusive Volunteer Rugby League* – (National Rugby League's 'One Community' Awards.)

June 2011 - Excellence in Child Care Award - *Gumnut Grove Children's Centre* (Holroyd Local Business Awards).

### **Environmental Planning Services**

2008 - Certificate of Achievement for *Outstanding Asbestos Policy* and contribution to asbestos awareness (Work Cover/ADFA Award).

2009 - Runner Up for *Creating Sustainable Cities Housing Communities* (DECC NSW Sustainable Cities Award).

2009 - Certificate of Recognition for *Council's partnership with ICLEI Oceania*. (ICLEI Local Governments for Sustainability Award).

2010/2011 - Commended - Division C - for *Community Sharps Management Program* (LGSA Excellence in the Environment Awards)

2011 - Certificate of Recognition - for providing lifesaving skills to the community.

2011 – Recognition of an individual staff member for their work with companion animals (Rotary Award).

### **Engineering Services**

2008 - *Excellence in Road Safety Engineering Award* (Institute of Public Work Engineering Australia).

2008 - Community Service Excellence in Local Government Award for *Installation of School Speed Zones Alert Systems* (Local Government Managers Australia).

2008/2009 - Joint winner Water Conservation Award – *Storm water harvesting and irrigation system at Gipps Road Sporting Complex*.

2009 - Road Safety flashing lights school signs (Institute of Public Works Engineering Australia Award).

2010 - Bluett Award - *Water harvesting, Gipps Road* (Local Government and Shires Association).

2011 - Runner up - Water Conservation Award – *Gipps Road Park, Greystanes* (Keep Australia Beautiful NSW Sustainability Cities Program).

### **General Manager**

2010 - *Women in Local Government Award* - National Local Government Award (Department of Regional Australia, Local Government, Arts and Sport).

2011 - Women in Local Government Award – Non-Senior Staff Member Metropolitan Council for *Contribution to Local Government in NSW* (NSW Minister for Local Government).

### *The Holroyd Model*

The 'Holroyd Model' was developed by the Council in 2005 and is a model for continuous organisational improvement, a positive response to the National Competition Policy which was first implemented in 1996, and reviewed in 2001 and 2005.

The Holroyd Model emphasises a balance between:

- competitive provision of services and rewarding jobs
- a strong community focus
- financial constraints.

The Model highlights a philosophy of:

- quality services
- winning partnerships between the community and the Council, and within the Council
- maintaining corporate knowledge/skills, development and encouragement of staff.

In 2001, the Council won a Local Government Management Excellence Award for the Holroyd Model.



## ***Noteworthy practices***

### Statement of values

Holroyd City Council has developed an explicit set of values, through extensive consultation with the community, to guide the journey toward a shared vision. The *Living Holroyd* Community Strategic Plan and the Delivery Program have been structured around these values.

The values have been developed to represent the elements of living as illustrated below:

Active Holroyd- a place that is inclusive, healthy and safe

Growing Holroyd- a place that is focused on effective urban planning and economic development

Balanced Holroyd- a place that values its environment, open space and sustainable development

Connected Holroyd- a place that is open and accessible for all

Dynamic Holroyd- a place that is engaged and innovative.

The Council aims to shape future Council programs, its interactions with the community, and build its resourcing structure on the basis of these values. Councillors, staff, visitors, delegates and the community are aware of these values by their promotion through the Council's website, its planning documents, and through its staff induction program.

### Code of conduct

All new employees, councillors and delegates receive a copy of the Council's Code of Conduct, which was adopted in August 2009. Councillors have been provided with copies of the Code of Conduct (in hardcopy and electronic formats). They have also attended workshops. Staff are advised initially of the Code at their Induction Training. Awareness and use of the Code is then reinforced at specific corporate-wide training

sessions at various times throughout the year. Staff are advised that the Code can also be viewed on the Council's internet and intranet.

### Risk Management

Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. While risk cannot be entirely eliminated, councils should aim to establish a risk-aware culture, and to continually work towards establishing structures, processes and controls that can effectively reduce the Council's risk profile and thereby protect the interests of the Council, the public and other key stakeholders. There should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

Councils are exposed to a wide range of risks as a consequence of their diverse functions. The significance of specific risks will vary from council to council. A risk management plan should provide the Council with a framework to proactively identify, communicate and manage generic and specific risks. It is important that the Council consider the development and implementation of a risk management policy to minimise the likelihood of negative events which could have otherwise been foreseen and thereby managed or avoided. Such a policy should extend beyond those risks that are insurable.

Holroyd City Council does have a formal Risk Management Plan that addresses the key business risks facing it across the wider organisation, which can be prioritised to provide direction to any internal audit program that can test the internal controls within the organisation. This Risk Management Plan was last reviewed in August 2010. The Plan was prepared in conjunction with the Council's Insurers, Metro Pool, Inconsult (external consultants), staff and councillors. The Council has assigned specific responsibilities across the organisation for the implementation of the Risk Management Plan. The Risk Management Plan is monitored through the Council's Guardian Risk Management System.

