

challenges improvement innovation good governance

# Local Government Reform Program - Promoting Better Practice

## REVIEW REPORT

## INVERELL SHIRE COUNCIL

APRIL 2008



**dlg** Department of Local Government

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## **1. ABOUT THE REVIEW**

### **Review objectives**

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

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

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

### **Review process**

The review process was developed after extensive research into council performance measurements in Australia and overseas. There are essentially five steps in a review - preparing, assessing, checking, analysing and reporting. The review team examines local circumstances in order to understand the pressures on council and how the council has sought to manage that environment.

The process involves a Department of Local Government (DLG) review team evaluating the effectiveness and efficiency of the council's operations and giving feedback. This involves checking compliance, examining appropriate practices and ensuring that council has frameworks in place to monitor its performance.

The results of reviews are analysed and fed back to the elected council, the Director General of the Department of Local Government and the Minister for Local Government.

## **Inverell Shire Council Review**

Inverell Shire Council was asked to complete a strategic management assessment and a comprehensive set of checklists about key council practices. The review team examined these and a range of other source documents prior to visiting Council, in order to gain a preliminary understanding on the pressures on Council and how the Council has sought to manage that environment.

The strategic management assessment tool asked Council to respond to four critical questions:

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

Senior Investigations Officers Paul Terrett and Caroline Egberts comprised the review team who conducted an on-site review of Council from 26 June 2007 to 28 June 2007.

The on-site review involved meeting with Council's Mayor and General Manager, a briefing for Council's senior staff, conducting interviews, attending a councillor briefing session and Council committee meeting and the review of a number of Council's policies and other documents and visits to a number of Council facilities/worksites.

Following the on-site review, further analysis was undertaken. Council management was then provided with the opportunity to respond to the review's preliminary findings.

This report details the review's findings, recommendations and council's initial response. The Department asks Council to table the report at the next available Council meeting as well as prepare and submit an action plan to address agreed issues. Council is also expected to provide regular progress reports on the implementation of the action plan to the Department.

## **2. EXECUTIVE SUMMARY**

Inverell Shire Council is a well-managed and efficient local government authority. Council has strong links with the local community it serves. The review team was impressed at the administrative professionalism and effectiveness in achieving value for money. The Council is commended for its ability to identify and address problems and to meet its statutory requirements, through the councillors, staff and the community working together.

Council has the elements of an effective strategic planning framework. The Council has developed a strategic vision that has been put into practice at all levels of the organisation.

Both elected officials and senior management have a mature approach to decision-making. Councillors appear to act in a manner appropriate to their civic office. The relationship between councillors and staff is described as excellent.

Council monitors and documents its progress against the priorities set out in the management plan on a quarterly basis. Achievement against its objectives and performance indicators is reported on in its annual report details this.

Council has a good governance framework in place. Areas which are working well include planning and reporting, risk management and complaints management.

Council has well developed relationships with internal and external stakeholders. It has documented its consultation mechanisms in a draft Corporate Communications Policy.

In addition to this, Council is effectively working in partnership with the Roads and Traffic Authority to deliver outcomes for the community. However, Council has limited relationships with other councils. Council is well placed to assist other councils in northern NSW with its expertise and management skills.

It is clear that Council has a vision for future development of land in the Shire which is reflected in its environmental planning instruments and policies. Council has welcomed the new prescribed Local Environmental Plan template and is using it as an opportunity to integrate its different planning strategies. It is anticipated that

Council's new template LEP will be completed well before the 31 March 2008 due date.

Financially, Council is in a good position. This is complemented by a comprehensive asset management plan linked to long-term financial planning. Council should be congratulated in achieving a good financial status without the need to apply special variations to its rates.

Council, in examining the future character of the Shire, has identified the demand for residential properties and acknowledges the need for a mix in the demand for housing in the future between standard blocks, aged accommodation and residential rural subdivision.

Council is encouraged to promote candidacy for the 2008 local government elections and particularly to encourage women to stand for election.

Council is to be commended for its successful economic development program, the Growing Inverell Program. The Program's achievements are impressive and its positive approach could be applied to other Council programs, particularly in the community services, cultural and tourism areas.

The quality of the *Inverell Shire Social Plan 2004* needs to be improved and the draft Cultural Plan needs finalising. Plans for a new Tourism Strategic Plan for the Shire in 2008 are well underway. Long term strategies to meet current and future needs of older people, which link to other Council plans, are also required as a priority.

Council appears to have a dedicated and motivated workforce and is introducing a new salary system. Its ageing workforce, however, presents a specific challenge. Performance in the occupational health and safety area appears outstanding and a comprehensive training plan for 2007/2008 is included in Council's Management Plan.

Building upon its current efforts, Council needs to develop and formalised a human resources strategy to integrate and guide Council's overall human resources effort. Council also requires a formal workforce plan to ensure that it has enough appropriately qualified and experienced staff to carry out Council's charter and vision.

Council needs to review the composition of its Consultative Committee and improve its functioning. Strategies to create opportunities to allow female staff to more equally participate in Council's workforce are also recommended.

In summary, councillors and senior management are leading a positive and vigorous process to strategically address the future needs for the Inverell local government area. Council's success in providing strong leadership to its community is to be commended.

The review team wishes to thank Council and staff for their positive assistance in completing this review, both prior to and during the visit.



### 3. RECOMMENDATIONS

#### *Ambitions, Priorities and Future Focus*

1. Council should ensure that its strategic planning framework focuses on building a sustainable community for the whole of the Inverell Shire by developing a long-term (10 year) community strategic plan and resourcing strategy.
2. Council should continue to work co-operatively with its neighbouring councils to gain efficiencies in service delivery. Council should also consider developing a sister city relationship with a metropolitan council to develop professional and cultural ties, as well share resources.
3. Council and businesses in the Shire should consider and address the predicted reduction in the labour market and explore the applicability and transferability of the Gwydir Learning Region (GLR) in creating a more sustainable future for residents of the Inverell Shire.

#### *Governance*

4. Council should provide all councillors and designated staff with a copy of DLG circular 04/16 and the recent Pecuniary Interest Guidelines to assist them in completing their written returns.
5. To ensure that Council's section 355 committees carry out their functions in an appropriate manner, Council should:
  - ensure that each committee has a constitution or charter setting out its membership, functions and delegations
  - provide members with appropriate training on their roles and responsibilities under *the Local Government Act 1993* and Council's code of conduct
  - provide members with an operational manual to which they can refer on an ongoing basis.

6. To provide a helpful audit trail, the General Manager should as a good practice measure consider developing a form for relevant staff, which requires them to sign to indicate that they understand their delegated responsibilities. Delegated powers to section 355 committees should be included in the committee constitution and/or charter.
7. Council should examine the costs and benefits of establishing an internal audit function. Council may wish to examine peer assessment or jointly funded internal auditing with other councils in the area.
8. Council should disclose in its annual report a greater breakdown of councillor expenses.
9. Council should adopt a practice of including items as “Matters Determined without Further Debate” on the business paper. This allows the Council to determine those matters where councillors agree with the officers’ recommendations to be adopted ‘en globo’ to avoid unnecessary delays.
10. Council should keep records of councillor training undertaken. It should also provide additional training to councillors in the areas of finance and planning. Council may wish to undertake a councillor training needs analysis.
11. As the annual report is the key tool for reporting and accounting to the community, Council should improve the quality of this document and better align it with the management plan. The document could also benefit from including a statement from the Mayor and General Manager.

### *Planning and Regulatory*

12. In reviewing its Local Environmental Plan, Council should consider strategies to further encourage and manage affordable housing. The recently released “*NSW Local Government Housing Kit*” prepared by the Centre for Affordable Housing could be a useful resource.
13. Council should formally consult with the community when reviewing its State of Environment Plan and/or Report.
14. Council should review its existing section 158 Orders Policy and develop a section 159 Local Orders Policy.

15. Council should develop a formal enforcement and prosecution policy.
16. Council should consider resource sharing with other councils to establish a regional compliance and inspection program.
17. Council should take steps to develop a compliance program as required under the *Swimming Pools Act 1992*.

#### *Asset and Financial Management*

18. Council should develop a long-term financial plan that provides the resources for delivering Council's Strategic Plan and integrate it with other key planning documents.
19. Council should consider the integration of its asset management registers in the long term. Council should develop a plan and process for moving to the next step of further asset rationalisation.
20. Council is encouraged to develop a business plan to maximise the operation of its saleyards.
21. In the area of information technology, it is recommended that Council:
  - could better utilise its intranet system by providing additional access to policies to staff
  - council may wish to review the intranet to allow greater access to Council information
  - council should review its Internet site to give the public access to Council policies and Council information currently not available.
22. As a matter of priority, Council should explore and implement programs to protect children when accessing the Internet in libraries (eg, the use of PC-based filters and the Federal Government scheme on Internet safety, NetAlert).

### *Community and Consultation*

23. To improve its performance in the social planning area, Council should address the issues raised in this Promoting Better Practice report in its review of the Social Plan and ensure that sufficient resources are allocated to enable the achievement of its stated outcomes.
24. The Social Plan should be integrated with Council's Strategic Plan, Management Plan, Community Strategic Plan, Tourism Strategic Plan and Cultural Plan. In its review of its Cultural Plan, Council should refer to the Department's *Cultural Planning Guidelines for Local Government 2004* and ensure that cultural services are integrated with its Strategic Plan, Management Plan, Social Plan and other relevant plans.
25. To encourage widespread community support and engagement, Council should consider using an approach similar to the "Growing Inverell" Program in the review and delivery of Council's Strategic Plan, Management Plan, Social Plan, Cultural Plan and Tourism Strategic Plan.
26. In the review of its Cultural Plan, Council should refer to the Department's *Cultural Planning Guidelines for Local Government 2004* and ensure that cultural services are integrated with its Strategic Plan, Management Plan, Social Plan and other relevant plans.
27. Council should, in its organisational structure and Management Plan, clarify which officer is responsible for each of the functions of community services, economic development, tourism, cultural development and recreation services. The specific activities contained within Council's Management Plan should accurately reflect these responsibilities.
28. To minimise any potential duplication or alternatively to avoid any activities "falling in between the cracks", Council should put in place appropriate measures to enable an integrated, coordinated and manageable approach to the function areas of community services, economic development, tourism, cultural development and recreation services.
29. Council should build upon strategies in its social plan and refer to the resources developed by the Local Government and Shires Associations to

prepare and implement long-term strategies to meet current and future needs of older people.

30. Priority strategies on ageing should be determined on an annual basis and incorporated in Council's management plan. Progress in relation to these priorities should be reported on a quarterly basis, as well as each year in Council's annual report.

31. Given the significant Indigenous population in the Inverell Shire, Council should use the Department of Local Government's and the Local Government and Shires Associations' *Engaging with local Aboriginal communities - A Resource Kit for Local Government in New South Wales 2007* as a tool to facilitate better communication. As an initial step, Council should consider formally acknowledging Indigenous people as the traditional owners of their own lands at the beginning of the Council meeting and other official Council ceremonies or consider flying the Aboriginal flag.

32. Removed. Council adopted its Corporate Communications Policy in October 2007.

#### *Workforce Relations*

33. Council should finalise the development of a human resource strategy and workforce plan.

34. Council should continue to review and finalise all of its human resource policies to meet best practice guidelines. Council, if it doesn't already do so, is encouraged to refer to 'Human Resources Policies – A Manual for Local Government' produced by the Local Government and Shires Associations.

35. Council should develop a succession plan for key areas of its operation, which addresses potential gaps in its workforce due the significant number of employees expected to retire over the next 10 years. The succession plan should, where appropriate, be linked to Council's training plan.

36. The General Manager should closely monitor the progressive implementation of the salary system to ensure that all staff members clearly understand the system and are successfully able to participate in its ongoing operation.

37. The Consultative Committee's review its membership and decide whether Council's General Manager (or his/her nominee/s), rather than councillors, should represent Council on this committee.
38. Minutes of the Consultative Committee meetings should be distributed to all councillors to enable them to develop effective Council policy on industrial issues and remain informed about current issues and outcomes.
39. The General Manager should work with the Consultative Committee members to build a forum that allows for full and equal participation and results in positive, constructive relationships between management and employees.
40. Given the possible impacts of negotiating and implementing the new salary system on staff morale and to maintain a positive and highly motivated workforce, it is suggested that Council carry out an employee attitude survey and respond accordingly.
41. Removed.
42. Council should provide all employee representatives of its Consultative Committee with a copy of its Equal Employment Opportunity Policy and Management Plan and consult the Committee in the next review of the document.
43. Council's Equal Employment Opportunity Policy and Management Plan should contain more specific strategies, activities and key performance indicators, which should in turn be linked the Council's Management Plan.
44. Council should investigate and resolve matters relating to alleged intimidation and/or unequal opportunities for female staff. The extent of this sort of behaviour should be explored by including a well crafted and sensitive question in an employee attitude survey, which was recommended above.
45. To achieve the full and equal participation of women in local government, Council should implement some strategies such as career development, mentoring and assertiveness training contained in the document *The Review of the National Framework for Women in Local Government – The Way Forward 2007*.

46. Council needs to continue to actively encourage staff with high unused leave balances to take leave. This should include identifying the reasons for these high, unused levels and develop appropriate strategies that enable key members of staff to take leave with minimal impact on Council operations.
47. Council should develop a policy in relation to secondary employment that is consistent with section 353 of the *Local Government Act 1993* to serve as an on-going reminder that all staff must seek approval to engage in outside employment and how to do so.
48. At the next review of employment contracts with its General Manager and senior staff, Council should refer to section 338 of the Act and Departmental Circulars 06-37 and 06-52 containing the standard contracts.
49. The General Manager should comply with section 339 of the Act and at least once annually report to Council on the contractual conditions of senior staff. The report should ideally include the information outlined in the body of this report.

