

challenges improvement innovation good governance

Promoting Better Practice Program

REVIEW REPORT

LIVERPOOL PLAINS SHIRE COUNCIL

February 2009



Department of Local Government

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1. ABOUT THE REVIEW

Review objectives

The Promoting Better Practice review program 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.

Liverpool Plains Shire Council Review

Liverpool Plains 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?*

The Department of Local Government's Senior Investigations Officer, Paul Terrett, and A/Investigations Officer, Penelope McKay, conducted the on-site component of the review from 25 to 28 March 2008.

The on-site review involved a 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.

2. EXECUTIVE SUMMARY

Liverpool Plains Shire Council has faced a number of challenges since it was established by proclamation on 17 March 2004. This has instilled a culture of “can do”, which is demonstrated by Council winning the 2006/07 Bluett Award and developing its own electronic document management system, Tr@ceR.

Council has clearly set out its vision that reflects Council's values and goals, which is embedded in its Community Strategic Plan 2007/08 to 2017/18. This long term vision is a road map for the Council's future. However, Council needs to develop long term financial plans that link to the Community Strategic Plan.

The Council understands its community and actively consults its local residents. A detailed profile of the LGA has helped Council develop strategy and policy and align plans and actions with key outcomes – community, environment, infrastructure and governance.

In summary, the Council has the potential to strategically address the future needs for the Liverpool Plains area. This strategy is, however, affected by the unknown possibility of new coal mining. If this eventuates it will have a major economic impact on the Shire and demand for residential accommodation from workers associated with the mine. Despite this unknown, Council has proceeded in setting future plans that will ensure the Shire is placed in a sustainable position.

Council is active in seeking resource sharing with other councils, both with its neighbours and with its sister city Blacktown City Council. This is bringing rewards for the Council through attracting skills or financial savings from working with others.

Council does not presently have an internal audit committee. However, Council has discussed the establishment of an Internal Audit Committee and an Internal Audit Charter.

Council's overall financial position appears to be satisfactory. However, Council needs to review a number of areas including asset maintenance programs and long-

term asset planning for its infrastructure. Council also has a program of quarterly reporting of financial performance against performance standards.

Liverpool Plains Shire Council has a commendable Social Plan that is comprehensive and clearly complies with all legislative requirements for social planning. It is accessible, easy to read and conveys a clear sense of commitment to meeting the social needs of its diverse community.

Council has policies and procedures to manage processes such as recruitment and selection, Equal Employment Opportunity, employee grievances, harassment, Occupational Health and Safety (OH&S), occupational rehabilitation and leave. All positions have written job descriptions.

As Council does not have a Human Resources Strategy, it is encouraged to develop this strategy and to integrate this plan with other strategic plans.

The Council faces a future challenge with an ageing workforce. There is currently no formal succession plan for key personnel and positions. It would be good business practice to ensure that a succession plan for key personnel and positions is developed within the next twelve months.

Council meetings operate well. However, Council should consider removing questions without notice and one of the public forums. Councillors should be provided with additional training after the September 2008 elections. Council is also required, within 12 months of the election of a new council, to undertake a structural review under section 333 of the *Local Government Act 1993*.

3. RECOMMENDATIONS

Ambitions, Priorities and Future Focus

1. Council should work towards the integration of its planning process to integrate its strategic plan with its social and community plan, management plan, asset management plan and long-term financial plan.

Governance

2. Council should adopt the practice of “matters determined without further debate” in council meetings.
3. Council should develop initiatives to encourage members of the community to stand as councillors.
4. Council should revise its section 252 policy to ensure the policy clearly reflects the ‘delegated authority’ concerning the Mayor and the circumstances where this would occur.
5. Council should ensure that a reference to its ‘Statement of Business Ethics’ is made in Council’s tendering documents.
6. Council should develop a risk management strategy to effectively control and reduce Council’s risk profile.
7. Council should develop an internal audit plan and establish an internal audit committee
8. Council should implement appropriate training and review mechanisms to ensure its section 355 committees operate effectively.
9. Council should link delegations to position descriptions and consider broadening these across its organisational staffing structure.
10. Council should develop processes for monitoring and auditing its purchasing and tendering, disposal of assets and contract management.
11. Council should continue to develop and broaden its sister city relationship with Blacktown City Council.

Planning and other regulatory functions

12. Council should undertake a review of its IT needs in its Planning Branch with a view to introducing e-planning.
13. Council should develop a compliance program as required under the *Swimming Pools Act 1992*.

Asset and financial management

14. Council should review its Debt Recovery and Hardship policy to implement a procedure to reduce the risk of escalating outstanding debts.
15. Council should develop a long-term financial plan that is integrated with its asset management plan.
16. Council should develop a comprehensive asset management plan that incorporates Council's asset maintenance program.

Workforce relations

17. Council should develop a human resources strategy that is linked with other plans and strategies.
18. Council should document its succession planning activities for key positions.
19. Council should consider implementing initiatives for career development; such as mentoring and assertiveness training.