### Fraud and corruption prevention strategy/policy

The Council has a Fraud Control Policy which identifies internal controls to mitigate identified risks, and which is linked to the Council's Risk Management Plan. The last

systematic fraud risk assessment was undertaken within the past two years, in June 2010. The Australian Auditing Standard 210 (AUS210) requires all external auditors to obtain a written representation from management that the organisation has systems to deal with fraud risks.

### Internal Audit

Having an Internal Audit function is important for the following reasons:

- it supports good internal governance
- it improves the effectiveness of risk management, control and governance processes
- it helps to instil public confidence in a council's ability to operate effectively.

The Council has established an internal audit function within its corporate structure, has an Audit and Governance Committee with external representatives, and has a three-year program of internal audit reviews that are undertaken.

### Legal Services

Legal work is allocated across a range of legal practitioners based on the particular expertise of each legal firm and the specific need of the Council at particular times. Currently, the Council utilises the services of six legal firms and has appointed a panel for the provision of its legal services in order to maintain a broad spectrum of legal work. An expression of interest for legal services is planned for the later part of 2012.

### Access to information

The Council appears to have a clear understanding of, and processes in place to handle, requests for information. All requests for information received, granted and refused are appropriately recorded. The Council provides information accessible on its website as per the requirements of the *Government Information (Public Access) Act 2009*.

### Complaints Handling

The Council's Human Resources Division has arranged extensive training on the Code of Conduct, Discrimination and Bullying, and Protected Disclosures, all of which focus on complaints. Employees are informed of the Council's Complaints Handling Policy at the Induction Training Program.

Complaints received are discussed and dealt with by management on a case-by-case basis. The Council's Complaints Policy is available on the Council's website. Individuals who lodge a complaint are informed of the existence of the Council's policy in this regard.

### **Areas for improvement**

#### Legislative and Regulatory Compliance

Councils are required to comply with a large number of items of legislation, and take actions according to regulations. In order to meet the requirements of these legislative demands, the Council should have a Compliance Register or a system for internal reporting against which it can monitor its legislative compliance obligations.

**Recommendation 2**     *The Council should establish a system of internal reporting for ensuring legislative compliance.*

#### Procurement and Disposal of Assets

The procurement function within the governance area of councils has recently received attention. For example, procurement has been the subject of recent reports from the Independent Commission Against Corruption, which reinforces the need for all councils to be aware of the need for clear policies and internal controls. An assessment of a sample of recent tenders showed a high standard of evaluation to confirm that the Council has been active in developing appropriate procurement policy and procedures. However, there is a current deficiency in monitoring and auditing processes for the disposal of assets and contractor performance.

The Council has a local preference policy for tenders and this preference is communicated to potential tenders in advertising and on the Council's website.

**Recommendation 3**      *The Council should develop specific processes for the monitoring and auditing of the disposal of assets and contractor performance.*

### **The Council's response**

#### **Recommendation 2**

The Council has had a structured process in place for some years. The process involves the Executive Support Officer reviewing on a daily basis communications from the Division of Local Government, Local Government NSW Circulars, Department of Planning and Infrastructure, including White and Green Papers etc, and Local Government Management Association, for legislative changes, and reports these to the General Manager and relevant staff through the Council's email records system for information and follow-up action. This information is generally provided to councillors.

Whilst this system is considered to be very effective, the Council is investigating the availability of software. A system of monthly reports has been introduced to determine action relating to legislative change.

#### **Recommendation 3**

The Council has a long-standing requirement for staff to report all assets that are in need of disposal through management and to the Finance Section's Asset Register. A formal policy is now being developed for endorsement by the Council's Audit and Governance Committee.

The Council actively monitors its contractors on an individual and/or project basis to ensure the conditions of the contract are met. A formal policy is now being developed for endorsement by the Council's Audit and Governance Committee.

Both Activities will be included in the Council's audit program for ongoing review.

## 6 PLANNING AND OTHER REGULATORY FUNCTIONS

### 6.1 OVERVIEW

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

#### 6.1.1 Scope of review

A review was conducted of a range of aspects of the Council's planning and regulatory practices, including:

- *The Council's planning instruments and policies*
- *Development assessment*
- *Local delegation of planning determinations*
- *Companion animals*
- *Compliance and enforcement practices.*

Table 3 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's planning and regulatory framework.

**Table 3: The Council's Planning and Regulatory Framework**

Area	Status
Strategic land-use instruments	Performing well
Local approvals policy	Requires action
Development applications process	Performing well
Contribution plans and planning agreements	Performing well
BASIX	Performing well
State of the Environment reporting	Performing well
Graffiti removal	Performing well
Enforcement	Requires action

Environmental management	Performing well
Companion animals	Performing well
Water safety	Performing well
Compulsory acquisitions	Performing well

### **6.1.2 Overview of land-use planning, development assessment and regulatory practices**

The Council has various land-use strategic plans which form its land-use planning framework. These include the following documents: the Residential Development Strategy, the Retail Centres Strategy, the Employment Lands Study, the Urban Character Study, the Transport and Accessibility Study, and the Transitway Urban Planning and Design Study. The Council has a single local environmental plan (LEP) that covers the entire local government area. This LEP was gazetted in 1991. At the time of the review, the Council was in the process of introducing a new LEP.