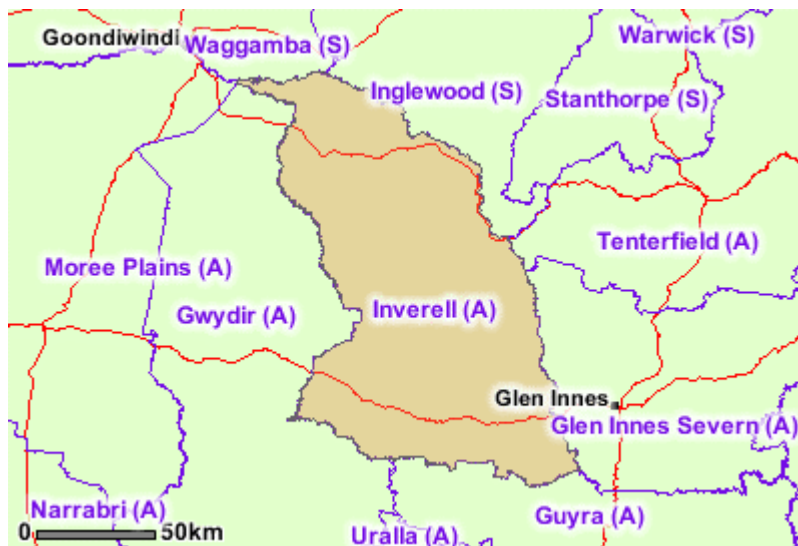
## 4. CONTEXT

### *Location and geography*

Inverell is a thriving regional commercial and service centre in northern New South Wales reaching an estimated target of 60,000 people. The town is situated on the Gwydir Highway, an east-west highway linking with the Newell and New England Highways at Moree and Glen Innes respectively. Travel time by road to Brisbane is just over four and a half hours, with travel to Sydney being just under seven hours.

The Inverell Shire covers 8,623 square kilometres and its estimated population in 2006 was 15,508 people. (Australian Bureau of Statistics 2006 Census data)

**Map 1: Inverell local government area**



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### *History and governance*

Founded originally as a small town to support agriculture, mainly grazing, the finding of tin followed by diamonds in the vicinity saw Inverell become the centre for the government mining department to handle mining of tin, diamonds, lead and silver.

Inverell, Ashford and Macintyre Shires were amalgamated in 1979 to form the Inverell Shire Council. The new Council took an innovative approach in its role of not just being a provider of essential services. The Council entered the field of land purchase for residential and industrial use. It also had the foresight to create a new pipeline from Copeton Dam on the Gwydir River, which was built along with a water treatment plant.



Also a complete reticulation system was laid throughout Inverell. Formerly water was obtained from the Macintyre River above Inverell. This was followed a few years later by a new sewerage treatment plant. Both facilities are designed to service a large population well above the present levels.

Inverell Shire Council is made up of 12 councillors, one of whom is the Mayor. Ordinary Meetings of Council are conducted on the fourth Tuesday of the month. A public forum is held prior to the meeting to allow residents to make an oral presentation on any matter.

### *Economy*

At the beginning of the 1950's, sapphire mining came into the forefront with large mining companies along with small miners mining many large areas for gemstones. Inverell has become the largest producer of sapphires in the world.

Today the Shire is unique in that it continues to experience sound growth and is emerging as a major regional centre. Inverell features diverse retail, manufacturing, professional, construction and agricultural sectors. Tourism is a growing industry in the region. These are supported by Inverell's unique "Growing Inverell Program" (economic development program).

Inverell boasts a very modern saleyards, run by the Shire Council. The saleyards are the fourth largest in NSW and were the first to be Quality Assured and EU accredited.

A Business Support Services office is also situated in Inverell, at the Visitor Information Centre Complex.

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

This part of Council's assessment focussed on: clear ambition; a focus on communities and services; ownership of problems and willingness to change; a shared and realistic vision; a sustained focus on what matters; improvement integrated into day-to-day management; flexibility and innovation; capacity and systems to continue to deliver performance improvement.

### *Strategic planning framework*

Planning is a process to translate community needs and aspirations into council services. To be meaningful, plans must result in actions and outcomes for the community and not be done just to satisfy statutory requirements. Plans should be well integrated to strengthen the focus and achievement of outcomes.

Council has a fairly well developed strategic planning framework. The Inverell Shire Council Strategic Plan 2006-2009 was adopted in May 2006. Council has a mission *"to work with the community in providing and facilitating the provision of services that enhance the quality of life of all Shire residents.*

The plan contains the four (4) strategy areas of human resource development, future development planning, community service development and structures/plans to support the strategic plan such as staff structure, committee structures and financing.

While the plan focuses on building a sustainable community for the whole of the Shire, all strategies in it have a completion date of end of 2007. The Department recommends a 10-year timeframe. Council has advised that it plans to refine the existing plan to a 10 year horizon and the department would support council taken this action.

This plan along with a statement of customer commitment and corporate value statements were developed through consultation with the community, councillors and senior staff. Consequently, there appears to be a high level of awareness and ownership of these strategic directions among councillors and staff in carrying out their roles. In addition to this, these directions are also reflected in a number of Council documents such as the management plan, the cultural plan and social plan.

Council also has a Community Strategic Plan (economic development plan), which was developed specifically for the Growing Inverell Program in 2003. This document is essentially a tool to guide strategic economic development within the Inverell local government area but particularly the central business district area.

The Department has recently circulated two papers exploring the need for integrated strategic planning:

1. *Planning a Sustainable Future: A Department of Local Government Options Paper on Integrated Planning and Reporting for NSW Local Councils, November 2006*
2. *A New Direction for Local Government – A Position Paper, October 2006.*

Council may well benefit from considering the benefits of taking a Business Excellence approach. Holroyd and Port Stephens Councils are currently involved in such a program. **(Recommendation 1)**

#### *Performance monitoring*

Council has a process in place that measures the financial and operational performance of Council. The outcomes of this performance measurement system are reported to Council. This system is under constant review to improve the scope and readability of the information produced.

#### *Ageing population*

Responding to and planning for the major changes and service demands that will be created by Australia's ageing population is a major challenge for all levels of government. With 17% of its population currently aged 65+ years, Inverell is NSW's 36<sup>th</sup> oldest local government area.

Council does not appear to have a clear vision of the extent and potential impact of its ageing community and is ill prepared meet this challenge.

### *Project Alliance*

Inverell Council in partnership with the Roads and Traffic Authority (RTA) has negotiated a project alliance to upgrade Swan Brook Bridge on the Gwydir Highway. The cost of the project is \$2.5 million.

A project alliance is a new innovative approach to capital works between state and local government for delivering one or more capital works projects. An alliance is characterised by:

- collective sharing of most project risks - no fault, no blame and no dispute between the alliance participants (except in very limited cases of default);
- payment of parties for their services under a '3-limb' compensation model comprising:
  - reimbursement of project costs on 100 per cent open book basis
  - a fee to cover corporate overheads and normal profit, and
  - a gainshare/painshare regime where the rewards of outstanding performance and the pain of poor performance are shared equitably among all alliance participants;
- unanimous principle-based decision-making on all key project issues; and
- an integrated project team selected on the basis of best person for each position.

Under a project alliance, risks and responsibilities are shared and managed collectively, rather than allocated to individual parties. Performance targets, including the targeted cost of the project are developed and agreed by the participants during the project development phase.

Once the performance targets have been agreed, the alliance participants assume collective ownership of the risks and responsibilities associated with delivery of the project, with equitable sharing (in pre-agreed ratios) of the ‘pain’ or ‘gain’, depending on how project outcomes compare with pre-agreed targets. Although risks (and opportunities) are collectively ‘owned’, and are not directly linked to the performance of individual alliance participants, the quantifiable impact of these risks and benefits is still precisely allocated through the pain/gain arrangements.

#### *Strategic partnerships and resource sharing with other councils*

Council is working co-operatively with its neighbours on some projects. For example, it is a member of the Local Government Border Rivers Project. The object of the project is the conservation of water by the erection of dams or any other means of water conservation in this area of the Darling River and its tributaries, and to consider the benefits of implementing small scale hydroelectric generation where appropriate and economically feasible on existing or new developments.

This review has identified a range of areas in which Council is performing very well. Council could consider opportunities for sharing its expertise with neighbouring councils. There is also scope for the Council to learn from other councils and to re-think how it delivers certain services.

The review team encourages Council to consider developing a sister city relationship with a city council, to develop professional and cultural ties.

#### **(Recommendation 2)**

##### *Declining workforce*

Currently Inverell has a balanced labour market “entry: exit ratio” of 1.0, meaning that it has 10 people at labour market entry age (15-24 years) to every 10 people approaching retirement age (55 – 64 years). However, this ratio is expected to decline to 0.8 by 2022. The reduction in the labour market will impact on the local economy and economic development of the area in general. It is important that Council and businesses in the Shire consider and address this issue in their forward planning.

Council could also explore the need and transferability of the Gwydir Learning Region (GLR) operating in the neighbouring Gwydir local government area. The GLR is a local, affordable and innovative means of addressing impediments to further education and skills development to foster a more sustainable future for the shire as a whole. **(Recommendation 3)**

## 6. DELIVERING AND ACHIEVING

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

### ***Overview***

#### **6.1 Governance**

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

A review was conducted of a range of aspects of Council's governance practices including:

- *Ethics and values*
- *Risk management and internal control*
- *Council's decision-making processes*
- *Monitoring and review*
- *Access to information*

#### *Statement of business ethics*

A statement of business ethics is a form of statement aimed at raising private sector awareness of public sector values. This is important because strong working relationships with the private sector are an essential part of building an efficient and cost-effective public sector.

Council's statement of business ethics is available from Council. It covers key issues around the values Council stands by. The review team was assured that this statement, together with a copy of the Council's code of conduct, is provided to all persons conducting business on behalf of Council.

The Council has displayed on its website its corporate values as:

### **Value Statement**

**Responsiveness:** Council is committed to being responsive and accessible to the public and to work in a fair and equitable manner with the organisations and individuals with whom it interacts.

**Excellence of Service:** Council strives and is committed to achieving excellence in its work. Council expects a quality service to be delivered to its customers and high productivity in all areas of Council operations.

**Respect for Staff:** In return for a commitment to Council values, Council is committed to fostering and utilising the skills of its staff and offering an equitable and safe work environment. These values are fundamental to Council's Management and Business Plans as they underpin the setting of objectives and delivery of Council services.

### *Draft Corporate Communications Policy*

Council has recently prepared a comprehensive and well set out draft Corporate Communications Policy, which outlines the manner in which it provides information to and seeks input from the community and other external stakeholders. The document also sets out customer service standards that specify what customers can expect from Council and explains how the public can access Council documents consistent with the provisions of the *Local Government Act 1993*. Council successfully uses various mechanisms to provide information to the community and encourage input from residents and ratepayers.



### *Pecuniary Interest Returns*

The *Local Government Act 1993* regulates the management of pecuniary interests. The Act requires that councillors and designated staff complete and lodge disclosure of interest returns. It is important that councillors and staff observe these requirements, as to not do so has the potential to seriously undermine the community's confidence in the integrity of local government and the decision-making processes.

The review team inspected returns of interests submitted by the councillors and General Manager for the period 1 July 2005 to 30 June 2006. All forms were dated prior to 30 November 2006 and the returns were stamped with the date they were received by the Council.

Generally the standard of returns was good. However a number of the returns contained minor deficiencies including failure to disclose the addresses of real property and details of employers, corporations and creditors in parts A, B1, B3, D, E and G of the returns.

The Local Government Pecuniary Interest and Disciplinary Tribunal has pointed out the need for councillors (and designated staff) to give due care and attention to the accuracy, detail and content of the disclosures required in returns. Council should use the information provided in the Department's circular to councils 04-16 to prepare information for staff and councillors to assist them in completing their returns. **(Recommendation 4)**

### *Committees*

Under section 355 of the *Local Government Act 1993* a council can establish committees to assist it in carrying out many of its functions. Inverell Shire Council has a number of section 355 committees that have been established for some time. All of the committees have a charter or constitution. Council's section 355 committees should be given a Council approved charter and/or a constitution setting out their membership, functions and delegations.

Committees should also be provided with documented procedures. A failure to do so gives rise to significant risk exposures. A lack of clear procedures increases the possibility that committees will inadvertently act in a manner contrary to the interest of council. Council should also take steps to clarify the precise status of committees (whether under section 355 or otherwise). Council has advised that it intends using the section 355 Volunteer Committee Manual prepared by Wingecarribee Shire Council as a guide in developing its section 355 Committee Manual. **(Recommendation 5)**

#### *Delegations*

The power of delegation is an important tool that assists council officers to carry out the functions of council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the *Local Government Act 1993* and should be continually reviewed to ensure they remain current. Council provided the review team with a copy of the delegations register. The standard of Council's delegations register is good. The delegations are comprehensive, clear and are searchable by type, position title, person or by value of limit of delegations.

Council reviews the delegations within the first 12 months of each term of office. The General Manager reviews delegations to the staff annually. As a good practice measure, the General Manager should establish a form for relevant staff, which requires them to sign to indicate that they have understood their delegations and to record when the delegations have been reviewed. Delegations to section 355 Committees should include their delegated powers in their constitution and/or charter. This will provide a helpful audit trail. **(Recommendation 6)**

#### *Record keeping and management*

Council is required to make and keep full and accurate records of its activities in accordance with section 12 of the State Records Act 1998. Council must establish and maintain a records management program that conforms to best practice standards and codes.

Council has a Records Management Policy. It describes the value of records as a corporate asset and resource, responsibilities and accountabilities of record users, plan and monitoring the records management programme and the legislative framework for record keeping.

The challenge with records management is capturing the information accurately and then being able to access it. Council utilises an electronic records management system (TRIM) for electronic communications. This works effectively and Council has up-to-dated TRIM to address its records management needs and to improve on its existing systems.

### *Complaint handling*

An effective complaint handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction and provides a useful source of information and feedback for improving the council's service. Good practice complaints management, as reflected in the NSW Ombudsman's Complaint Handler's Toolkit, involves a tiered approach to dealing with complaints (for example, frontline complaint handling, internal review or investigation and external review) and formal procedures for collecting, analysing and reporting complaints data.

Council adopted a complaint handling policy. This is generally consistent with good practice complaint handling practice as reflected in the Ombudsman's guidelines. It makes provision for internal review where a complainant is dissatisfied with the outcome (for example, second tier complaint handling) and also external review (for example, third tier complaint handling).

Most complaints received by the Council are in fact requests for service. It would be a good idea for Council to distinguish a complaint and service request in their policy and in practice. Each complaint is given a customer service receipt number that allows both the Council and the complainant the ability to follow up there enquiry and to accurately record service requests.