4. CONTEXT

This section of the report describes the context in which the council operates, including the make up of the council area, population characteristics and trends, councillor experience, and council functional structure. The information is based on the Australian Bureau of Statistics 2006 census information and the Department of Local Government Comparative Information on NSW Local Government Councils 2005/2006.

Situated on the north/west slopes and plains, Liverpool Plains Shire extends from the top of the Great Dividing Range just north of Murrurundi to Currabubula and west across the Liverpool Plains to the villages of Premer and Mt. Parry.

Quirindi is the hub of the Liverpool Plains Shire Council. It's located a short distance off the New England Highway, 354 km north of Sydney and 63 km southwest of Tamworth.

The Liverpool Plains Shire Council is a medium sized multi purpose Council formed in 2004 comprising the former Quirindi Shire Council, and portions of the former Murrurundi and Parry Shire Councils. Servicing an area of about 5121 square kilometres, Council's operations are predominantly directed at maintaining and, where funding permits, enhancing its rural road infrastructure. The Liverpool Plains is a substantial broad acre farming area providing the economic base for the town of Quirindi and the Shire generally.

The Australian Bureau of Statistics census information obtained in August 2006 puts the population at 7,540 persons usually resident in the Liverpool Plains local government area.

Of the total population 9.5% were Indigenous persons, compared with 2.3% Indigenous persons in Australia. 20.1% of the population were children aged between 0-14 years, and 33.1% were persons aged 55 years and over.

The most common industries of employment for persons aged 15 years and over were: sheep, beef cattle and grain farming 23.6%; local government administration 3.3%; road freight transport 3.1%; and hospitals 2.9%. There were 6.0% of the usual residents aged 15 years and over not in the labour force (unemployed).

Council has seven councillors who were elected following the Council's establishment in 2004. These councillors have a strategic role in the management of Council.

Council received the following Awards for works, services and initiatives completed or achieved during 2006/07:

- Highly Commended Award in the Kellogg's/Heart Foundation Awards for activities at the Quirindi Recreation Centre

- Category winner in the 2007 NSW Tidy Towns Cultural Heritage Award – Werris Creek Railway Museum
- Council and Blacktown City Council won the New Affiliation Award at the 2006 Australian Sister Cities Annual Conference
- Category winner in the 2006 National Local Government Awards – Community Business Partnerships Category for work done in collaboration with the Werris Creek community on the development of the Australian Railway Monument and Museum
- Category Winner in the 2007 National Local Government Awards – Information Technology Category for Tr@ceR Records Management System
- Finalist in the NSW Inland Tourism Awards for the Australian Railway Monument and Museum
- The A R Bluett Memorial Award for the Shire Council making the most progress in 2006/07
- 2007 Local Government and Shires Association Weeds Management Award, Tr@ceR Weeds Management Software.

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.

While Council has built the foundations for a strong strategic approach, it does not fully integrate its strategic plans with other more operational plans (such as the management plan and financial plan). **(Recommendation 1)**

Integrated planning and reporting

The Department of Local Government's vision is of a strong and sustainable local government sector that meets community needs.

A major corporate priority of the Department for 2007/08 and beyond is to work with councils to better integrate their planning, service delivery and reporting. Integrated planning is about ensuring that councils' planning requirements and processes are sufficiently interconnected to maximise the achievement of the council's goals and desired outcomes. If plans are not integrated it is likely that their implementation will work against each other to fragment and confuse responsibilities and targets, and undermine the achievement of the council's goals.

Integrated reporting is about ensuring that reporting is linked to council plans, particularly in regard to the progress toward achieving those plans and then accurately informing the development of future plans. The Department notes that Council has developed a Community Strategic Plan 2007–2017, which aims to incorporate and integrate operational plans. Council acknowledges that additional work is required in this area.

Council should work towards the integration of all its plans. Currently, the Council is driven by its management plan. It does not have a long-term financial plan or a comprehensive asset management plan. The Council does have an understanding

of its strategic direction, however, this has not been articulated into a single document other than in its planning strategy. Council should work towards an integrated approach to its planning.

Ageing population

In terms of the age structure, the median age of people in the Shire at the time of the 2006 Australian Bureau of Statistics census was 43 years compared with 37 years for persons in Australia. Jackson's NSW Local Government Population Ageing Project¹ indicates that in 2004, with 15.1% of its population aged 65 years and over, Liverpool Plains Shire was the 67th oldest LGA. The same study forecasts that by 2022 it will be the 51st oldest.

The study suggests that between 2004 and 2022 the population of Liverpool Plains is projected to decline in size. Its youth and working age populations are also projected to decline, while as elsewhere its elderly population will grow substantially. The 65 years and over population is projected to grow by 60% and the 85 years and over group by 74%. In 2004, Liverpool Plains had an 'elderly to child ratio' of 0.7, meaning that it has around seven elderly (65+ years) for every ten children. This ratio is expected to increase markedly over the projection period to 1.5, or 15 elderly to every ten children. The crossover is expected to occur in 2011.