The Council has a program for the review and updating of the LEP and other planning policies on an as-needs basis.

Overall, the Council's planning and regulatory systems appears to function well, but would be enhanced by a review of Contribution Plans, and ensuring the continuing enforcement of development conditions and identification of any illegal or non-compliant construction.

### **6.1.3 Significant Observations**

#### ***Noteworthy practices***

##### *Local delegation of planning determinations*

During 2010/11, 92% of development applications were determined under staff delegation. The use of delegations to planning staff within specific criteria can improve the time taken for determination, and utilises the skill base of planning specialists in taking final responsibility for these determinations.

The Council has reviewed its development assessment processes in the last two years, and as a result has investigated several options (as part of its 'Driving Organisational Excellence' program). At the time of this review, the Council was

implementing e-planning as part of its development assessment process, including on-line development application tracking. At the time of the review, the Council did not provide for the electronic lodgement of development applications.

A development application's location status is recorded in the Council's Customer Request Management System, and turnaround times for development applications are monitored on a monthly basis, with monthly key performance indicators (KPI's) being generated and reported to the Department Head and Manager. The KPIs are also discussed with the assessment staff at individual and team meetings. These statistics are also reported to the Council in the monthly Corporate Briefing notes.

The Council maintains a register of all planning decisions made by the Council, and has appropriate procedures in place to ensure that the Council is adequately informed of all determinations made under delegated authority. Determinations are issued as notices of determination to the applicants, are published every fortnight in the local newspaper, and are available on the Council's website pursuant to section 1010 of *Environmental Planning and Assessment Act 1979*.

The Council opts, whenever appropriate, for section 34 conferences. In terms of development application processing, facilitation is utilised with objectors and applicants as a form of alternative dispute resolution.

The Council provides senior staff and the elected Council with regular reports on all current development matters being presented to the Council each month, via the Council's corporate briefing notes.

#### Companion Animals

The Council has a Companion Animals Management Plan in place. The Council undertakes quarterly registration checks and six-monthly searches of the Companion Animals Register, and has reported pound statistics for the past three financial years as required. The Council also appears to be consistently reporting dog attacks within its area.

The Council appears to be making regular payments to the Companion Animals Fund and was relatively up-to-date, as at November 2011. Data indicates that the rate of animals euthanased has remained steady over the last three reporting



periods. The animal euthanasia rate was 42% in 2010/11; 44% in 2009/10; and 44% in 2008/09, and is consistent with the State average of (49%).

The rate of lifetime registration of cats (48%) and the rate of lifetime registration of dogs (60%), is consistent with the current State averages of 43% and 61% respectively.

The dangerous dog, nuisance animal and restricted breed figures for the local government area suggest that the Council is actively exercising its regulatory functions under the *Companion Animals Act 1998*.

The Council conducts education programs on the responsible management of companion animals, including a free dog training course, subsidised cat desexing, free microchipping at 'PetFest' - a yearly celebration of companion animals, and a school education program in conjunction with the RSPCA. In accordance with legislation, and considering the welfare of the animals, an education and desexing program is provided.

The Council has a 'Low Kill' Policy in place to attempt to reduce the animal euthanasia rates in the local government area.

The Council sends letters to residents who have microchipped but not registered their animals in the lead up to PetFest. Also, during any investigation of companion animal related matters, microchipping and registration is followed up.

### ***Areas for improvement***

#### ***Local Approvals Policy***

Under section 158 of the Local Government Act, a council may prepare a draft local approvals policy. The Council identifies exempt and complying development for its area in the *Holroyd Development Control Plan 2007*, which is referenced under the *Holroyd LEP 1991* and *draft Holroyd LEP 2012*.

***Recommendation 4***     *The Council should consider the development of a specific Local Approvals Policy.*

### Enforcement

Under section 159 of the Local Government Act, a council may prepare a draft local orders policy. The Council issues orders in accordance with the Acts, Regulations and legal advice received. In the last two years, the Council has issued 1,465 orders. At the time of the review, the Council was not monitoring variations or trends in the orders issued from year to year.

**Recommendation 5**      *The Council should consider the development of an Orders Policy as a matter of priority.*

**Recommendation 6**      *The Council should monitor the variations and trends in orders issued from year to year to establish and address any significant patterns.*

### **The Council's response**

#### **Recommendation 4**

The Local Approvals Policy will be considered by the Council by June 2013.

#### **Recommendation 5 and 6**

A Local Orders Policy will be considered by Council by June 2013.

A Notice and Orders Register has been established on the Council's computer system which generates relevant reports. The Environmental Health Unit has also established a number of KPI's for individual staff and teams to monitor and review variations and trends regarding the numbers and types of orders issued. Using this data, the Council has been able to adjust its resources to provide a timely response where appropriate or required.

## 7 ASSET AND FINANCIAL MANAGEMENT

### 7.2 OVERVIEW

Under its charter, the 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.