### *Protected Disclosures*

The Protected Disclosures Act 1994 aims to encourage and facilitate the disclosure in the public interest of corrupt conduct, maladministration and serious and substantial waste in the public sector. All public sector agencies should have an internal reporting policy to ensure that protected disclosures are properly made and that the agency complies with its statutory obligations in dealing with them and ensuring complainants enjoy the protections afforded under the Act.

Council adopted an internal reporting policy in 1994 and reviewed it in July 2006; this is in line with the NSW Ombudsman's Protected Disclosures Guidelines. Council provides training to both staff and councillors to promote awareness of their rights and obligations.

### *Risk management*

Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. Councils are exposed to a wide range of risks as a consequence of their diverse functions. It is important that councils manage their risk exposure.

While risk cannot be entirely eliminated, councils should aim to establish a risk aware culture. Council indicated in its draft response to the review that it has been developing a culture that encourages and supports risk management.

Council has developed a risk management policy, which sets out an integrated risk management framework. The objectives of the policy are to ensure that sound risk management practices and procedures are fully integrated into Council's strategic and operational planning processes.

Councils need to continually work towards establishing structures, processes and cost effective controls that reduce the Council's risk profile. In doing so, councils of course need to be mindful that there should be a balance between the cost of managing risk and the benefits expected from engaging in an activity that has inherent risks.

Council needs to look beyond insurable risks and work to identify and manage all business or enterprise risks. While the review team acknowledge that some work has been done in this area, Council needs to address all risks it faces. Council is currently using COSO to address its business enterprise risks

### *Internal audit and control*

Internal audit and control provides for systematic scrutiny of an organisation's operations, systems and performance. It assists in ensuring that service standards are met, data records are accurate and complete, and established procedures are being followed. On 22 May 2007, the Council adopted an internal audit charter and plan, however Council does not have an internal audit committee. An internal audit

committee and/or an internal audit function would assist the Council in monitoring and improving its internal controls. Council should examine the costs and benefits of establishing such functions. Since the review Council has decided to implement an internal audit function. Council also intends to use peer assessment from another council to assist with internal audit. **(Recommendation 7)**

In May 2007 Council adopted a Fraud Control policy; this will assist in the development of an annual internal audit plan for Council and assist in fraud prevention in the Council.

#### *Section 252 policy*

All councils are required to adopt a policy on the payment of councillors' expenses and the provision of facilities to councillors pursuant to section 252 of the Act. A council must not pay any expenses or provide any facilities otherwise than in accordance with its section 252 policy. Councils are required to report on the expenses paid and the facilities provided in their annual report. While Council does report to residents on councillor expenses, the layout of information is not clear and in the 2005/2006 no details of the amount paid was disclosed on page 21 of the Annual Report. To allow greater transparency and so that Council fully complies with its reporting obligations, Council should show a breakdown of the totals in future annual reports. **(Recommendation 8)**

#### *Council meetings*

The review team observed a Council meeting during the on-site review. We also reviewed Council's code of meeting practice, business papers and minutes.

Where Council determines that a matter should be dealt with in confidential session, sections 10A to 10D of the *Local Government Act 1993* outline the requirements for closing meetings.

The grounds for closing the meeting, as contained within section 10A(2) of the Act, were stated as required under section 10D(2). Specifically, the information required by section 10D(2)(a) and (c) was included in the grounds.

Council continues to use the term "committee of the whole" when it is referring to closed Council meetings. Council should refer to Circular 07/08 in taking action to rectify this.

In deciding whether or not a matter should be discussed in closed session, Council ensures that it applies the public interest test as required by section 10D of the Act. The General Manager can help facilitate this by ensuring that reports discuss why he considers that dealing with the item in open session will not be in the public interest.

The Department recently issued a Circular on transacting business without notice (Circular No 07/14). Some councils maintain an item of business on their meeting agendas under which councillors may put questions with and without notice to councillors and council staff. Clause 249 of the Local Government (General) Regulation 2005 allows questions to be put to councillors through the Mayor and to council employees through the General Manager. The Regulation effectively provides that the right to ask questions at council meetings is not a tool to probe other councillors or staff on matters outside of the proper business of the council meeting.

Questions during a council meeting should be in relation to the business before council and councillors should avoid raising business that can be discussed under other items of business on the agenda pursuant to clause 241 of the Regulation.

Councils should also be mindful of the risk that questions with and without notice may allow for questioning of staff on detailed matters of an operational nature that should not be raised at council meetings. The Mayor, in the capacity as meeting chairperson, should monitor and if necessary rule such questions out of order.

Misuse of the right to ask questions of an operational nature, in the Department's experience, is a common feature of councils that are operating ineffectively and that fail to conduct council meetings in a satisfactory fashion.

Business that can be discussed and dealt with at council meetings is set out at clause 241 of the Regulation. Part 2.4 of the Department's Meetings Practice Note also provides assistance with what business can be discussed and dealt with at council meetings.

Part 1.4 of the Department's Meetings Practice Note provides information about how additional information to that provided in the Council's business papers can be obtained.

Council should review its code of meeting practice and its meeting practices generally to ensure that they minimise the inappropriate use of questions.

Council should also adopt a practice of including items as “Matters Determined without Further Debate” on the business paper. This allows the Council to determine those matters which will be adopted ‘en globo’. This assists in Council meetings operating smoothly and avoids undue delays where councillors agree with the officers’ recommendations. **(Recommendation 9)**

Council’s business papers are informative and allow councillors to make informed decisions. We note the practice of providing councillors with a full list of development applications approved under delegated authority. This allows councillors and the community to be fully informed of development in the council area.

#### *Privacy management*

The *Privacy and Personal Information Protection Act 1998* (“PPIPA”) provides for the protection of personal information and for the protection of the privacy of individuals. Section 33 of the PPIPA requires all councils to prepare a Privacy Management Plan. Council adopted the Model Privacy Management Plan in 2000. The model plan provides for regular reviews. Council has not reviewed the plan since 2000. Council has provided training to staff and councillors in the requirements of the privacy legislation.

#### *Induction training for councillors*

Newly elected councillors require induction training to equip them with the skills required to properly carry out their duties and allow them to be effective in the exercise of their duties. To assist councillors in achieving these goals, councillor induction training should familiarise councillors with the activities and functions of the council and the legislative framework in which they operate. This type of program is also intended to ensure that councillors are made aware of their general legal responsibilities as an elected member and their obligations of disclosure under the pecuniary interest provisions of the Local Government Act.

For newly elected councillors, Council conducts an unstructured induction process. It also provides opportunities for councillors to attend training through external providers such as the Local Government Association. It also provides each councillor

with a copy of the Bluett Local Government Handbook. Councillors have access to an annual \$2,000 training allowance.

Council staff could not produce the record of councillor training. The review team recommends that Council ensure that such records are kept in a systematic way. While four of the five councillors who completed the councillor survey believed that the training and support they receive to undertake their role was adequate, they all expressed interest in additional training. Suggested areas for further training include meeting procedure, debating skills, finance and planning/community planning. Council should pursue training needs of councillors after the 2008 election.

**(Recommendation 10)**

*Management Plan*

Each year council is required to prepare a draft management plan with respect to its activities for at least the next 3 years and its revenue policy for the next year. Sections 403 and 404 of the Local Government Act require certain particulars to be included in council's draft management plan. The draft management plan is to be exhibited in accordance with section 405 of the Act.

The review team has considered the draft 2007/2008 Management Plan. The document is well set out and comprehensive. It appears to meet the requirements of the Act.

*Annual Report*

While it complies with the *Local Government Act 1993*, it would appear that the Council's annual report has been prepared mainly for the sake of demonstrating compliance with the Act. Council's Social Plan reflects a similar approach.

As the annual report is a key tool for reporting and accounting to the community, bringing it up to the quality of the management plan could enhance the document. The document could also benefit from including a statement from the Mayor and General Manager. **(Recommendation 11)**



## 6.2 Planning and other regulatory functions

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

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

- *Council's planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Companion animals*
- *Environmental management*
- *Enforcement practices*

### *Council's planning instruments and policies*

Section 73 of the *Environmental Planning and Assessment Act 1979* (EPAA) places a requirement on Councils to keep their planning instruments and policies, such as local environmental plans and development control plans, under regular periodic review. In addition, under recent amendments to the EPAA, the Department of Planning has sought to standardise planning instruments throughout the State by issuing a new prescribed LEP template that councils are required to use. Councils' existing LEP was gazetted in 1988.

Council has welcomed the template as it enables Council to bring different planning strategies together. Council plans to have the new template completed well before the 31 March 2008 due date and place it on public exhibition.

In the preparation of its planning strategies, Council consults extensively with the community through a network of area committees and a series of community planning workshops. In addition, planning staff are available at counters and by appointment.

Council's LEP is the principal document controlling development. The zoning provisions establish permissibility of uses and development standards regulate the extent of development. The LEP contains provisions for exempt and complying development. Council has a notification DCP.

Council has a Land Use Strategy and has conducted a Rural Land Use study; these are significant tools in the determination of land use in the Council area. It is clear that Council has a vision for future development of land in the Shire. Council is conscious of the need to mix residential and rural subdivisions to address the community's needs. It has balanced this demand without negatively impacting on the existing property market.

In reviewing its local environmental plan, Council should consider strategies to further encourage and manage affordable housing. The Centre for Affordable Housing, a division of the NSW Department of Housing, has recently released the "*NSW Local Government Housing Kit*", which examines strategies to encourage affordable housing. Council should refer to this resource as part of this process.

**(Recommendation 12)**

As part of this expansion in residential and commercial development, Council has reviewed its section 94 contributions plan to ensure it is appropriately linked to anticipated changes to community needs.

Council processes approximately 203 development applications annually with an average processing time of 42 days. In assessing development applications, Council has established an internal development assessment team (DAT) with a constitution and guidelines. This DAT is multi disciplined and operates independently. It produces recommendations for consideration by the Director of Planning and Development or Council. It also provides a comprehensive pre-lodgement service. It is noted that Council has very low legal costs and has had only one matter appealed in the Land and Environment Court in the last 15 years.

Approximately 88.4% of development applications are dealt with under delegated authority with Council having clear criteria on matters to be referred to Council.

These being:

- Matters of community interest
- Where one or more unresolved objection
- Applications recommended for refusal
- Applications involving a variation to the DCP greater than 10%.

#### *Planning staff strategy*

Council has a number of strategies in retaining planning staff (council has 4 planning staff), this includes providing scholarships at the University of New England for planning students, employing trainee planners, professional development for staff and hosting university and work experience students in its planning division.

#### *State of Environment Report (SOE)*

The SOE generally complies with the Act and Regulation, however Council should be mindful of the need to report on each environmental sector in the management plan and the environmental impact of Council's activities on each sector. Council did not formally consult with the community when developing the State of Environment Report and Council is encouraged to seek community input when reviewing the SOE. **(Recommendation 13)**

#### *BASIX*

Council has put in place measures that ensure compliance with the BASIX certification system. BASIX involves all proposed single dwellings and dual occupancy dwellings meeting specific standards in relation to solar orientation, water re-use and water saving devices. Each development must have a BASIX certificate at the time that a development application is lodged with Council. Information and educational material is available during the assessment process about the requirements of complying with BASIX. During pre-lodgement discussions, applicants are advised that they must comply with BASIX legislative requirements.

### *Plans of management*

Section 35 of the Local Government Act requires Council to use and manage community land in accordance with a plan of management. Council currently has plans of management for all the community land under its control.

### *Enforcement*

In the exercise of their functions under the Local Government Act and various other Acts, councils are required to ensure compliance and, where necessary, take enforcement action.

Councils must properly deal with allegations about unlawful or non-compliant activities, which include activities that are prohibited or unauthorised, or contrary to the terms of a consent, licence or approval, or other instrument of permission issued pursuant to lawful authority. Failure to properly deal with such allegations, quite apart from being poor administrative practice, could expose a council to liability for compensation and the expense of litigation. The way in which councils exercise their enforcement powers also plays an important part in the public's perception of councils. Alleged inconsistencies in responses to non-compliance issues are a major source of complaints about councils.

The enforcement practices of councils must be resolute and demonstrate both parity and transparency. They must signal the position taken by the particular council regarding such issues. It is good practice that councils and other agencies with such powers set out in a considered way a policy to be used to ensure rational and consistent decisions are taken. An enforcement policy should deal with the manner in which the council will carry out its functions, the procedural steps that may be involved, the circumstances in which council will institute court proceedings and the manner and circumstances in which discretions may be exercised. Council does not have a Section 159 Orders policy and should develop a Local Orders Policy.

Council has a local's approvals policy under section 158, however this dates from March 1996 and Council should review this policy. **(Recommendation 14)**

Council does not have an organisation-wide enforcement policy. It is evident that Council undertakes investigations into matters and proceeds to issuing penalty infringement notices. Council also undertakes routine inspections in a range of its areas of regulatory responsibility. The review team was advised that the steps Council officers need to follow in enforcing regulatory requirements are communicated by managers and through team meetings. Council should document its policy and procedures in relation to dealing with non-compliance issues. The NSW Ombudsman's enforcement guidelines may be a useful resource in developing this policy **(Recommendation 15)**.

Council should also look at resource sharing with neighbouring councils in the area of ranger services, and examine the feasibility of the establishment of regional compliance and inspection programs. Council has advised that they will raise this at the next meeting of the New England Local Government Group to ascertain a regional opinion. **(Recommendation 16)**

### *Companion Animals*

The primary aim of the *Companion Animals Act 1998* is to provide for the effective and responsible care and management of companion animals. The adoption of a local companion animals management plan improves the management of dogs and cats in the Council area.

Council has a well designed and maintained dog pound, which is clean and secure. This reflects the Council's commitment to companion animal management.

Council's companion animals management plan has identified strategies that Council will pursue in meeting its obligations under the Companion Animals Act. These obligations include community education, enforcement and environmental and community amenity strategies. Council however continues to have a high euthanasia rate of approximately 63% for the last two years. Council needs to meet its obligation under section 64 of that Act to seek alternatives to that of euthanasia, if practicable.

Council has 225 cats and 2,151 dogs on the companion animals register. However, of these, only 173 cats (43.5%) and 1,437 dogs (59.9%) have lifetime registration.