Currently Liverpool Plains has a labour market entry/exit ratio of 0.8, meaning that it has around eight people at labour market entry age (15-24 years) to every ten approaching retirement age (55-64 years). This ratio is already negative (more exits than entrants) and will decline further to around 0.6 (six entrants to ten exits) by 2022. By comparison the entry/exit ratio for total NSW is currently 1.3 and will decline to 0.9, with the crossover not expected until around 2018.

As at 8 August 2006 the median weekly income for persons aged 15 years and over who were usual residents of the LGA was \$351, compared with \$466 in Australia. The median weekly household income was \$666 compared with \$1,027 in Australia and the median weekly family income was \$857, compared with \$1,171 in Australia.

¹ Jackson, Dr Natalie, 2004 Populations Ageing in New South Wales and its Local Government Areas, University of Tasmania

The Local Government and Shires Association have produced “Planning the Local Government Response to Ageing”. The 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 the general population trends and access to population projection information for each local government area
- providing information on the existing and likely diversity among older people
- providing evidence on what population ageing means for all roles that councils perform, 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, and to identify what roles they may need to change.

The Department encourages councils to use this paper as part of their planning process.

Liverpool Plain’s social plan includes a number of valuable strategies for older people including transport, social activities, mature aged employment, education and training, access to health services and respite services. It is evident that Council has integrated strategies across all its functional areas to address this challenge. It has also developed a policy statement on “Positive Ageing & Disability Access” in response to the ageing population.

Council reviews progress in relation to these priorities both on an annual basis with the local area planning team and also on a bi-monthly basis to update progress on key performance indicators. It is reported on a quarterly basis via management plan reports as well as annually in the Council’s Annual Report.

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

Overall, the review team observed that the Council has made a number of significant improvements. A contributing factor to this catalyst for change has come from the amalgamation of councils as part of the Local Government Reform Program conducted during 2003-04 and a more professional approach to service provision.

Council understands its local community. However, the vision for the Liverpool Plains Shire is not being fully realised due to financial constraints. Regardless of this, Council has established strategies that are linked to community needs and has facilitated resource sharing with other councils.

Council has reviewed its vision and mission as follows:

VISION

That the Liverpool Plains Shire area achieves higher levels of growth and generates improved quality of life through expanded opportunities for economic and social development being realised within an ecologically and financially sustainable framework.

MISSION

To achieve the Liverpool Plains Shire Council vision through proactive community focus delivering best value and practice services that are recognised by the community and our peers for their quality and positive impact on development.

Council has a co-operative working relationship between staff and councillors at Liverpool Plains Shire Council. Councillors appear to understand their role and are informed of current issues. This mature approach has contributed to a positive governance structure and provides leadership in planning for the future of the community and represents the needs of the local community to higher level of government.

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*
- *Business Continuity*
- *Council Meetings*

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 1993* and the Local Government (General) Regulation 2005 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 current management plan was examined and appears to be in accordance with the relevant provisions of the Local Government Act and Regulation.

Prior to adopting the management plan, Council conducted six public meetings and internal workshops. Council monitors the implementation of the management plan through quarterly reports.

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.

The Department recently issued a circular on transacting business without notice (Circular to Councils 07/14). Liverpool Plains Shire Council maintains an item of "Questions without Notice" on its meeting agendas. 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.

Business that can be discussed and dealt with at council meetings under clause 241 includes:

- business that a councillor has given written notice of within the required time before the meeting (clause 241(1)(a)) and of which notice has been given to councillors (section 367 of the *Local Government Act 1993*)
- business that is already before the council or directly relates to a matter that is before the council (clause 241(2)(a)). For example, business that was discussed at the last council meeting or business in a report made by staff in response to an earlier council request for a report.
- the election of a chairperson for the meeting (clause 241(2)(b))
- a matter raised in a mayoral minute (clause 241(2)(c))
- a motion to adopt committee recommendations (clause 241(2)(d))
- business ruled by the chairperson to be of great urgency (clause 241(3)), but only after a motion is passed to allow this particular business to be dealt with.

The *Local Government Act 1993* provides a number of other methods for councillors to bring matters to council, such as using notices of motion or holding councillor information sessions on significant matters.

Council has a Public Forum, and a Public Forum – Questions and Comments session. The Public Forum, which allows members of the public to ask questions without notice, is considered to be contrary to clause 249 of the Local Government (General) Regulation that limits questions to be asked by councillors. Further, it raises business that is not on the agenda pursuant to clause 241 of the Regulation. Council now has one public participation forum and written notice of the questions must be given to the General Manager beforehand.

Council should also adopt a practice of “Matters Determined without Further Debate” in the council meeting paper. This allows the Council to determine those matters that will be adopted in total. This assists in Council meetings operating smoothly and avoids undue delays where councillors agree with the officers’ recommendations.

(Recommendation 2)

Council’s business papers are informative and assist councillors to make informed decisions.

Council uses best practice in projecting on overhead displays motions before the Council.