#### 7.2.1 Scope of review

A review was conducted of a range of aspects of the Council's asset and financial management practices, including:

- *Asset management, including land assets, plant replacement and capital works*
- *Financial management*
- *Management of community land.*

Table 4 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's asset and financial management framework.

**Table 4: The Council's asset and financial management framework**

Area	Status
Asset management	Requires action
Land assets	Performing well
Financial management	Requires action
Council businesses	Requires action
Council involvement in companies, partnerships, corporations, co-operatives and joint ventures	Performing well
Insurance	Performing well

## **7.2.2 Overview of asset and financial management practices**

### Asset management

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal, and disposal of assets. Its objective is to maximise asset service delivery potential, and manage related risks and costs over the life of the asset. It involves effective coordination of the Council's financial and engineering resources.

At the time of the review, the Council was yet to complete its asset management planning. While the asset management planning is outstanding, the impacts for the Long-Term Financial Plan cannot be determined. The Long-Term Financial Plan will need to be reviewed and revised as an outcome of the asset management planning process.

As the Council further develops its asset management planning over time, it will be important to ensure that its assets enable the achievement of the objectives identified in the Community Strategic Plan.

### Financial Management

The Council's overall position appears to be satisfactory. A review of the Council's financial statements confirms that the net operating result before capital has resulted in a deficit over the last two years, from a surplus in 2008/2009. The loss of \$7,255,000 in 2010/2011 represents less than 10% of revenue.

### Overview of financial position

Holroyd City Council appears to be performing better than its budget, with surplus differences in the last three years (2010/11, 2009/10 and 2008/09) amounting to \$6,619,000, \$6,606,000 and \$15,245,000 respectively.

### Liquidity and cash position

The Council's performance ratios are set out below, and are considered to be satisfactory within the Division's guidelines. The majority show an improvement over

the previous year's operations. The Council appears to have capacity to borrow funds if required.

Overall the Council's financial indicators are considered to be satisfactory as shown in Tables A and B below:

**TABLE A**

<b>LIQUIDITY &amp; CASH POSITION</b>	<b>2010/11</b>	<b>2009/10</b>	<b>2008/09</b>
Unrestricted Current Ratio	6.84	6.55	5.76
Debt Service Ratio	0.00	1.27	1.17
Rates and annual charges, interest and extra charges outstanding	3.38%	3.75%	4.01%
Infrastructure Renewal Ratio	69.57%	89.85%	68.12%
Employee leave entitlements	24%	20%	10%

**TABLE B**

<b>OPERATING RESULTS AND TRENDS (\$,000)</b>	<b>2010/11</b>	<b>2009/10</b>	<b>2008/09</b>
Operating results before capital grants	-7,255	-1,907	6,288
Operating results after continuing operations	3,840	1,526	12,215

### **7.2.3 Significant Observations**

#### ***Better practice***

##### *Financial Management*

The Council reviews its overdraft requirements annually with its bank and offsets any overdraft facility against surplus funds held in its general bank account.

##### *Competitive Neutrality*

Competitive neutrality is based on the concept of the 'level playing field' for all competitors in a market, be they public or private sector competitors. This means that local government businesses shouldn't have a competitive advantage over other

businesses resulting from public ownership. The Council has identified the level of subsidisation associated with these business activities to meet competitive neutrality pricing requirements.

### ***Noteworthy practices***

#### **Asset Management**

The Council has prepared a Long-Term Asset Management Strategy and Asset Management Policy.

The Council developed its Long-Term Asset Management Strategy using its Long-Term Financial plan. The Council also has a supporting document, *20Plus: Asset Management Plan*, which identifies assets critical to the Council's operations, the conditions of these assets, and also identifies levels of funding that will be required to acquire future assets, renew existing assets for future projects that will be conducted over the long term by the Council. There are some links between the Asset Management Strategy and the Council's Service Standards. The Council's *20Plus: Asset Management Program* is a mix of capital replacement and major maintenance strategies.

The Council determines the condition of assets through visual rating of roads, buildings, bridges, parks and playgrounds. Quantitative testing of road structure and roughness has also been carried out for specific roads. The Council has a rolling program where different categories of assets are revalued every three years. The last revaluation was conducted in 2010/2011. The Council links its condition assessments of assets' current conditions to its revaluation program.

The Council plans for funding asset maintenance but has a funding gap that is reviewed annually. The Council's Infrastructure Committee has a strategy in place to work towards closing this gap.

The Council has recently reviewed its land assets. The need for motor vehicles is reviewed every budget and when positions become vacant. The major plant replacement program is established, and the Council's computer hardware replacement is reviewed annually for optimal replacement timeframes.

## **Areas for improvement**

### Asset Management Planning

The Council's Asset Management Strategy outlines assets critical to the Council's operation, along with risk management strategies. While asset management improvement is included, it is only for a four-year period. Some financial projections have been provided in the Asset Management Strategy. It is noted that maintenance and renewal financial estimates are historical in nature. The links between the Asset Management Strategy and the suite of Integrated Planning and Reporting documents is unclear.

It is also unclear how the supporting *20 Plus: Asset Management Plan* links with the suite of Integrated Planning and Reporting documents. At the time of the review, the Council had not finalised its Asset Management Plans.