Council should build into its plan strategies to encourage dog and cat owners to register their animals.

Council runs a number of community education programs, including newsletters to residents, desexing program handouts and newspaper advertisements.

### *Swimming Pools*

The *Swimming Pools Act 1992* requires Council to promote awareness of the requirements of the Act in relation to private swimming pools within the Council's area. Inverell Shire Council does not currently have a compliance program to ensure it is notified of all swimming pools in its area, and that swimming pools comply with the *Swimming Pools Act 1992*.

Council has brochures on Pool Safety and a Pool and Spa Safety checklist, however it does not have a fully documented inspection program of private pools that is fully compliant with the requirements under the *Swimming Pools Act 1992*. Council should take steps to ensure it has programs that assist with compliance.

### **(Recommendation 17)**

### 6.3 Asset and financial management

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

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

- *Financial management*
- *Asset management*
- *Tendering*
- *Business continuity*
- *Information Technology*

#### *Overview of financial position*

The financial position of Inverell Shire is sound, with all financial indicators better than accepted industry benchmarks, with the exception of funding for sewerage infrastructure.

Council had a total income for 2005/2006 of \$28,464,000. This was made up as follows:

Rates and Annual Charges	\$10,409,000	36%
User Charges and Fees	\$4,777,000	17%
Grants and Contributions	\$10,671,000	38%
Other revenue	\$2,607,000	9%

The Council's income statement ending 30 June 2006 shows a surplus result from ordinary activities before capital amounts of \$1,604,000 compared to the surplus in the previous year of \$1,595,000.

The rise in capital grants and contributions were \$2,400,000 over budget this related to extra sewerage contributions, regional airport grant, higher section 94 contributions and road to recovery funding assisted at improving the final actual result for the year.

Total cash assets and investments rose to \$24,700,000 compared to the previous year. Loans as at 30 June 2006 stood at \$1,700,000.

Council's performance ratios are considered satisfactory. Current ratios and unrestricted current ratios refer to the amount of available assets that a Council has to meet its current liabilities. Councils should be aiming at ratios greater than 2:1.

Another important ratio is the debt service ratio, which measures debt service costs as a ratio of revenue from continuing operations excluding capital and special purpose grants. Inverell Shire Council has a debt service ratio of 1.30%.

The unrestricted ratio shows that Council has \$9.65 available to meet every dollar of current liability. This compares to other category 11 councils with \$3.41.

Council's rates and annual charges outstanding reflect the percentage of money that has not yet been collected for rates and annual charges. Overall Council's financial position is considered to be satisfactory as shown in Table 1 below.

TABLE 1 FINANCIAL RATIOS

<b>Ratio</b>	<b>2005/06</b>	<b>2004/05</b>
Current Ratio	4.66	9.61
Unrestricted Current Ratio	9.65	10.55
Debt Service Ratio	1.30%	1.36%
Rates & Annual Charges Outstanding Percentage	6.12%	6.07%



### *Financial planning*

Councils are required to develop a budget each financial year as part of the management plan. Councils are also required to provide estimates of revenue and expenses for the following two years within the management plan. Councils are encouraged to develop longer-term financial plans that are integrated with the Council's strategic plan. Longer-term financial plans allow a council to forecast the revenue and expenses that are associated with the council's strategic direction. By undertaking long-term financial planning, a council is able to forecast its financial position and measure the sustainability of its finances having regard to proposed activities and services.

Council currently has long term financial plans to 2016/2017 for waste management services, water services, sewerage services and saleyard operations. Council is encouraged to do further long term financial planning for other Council operations. This should be linked to the Council's strategic plan so as to adequately resource the Council for changes in service demands. **(Recommendation 18)**

### *Asset Management and Infrastructure Maintenance*

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 asset life. It involves effective coordination of the Council's financial and engineering resources.

The written down value (WDV) of Council's assets for the 2005/06 period are as follows:

- Roads, Bridges and Footpaths 59%
- Stormwater Drainage 61%
- Water Supply Network 53%
- Sewerage Network 25%

The Department considers that WDV below 50% may be cause for concern. This is because once an asset has been depreciated substantially; there may be deterioration that requires major reconstruction.

As at 30 June 2006 Council estimated that it would cost approximately \$14,310,000 to rehabilitate its infrastructure assets to a satisfactory standard. The shortfall in funding in estimated maintenance to actual maintenance is \$85,000.

The Department is concerned that the Sewerage Fund assets only record a 25% written down value. It is noted that sewerage services operated at an \$81,000 deficit after allowing for depreciation of \$493,000. Despite this non-current cash assets of \$2,600,000 results in the fund being in a sound financial position. Given the positive financial position of this Council consideration should be given to upgrading its sewerage assets.

Council has prepared a long-term asset management plan together with a comprehensive infrastructure maintenance program. This ensures proper medium to long-term decisions in terms of Council assets, and prioritise such decisions. In drawing up such a plan, Council has effectively used this plan to weigh the costs of investing in infrastructure renewal over the medium term against the potential costs of failing to do so over the long term.

Council has also undertaken a systematic assessment of the condition of all its infrastructure assets. This process has facilitated the Council being able to make informed decisions about the need to fund asset maintenance and replacement.

The review team in particular notes Council's Road Asset Management Plan, this describes the nature and condition of roads assets, the levels of service, annualises the whole of life cost for assets, maintenance requirements and links the level of service to available funding. This plan is also linked to an annual reporting mechanism and identifies key performance indicators.

In developing this asset management plan Council has used the International Infrastructure Management Manual as a recognised benchmark for the development of asset management plans. This plan will assist Council use a standardised approach to asset management. The review team believes that other councils could benefit from Inverell work on road asset management.

Council has developed a register of infrastructure in each of its divisions within Council, this includes details the valuation and the most recent condition assessment for each asset. Council should examine the integration of these asset management registers in the long term. However, evidence shown to the review team suggests that the current system has placed the Council in a strong position to assess its assets and to take the next step of further asset rationalisation. **(Recommendation 19)**

#### *Tendering and Procurement*

During the review a number of tenders were inspected which showed full compliance with the Local Government (General) Regulations 2005. Council adopted a Procurement and Disposal Management policy and procedures; these include a list of authorised officers, areas of authority and monetary limits. The policy is comprehensive and detailed, it is also written in plain English and is easy to understand. The focus of this policy is on value for money and this principle is reinforced in this document.

#### *Saleyards*

The saleyards have been identified as a category two (2) business unit. The saleyards operated at a surplus as at 30 June 2006 of \$85,000. Despite the positive result for the saleyards, Council is encouraged to develop a business plan to maximise the saleyards operations. **(Recommendation 20)**

#### *Information technology*

Council has a strategy or plan of action for information technology. Council has a strong understanding of its IT needs to adequately equip the Council. Council follows best practice as set out in Australian Standard AS7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures.

Council operates on 6 software platforms, however this does not appear to hinder Council in the integration of information management.

Council has an internet and electronic mail policy which gives information to staff on the use of the internet and email systems.

The review team believes that Council could better utilise its intranet system by providing additional access to policies by staff. Council may wish to review the intranet to allow great access to Council information. Similarly, Council should review its Internet site to again give the public access to Council policies and Council information currently not available. **(Recommendation 21)**

### *Internet Safety*

Council has limited ability to prevent or block inappropriate access to sites; this is particularly noticeable in the library which poses a risk to children. The Public Libraries Service (an agency of the Ministry of the Arts) provides an advisory service to NSW public libraries on all aspects of library provision, including access to the Internet. They have taken steps to ensure council libraries are aware of the Federal Government scheme on Internet safety, NetAlert. NetAlert has been working with libraries across Australia encouraging ways of keeping children safe when accessing the Internet in libraries including the use of PC-based filters. Following the review the council undertook a review of its internet services available at the Inverell Library. This resulted in the implementation of programs to protect children from inappropriate internet sites. **(Recommendation 22)**

### *Business Continuity*

Council has an Information Services Business Continuity Plan (ISBC Plan). This sets out processes and procedures in the event of a severe disruption to computerised information in the Council. The objective of the ISBC Plan is to *“ensure that the impact of any disaster is kept to a minimum and to facilitate an expeditious return to normal processing environment.”*

Council has established good practice in the area of business continuity plans for its IT and other service provision area. Council has established a number of scenarios of disaster and has linked this to action plans.

Council has established a business continuity recovery facility offsite with backup power. This will ensure that the Council will be able to recover from a disaster in the minimum amount of time.

The ISBS plan is complemented by the organisational business plan and the corporate services business plan which work together to establish services to the community at times of a disaster.

## 6.4 Community and consultation

A council's charter requires that a council:

- Provides services after due consultation
- Facilitates the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government
- Actively promotes the principles of multiculturalism
- Plans, promotes and provides for the needs of children, and
- Keeps the local community and State government informed about its activities

The review of Council's activities in this area looked at:

- *The methods Council uses to involve and determine the views of its community*
- *Social and community functions of Council*
- *Annual reporting*
- *Cultural planning*
- *Principles of multiculturalism*
- *Reporting to the community and keeping the State government informed about its activities*

### *Inverell Shire Social Plan 2004*

Clause 200(2) of the *Local Government (General) Regulation 2005* (the regulation) requires all councils to develop a social/community plan. This plan must be prepared in accordance with guidelines issued by the Department. The guidelines require councils to prepare a social/community plan that examines and prioritises the needs of the local community, as identified through research, including a demographic analysis and consultation with the local community. The plan guidelines require a plan to be prepared at least every 5 years. The plan must also specifically discuss the needs of seven target community groups that may be disadvantaged in some way.

The Department received the Inverell Shire Council's Social Plan 2004 in April 2005, five months after the due date of November 2004. There is no specified duration of the plan.

While the process of social planning often presents some challenges for regional councils, Inverell's social plan is particularly disappointing in its scope and approach. The plan focuses only on provision of services and has missed the opportunity to address strategic issues and explore Council's community leadership roles.

It would appear from the content of the plan that the Council has acknowledged its role in providing actual community services is a limited one and that the majority of these services will be provided by other agencies in the community. While this conclusion may be reasonable in the circumstances, the document fails to acknowledge the roles that Council *can* play in the wider management of social outcomes for the community. Neither does it provide a pathway for outcomes to be delivered.

The document demonstrates a substantial lack of commitment to social planning on the Council's behalf, and a limited understanding of the processes involved.

In the five years from 1999-2004, Inverell Shire Council has managed only a relatively cursory review of its original plan, with no substantial progress in delivery of outcomes. The level of community consultation is unclear and the 2004 "review" appears to rely heavily on work undertaken for the 1999 plan (which was also failed to demonstrate an adequate level of consultation).

It would appear that the plan has been prepared mainly for the sake of demonstrating compliance with the Local Government (General) Regulation. Council's annual report reflects a similar approach.

Although the Management Plan refers to the social plan as “*serving a crucial role in documenting identified community needs and providing a clear direction for recommending remedial action to address prioritised service shortfalls*” there is no evidence of anything being “prioritised” and no pathway for the action plan recommendations to be delivered. This is particularly significant, as most of the actions identified in the plan are the responsibility of agencies other than the Council.

While it is reasonable to expect that smaller councils may not have the resources to directly provide substantial community services, there needs to be some form of agreement between the Council and relevant agencies regarding the provision of these services – otherwise nothing will happen. How will these agencies be engaged/encouraged to provide the identified needs? What role will Council play in this process? What co-operative arrangements are in place with community service providers? The plan does not make this clear and it is not surprising that 34 of the 36 required actions identified in the 1999 plan, reappear in the 2004 version, unaltered. Clearly the outcomes are not being delivered.

The document reflects a lack of understanding of Council’s strategic role by limiting discussion to the provision, or documentation, of specific community services. There appears to be no consideration of the integral part that social planning can play in shaping the community’s future and promoting sustainability, nor any appreciation of Council’s role as a community leader in this regard.

Links between other planning mechanisms, such as land use planning, environmental planning and asset management as a means of providing social outcomes, are not explored. Neither does the plan envisage the Shire as part of a wider regional community.

Community reporting is also limited, with no mention of specific actions and outcomes and no assessment of performance against management plan targets. Like many councils, Inverell appears to have interpreted “access” in the physical sense of providing wheelchair ramps etc for buildings, rather than the wider context of ensuring access to resources, services and opportunities for all citizens to participate in the community’s future.



Specific comments and feedback in relation to the social plan are presented below.

- The demographic profile relies solely on Census data with no analysis of wider community indicators and trends. This section also would have been more meaningful to readers if graphics had been employed to visually represent changes from the 1996 figures to the 2001 results.
- There is no general community needs assessment, the focus is on the needs of the mandated target groups, rather than the wider community.
- There is no reference to the effectiveness of the previous social plan. Given that 34 of the 36 recommendations of the 1999 plan are reiterated in the 2004 document, it would appear that the plan was not overly effective in achieving its outcomes.
- Only eight of the 36 actions proposed in the 2004 plan are Council's responsibility. The plan relies heavily on other agencies filling the identified service gaps. While there is nothing inherently wrong with this approach, it requires the establishment of a clear pathway and networking with other agencies to ensure the actions are undertaken. The plan does not provide a mechanism to facilitate this.
- The layout of the document does provide a logical progression and identifiable sections on the various target groups. However, it relies on the reader having access to the parent publication – the 1999 plan. The 1999 plan is not available on the Council's website.
- The plan makes no reference to other Council plans, including the management plan or the Council's cultural plan.
- The access and equity statement in the management plan makes no reference to the small number of specific actions in the social plan that relate directly to Council activities. The plan is referenced as a "supporting document" to the management plan. The section talks about the philosophy of social planning, but does not explain how the plan will be implemented.
- This comparison is not included in the annual report – presumably because no activities were identified in the management plan upon which to report. The annual report includes only general information about the philosophy of social

planning (the same information is cut and pasted into the management plan). The structure of the annual report is directed at compliance with Section 428 of the Act, rather than provision of information to the community.