Councillor induction and ongoing training

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

It was noted during the Council meeting we attended that a councillor declared an interest. However it was not disclosed whether this was a pecuniary or non-pecuniary interest, or the nature of that interest.

Training should be provided on an ongoing basis to ensure that all councillors are aware of their general obligations regarding disclosures of pecuniary and non-pecuniary conflicts of interest.

Council is encouraged to investigate commencing a community education and mentoring program to encourage members of the public to stand as councillors. Council may also wish to encourage community leaders to stand. Council should provide prospective candidates with information in relation to the roles and responsibilities of being a councillor. Alternatively, Council may wish to conduct information sessions for key groups such as service organisations and clubs to share information on Council and how to stand as a councillor. **(Recommendation 3)**

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. Liverpool Plains Shire Council provides its residents with details of the expenses incurred by councillors.

However, the councillor expenses policy appears contradictory in that the approval process indicates approval from 2 or more persons is required where travel entitlements regarding conference attendance may be approved "by the Mayor under delegated authority". The policy is also unclear about the circumstances where the Mayor would obtain delegated authority. The "Authority to Travel" form attached to the policy gives a single approval sign-off where there should be at least 2 (or 3 where the Mayor is concerned). More clarity is required about the Mayor's delegated

authority. The Council adopted the policy on 28 February 2008. **(Recommendation 4)**

Customer service and complaints handling

An effective complaints handling system is an essential part of the provision of quality council services. It is one method of measuring customer satisfaction to provide a useful source of information and obtain feedback for improving Council's services.

Council has developed a Customer Service Standard, which was adopted in February 2006. This sets out timeframes and procedures on how Council will respond to complaints. Council has not developed a Customer Service Charter. The Charter should establish clear service values and standards that customers can expect to receive from Council. While some of these appear in the Customer Service Standard, it could be enhanced with a charter showing the Council's customer service commitment.

Pecuniary interest

Chapter 14 of the *Local Government Act 1993* sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private pecuniary interests. The Act also requires councillors and designated staff to lodge returns of interest. Part 8 of the Regulation prescribes the information required to be included when lodging returns.

The review team examined the most recent section 449 returns. The review team found that they were generally completed to a satisfactory standard. Council provided all councillors and designated staff with a copy of the Department's Circular to Councils 08/71 to assist them in completing their returns.

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. While Council has adopted a Statement of Business

Ethics, it should extend this document to contractors doing business with Council. A reference to the Statement does not appear routinely in Council's tender documentation. **(Recommendation 5)**

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 does not display its values or mission on its website.

Risk management

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

Councils are exposed to a wide range of risks as a consequence of their diverse functions. The significance of specific risks will vary from council to council. A risk management plan should provide a council with a framework to proactively identify, communicate and manage generic and specific risks. It is important that Council consider the development and implementation of a risk management plan to minimise the likelihood of negative events that could have otherwise been foreseen and thereby managed or avoided. Such a plan should extend beyond those risks that are insurable. Council may wish to refer to AS/NZS 4360:2004 for more information on risk management.

Council does not have a risk management strategy. An invaluable mechanism for implementation of any risk management strategy is the undertaking of an organisational wide risk assessment. It is good practice to undertake an organisational risk assessment at least every three years. Such a risk assessment can be used to identify areas of high risk that Council should focus and manage, as

well as facilitate the development of an internal audit plan for Council. Risk assessment process such as this will ensure that Council looks beyond insurable risks and OH&S matters and works to identify and manage all business risks. While the review team acknowledge that some work has been done in this area, Council needs to address all risks it faces. **(Recommendation 6)**

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. An internal audit program will also provide Councillors and members of the public with assurance that Council is managing its operational risks and performance appropriately.

Council does not have an internal audit committee or an internal audit plan. An internal audit committee and/or an internal audit function would assist the Council in monitoring and improving its internal controls, and Council should examine the costs and benefits of establishing such functions.

Council may wish to look to its neighbouring councils or to a larger council to conduct a peer assessment of its internal controls. It should also examine resource sharing of this internal audit function with other councils in the area. **(Recommendation 7)**

Protected Disclosures

Protected disclosures are an important means by which councils can signal commitment to ethical practice. They also can act as an early warning system for management.

Council has a policy to assist staff in making any disclosures of alleged corrupt conduct, maladministration or serious and substantial waste of public money under the *Protected Disclosures Act 1994*. Council informs its councillors, staff and council delegates of the requirements and protections of the *Protected Disclosures Act 1994* through staff induction and development training programs.

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 June 2004. Council is currently reviewing this and is planning to conduct privacy training for staff and councillors. As Council routinely deals with large volumes of personal information, it is essential that staff are aware of the Council’s obligations under the PPIPA.

Section 355 Committees

Council has a number of section 355 committees. These committees provide an opportunity for community involvement and can be an effective way of delivering services.