**Recommendation 7**      *The Council needs to strengthen the links between the Asset Management Strategy and the 20 Plus: Asset Management Plan with the suite of Integrated Planning and Reporting documents.*

**Recommendation 8**      *The Council needs to finalise its asset management plans as a priority.*

### Council Businesses

The Council's Category 1 Business Activities relate to the childcare centres in the local government area. The Council's Category 2 Business Activities relate to the swimming centres, the Holroyd Function Centre, and the commercial waste collection operations.

The table below presents the operating results, after capital, for the Council's businesses over the previous three years:

Table 3

Council Business	Operating Results (\$'000)		
	2010/11	2009/10	2008/09
Childcare centres	-479	-264	-893
Swimming centres	-1,939	-1,791	-1,983
Function centres	-478	-395	-649
Commercial waste	-6	-10	-2

Based on these results, and information obtained during the review, the Council needs to give further consideration to the future of these businesses. Should they continue to be run by the Council? How can they be run in order that they break even? Would the Council and the community accept that these businesses need to be subsidised and what level of subsidisation is acceptable?

**Recommendation 9** *The Council needs to give further consideration to the level of subsidisation of its businesses, and determine what will be acceptable to the community.*

#### Long-Term Financial Plan

The Long-Term Financial Plan contains three scenarios - status quo, optimistic and conservative. The Plan clearly details assumptions underpinning these scenarios. There is, however, limited sensitivity analysis within the Plan. Further information should be included to demonstrate sensitivity to the key assumptions provided. The links between the Long-Term Financial Plan and the Community Strategic Plan and Delivery Program are unclear.

**Recommendation 10** *The Council needs to clearly demonstrate the link between the sensitivity analysis and the key assumptions provided in the Long-Term Financial Plan.*

**Recommendation 11** *The Council needs to provide clearer and stronger links between the Long-Term Financial Plan, the Community Strategic Plan and the Delivery Program.*



## The Council's response

### **Recommendation 7 & 8**

The Council reviews its Asset Management Plans on an annual basis. In future, the 20+ Asset Management Plan will be incorporated into the asset management plans for all asset classes, eg Roads, Parks, Buildings and Stormwater, and will form part of the Council's Infrastructure Capital Works Program.

Contrary to the statement in the Review Report that, *"At the time of the review, the Council was yet to complete its asset management planning"*, it is noted that the original Asset Management Plans were completed in June 2011 as part of the Council's IP&R and Resourcing Strategy. All Plans have been revised, with the most recent revision being carried out in February 2012. The Council continues to review its Asset Management Plans as an ongoing commitment to monitoring its financial position.

The Council's external auditor, Price Waterhouse Coopers (PWC), has over many years stated that the Council is in a sound financial position. Further, PWC have also acknowledged the work undertaken by the Council's Infrastructure Working Party will provide a blue print for the long-term financial sustainability of the Council. The role of the working party is to determine and advise the Council on options to ensure the long-term funding required to maintain the Council's infrastructure and services for the next ten years and beyond.

As part of this process, the Council is currently carrying out a further condition audit of all its asset classes, which is due for completion by May 2013. This information will be used to update the Long-Term Financial Plan and continue to support the Council's practice of maintaining balanced budgets.

Once the condition assessments are completed for all four asset classes – Roads and Bridges, Parks and Recreation, Buildings, and Stormwater - it is anticipated that the maintenance and renewal costs and depreciation expenses will be materially less than currently forecast, having a correspondingly positive impact on the Council's operating position, and reducing the need for additional revenue sources.

Based on these adjustments from the condition assessment currently being undertaken, the Council believes the process it is currently undertaking will result in the Council maintaining its current level of operations in the long term without experiencing operating deficits.

***Recommendation 9***

The Council annually determines the level of subsidisation of its listed Business Activities in its Annual Financial Reports and reports those to the Council and the community through this document.

The level of subsidisation in recent years has been reduced. The Council continues to work towards minimising the subsidisation on these services.

The Council has commenced service reviews for child care, swimming centres, commercial waste services and function centres in the current financial year.

***Recommendation 10 & 11***

In the 12 months since the Better Practice Review, a review of the Long-Term Financial Plan sensitivity analysis has been conducted. The current version of the Long-Term Financial Plan (October 2012) shows three scenarios:

- Base Case version
- Special Variation partially approved version
- Grants declined in real terms version.

Further links between the Scenarios and the Assumptions will be more clearly defined in the revised version of the Long-Term Financial Plan.

The Council is working towards strengthening the links between the Long-Term Financial Plan, the Community Strategic Plan and the Delivery Program in the revised version of the Long-Term Financial Plan.

***The Division's comments***

It is noted that the Council's original Asset Management Plans were completed in June 2011 as part of its implementation of the Integrated Planning and Reporting framework, and specifically, the development of its Resourcing Strategy. The Council's ongoing efforts in revising and enhancing these plans in order to monitor and strengthen its financial position are acknowledged.

## 8 COMMUNITY AND CONSULTATION

### 8.3 OVERVIEW

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.