- There is no evidence that any regional issues have been considered in the preparation of the plan, neither is their specific reference to neighbouring councils.
- There are no timeframes in the 2004 iteration of the plan. This would appear to be one of the main failings of the delivery process, as the same recommendations are being repeated five years later.
- The document contains only vague references to some form of future review and “ongoing scrutiny and refinement”. Given the standard of the 2004 “review” this is not overly encouraging.
- The only target identified in the 2007/2008 management plan is “social plan complete and community social needs identified”. Given that the document was completed in 2004, achieving this target by 2008 should not be too challenging. The performance measure linked to the target – “improved services – liveability” will not be achieved by merely completing the plan, their needs to be some target for implementation to achieve this KPI.
- There is limited scope for integration, as the plan only identifies eight specific tasks out of 36 with any level of Council involvement.

There appears to be confusion as to who is responsible for the plan. The organisational structure nominates the Deputy General Manager as the responsible officer, but the Management Plan allocates social planning tasks to the Director Planning and Development. There appears to be no staff resources below director level allocated to implementing the plan. Given the range and volume of responsibilities at this level, it is not surprising that there has been limited progress in achieving social plan outcomes.

Economic development and tourism are the responsibility of the Director Corporate Services. It is critical that these areas are well integrated with social planning and community service management to deliver a range of outcomes for the community.

It is noted that the Inverell Shire Council Strategic Plan 2006 – 2009 has identified community services development as one of its key strategies. Action Plan 3.2 involves a review of its social plan by November 2007. This is a positive step, which appears to reflect a strengthened commitment from Council and present a timely opportunity to address the issues raised in this report.

In particular, the social plan review should ensure that the plan is well integrated with the management plan and other plans (such as the Community Strategic Plan); and that sufficient resources are allocated to facilitate improved performance in this critical area. **(Recommendations 23 and 24)**

#### *Economic Development*

The Growing Inverell Program commenced in February 2003 with funding received from the Department of State and Regional Development (DSRD). In 2005 it received two awards recognising its outstanding achievements. Firstly, the Outstanding Achievement Award, Inverell Chamber of Commerce Business Awards and secondly, the Best Overall Project by a Shire Council Contributing to Economic Development, DSRD.

The first stage of the Program involved a Business Retention and Expansion Survey and two public workshops to gauge how the community would like to see Inverell progress. This culminated in the preparation of the Community Strategic Plan, which was publicly launched in October 2003.

Stage two focussed on building a positive environment for business and community growth by delivering projects set out in the Community Strategic Plan. DSRD funding of \$50,000 was received for this stage to be matched by on a dollar for dollar basis by Council.

It is noted that Inverell Council's approach to the "Growing Inverell" has fostered strong community support and greater volunteer engagement. The Program has a

long list of achievements guided by the Community Strategic Plan. Some examples include:

- *Strategic* - Two strategic planning workshops, Community Strategic Plan and action plans (and regular reviews), funding for “Growing Inverell” Coordinator and a leadership development program.
- *Business/economic development initiatives* - Business Expansion and Retention Survey in 2003 and 2006, Township Marketing Plan, Retail/Business Guide, bi-monthly newsletter to all businesses, hosted DSRD Community Economic Development Conference and assisted with the launch of Big Sky Express.
- *Tourist activities* - Short Stay Tourist Packages, facts sheets on Inverell, Heritage Tour Brochure, Country Week 2003 and 2004, Inverell on Display event, displays in vacant shops (to help create image of a vibrant town).
- *Community initiatives* - Welcome to Inverell Packs for new residents, application for funding of HN McLean Retirement Village Development Strategy and music in the rotunda events
- *Employment* - Retirees Skills Audit; Employment Initiatives Committee, Skills Retention Careers Expos 2004, 2005, 2006 and 2007

Council is commended for the excellent achievements of the “Growing Inverell” Program. The inclusive approach to delivering the Program does appear to have resulted in widespread community support and engagement. Council is encouraged to consider using such an approach in the review and delivery of Council’s Strategic Plan, Social Plan and Tourism Strategic Plan. **(Recommendation 25)**

### *Tourism*

Tourism is a significant economic driver for regional areas such as Inverell Shire. On an annual basis tourism is estimated to be worth \$40 million to Inverell and results in approximately 450 direct and indirect jobs. Council spent \$329,000 on tourism programs last financial year. Council demonstrates a positive commitment to tourism through a range of programs and activities.

Council's tourism plan, last reviewed in May 2007, is out of date. Council has entered a partnership with the Department of State and Regional Development (DSRD) to develop a new Tourism Strategic Plan for the Shire to be completed in 2008. Both Council and DSRD are contributing \$15,000 each for this project.

This Plan will consider Inverell's Tourism experiences, products, services and infrastructure, evaluate the effectiveness of its tourism industry and recommend strategies for the Shire's tourism marketing and development over the period 2008 - 2013.

As mentioned above, Council is encouraged to consider using an inclusive approach similar to that used in the "Growing Inverell" Program, which engenders widespread community support and engagement. The Tourism Strategic Plan should be integrated with Council's Strategic Plan, the Management Plan, the Community Strategic Plan, the Social Plan and the Cultural Plan **(see Recommendation 25)**.

The Inverell Visitors Centre is housed in a state of the art facility, which was an old bowling club. The redesigned complex and gardens also house a cafe, restaurant and function area. It was moved to this location in July 2003.

### *Cultural planning*

The *Cultural Planning Guidelines for Local Government 2004* recognise that the delivery of cultural services by councils can be strengthened by integrating cultural strategies more closely with Council's broader priorities and objectives. In this way, cultural amenities can be seen not as something remote or apart from everyday life but fundamental to people's needs and the business of local government.

In 1995 Council rationalised two of its arts facilities by joining them to create one cultural complex, resulting in a unique spacious gallery, workrooms and teaching facilities. Council is also involved in a number of successful cultural events. For example, Council in conjunction with the Inverell Cultural and Arts Council presented the first Tom Roberts Festival in 2001, celebrating the life and works of one of Australia's finest pre-Federation artists. The festival, which is held every four years, attracts hundreds of visitors from all over Australia. 'Opera in the Paddock' is also a highly successful outdoor music event. It was held for the fifth time this year.

Council adopted a Cultural Plan in 2005. A revised draft Cultural Plan 2007 is currently under review and displayed on Council's website. Council is encouraged to ensure that the revised plan is consistent with the *Cultural Planning Guidelines for Local Government 2004* and ensure that cultural services are integrated with its Strategic Plan, Management Plan, Social Plan and other relevant plans.

**(Recommendation 26)**

*Community service, economic development, tourism, cultural development and recreation service functions*

The functions of community services, economic development, tourism, cultural development and recreation services currently span across three of Council's divisional directorates. There appears to be confusion as to who is responsible for what. That is, some of the responsibilities set out in the organisational chart in the 2007/2008 draft Management Plan do not correspond to some of the responsibilities and activities outlined later in the plan.

For example, the organisational chart indicates that the Director Planning and Development is responsible for recreation services but has also been allocated social planning and cultural services activities. The chart indicates that the Assistant General Manager is responsible for community/social development and cultural development but no social planning or cultural development activities appear to have been allocated to this officer in the Management Plan. The Director Corporate Services is responsible for economic development and tourism operations. However, the Director Corporate Services also reported to the review team that he was now responsible for youth services.

It is critical that this confusion be clarified. To minimise any potential duplication or alternatively to avoid any activities "falling in between the cracks", clear mechanisms are required to integrate and coordinate between these functions areas and activities. **(Recommendations 27 and 28)**

### *Inverell's ageing population*

Responding to and planning for the major changes and service demands that will be created by Australia's ageing population is a major challenge for all levels of government.

Between 2004 and 2022 the population of Inverell Shire is projected to increase in size from its current 15,906 to around 16,568 (4.0%). Its youth population is projected to decline in size, its working age population to remain more or less constant (some age groups decline and others grow), while its elderly population will grow substantially.

With 17 per cent of residents currently aged 65 or over, Council is NSW's 36th oldest local government area. The population currently aged 65 or over is projected to grow to 23.2% by 2022.

At an average increase of 0.35 percentage points per year, Inverell's 'force of ageing' is slightly faster than that projected for both NSW as a whole (0.33). Inverell's population aged 85 and over is projected to increase from 2.1 to 2.8 per cent of the population. (*Population Ageing in New South Wales and its Local Government Areas*, Dr. Natalie Jackson, Director, Demographic Analytical Services Unit, University of Tasmania).

The impact on the demand on services, facilities and infrastructure will be significant and will impact on virtually all aspects of Council's operations.

The *Australian Local Government Population Ageing Action Plan 2004 - 2008* was prepared by the Australian Local Government Association to build the capacity of local government to plan for an ageing population. To achieve this objective, the plan provides a flexible and dynamic framework that builds awareness, encourages action, fosters partnerships and improves access to information.

The action plan complements other related national ageing strategies, such as the *National Strategy for an Ageing Australia* and intersects with the considerable work already undertaken in individual jurisdictions.

For example, the Local Government Association and Shires Association have produced *Planning the Local Government Response to Ageing and Place*. This paper is intended to offer a framework to assist councils to begin to plan for the population ageing unique to their area by:

- providing information on what is happening with general population trends and access to population projection information for each local government area,
- providing information on the existing and likely diversity amongst older people,
- providing evidence on what population ageing means for all roles that councils performs, and
- encouraging councils to examine their numbers and proportion of older people and their rate of population ageing, in conjunction with the evidence on impacts, to identify what roles they may need to change and when.

Council's Social Plan includes limited strategies for older people. However, it was not evident to the review team that Council has integrated strategies across its various function areas to address this challenge. The review team was informed that Council through the "Growing Inverell" Program is developing a retirement industry strategy.

Given Council's ageing population is increasing at a significant rate, Council needs to build upon strategies in its Social Plan and refer to the resources developed by the Associations to prepare and implement long term strategies to meet current and future needs of older people. **(Recommendation 29)**

Priority actions should be determined on an annual basis and incorporated in Council's management plan and budget, the business plans of each section and the work plans of individual officers.

Progress in relation to these priorities should be reported on a quarterly as part of the review of Council's management plan reports as well as in its Annual Report. **(Recommendation 30)**

#### *Indigenous people*

Council's social plan has a significant indigenous population of 3.7 per cent, which is almost double the state average of 1.9 per cent. The plan contains some strategies,



which other agencies are implementing. Council does not undertake any specific strategies of its own for the indigenous population.

The Local Government Association and Shires Association Policy Statements acknowledge Aboriginal and Torres Strait Islander people as the traditional owners of their own lands. Councils are encouraged to include Aboriginal people in official Council ceremonies using local customary protocols such as ‘welcome to country’ and by encouraging the flying of the Aboriginal and Torres Strait Islander Flags.

‘Acknowledgement of Country’ is where organisers of an event acknowledge and show respect for the traditional owners and custodians of the land where it is taking place. It is a sign of respect. A number of councils in NSW include such an acknowledgement at the beginning of each council meeting.

Inverell Council does not undertake any of these activities.

Council should use the Department of Local Government’s and the Local Government and Shires Association Resource Kit – Engaging with Local Aboriginal Communities as a tool to facilitate better communication. **(Recommendation 31)**

#### *Community consultation and participation*

Council also has recently prepared a comprehensive and well set out draft Corporate Communications Policy, which outlines the manner in which it provides information to and seeks input from the community and other external stakeholders. The document also sets out customer service standards which specify what customers can expect from Council and explains how the public can access Council documents consistent with the provisions of the *Local Government Act 1993*.

Council successfully uses various mechanisms to provide information to the community and encourage input from residents and ratepayers. These include:

- A Media Plan including targeted editorials, good news stories and a media training liaison program.
- A monthly talkback session on the local radio station. Residents/listeners may phone in to discuss any matter of concern with the Mayor and General Manager.

- Quarterly community newsletters for Shire residents, monthly councillor newsletters to keep councillors informed, bi monthly Growing Inverell newsletters to all businesses.
- A half-hour Public Forum Session at every Ordinary Meeting of Council. Residents are welcome to make oral submissions to Council not exceeding five (5) minutes on any matter, and in accordance with the Conditions of Access which are available on Council's website. Those wishing to participate in the Public Forum are asked to complete and submit a Public Access Forum Application Form prior to commencement of the meeting.
- An annual roadshow of councillors and senior Council staff are to attend public meetings in each of the four outlying villages within the Shire area. These meetings are an extension of the ongoing interaction with the existing precinct committees in these villages. This year the meetings were well attended with approximately 30 people attending each.
- Council's website provides a comprehensive range of information which is well presented and easy to navigate.

These mechanisms are clearly set out in a table within the draft policy. However, as mentioned earlier in this report, Council's Annual Report 2005/2006 is of basic, minimalist standard and requires Council's attention. At its October 2007 meeting council adopted a new Communication Policy. **(Recommendation 32)**

## 6.5 Workforce relations

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

A review was conducted of a range of aspects of Council's workplace relations practices including:

- *Human resources strategy*
- *Consultative committee processes*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Employee remuneration*
- *Staff development*
- *Grievance management*
- *Occupational health and safety*
- *Secondary employment*

### *Overview of the organisation*

Inverell Shire Council adopted its current organisational structure in April 2007. The executive management team is made up of the General Manager, the Assistant General Manager, the Director of Corporate Services, the Director of Technical Services and the Director Planning and Development.

Council employs 190 equivalent full-time (EFT) staff. While the majority of staff are aged between 25-54 years, 35 (18% of the total workforce) are aged 55 years and over. Notably, two (2) staff are aged 65 years and over. Council employs 37 females, which represents 19% of the total workforce.

*Workforce planning and development of human resources strategy*

Workforce planning and development of human resource strategy are critical activities intended to ensure there are sufficient, appropriately qualified and experienced staff to carry out a council's charter and vision.

All councils are exposed to a number of workforce issues, such as:

- the shortage of specialised skills in certain areas, such as in the area of environmental planning. The 'National Skills Shortage Strategy for Local Government May 2007' provides more information and is available online at [www.lgma.org.au](http://www.lgma.org.au).
- an ageing workforce
- changing workloads as council's and government priorities change
- career opportunities outside council and the local government area.

Councils should develop a long-term workforce plan, which encompasses continuous processes to shape its workforce so that it is capable of delivering its charter now and in the future. The long-term plan should:

- consider and address internal and external factors affecting its workforce such as those mentioned above
- consider the profile of the current workforce
- result in human resource policies and programs to address workforce issues. Examples are: recruitment and retention strategies and succession plans for key positions; increased opportunities for apprenticeships, cadetships and traineeships to address these concerns.
- outline methods to monitor and evaluate the effectiveness of workforce planning measures.