As these committees carry out functions on behalf of Council, it is important they all have a constitution or charter setting out their membership, functions and delegations, to ensure that committee members carry out their functions in an appropriate manner. Council should provide appropriate training, as well as provide an operational manual to which they can refer on an ongoing basis. It was noted that many of the committees have terms of reference but it is not clear how council ensures that these terms of reference are met and the committee is operating effectively. **(Recommendation 8)**

Working with other councils

Council is working with other councils in the Liverpool Plains Shire area and has established a number of resource sharing activities including:

- holding training sessions with other councils
- having an agency role with the RTA
- having a joint arrangement with Gunnedah Shire to engage a part-time infringement officer to enforce council regulations
- undertake reciprocal referrals to Gunnedah Shire of development applications for their own projects to ensure transparency in the approval process and

- worked with Tamworth Regional Council to adopt a joint approach to building construction and alignment of conditions for builders who operate in both council areas.

Council reported in its management plan 2008/2009 that it made representations to Gunnedah and Narrabri Shire Councils regarding future opportunities for resource sharing given the common community interests, geography and issues associated with water management and coal mining development. Opportunities being discussed include joint tendering for banking services, policy development for section 94 contributions for coal mines, the provision of payroll and human resources services, the provision of GIS technology services, sharing of Occupational Health and Safety Officers for internal audit purposes, sharing of a road safety and grants officer, contracting design engineering services, sharing of a food shop inspector and septic tank inspector and clustering of RTA single invitation contracts.

Council also intends joining Hunter ROC to share in savings in the joint procurement of goods and services and tendering.

Delegations

The power of delegation is an important tool that assists council officers carry out the functions of Council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the Local Government Act and continually reviewed to ensure they remain current. Council recently reviewed its latest register of delegations. However, these are not linked to job descriptions or given to a broader level of staff. Council should consider clarifying levels of delegation to all staff. **(Recommendation 9)**

Planning and reporting framework

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 and the Local Government (General) Regulation 2005 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.

Similarly, Council must prepare and release an annual report. Section 428(1) of the Act requires each council to prepare a report within five (5) months of the end of each financial year as to its achievements with respect to the objectives and performance targets set out in its management plan for that year. Matters to be included are set out in section 428(1) of the Act.

The review team examined Council's management plan for 2007/2008 and annual report for 2006/2007. Both documents appear well presented and easy to read.

Code of conduct

The Council's code of conduct adopted under section 440 of the Local Government Act is important because it assists Councillors and Council staff to understand the standards of conduct that are expected of them. All councillors, staff and council delegates are required to observe provisions consistent with the Model Code of Conduct for Local Councils in NSW.

Council adopted a code of conduct in February 2005. The code of conduct appears to be in line with amendments to the Local Government Act, which provide for a mandatory Model Code of Conduct for Local Councils in NSW.

Purchasing and Tendering

Provisions relating to purchasing and tendering are set out in section 55 of the Local Government Act and the Local Government (General) Regulation.

Council adopted a Procurement of Supply of Goods and Services Policy in February 2008. This is based on the principle of obtaining value for money when evaluating and selecting goods and services and provides staff with a set of basic procurement guidelines. Council also adopted a Disposal of Surplus Equipment Policy in June 2004, which gives a series of general principles including obtaining fair value for surplus assets and reducing employee exposure to possible corrupt practices.

A review of tenders showed a number of inconsistencies were apparent such as receipt of tender, amounts being tendered and reasons for awarding of the tenders were seemingly sometimes outside the scope of the tender. Council should consider using a tender checklist to ensure that the tendering process complies with the Local Government Act.

Council should develop processes for monitoring and auditing its purchasing and tendering, disposal of assets and contract management. **(Recommendation 10)**

Sister City Relationships

On 4 June 2005 Council signed a memorandum of understanding to develop a sister city relationship with Blacktown City Council. The purpose of developing the relationship is to establish a spirit of goodwill between the Councils and encourage reciprocal exchanges in education, resource sharing, cultural, economic development and staff exchanges.

Council is enthusiastic at the opportunities for staff development, resource sharing and capacity building for both Councils. Council is encouraged to pursue this opportunity, as it has the potential to offer both Councils benefits in the form of sharing of expertise and resources. **(Recommendation 11)**

Tr@ceR

Liverpool Plains has been innovative in developing its own electronic document management system specifically for local government. The document management system was aimed at integrating the interface between customers and Council.

Approximately 2 years ago Liverpool Plains resolved to establish an electronic document management system. After examining systems used by other councils and costs and limitations of the existing systems, Council concluded that none of the ‘off the shelf’ software products would be suitable for Liverpool Plains.

Council decided to develop its own software, capable of capturing the workflow of document handling and customer action requests.

All departments were involved in the initial information gathering and staff were given a strong sense of ownership. This assisted in the change management processes in Council.

The software was developed in-house with visual basic initially using Microsoft SQL database. The development, testing, installation and “go live” took approximately 12 months. The Tr@ceR program is being enhanced to “dot Net” environment using a web browser as the user interface.

There are several aspects of Tr@ceR that make it unique, such as:

- ‘for information’ - requiring no action
- response needed – requiring a task
- Customer Action Requests - requiring action.

Tr@ceR allows for quick responses to customer requests by allowing staff to enter directly into the system.