#### 8.3.1 *Scope of review*

A review was conducted of a range of aspects of the Council's community and consultation practices, including:

- *The methods the Council uses to involve and determine the views of its community*
- *Planning for an ageing population*
- *Social and community functions of the Council*
- *Economic development.*

The reviewer found that there is a strong culture of community consultation within the Council, demonstrated by providing strong leadership of programs and key initiatives (listed later in this report). Community consultation has strongly underpinned the development of the *Living Holroyd Community Strategic Plan*. This has included targeted levels of engagement with social justice groups to encourage their participation.

Table 5 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's communication and consultation framework.

Table 5: The Council's Community and Consultation Framework

Community and consultation area	Status
Social and community planning	Performing well
Ageing population	Performing well
Community participation and engagement	Performing well
Communication policy	Performing well
Annual Report	Performing well
Cultural planning	Performing well
Multiculturalism	Performing well
Tourism	Requires action
Economic development	Requires action

### 8.3.2 Overview of Community and Consultation Practices

#### **Significant Observations**

##### **Better practice**

##### Community Engagement

The Council has a published Community Engagement Strategy that is of a high quality. The Council undertook a comprehensive community engagement program in accordance with social justice principles in the development of a vision and identification of community priorities as part of its preparation for the development of the Community Strategic Plan.

##### Community Strategic Plan

The *Living Holroyd Community Strategic Plan* clearly identifies five key priority areas for the community, which reflect the quadruple bottom line. Social justice principles are addressed in a number of the strategies. The Plan presents a clear and concise summary of the challenges facing the local government area over the next twenty years, together with timeframes and performance indicators, and makes links to the NSW State Plan priorities.

### Social Plan

The Council's Social Plan is linked to the following documents: the Cultural Plan, the Community Strategic Plan, the City Health Plan, the Access and Equity Policy, 'Homelessness in Holroyd' document, the Crime Prevention Plan, and the Action Plan. The Council undertook a best practice review in the development of its Social Plan, with a strong emphasis on health issues within the local government area.

### **Noteworthy practices**

#### Aged and Disability Services

The Council's *Disability Action Strategic Plan/Access Policy* was last reviewed and updated in June 2011, and aligns with the Community Strategic Plan. The Council also has an Access Committee that has two residents, two access consultants and staff representation from the engineering and planning Divisions of the Council, as well as councillor membership.

### **Areas for improvement**

#### Tourism

The Council does not have a Tourism Plan. However, the Council provides a range of events that aim at attracting people to Holroyd including PetFest, City Fest, and the Food and Wine Festival that is widely advertised and generally well-attended.

Within Holroyd, the Council also has venues of interest to the public including Central Gardens (which houses a Zoo), Linwood House, St Andrews Church, Mays Hill Cemetery, Dunmore House, the Aqueducts, and Holroyd Gardens Brickworks, which are all widely publicised on the Council's website and are featured throughout documents produced for Holroyd City Council. The Council also produces a range of postcards.

**Recommendation 12**     *The Council should consider the development of a Tourism Plan for the local government area.*

### Economic Development

The Council does not currently have an Economic Development Strategy. However, Economic Development has been identified in the Community Strategic Plan, its Delivery Program and Operational Plan. The Council appears to be working towards the development of such a strategy.

The Council's Place Manager engages with the Chamber of Commerce, and CBD Committees. There are also provisions in the Local Environmental Plan for economic development through significant zoning for business in the area.

**Recommendation 13**     *The Council should consider the development of an Economic Development Plan/Strategy.*

### **The Council's response**

#### **Recommendation 12**

The Council is currently developing a Tourism Plan highlighting the areas of interest across the Local Government Area. The Council conducts a number of high profile events and plans to capitalise on these events and showcase Holroyd as a destination. The Council has focused resources on marketing Holroyd as an area for investment and tourism as outlined in the 2013/2014 Operational Plan.

#### **Recommendation 13**

In the 12 months since the development of this report, the Council has conducted extensive research and networking to support the development of an Economic Development Strategy and Plan in accordance with the 2012/2013 Operational Plan, with a focus on attracting investment into the Holroyd Local Government Area. This has included reviewing various best practice models currently operating in the industry.

The gazettal of the Local Environmental Plan has provided a further pathway to its development. The Council will move forward over the next four months to complete the Economic Strategy/Plan, as outlined in the 2013/2014 Operational Plan. Holroyd

City Council's Economic Development Strategy and Plan will be made available on its website on completion.



## 9 WORKFORCE RELATIONS

### 9.4 OVERVIEW

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

#### 9.4.1 Scope of review

A review was conducted of a range of aspects of the Council's workforce relations practices, including:

- *Human resources strategy and workforce planning*
- *Employee attitude surveys*
- *Recruitment and selection processes*
- *Work, health and safety.*

Table 6 below assesses the Council's performance in relation to the key areas of the self-assessment checklist to provide an overview of the Council's framework in relation to workforce relations.