A human resources strategy can integrate and guide council's overall human resources effort, particularly in the areas of recruitment, retention and staff training and development. A strategy of this kind may be stand-alone or may be integrated into council's overall corporate strategy. The key is to ensure that, consistent with the council's view on the future direction of the organisation, planning is underway to support that direction at the human resources level. Its importance is underlined by the requirement to report annually in the management plan on council's human resource activities (section 403(2)).

Strategy and workforce plans are key parts of effective strategic management. Inverell Shire Council does not have a human resource strategy or workforce plan. It is understood that both documents are currently under development.

**(Recommendation 33)**

*Human Resources policies*

Council's primary focus in recent years has been on putting a new salary system in place. More recently it has focussed on creating a comprehensive range of human resource policies and practices

Council, if it doesn't already do so, is encouraged to refer to 'Human Resources Policies – A Manual for Local Government' produced by the Local Government Association and the Shires Association of NSW when reviewing and finalising its human resources policies. **(Recommendation 34)**

*Recruitment and selection processes*

Council adopted a comprehensive Staff Recruitment and Selection Guidelines and Procedures in May 2007. The document is linked to section 349 of the *Local Government Act 1993* and the *Disability Discrimination Act 1992*. It is a well researched and presented document, which is easy to read. It contains a clear overview of the recruitment process including requirements for a current job description, selection criteria, the need for merit based decisions, managing any conflicts of interest/ethical issues that may arise, documentation requirements and the composition of the selection committee.

Two recruitment files were checked at random. Both files indicated that these particular selection processes had been undertaken in a manner consistent with Council's guidelines and procedures.

#### *Staff development and training*

Council has a responsibility, as part of its duty of care, to ensure that new employees are not only made aware of Council requirements and practices, but are also given guidance and assistance to ensure that their entry into the work environment is smooth and safe.

Council has a structured induction program (including Occupational Health and Safety induction) which routinely takes place on the first day a new staff member commences their employment with Council. Council has also developed a six month Probationary Period Plan template that the new employee and direct supervisor complete and review at regular intervals.

The Local Government Award (clause 23) requires each council to develop a training plan and budget in cooperation with the council's Consultative Committee. The Award prescribes factors to be taken into account when preparing the plan. Overall, the plan should support the achievement of Council's objectives.

During the 2005/2006 financial year Council' expenditure on approved structured training courses totalled \$246,977. Council has adopted a comprehensive 2007/2008 training plan. The training plan and budget are accommodated in Council's draft 2007/2008 Management Plan.

#### *Succession planning*

A central element of workforce planning is succession planning and management. This involves managing the recruitment and professional development processes in line with information on employees leaving council and the potential workforce to ensure the workforce can be sustained to effectively achieve council's objectives.

Given the ageing of the workforce in Australia in general, and chronic skills shortages in some technical areas, succession planning is vital. An article published

by the University of Dalhousie, Canada, lists the following ten top practices in the area succession planning:

- 1 Identifying the broad skills, talents and experience needed in the future
- 2 Identifying what will attract and keep workers, starting with existing staff
- 3 Identifying collective opportunities for training and development of employees
- 4 Identification of career development opportunities for individuals
- 5 Regularly reconsidering rewards and recognition that are available to current and future employees
- 6 Providing opportunities for promotions and career advancement
- 7 Creating awareness and support for this particular issue
- 8 Taking a systematic approach
- 9 Opportunities for partnering with other councils to address this issue
- 10 Developing a plan with actions that align with other plans such as council's strategic plan, management plan and workforce plan

A copy of this article is available from the university's website at <http://www.dal.ca/Continuing%20Education/Files/AMHRC/Top10Practices.doc>.

As mentioned, 35 (18% of the total workforce) are aged 55 years and over. Notably, two (2) staff are aged 65 years and over. While Council undertakes succession planning activities for key positions, these are not documented. Council also employs eleven trainees and apprentices. **(Recommendation 35)**

#### *Occupational Health and Safety (OH&S)*

The *Occupational Health and Safety Act 2000* and *Occupational Health and Safety Regulation 2001*, require both employers and employees to work to stringent safety requirements. Council is required to develop written safe work procedures.

The review did not involve a comprehensive audit of Council's occupational health and safety (OH&S) practices. However, the review team did consider a range of matters to gain an understanding of Council's OH&S system. These included Council's policy on OH&S obligations, the operation of its OH&S Committee and the system/s for recording and following up on identified hazards/accidents.

Overall it appears that Council has an outstanding commitment to occupational health and safety. This commitment is demonstrated through the establishment and ongoing review an integrated system of policies and practices to create a safe work environment and minimise risk.

Immediately after the introductory interview with the Mayor and General Manager, the review team was given a very thorough induction and a practical demonstration of occupational health and safety matters pertinent to their role as visitors to Council. This was the first time either of the Senior Investigations Officers had received such an induction while visiting a Council under review and represents exemplary practice.

Council has a comprehensive Safe Management System in place. The system was last reviewed and updated in February 2007.

The system, which is available on Council's intranet and computer disk, essentially integrates the OH&S manual and other policies/procedures. It is a resource, which assists the staff of Inverell Shire Council to meet statutory obligations and demonstrate a risk management approach. The manual is designed to be a comprehensive, but not exhaustive, guide to meeting the specific requirements of the *Occupational Health and Safety Act 2000* and *Occupational Health and Safety Regulation 2001*.

The system/manual includes the following components and resources:

- The Legal Framework
- Responsibilities for Occupational Health and Safety
- Document control procedure
- Promoting compliance
- Managing contractor safety
- Consultative arrangements



- Risk management
- Council policies
- Management policies
- Specific workplace issues
- Sun safety at work
- OHS documents

The system also includes Council's Safety Code adopted in 1988, which has been regularly reviewed and updated. An easy to read booklet outlining site safety rules prepared in 2007 is also included. This booklet is also issued in a printed form to relevant staff. Copies of relevant audits are also captured by the system. For example, the 2006 audit of the Single Invitation Maintenance Contract with the Roads and Traffic Authority indicates that Council has in place a system for Site Safety Management Plans and Safe Work Method Statements that meet NSW Government Construction Agency Coordination Committee guidelines and OH&S Regulation requirements.

An OH&S committee has been established and meets quarterly in accordance with its constitution. The review team inspected the minutes of the committee. The business of the committee appears well documented and includes incident reports. Council's 2007/2008 draft Management Plan contains the following workplace safety activities:

- Conduct regular inspections of worksites to assess safety and observance with occupational health and safety requirements.
- Conduct regular training on correct use of equipment.

#### *Job evaluations and employee remuneration*

Clause 7 of the Local Government (State) Award 2004 requires Council to have a salary system that determines how employees are paid. Specifically it requires that an "employee shall be paid the salary system rate of pay that recognises the skills the employee is required to apply on the job".

Inverell Council has been negotiating a new salary system for some time. In the old system the difference in remuneration in progressing from the bottom of the salary

scale to the top was six (6) dollars. The United Services Union reported that there were instances of staff being paid below entry level pay.

The Union and Council agree that the process was at times very difficult and adversarial creating strained relations between Council, the Consultative Committee the Union and the workforce. It is perceived that the Consultative Committee was highly management led and attempted to control or drive the process in relation to the new salary system. At one stage, the Union lodged a dispute with the Industrial Relations Commission. These matters appear to have been resolved with a new salary system now in place.

The new salary system is skills based and rewards good performance. The system allows employees to develop skills to progress through the salary structure. Overall, it appears management and Council employees are happy with new system.

However, the new system is very complex. Supervisors and staff are inexperienced in its application. Some staff reported that the documentation relating to the system could be simpler. In general, it was perceived that information about the new system particularly how it operates could also be better communicated to all staff.

Training for managers and supervisors has been planned to occur in the coming months. The Assistant General Manager anticipates that after their training, managers and supervisors will be able to better explain the system to their direct staff. It is also anticipated that the practical application of the system will help to alleviate misconceptions. **(Recommendation 36)**

Job evaluation is the process by which each job in the organisation (not the person in the job) is evaluated and placed in the organisation's salary grade structure. This is done using a formal evaluation system to ensure that jobs are graded accurately and objectively.

Each position in Council (excluding Band 1, Level 1 positions) has been evaluated utilising the Wyatt Job Evaluation System to determine the appropriate grading classification within the salary structure of its new salary system.

### *Performance management*

Inverell Shire Council's Performance Management System (PMS) aims to ensure that all employees both understand and fulfil the overall requirements and expectations associated with their employment with Council. Council's Performance Management System is comprised of four (4) elements:

1. Clearly communicating and documenting responsibilities, goals and objectives
2. Tracking performance
3. Providing constructive feedback
4. Motivation and reward.

Council's Annual Performance Appraisal Process as well as Council's Performance Management Procedures, which are applied in instances of identified sub-standard performance formally, underpins the system.

### *Consultative Committee*

Council has established a Consultative Committee in accordance with the Local Government (State) Award 2004. The aim of the consultative committee is to provide a forum for consultation between Council and its employees. The functions of the Consultative Committee are about day-to-day management issues such as award implementation, training, job redesign, performance management systems and hours of work.

The review team met with staff and management representatives of Council's Consultative Committee. Management representatives on the Committee are the General Manager, a Councillor and the Human Resources Officer. Senior management is also represented in other positions on the Committee. It was reported that the Assistant General Manager was also regularly in attendance at meetings to provide information about the new salary system. Some Committee members expressed the view that senior management and the councillor representative dominated proceedings.

As the committee's aim and purpose is operational in nature, the Departments view General Manager (or his/her nominee/s) should represent Council on this committee. For this reason, it is inappropriate for councillors to be members of Consultative Committees. The Department, however, notes Council's feedback that during the development of the constitution staff indicated an elected member, preferably the Mayor, should be a member of the Committee. Given circumstances have changed it is suggested that the Committee review its membership. **(Recommendation 37)**

However, Council should distribute minutes of Consultative Committee meetings to councillors for their information. This will enable councillors to develop effective Council policy on industrial issues and remain informed about current issues and outcomes. **(Recommendation 38)**

It was also reported that much of the information presented in relation to the salary system was legalistic and not easy to comprehend. Some members stated that it was often apparent that management viewed feedback from other members of the Committee as criticism. This was conveyed both verbally and non-verbally through dismissive gestures.

One senior Manager commented that the feedback in relation to the salary system represented "the voices of a few ringing the loudest". This overall context is not conducive to equal participation and discussion.

Management and Committee members all agree that the new salary system is a positive step. The review team, at the exit interview with the General Manager, stressed the need to move forward to build constructive relationships between management and employees to ensure that the implementation of the salary system is seamless. **(Recommendation 39)**

#### *Employee relations/communication*

It is important that organisations have effective means of communication with staff. Effective communication systems will typically use a range of channels to disseminate and gather information.

For example, surveys can be an effective tool to gauge job satisfaction, overall staff morale and seek suggestions of areas for improvement. Inverell Shire Council has conducted employee surveys to consult staff about specific matters. The most recent survey was conducted in September 2005 in relation to Council's corporate uniform.

Given the possible impacts of negotiating and implementing the new salary system on staff morale, it is suggested that Council carry out an employee attitude survey. The survey will provide an assessment of the climate of its workforce. In particular, the information gathered would identify areas where intervention might be needed and allows Council to develop proactive strategies to foster a positive and motivated workforce. **(Recommendation 40)**

Newsletters (either hard copy or electronic) are also useful in providing staff with relevant information on a regular basis. Since June 1988 Council staff have been preparing a staff newsletter entitled "Access Newsletter". This document is distributed to all employees and Councillors in hard copy. **(Recommendation 41 - removed)**

A grievance handling policy or procedure can help to resolve problems within the organisation and minimise future grievances by taking preventative or corrective action. Council has a Grievance Procedure, which is available to staff via the intranet.

The Consultative Committee is also designed to provide a forum for consultation between council and its employees. Strategies have been suggested earlier to make this a more consultative forum. The employee attitude survey could also serve as a positive focus for the consultative committee and help to achieve optimal employer/employee relations.

#### *Equal employment opportunity (EEO)*

Section 345 of the *Local Government Act 1993* outlines what the council's Equal Employment Opportunity (EEO) Management Plan must include. Of particular significance are the requirements related to collection and recording of appropriate information and the setting of goals and targets. Other relevant legislation is the *NSW Anti-Discrimination Act 1977* and the *Commonwealth Disability Discrimination Act 1992*.

Council has adopted an Equal Employment Opportunity Policy and Management Plan. While the document indicates that it was reviewed in 1999, 2001, 2004 and 2006, it does not actually say when it was first prepared. Employee representatives on the Consultative Committee were not aware of the policy and plan. **(Recommendation 42)**

The policy and plan complies in very minimal terms with the Act. It is disappointing to note that many of the actions are general. Most of the target dates are stated as “ongoing”. Without specific key performance indicators (KPIs), it is difficult to accurately monitor or analyse how well Council achieves its EEO objectives to ensure all employees performance. While it contains an overall objective or mission statement in relation to EEO, Council’s draft Management Plan does not contain specific activities and KPIs. **(Recommendation 43)**

Council employs 37 females, which represents only 19% of its total workforce. Council does not employ any staff of Aboriginal and Torres Strait Islander origin or culturally and linguistically diverse backgrounds or people with disabilities.

Earlier this year the Australian Local Government Women’s Association Inc released the Review of the National Framework for Women in Local Government – The Way Forward. The document is available at [www.algwa.org.au](http://www.algwa.org.au).

The Framework identified that in 2001 in Australia and NSW approximately 40% of people employed in the local government was women and 26% of councillors were women. Only 5% of General Managers and 30% of managers and administrators in local government were women.

The 2007 review has found that women are still significantly under-represented in elected member and employed positions in local government in Australia. Inverell Shire Council statistics relating to female participation in its workforce are well below the national and state average (19% of female employees compared to 40% across the state and country).