Council estimates that it has made savings in excess of \$50,000 per annum through reduced licensing, support, paper, photocopier consumables and training.

Other benefits of Tr@ceR include quick finding of documents, more thorough document history, better compliance with the State Records Act and reduced storage costs by complying with State Archives GDA24 physical document disposal.

Due to the short time period since its implementation, the system is yet to be expanded into other areas such as planning and development in recording actions. Council is also looking at its business papers and how Tr@ceR could assist.

Council has also developed a Weeds Control database, which allows weeds officers to interface with GPS and Google Earth to clearly identify weed infestations and to relay this to a central database. Other councils in the area have adopted this system.

In 2007 council won a DOTARS National Award for innovation and an LGMA management excellence award for the Tr@ceR electronic document management system.

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 regulatory functions is important for effectively managing Council's responsibilities and for preserving public trust in Council and 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:

- *Planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Companion animals*
- *Environmental management*
- *Enforcement practices*

Development applications

Council has effective planning areas, which handle approximately 120 development applications (DAs) per annum and are assessed on average in less than 18 days. Planning decisions are clearly documented and developments of any significance are referred to Council for determination. Councillors only dealt with approximately 7% of all development applications in 2006/07. This was an increase of 3% on the previous year.

In reviewing the processing of DAs, concern was raised at the failure to adequately use Council's computer system. Despite this Council appears to operate its planning functions successfully.

Council does not have an electronic system for lodging or tracking of development applications. There does not appear to be any plans to upgrade the IT systems in the

Planning Branch to address matters such as e-planning. Council may find it beneficial to consider resource sharing with another council(s) to facilitate the development and implementation of e-planning. Council should undertake a review of its IT needs in its Planning Branch with a view to introducing e-planning.

(Recommendation 12)

Planning – keeping environmental planning instruments under review

Council is required by section 73 of the *Environmental Planning and Assessment Act 1979* to keep its planning instruments and policies, such as local environmental plans and DCPs, 'under regular and periodic review'.

Council has been pro-active in developing a new local environment plan (LEP) for the Shire. Prior to the amalgamation Council had a number of LEPs and is proceeding to develop a single LEP for the Shire. A new LEP is due in 2009.

Council is clear on its land use planning and has seen an increase in residential subdivisions in Quirindi. A growing industrial area to the south of the town has supported this. While planning is focussed, the Shire faces challenges with the possibility of a new coal mine. If this eventuates there will be an increase in residential demand and the land use plan will need to accommodate this possibility should it occur.

To ensure greater transparency, Council shares resources with Gunnedah Shire Council for the assessment of its own development applications. It also reports to Council regularly on the activities of the Environmental Services Division on planning and regulatory operations. All DAs assessed and determined under delegated authority are reported monthly to Council.

Plans of management for community land

The Department of Local Government issued a circular to councils on 16 May 2000 that included a copy of the revised Practice Note 1 – Public Land Management (May 2000). Point 4.4 of the Practice Note details the minimum requirements for plans of management. Council has a generic Management Plan for its community land. This

plan includes community halls, cemeteries, sport grounds and other community. Council is developing a management plan for the racecourse/ showground.

Section 94

Council keeps a section 94 contributions register and monitors expenditure to ensure that funds are spent within a reasonable time and in the area to which they relate.

Enforcement

In the exercise of their functions under the *Local Government Act 1993* 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.

Council adopted an Investigation and Enforcement of Unlawful Activity Policy on 28 February 2007 that provides a guideline on how to assess whether complaints of unlawful activity require investigation, options for dealing with the activity and whether enforcement action is warranted.

Liverpool Plains has one ranger covering a large area: Council has a joint relationship with Gunnedah Shire Council to share an enforcement officer on a part-time basis. It appears that this works effectively and allows enforcement services to be shared between both councils.

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. Local councils are responsible for implementing and enforcing the provisions of the *Companion Animals*

Act 1998. The Act imposes requirements on both councils and the owners of companion animals.

Council's companion animals management plan has identified strategies that Council will pursue in meeting its obligations under the *Companion Animals Act 1998*. This includes community education, enforcement, environmental and community amenity strategies. Council has met its obligation under section 64 of the Act to seek alternatives to that of euthanasia, if practicable, and has developed a companion animals management plan.

It was observed that while Council has pound facilities, these are rarely used and it does not include facilities for cats. Council may wish to assess the long term viability and cost/benefit of providing pound facilities and consider the possible advantages and disadvantages of outsourcing this service to a private provider.

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. Liverpool Plains 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, however, does not have a fully documented inspection program of private pools that are not fully complying with the requirements under the *Swimming Pools Act 1992*. **(Recommendation 13)**

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 those assets.

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

- *Financial management*
- *Asset management*
- *Insurance*

Overview of financial position

Council incurred operating deficits before capital items for the past three years. For the period 2006/07, deficit before capital items stood at (\$2,901,000). This figure is offset by a surplus in operating results after continuing operations of \$93,000 in 2006/07.