**Table 6: The Council's Workforce Relations Framework**

Area	Status
Workforce Management Strategy	Performing well
Workforce planning	Performing well
Employee surveys	Performing well
Employment contracts	Performing well
Consultative Committee	Performing well
Recruitment and selection	Performing well
Job descriptions and evaluation	Performing well
Employee remuneration	Performing well
Equal Employment Opportunity	Performing well
Staff development	Performing well
Grievance management	Performing well
Work Health and Safety	Performing well
Secondary employment	Performing well
Exit of staff	Performing well

## **9.4.2 Overview of the organisation**

### Profile of the workforce of Holroyd City Council

Holroyd City Council has four main operational areas: Corporate and Financial Services, Engineering Services, Environmental and Planning Services, and Library and Community Services. The Council currently employs 451 full-time equivalent employees. The Council's proportion of female staff (56%) is slightly higher than the 2001 (50.1%) and 2006 (50.6%) census data for the local government area.

The diversity of the Council's staff in relation to gender and ethnicity mirrors the local community, as detailed in census data for 2001 and 2006. The Council has a high representation (25%) of staff born overseas, and like the local government area as a whole, has a proportion of staff who speak a language other than English.

### **Noteworthy practices**

#### Child protection

The Council has a policy and procedures in place covering child protection. The Council has an active Child Protection Committee with representation from each department. The Committee meets three times per year; conducts regular and refresher training, attends all induction sessions to present to new employees, conducts Working with Children Checks on new employees, and has an 'Allegations against staff' procedure where allegations are reviewed by the Committee to determine the need for investigation and further reporting. The Committee also promotes child protection to contractors, facility users, clients and the general public.

#### Consultative Committee

The Council has established a Consultative Committee in accordance with the *Local Government (State) Award 2010*. The aim of the consultative committee is to provide a forum for consultation between the Council and its employees. The functions of the Consultative Committee are about day-to-day management issues such as award implementation, training, job design, performance evaluation systems, and hours of work.

The composition of the Council's Consultative Committee includes six waged and salaried staff representatives (including indoor and outdoor staff), one Development, Environment and Professional Association representative, one Local Government Engineers Association representative, five management representatives, and a secretary. The Consultative Committee has met five times in the last twelve months, and minutes are recorded and kept of all committee meetings.

#### Equality of Employment Opportunity

The Council strongly promotes equal opportunity and no discrimination, and this is reflected across the organisation. The Council's EEO Management Plan makes reference to the National Framework for Women in Local Government.

#### Work Health and Safety

The Council won a National Local Government Award for improved injury management.

#### **Areas for improvement**

##### Workforce Management Planning

The Workforce Management Plan summarises the Council's current workforce profile and identifies gaps and issues facing its workforce. The Plan contains a range of objectives and 'strategy actions' that the Council may implement. The inclusion of timeframes indicating when these strategy actions are to be implemented would strengthen the Plan.

There are some links between the Workforce Management Plan strategies and Delivery Program 'actions' and the Operational Plan 'priorities'. These links would be enhanced with the use of consistent language and cross-referencing between these documents.

**Recommendation 14**     *The Council should include timeframes indicating when 'strategy actions' in the Workforce Management Plan are planned to be implemented.*

**Recommendation 15** *To strengthen the links between the documents, the Council should use consistent language and cross-reference the Workforce Management Plan with the Delivery Program and Operational Plan.*

### **The Council's response**

#### **Recommendation 14 & 15**

The Council has reviewed its Workforce Strategy and strengthened its links to the Integrated Planning and Reporting documents in the 12 months since the review was conducted. The current 2013–2017 Workforce Strategy has been aligned with the Community Strategic Plan and the Delivery Program/Operational Plan, complete with agreed timeframes around the actions in the Workforce Strategy.

**PART IV. RISK RATING OF RECOMMENDATIONS**

The recommendations made in this report have been assessed for a priority ranking based on the following risk analysis.

		CONSEQUENCE		
		Significant <i>Significant risk to the operations of the council and if not addressed could cause public outrage, non-compliance with the council's statutory responsibilities, severe disruption to the council's operations and the council's ability to meet its goals.</i>	Moderate <i>Moderate risk to the operations of the council and if not addressed could cause adverse publicity, some disruption to the council's operations and the council's ability to meet its goals.</i>	Minor <i>Minimal risk to the operations of the council, little disruption to the council's operations and will not limit the council's ability to meet its goals.</i>
LIKELIHOOD	Almost certain	High	High	Medium
	Possible	Medium	Medium	Low
	Rare	Medium	Low	Low

Priorities for recommendations: <i>(based on application of risk analysis)</i>	Risk categories could include:
<ul style="list-style-type: none"> <li>• High</li> <li>• Medium</li> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation</li> <li>• Compliance with statutory requirements</li> <li>• Fraud/corruption</li> <li>• Financial</li> <li>• Legal liability</li> <li>• OH&amp;S</li> </ul>

**PART V. ACTION PLAN**

The Action Plan is to be completed and adopted by the Council to guide the implementation and monitoring of the recommendations in this report. The reviewers have allocated notional priority rankings using the risk rating analysis in the previous section. The Council is encouraged to review and revise these, if necessary.