Female Consultative Committee representatives also gave examples of feeling intimidated and/or excluded by male managers. The extent of this sort of behaviour should be explored by including a well crafted and sensitive question in an employee

attitude survey. The matter should be addressed as a priority. **(Recommendation 44)**

The Way Forward document provides strategies that can be applied by state and local authorities to achieve the full and equal participation of women in local government. Council should consider implementing some of these such as particular initiatives for career development like mentoring and assertiveness training. **(Recommendation 45)**

#### *Excess annual leave*

The audit of procedures relating to Council's financial statements for the year ended 30 June 2006 identified that there were 30 employees with excess annual leave entitlements. In 2005 Council was advised that 25 employees had annual leave in excess of eight (8) weeks at 30 June 2005.

The auditors point out that there are several issues with outstanding leave balances. Firstly, leave may be taken at a higher pay scale than when it is earned, causing a higher leaves liability in dollar terms to Council than is necessary. It may also be an indicator for other staff issues such as personnel shortages and increased stress due to lack of time out. Employees who refrain from taking leave may also not be properly fulfilling their roles and refraining from leave to prevent others carrying out their duties and discovering inconsistencies. **(Recommendation 46)**

#### *Secondary employment*

Section 353 of the Local Government Act states the requirements for both the General Manager and staff in relation to secondary employment. Section 353 (1) stipulates that a General Manager must not engage in outside employment or contract work without the approval of council. Section 353 (2) and (3) require staff to notify the General Manager of the employment and work. The General Manager may prohibit a member of staff from engaging in such employment or work.

Council should develop a policy in relation to secondary employment that is consistent with section 353 of the *Local Government Act 1993* to serve as an on-

going reminder that all staff must seek approval to engage in outside employment or how to do so.

While Council does not have a secondary employment policy, it uses the Act as the guide. A policy will serve as an on-going reminder to staff as to Council's requirement for them to seek authorisation and how to do so. **(Recommendation 47)**

#### *Employment contracts of senior staff*

Consistent with the Act, the current General Manager is employed on a five-year performance base contract, which expires in September 2007.

The recently amended section 338 of the Act sets out the nature of contracts for senior staff. A Standard Contract of Employment for General Managers of Local Councils in New South Wales came into force from 1 July 2006. A Standard Contract of Employment for Senior Staff (other than General Managers) of Local Councils in New South Wales came into force from 1 September 2006. The contracts represent the standard documentation that councils must use when employing General Managers and senior staff. They can be downloaded from the Department's website at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au).

The new requirements ensure consistency and certainty in employment relationships at the management level in local government and meet community expectations by providing greater transparency and accountability.

The Local Government and Shires Associations, in consultation with Local Government Managers Association and with the assistance of the Department, will issue guidelines on remuneration packaging and developing performance management systems and agreements in the near future.

Industry groups including the LGSA, LGMA, depa, LGEA and the USU can provide advice to their members about these matters and other contractual conditions. Council may also seek and be guided by its own legal and financial advice before entering or renewing contracts.



The new standard contract requirements do not affect existing employment contracts unless those contracts are renewed (see new sections 338(8) and 338(9)).

**(Recommendation 48)**

The General Manager has not reported to Council on the contractual conditions of senior staff as required by section 339 of the Act requires. This report should ideally include the following information:

- list of senior staff
- the commencement and termination date of each contract
- the value of the remuneration package and any variations that have been made in the past year or which are proposed for future years
- the timing and outcome of any performance assessments that were undertaken
- a copy of any performance agreement entered into for the current year and/or proposed for the next year
- details of any other “material” matters. These could include any requirement for the General Manager or other senior staff member to advise if s/he is seeking an extension of the current contract or reappointment for a further term and similarly, any requirement for the council to advise the General Manager/senior staff member of any intention not to renew their appointment and/or to readvertise the position. **(Recommendation 49)**

*Exit interviews*

Employee exit interviews are an important part of Human Resource management and monitoring employee retention and satisfaction. Avoidable losses can result from employee job dissatisfaction, poor management practices, the lack of advancement opportunity, and sometimes, personal harassment by or conflict with a co-worker or manager. The unnecessary loss of talented staff is a significant cost to council.

Information gained from exit interviews, if consistent over time, may provide valuable pointers for developing and reviewing Council’s human resource management policy. It may also help to clarify possible concerns in the culture of the organisation.

The data can be gathered in a structured way by using either a questionnaire or interview, or perhaps both.

Inverell Council conducts exit interviews with all staff that leave the organisation. To ensure consistent information is collected and recorded, a standard form is used.

## **7. COUNCIL'S RESPONSE**

ALL COMMUNICATIONS  
TO BE ADDRESSED TO:

The General Manager  
PO Box 138  
INVERELL NSW 2360

FACSIMILE: 02 6728 8277  
DX 6159

EMAIL:  
council@inverell.nsw.gov.au  
WEBSITE:  
www.inverell-online.com.au

TELEPHONE:

General Enquiries 02 6728 8288  
Rates 02 6728 8201  
Debtors 02 6728 8207  
Roads/Sewers 02 6728 8200  
Water Services 02 6728 8200  
Water Accounts 02 6728 8253  
Building 02 6728 8202  
Health 02 6728 8202  
Planning 02 6728 8202  
Works Depot 02 6728 8100  
Workshop 02 6728 8101  
Tourist Centre 02 6728 8160  
Library 02 6728 8130  
Rural Fire Service 02 6721 0446

OFFICE HOURS:  
Monday to Friday  
8.30am to 4.30pm

ATTRACTIONS INCLUDE:

Bicentennial Memorial  
Copeton Dam  
Cottage Kiya Gallery  
Dejon Sapphire Centre  
Fossicking  
Gilgai Winery  
Goonoowigall Reserve  
Gwydir Ranch Park  
Inverell Art Centre  
Inverell Pioneer Village  
Inverell Scottish Memorial Cairn  
Kings Plains National Park  
Kwiambal National Park  
Lake Inverell Reserve  
New England Estate Wines  
New England Wood Turning  
Olives of Beaulieu  
Pindari Dam  
The Draught Horse Centre  
The Gem Centre  
Transport Museum  
Wild Water Adventures - Rafting

FESTIVALS INCLUDE:

Sapphire City Festival  
The Great Inland Fishing  
Festival

# Inverell Shire Council

Council Chambers - 144 Otho Street, Inverell NSW 2360

ABN 72 695 204 530 Registered for GST



Our Ref: S14.6.3 PJH:sks

22 January 2008

Mr Garry Payne AM  
Director General  
Department of Local Government  
Locked Bag 3015  
NOWRA NSW 2541

Attention: Mr Paul Terrett

Dear Mr Payne

**Re: Promoting Better Practice Review - Inverell Shire Council**

I refer to the draft report of the Promoting Better Practice Review conducted on various aspects of Inverell Shire Council and advise that this report has been reviewed by Councillors and the Senior Management Team.

The comments shown below represent Council's coordinated response to the recommendations contained within the report.

**Synopsis**

Councillors and Staff have appreciated the opportunity to participate in the review process and formed the view that the steps in the process were a valuable learning opportunity and a mechanism for pursuing Council's Corporate ethos – 'Striving for Excellence'. Council is most pleased with the outcome of the review which found 'Inverell Shire Council is a well managed and efficient local government authority', however this outcome should not be perceived as diminishing the benefits that Councillors and Staff have achieved from participating in the process, as the assessment of the process is not a sycophant function of the outcome stated in the review's report.

The recommendations contained in the draft report will be used as a tool for critical assessment and analysis of Council's existing processes/policies/procedures. Council's Policy and Finance Committee will take carriage of this assessment and review process, and will have responsibility for establishing a timeframe for the completion of the determined course of action in respect of each recommendation.



*"Striving for Excellence"*

***Ambitions, Priorities and Future Focus***

Report Recommendation 1

Council should ensure that its strategic planning framework focuses on building a sustainable community for the whole of the Inverell Shire by developing a long-term (10 year) community strategic plan and resourcing strategy.

**Council Response:**

**Council has prepared its 2007 - 2010 Management Plan to include Council's Strategic Plan. This was done in order to clearly indicate that the Management Plan is a statement of the activities that will be undertaken during that period to work towards the attainment of the strategic vision.**

**This documentation will be further refined to extend the planning horizon to a 10 year timeframe. This expanded document will be prepared for the first time in conjunction with the finalisation of the 2008/2009 Management Plan.**

Report Recommendation 2

Council should continue to work co-operatively with its neighbouring councils to gain efficiencies in service delivery. Council should also consider developing a sister city relationship with a metropolitan council to develop professional and cultural ties, as well share resources.

**Council Response:**

**Council is prepared to consider cooperative arrangements with neighbouring Council's for the purpose of gaining efficiencies in service deliveries however this process must result in mutual benefits to all parties. Any formal cooperative arrangement must deliver benefits to the Inverell Shire community as it is the past and present ratepayers who have provided the finances to establish the resources possessed by the entity known as Inverell Shire Council.**

**Council has resolved that it is prepared to establish a twinning relationship with a large metropolitan Council. To this end, contact has been made with a Sydney Council, with whom the Inverell community already has existing social and recreational contact, with a view to expanding those links to include professional staff exchanges.**

Report Recommendation 3

Council and businesses in the Shire should consider and address the predicted reduction in the labour market and explore the applicability and transferability of the Gwydir Learning Region (GLR) in creating a more sustainable future for residents of the Inverell Shire.

**Council Response:**

**A background briefing paper on the Gwydir Learning Region is currently being prepared for Council. This report will be considered at Council's February 2008 Meeting. A plan of action in respect of this issue will be determined by Council at that meeting.**

**Governance**

**Report Recommendation 4**

Council should provide all councillors and designated staff with a copy of DLG circular 04/16 and the recent Pecuniary Interest Guidelines to assist them in completing their written returns.

**Council Response:**

**A copy of DLG Circular 04/16 has been provided to all Councillors and Designated Staff.**

**Report Recommendation 5**

To ensure that Council's section 355 committees carry out their functions in an appropriate manner, Council should:

- ensure that each committee has a constitution or charter setting out its membership, functions and delegations
- provide members with appropriate training on their roles and responsibilities under *the Local Government Act 1993* and Council's code of conduct
- provide members with an operational manual to which they can refer on an ongoing basis.

**Council Response:**

**A Section 355 Committee Manual is currently being prepared. The template that is being used for the preparation of this document is the Section 355 Volunteer Committee Manual prepared by Wingecarribee Shire Council. The manual prepared by Wingecarribee Shire Council recently won an award at the 2007 Statewide Risk Management Awards, and therefore is considered to be an appropriate guide for the task currently being undertaken.**

**Report Recommendation 6**

To provide a helpful audit trail, the General Manager should as a good practice measure consider developing a form for relevant staff, which requires them to sign to indicate that they understand their delegated responsibilities. Delegated powers to section 355 committees should be included in the committee constitution and/or charter.

**Council Response:**

**Council's existing delegation of authority form has been amended to revise the wording of the 'delegation acceptance' section to include wording that provides an acknowledgement by the staff member that they understand the delegation being granted to them.**

**Report Recommendation 7**

Council should examine the costs and benefits of establishing an internal audit function. Council may wish to examine peer assessment or jointly funded internal auditing with other councils in the area.

**Council Response:**

The decision has been taken to implement an internal audit function. Whilst this function was in its infancy at the time of the review, the matter has been progressed to the point where the framework for the function has been determined and specific activities from the framework, are currently being implemented. When the full internal audit program has been developed a peer assessment of the program will be undertaken, by a Council with a well developed internal audit function.

**Report Recommendation 8**

Council should disclose in its annual report a greater breakdown of councillor expenses.

**Council Response:**

**Noted.** The 2007/2008 Annual Report will contain the suggested information.

**Report Recommendation 9**

Council should adopt a practice of including items as "Matters Determined without Further Debate" on the business paper. This allows the Council to determine those matters where councillors agree with the officers' recommendations to be adopted 'en globo' to avoid unnecessary delays.

**Council Response:**

This suggested change to Council's Meeting Code will be considered at Council's February 2008 Ordinary Meeting. Council has recently considered amendments to the Meeting Code for the purposes of streamlining Council meetings and at that time adopted a stance that elected members should not have their opportunity to raise issues unreasonably fettered.

**Report Recommendation 10**

Council should keep records of councillor training undertaken. It should also provide additional training to councillors in the areas of finance and planning. Council may wish to undertake a councillor training needs analysis.

**Council Response:**

Council does maintain records of the training programs undertaken by individual councillors. All Councillors have undertaken the finance and planning training offered by "Learning Solutions" (training arm of Local Government Shires Association) in the past 2 years. A training analysis will be undertaken for all councillors collected at the 2008 poll of electors.

**Report Recommendation 11**

As the annual report is the key tool for reporting and accounting to the community, Council should improve the quality of this document and better align it with the management plan. The document could also benefit from including a statement from the Mayor and General Manager.

**Council Response:**

**The suggested changes to the content of the Annual Report will be implemented in the 2008 Report.**

*Planning & Regulatory*

**Report Recommendation 12**

In reviewing its Local Environmental Plan, Council should consider strategies to further encourage and manage affordable housing. The recently released "NSW Local Government Housing Kit" prepared by the Centre for Affordable Housing could be a useful resource.

**Council Response:**

**This matter will be considered by Council's Planning and Development Committee in the preparation of the Local Environment Plan.**

**Report Recommendation 13**

Council should formally consult with the community when reviewing its State of Environment Plan and/or Report.

**Council Response:**

**Noted. The suggestion will be included in a review of Council's Consultation policy document.**

**Report Recommendation 14**

Council should develop a section 159 Local Orders Policy.

**Council Response:**

**Noted. This matter will be considered by Council's Planning and Development Committee Meeting.**



**Report Recommendation 15**

Council should develop a formal enforcement and prosecution policy.

**Council Response:**

**Noted. This matter will be considered by Council's Planning and Development Committee.**

**Report Recommendation 16**

Council should consider resource sharing with other councils to establish a regional compliance and inspection program.

**Council Response:**

**Refer to Council's Response to Recommendation 2. This matter will be raised at the next meeting of the New England Local Government Group to ascertain a regional opinion on this suggestion.**

**Report Recommendation 17**

Council should take steps to develop a compliance program as required under the *Swimming Pools Act 1992*.

**Council Response:**

**Noted. The development of a compliance program and the resourcing costs associated with the program will be considered by Council's Management Team in 2008.**

***Asset and Financial Management***

**Report Recommendation 18**

Council should develop a long-term financial plan that provides the resources for delivering Council's Strategic Plan and integrated it with other key planning documents.