Liquidity and cash position

Council's unrestricted current ratio (UCR) for the 2006/07 period was 6.06. For the period 2004/05 and 2005/06 it was 3.81 and 5.29 respectively. The UCR measures the adequacy of working capital and the ability to satisfy obligations in the short term. It does not include externally restricted activities such as water, sewer or specific grants. A UCR of greater than 2 is acceptable. Liverpool Plains' results show improvements in this area. The Debt Service Ratio in 2006/07 was 1.48%.

The percentage of Rates and Annual Charges Outstanding (RACO%) in 2006/07 was 6.55%. The RACO% assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. This compares with 2004/05 and 2005/06 of 7.17% and 7.18% respectively. These figures suggest a downward trend in the amount of outstanding rates and charges. The review team was advised that Council does not routinely prepare aged debtor reports.

Review of the Council's Debt Recovery and Hardship Policy reveals that while the policy outlines the steps to be followed in respect to recovery of outstanding rates and charges, it does not set any timeframes within which these steps should be taken. It is recommended that Council review its Debt Recovery and Hardship Policy and implement a procedure to reduce the risk of escalating outstanding debts.

(Recommendation 14)

Infrastructure maintenance

The written down value (WDV) of Council's assets for the 2006/07 period are as follows:

- Roads, bridges and footpaths 36%
- Stormwater drainage 48%
- Water supply network 59%
- Sewerage 41%.

The Department considers that WDV below 50% may be a cause for concern. Council's estimated costs to bring assets to a satisfactory condition were \$8.82M in 2006/07. There is a shortfall between estimated maintenance to actual maintenance of \$1.5M. It is noted that the cost in bringing assets to a satisfactory condition was the same as 2005/06, which would raise questions as to the accuracy of this figure.

Council's Auditor recommended a review of useful lives and asset conditions of all Council assets, in particular infrastructure assets such as roads and bridges.

Long term financial planning

Council has limited borrowings, which has allowed Council to manage funds within its own budget and has produced a good current ratio. Internal borrowings were in accordance with the *Local Government Act 1993*.

Councils are required to develop a budget each financial year as part of the management plan. This includes providing estimates of revenue and expenses for the next two years.

The Department is also encouraging councils to develop long-term financial plans that are integrated with the council's strategic plan. These financial plans allow a council to forecast the revenue and expenses that are associated with the council's strategic direction. By undertaking longer-term financial planning, a council is able to forecast its financial position, measure the sustainability of its proposed activities and decide whether it can fund additional activities and services and consider appropriate debt levels to finance its activities, as recommended by Council's external auditor.

It is imperative that Council develop a long-term financial plan that should be integrated with its asset management plan. The plan should take into account the following considerations:

- alternative sources of revenue
- long term rates strategy (rating structure, special variations, etc)
- long term borrowing needs and debt service ratio
- investment strategies
- the alignment of its long-term financial plan with other strategic directions, asset management, social and strategic plans
- long-term plans for capital works, land acquisition and anticipated demand for community facilities
- reserves and section 94 contributions
- asset management planning. **(Recommendation 15)**

Asset management

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

Within the context of limited traditional sources of income and increasing costs, the renewal and maintenance of existing community assets is a major issue for Council and the community.

The cost of managing and maintaining Council's assets or services at the ideal or even a satisfactory level could have a significant impact on Council's annual budget.

Council should continue to develop a comprehensive asset management plan that includes the rationalisation of assets and a maintenance program. Council should implement a total asset management system to ensure that it has an empirical basis for determining what funding will be required to maintain, replace and enhance

assets when needed. Council's asset management plan should include potential rationalisation of assets and a maintenance program. **(Recommendation 16)**

Information technology

Council leases all its computer hardware and has developed a formal information technology strategic plan that incorporates plans of action for information technology, information management and information systems. It would be good business practice to adopt an information technology strategy to meet the business needs, standards and strategic directions of Council.

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*
- *Reporting to the community and keeping the State government informed about its activities.*

Social and community planning

Liverpool Plains Shire Council's 2006/07 Social Plan is a commendable effort and shows clear evidence of a council that understands its role in the social planning process and is evolving to a more strategic approach in its general planning activities. This is a notable achievement for a "new" council. To have developed an initial social plan, reviewed the document and commenced the process of integrating social planning into a wider strategic planning framework within three years of amalgamation sets Liverpool Plains Shire Council apart from many of its peers as a council that is proactively approaching its future and "getting the job done". It is encouraging to see the Council developing planning frameworks that are appropriate to the size and scale of its operations.

The Council has obviously developed the Social Plan with a view to it being an integral component of its wider planning framework. The crafting of the plan shows a thoughtful and innovative approach. It would appear its authors have asked "How can we get the best value out of this exercise for our community?" rather than just "How can we comply with the regulations?".