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
1 The Council should continue to refine and develop the suite of Integrated Planning and Reporting documents, particularly in relation to relevant recommendations contained within this Promoting Better Practice Program report.		Finalise review of all IPR documents.	June 2013	Director Corporate and Financial Services	In Progress

<p>2 The Council should establish a system of internal reporting to ensure legislative compliance.</p>	<p><i>MEDIUM</i></p>	<p>Investigate software packages and associated procedures for tracking legislation change and obligations.</p>	<p>June 2013</p>	<p>General Manager</p>	<p>Under investigation</p>
<p>3 The Council should develop specific processes for the monitoring and auditing of the disposal of assets and contractor performance.</p>	<p><i>MEDIUM</i></p>	<p>Report monthly to GM by SMT of legislative change and action taken.</p> <p>Develop formal Policy and Procedure for:</p> <ul style="list-style-type: none"> <li>• Asset Disposal</li> <li>• Contractor Performance</li> </ul>	<p>April 2013</p> <p>June 2013</p>	<p>General Manager</p> <p>Director Corporate and Financial Services</p>	<p>Complete</p> <p>In Progress</p>

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<p><b>4</b> The Council should consider the development of a specific Local Approvals Policy.</p>	<p><i>HIGH</i></p>	<p>Submit to Council for consideration</p>	<p>June 2013</p>	<p>Director Environmental and Planning Services</p>	<p>Report being prepared</p>
<p><b>5</b> The Council should consider the development of an Orders Policy as a matter of priority.</p>	<p><i>HIGH</i></p>	<p>Submit to Council for consideration</p>	<p>June 2013</p>	<p>Director Environmental and Planning Services</p>	<p>Report being prepared</p>
<p><b>6</b> The Council should monitor the variations and trends in orders issued from year to year to establish and address any significant patterns.</p>	<p><i>MEDIUM</i></p>	<p>Develop report on variations and trends. Register in operation.</p>	<p>Complete</p>	<p>Director Environmental and Planning Services</p>	<p>Complete</p>
<p><b>7</b> The Council needs to strengthen the links between the Asset Management Strategy and the '20Plus: Asset Management Plan with the suite of IP&amp;R documents.</p>	<p><i>MEDIUM</i></p>	<p>Review links to the 20 Plus Asset Management Plan have been finalised</p>	<p>June 2013</p>	<p>Director Engineering Services</p>	<p>Complete</p>
<p><b>8</b> The Council needs to finalise its Asset Management Plans as a priority.</p>	<p><i>HIGH</i></p>	<p>The Asset Management Plans finalised in 2011. Ongoing reviews are conducted annually.</p>	<p>Next review due for completion May 2013</p>	<p>Director Engineering Services</p>	<p>Condition audits for current review in Progress.</p>



		Finalise service reviews for:	June 2013	General Manager	In Progress
<p><b>9</b> The Council needs to give further consideration to the level of subsidisation of its businesses, and determine what will be acceptable to the community.</p>	<p><i>HIGH</i></p>	<ul style="list-style-type: none"> <li>• Child Care Services</li> <li>• Swim Centres</li> <li>• Function Centres</li> <li>• Commercial Waste Service</li> </ul>			
<p><b>10</b> The Council needs to clearly demonstrate the link between the sensitivity analysis and the key assumptions provided in the Long-Term Financial Plan.</p>	<p><i>MEDIUM</i></p>	<p>Finalise review of links between sensitivity analysis and the key assumptions.</p>	<p>June 2013</p>	<p>Director Corporate and Financial Services</p>	<p>In Progress</p>
<p><b>11</b> The Council needs to provide clearer and stronger links between the Long-Term Financial Plan, the Community Strategic Plan and the Delivery Program.</p>	<p><i>MEDIUM</i></p>	<p>Finalise review of links between Long Term Financial Plan and other IPR documents.</p>	<p>June 2013</p>	<p>Director Corporate and Financial Services</p>	<p>In Progress</p>
<p><b>12</b> The Council should consider the development of a Tourism Plan for the local government area.</p>	<p><i>HIGH</i></p>	<p>Introduction of Tourism Plan identified in Operational Plan 2013/2014</p>	<p>July 2013</p>	<p>General Manager</p>	<p>In Progress</p>

<p>13 The Council should consider the development of an Economic Development Plan/Strategy.</p>	<p><i>HIGH</i></p>	<p>Economic Development Strategy/Plan identified in Operational Plan 2012/2013 and 2013/2014</p>	<p>September 2013</p>	<p>General Manager</p>	<p>In Progress</p>
<p>14 The Council should include timeframes indicating when 'strategy actions' in the Workforce Management Plan are planned to be implemented.</p>	<p><i>MEDIUM</i></p>	<p>Timeframes included against Workforce Management Plan</p>	<p>Complete</p>	<p>General Manager</p>	<p>Complete</p>
<p>15 To strengthen the links between the documents, the Council should use consistent language and cross-reference the Workforce Management Plan with the Delivery Program and Operational Plan.</p>	<p><i>MEDIUM</i></p>	<p>Alignment of Workforce Management Plan and IPR documents</p>	<p>Complete</p>	<p>General Manager</p>	<p>Complete</p>