**Council Response:**

**Noted. Council supports the integrated planning process outlined in a recent Department of Local Government Discussion Paper. Therefore, Council will continue to further develop and refine its financial planning and strategic documents to provide a greater degree of integration.**

**Report Recommendation 19**

Council should consider the integration of its asset management registers in the long term. Council should develop a plan and process for moving to the next step of further asset rationalisation.

**Council Response:**

**Noted.** Council has undertaken substantial work in progressing towards the position outlined in the recommendation. This activity will be an ongoing matter for Council Staff to address, in accordance with a time frame established by Council's Works Committee.

**Report Recommendation 20**

Council is encouraged to develop a business plan to maximise the operation of its saleyards.

**Council Response:**

**Noted.** A new Business Plan is currently being prepared in respect of the Saleyards Operations.

**Report Recommendation 21**

In the area of information technology, it is recommended that Council:

- could better utilise its intranet system by providing additional access to policies to staff
- council may wish to review the intranet to allow greater access to Council information
- council should review its Internet site to give the public access to Council policies and Council information currently not available.

**Council Response:**

**Noted.** Council's current computer system provides staff with easy access to Council policies, management policies, procedures, and a wide range of other information which staff require to effectively carry out their activities. The range of information provided on the intranet and internet is continually being reviewed and this review is one element of the internal audit program that has been developed.

**Report Recommendation 22**

As a matter of priority, Council should explore and implement programs to protect children when accessing the Internet in libraries (eg, the use of PCbased filters and the Federal Government scheme on Internet safety, NetAlert).

**Council Response:**

**Noted.** In November 2007, the internet services available at the Inverell Library were reviewed. This review resulted in the implementation of programs to protect children when utilising the internet at the Library. In carrying out this review, Council were mindful of the arguments advanced by Librarian Professional Bodies that advocate for limited controls on access to content on the internet. Consideration is also being given to whether it is appropriate to provide the same level of filtering at the Library as that which is applied to Council's Corporate Internet system.

*Community Consultation*

**Report Recommendation 23**

To improve its performance in the social planning area, Council should address the issues raised in this Promoting Better Practice report in its review of the Social Plan and ensure that sufficient resources are allocated to enable the achievement of its stated outcomes.

**Council Response:**

**The issues raised by the Review Team in respect of social planning will be considered by Council's Planning and Development Committee in March, 2008.**

**Report Recommendation 24**

The Social Plan should be integrated with Council's Strategic Plan, Management Plan, Community Strategic Plan, Tourism Strategic Plan and Cultural Plan. In its review of its Cultural Plan, Council should refer to the Department's *Cultural Planning Guidelines for Local Government 2004* and ensure that cultural services are integrated with its Strategic Plan, Management Plan, Social Plan and other relevant plans.

**Council Response:**

**Agreed.** The integration of this particular aspect of Council's operations will be included as part of the implementation of the Department's suggested integrated planning and reporting model.

**Report Recommendation 25**

To encourage widespread community support and engagement, Council should consider using an approach similar to the "Growing Inverell" Program in the review and delivery of Council's Strategic Plan, Management Plan, Social Plan, Cultural Plan and Tourism Strategic Plan.

**Council Response:**

**Noted. This suggestion will be considered when the review of Council's community consultation policy is undertaken.**

**Report Recommendation 26**

In its review of its Cultural Plan, Council should refer to the Department's *Cultural Planning Guidelines for Local Government 2004* and ensure that cultural services are integrated with its Strategic Plan, Management Plan, Social Plan and other relevant plans.

**Council Response:**

**Noted.**

**Report Recommendation 27**

Council should, in its organisational structure and Management Plan, clarify which officer is responsible for each of the functions of community services, economic development, tourism, cultural development and recreation services. The specific activities contained within Council's Management Plan should accurately reflect these responsibilities.

**Council Response:**

**This recommendation will be implemented in the 2008 Management Plan.**

**Report Recommendation 28**

To minimise any potential duplication or alternatively to avoid any activities "falling in between the cracks", Council should put in place appropriate measures to enable an integrated, coordinated and manageable approach to the function areas of community services, economic development, tourism, cultural development and recreation services.

**Council Response:**

**This recommendation will be implemented in 2008.**

**Report Recommendation 29**

Council should build upon strategies in its social plan and refer to the resources developed by the Local Government and Shires Associations to prepare and implement long-term strategies to meet current and future needs of older people.

**Council Response:**

**Noted. The suggestion will be considered when the review of Council's Strategic Plan is conducted during 2008.**

**Report Recommendation 30**

Priority strategies on ageing should be determined on an annual basis and incorporated in Council's management plan. Progress in relation to these priorities should be reported on a quarterly basis, as well as each year in Council's annual report.

**Council Response:**

**Noted. This issue will be addressed when the review of the Social Plan is undertaken.**

**Report Recommendation 31**

Given the significant Indigenous population in the Inverell Shire, Council should use the Department of Local Government's and the Local Government and Shires Associations' *Engaging with local Aboriginal communities – A Resource Kit for Local Government in New South Wales 2007* as a tool to facilitate better communication. As an initial step, Council should consider formally acknowledging Indigenous people as the traditional owners of their own lands at the beginning of the Council meeting and other official Council ceremonies or consider flying the Aboriginal flag.

**Council Response:**

**Noted. This particular issue will be addressed by Council at its February, 2008 Meeting.**

**Report Recommendation 32**

Council should, if it hasn't already done so, finalise and adopt its draft Corporate Communications Policy 2007.

**Council Response:**

**The Communications Policy, was completed and adopted in October, 2007. In light of a number of recommendations contained in the review report, relating to communications, these issues will be considered for inclusion in the adopted document.**

***Workforce Relations***

**Report Recommendation 33**

Council should finalise the development of a human resource strategy and workforce plan.

**Council Response:**

**As indicated to the review team this strategy and workforce plan has been worked upon during the 2007 Calendar Year. The draft document has been completed and will be considered by Council's Management Team during February, 2008.**

**Report Recommendation 34**

Council should continue to review and finalise all of its human resource policies to meet best practice guidelines. Council, if it doesn't already do so, is encouraged to refer to 'Human Resources Policies – A Manual for Local Government' produced by the Local Government and Shires Associations.

**Council Response:**

**Noted.**

**Report Recommendation 35**

Council should develop a succession plan for key areas of its operation, which addresses potential gaps in its workforce due the significant number of employees expected to retire over the next 10 years. The succession plan should, where appropriate, be linked to Council's training plan.

**Council Response:**

**The succession plan, which documents Council's existing policies and procedures that are designed to develop in house staff resources will be completed during March, 2008. Council has been cognizant of the need to assist the professional development of existing staff, and as a result has expended considerable funds in the training of staff at all responsibility levels of the organisation. The commitment to the professional development of staff is ongoing and the documentation of the existing human resource activities and their linkage to the corporate succession plan will be highlighted.**

**Report Recommendation 36**

The General Manager should closely monitor the progressive implementation of the salary system to ensure that all staff members clearly understand the system and are successfully able to participate in its ongoing operation.

**Council Response:**

**Noted.**

**Report Recommendation 37**

As the Consultative Committee's aim and purpose is operational in nature, Council's General Manager (or his/her nominee/s), rather than councillors, should represent Council on this committee.

**Council Response:**

The Constitution for the Consultative Committee was prepared by Staff representatives, and it was during the development of the constitution that Staff indicated an elected member, preferably the Mayor, should be a member of the Consultative Committee. The rationale for this suggestion was to increase the chance for understanding between staff representatives and the elected body. The suggestion of the review committee will be placed before the Consultative Committee for consideration.

**Report Recommendation 38**

Minutes of the Consultative Committee meetings should be distributed to all councillors to enable them to develop effective Council policy on industrial issues and remain informed about current issues and outcomes.

**Council Response:**

**Noted. This recommendation will be placed before the Consultative Committee for consideration.**

**Report Recommendation 39**

The General Manager should work with the Consultative Committee members to build a forum that allows for full and equal participation and results in positive, constructive relationships between management and employees.

**Council Response:**

**Noted.**

**Report Recommendation 40**

Given the possible impacts of negotiating and implementing the new salary system on staff morale and to maintain a positive and highly motivated workforce, it is suggested that Council carry out an employee attitude survey and respond accordingly.

**Council Response:**

**Agreed. Action has been taken to engage an external organisation to conduct the employee attitude survey on behalf of Council.**

**Report Recommendation 41**

To improve workforce relations and communication, Council is encouraged to consider the production and dissemination of a newsletter (either hard copy or electronic) on a regular basis.

**Council Response:**

Since June 1998 Council Staff have been preparing a Staff Newsletter entitled "Access Newsletter". This document is distributed to all employees and Councillors in hard copy.

**Report Recommendation 42**

Council should provide all employee representatives of its Consultative Committee with a copy of its Equal Employment Opportunity Policy and Management Plan and consult the Committee in the next review of the document.

**Council Response:**

These documents will be provided at the next meeting of the Consultative Committee.

**Report Recommendation 43**

Council's Equal Employment Opportunity Policy and Management Plan should contain more specific strategies, activities and key performance indicators, which should in turn be linked the Council's Management Plan.

**Council Response:**

Noted. This matter will be addressed as the Human Resources Strategy is further developed.

**Report Recommendation 44**

Council should investigate and resolve matters relating to alleged intimidation and/or unequal opportunities for female staff. The extent of this sort of behaviour should be explored by including a well crafted and sensitive question in an employee attitude survey, which was recommended above.

**Council Response:**

Noted. This issue has been included in the brief sent to the selected companies that have the skills necessary to carry out the Employee Attitude Survey (as per recommendation 40).



**Report Recommendation 45**

To achieve the full and equal participation of women in local government, Council should implement some strategies such as career development, mentoring and assertiveness training contained in the document *The Review of the National Framework for Women in Local Government – The Way Forward 2007*.

**Council Response:**

**These issues will be considered in the development of the 2008 Staff Training Plan.**

**Report Recommendation 46**

Council needs to continue to actively encourage staff with high unused leave balances to take leave. This should include identifying the reasons for these high, unused levels and develop appropriate strategies that enable key members of staff to take leave with minimal impact on Council operations.

**Council Response**

**Action has been undertaken to reduce unused leave balances and contingency plans for the provision of services in the absence of specialist staff have been prepared.**

**Report Recommendation 47**

Council should develop a policy in relation to secondary employment that is consistent with section 353 of the *Local Government Act 1993* to serve as an on-going reminder that all staff must seek approval to engage in outside employment and how to do so.

**Council Response:**

**Noted. Policy will be placed before Council's Finance and Policy Committee Meeting in February, 2008.**

**Report Recommendation 48**

At the next review of employment contracts with its General Manager and senior staff, Council should refer to section 338 of the Act and Departmental Circulars 06-37 and 06-52 containing the standard contracts.

**Council Response:**

**The standard contract of employment for Senior Staff will be used by Council when considering the renewal of Contract Staff.**

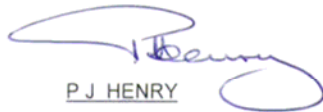
**Report Recommendation 49**

The General Manager should comply with section 339 of the Act and at least once annually report to Council on the contractual conditions of senior staff. The report should ideally include the information outlined in the body of this report.

**Council Response:**

**Noted. The report presented to Council at the conclusion of the annual Senior Staff performance appraisal process will be expanded to include the information suggested in the review's recommendation.**

Yours faithfully



P J HENRY

GENERAL MANAGER

## 8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

### COUNCIL'S PRIORITIES AND FOCUS

#### *What is working well*

- Council has a fairly well developed strategic planning framework
- Council measures the financial and operational performance of Council.
- Council's project alliance with the Roads and Traffic Authority

#### *Challenges to improve*

- Council's strategic plan should cover a 10 year period
- Extending relationships with neighbouring councils and perhaps a metropolitan council in a sister city relationship.
- Declining labour market

### GOVERNANCE

#### *What is working well*

- Statement of business ethics
- All section 355 committees have a charter or constitution.
- Record keeping and management
- Complaint handling
- Risk management policy
- Draft 2007/2008 Management Plan is well set out and comprehensive

#### *Challenges to improve*

- Finalise draft Corporate Communications Policy
- 355 Committees to be provided with documented procedures
- An internal audit committee and/or an internal audit function would assist the Council
- Review of code of meeting practice and its meeting practices
- More training for councillors
- Quality of Council's annual report

## **REGULATORY**

### *What is working well*

- Determining land use strategy using Rural Land Use study.
- Development assessment enhanced with the development assessment team dealing with approximately 90% of applications.
- Strategies for retaining and developing planners.

### *Challenges to improve*

- Strategy to increase affordable housing
- Need for an organisation-wide enforcement policy and local orders policy

## **ASSET AND FINANCIAL MANAGEMENT**

### *What is working well*

- Financial position is sound, without the use of special variations to rates.
- Comprehensive asset management.
- Value for money in Procurement and Disposal policy
- Business continuity extensive and best practice

### *Challenges to improve*

- Internet safety should be reviewed in Council library.
- Business plan should be developed for saleyard.

## **COMMUNITY, COMMUNICATION AND CONSULTATION**

### *What is working well*

- The Growing Inverell Program is successful in its approach and outcomes.
- The Inverell Visitors Centre is housed in a state of the art facility
- Community consultation

### *Challenges to improve*

- Improving upon the quality of the *Inverell Shire Social Plan 2004*
- Completing a new Tourism Strategic Plan for the Shire in 2008
- Finalising the draft Cultural Plan
- Long term strategies to meet current and future needs of older people
- Finalising the draft Corporate Communications Policy.

## **WORKPLACE RELATIONS**

### *What is working well*

- Recruitment guidelines and processes.
- A detailed 2007/2008 training plan included in Council's Management Plan.
- Performance in the occupational health and safety area appears outstanding.
- Exit interviews are conducted with all staff that leaves Council.

### *Challenges to improve*

- A human resource strategy and workforce plan.
- Continued reviewing and finalising its human resources policies.
- Succession planning should be formalised.
- Complete implementation of Council's new salary system
- Workforce relations - the composition and functioning of the Consultative Committee.
- EEO Policy and Plan and level of participation of women in Council's workforce.
- Secondary employment policy
- General Manager to report the contractual conditions of senior staff to Council.