Highlights of the plan include:

- The clear and accessible manner in which the Council has structured the plan and managed the planning process.
- The "realistic nature" of the plan, developing solutions that are achievable within the Council's budget and scale of operations.
- The demonstrated understanding of Council's various roles in delivering social outcomes as a direct service provider, facilitator, partner and lobbyist. This represents a high level of maturity in terms of its planning processes.
- Recognition of the need to work with other agencies in delivering social outcomes.
- Willingness to engage the community as a partner in the delivery process.
- The Council's strategic approach to the exercise – understanding that social planning is linked to wider issues, such as land use and economic development, identifying future threats and opportunities for the community and developing strategies to address them. This approach has been further strengthened by the Council's development of a Community Strategic Plan for 2007-2017, providing opportunities to integrate the social planning process.

- The inclusion of review processes – assessing performance against previous social plans and implementing an annual review process for the current plan. This will greatly assist the Council in maintaining its strategic plan in future.
- The demonstrated understanding of the Social Plan's links to other Council planning documents, such as the Management Plan and Disability Action Plan.
- The clear articulation of the Council's mission, vision and values.
- The consistent use of community surveys to assist in the planning process, providing a body of knowledge of changing community attitudes over a series of years.
- Demonstrated understanding of the plan's value to both Council and the community as a "bargaining tool" to influence policy or obtain funding.
- The use of issues-based assessment, as well as consideration of the mandatory target groups.

While the Social Plan is commendable, it could be improved as follows:

Demographic profile

While the plan has provided a solid foundation, there is room for further development and improvement, particularly in strengthening the demographic profile. While it was understandably challenging for the Council to obtain census figures relevant to its new LGA, further analysis of statistics could have identified other relevant social issues or target groups. For example:

- The plan generally identifies affordable housing as being an issue, but rental rates, home ownership, etc, are not explored in the demographic profile.
- There is frequent mention of newcomers to the area, but these are not quantified in the 2006-07 plan.
- There are concerns expressed for those in low socio-economic groups, but this is not explored through income statistics.
- The issue of isolation – transport barriers between the various villages of the LGA - could have been further explored through use of statistics.

Analysis of information

The plan could have been further improved by more rigorous analysis of some of the information available.

Community development and facilities

Council works directly and indirectly with the community to assist in building their own networks of support and facilities including:

- provision, maintenance and management of community halls and centres
- the development of tourism infrastructure such as Werris Creek Railway Museum, the Rural Heritage Village, First Fleet Memorial Gardens, Quipolly Dam Bird Hide and the Willow Tree Interpretive Centre.

Council developed a Tourism Plan in July 2007, which is an important element in the Shire's economic development program.

Council's Community Strategic Plan 2007/08 – 2017/18 sets clear direction towards addressing the needs of the community.

Cultural planning

Council has a cultural plan 2005/2010, which sets out key result areas and links those to Council's vision. The six key result areas are as follows:

- Cultural Spaces
- Cultural Diversity
- Cultural Education
- Cultural Heritage
- Cultural Events
- Cultural Links.

Under these areas a number of goals have been developed.

Communicating with the Community

Liverpool Plains Shire communicates with its local residents via public meetings and newsletters. It also undertook a community survey of 541 people in April 2007. This

has highlighted some key areas to consider with the top priority being the maintenance of unsealed roads.

In discussions with Councillors there appears a desire to have more community consultation and input. Council could consider other areas to expand its consultative process.

6.5 Workforce relations

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

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

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

Overview of the organisation

Council's executive management team is made up of the General Manager and four senior managers.

Council employs 124 staff, of which 29 are aged 55 years and over. Women make up 38% of the employees. The staff work well together and have a professional approach to their work. There is a willingness to accept a wide variety of tasks and to work cooperatively across all levels of the organisation.

Workforce planning and development of human resources strategy

Workforce planning and the development of a human resources strategy are important 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
- an ageing workforce
- changing workloads as council 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 and 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)).

Council has yet to develop a human resources strategy. This strategy should link with Council's other plans and strategies. **(Recommendation 17)**

Human Resources policies

Council's primary focus in recent years has been the implementation of a new salary system. More recently it has focussed on creating a comprehensive range of human resource policies and practices. These policies should be available to all staff via a staff intranet.

Council is encouraged to refer to 'Human Resources Policies – A Manual for Local Government' produced by the Local Government and Shires Associations of NSW, when reviewing and finalising its human resources policies.

Recruitment and selection processes

Council has a clear overview of the recruitment process. Files include 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 the particular selection processes had been undertaken in a manner that is consistent and transparent.

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 of 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, 29 staff (23% of the total workforce) are aged 55 years and over. While Council undertakes succession planning activities for key positions, these plans are not documented. **(Recommendation 18)**

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.

An OH&S committee has been established and meets quarterly in accordance with its constitution. The review team inspected the minutes of committee meetings. The business of the committee appears well documented.

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

Training

Councils have other staff training obligations. Council staff in specialised roles are often required to maintain certain qualifications/complete refresher training in order to be allowed to carry out their work. Ensuring staff are appropriately trained is a key requirement in any OH&S system. Council needs to ensure its staff have the required qualifications/training.

Given the ageing workforce, Council presently employs many trainees to cover areas where there are skill shortages, these include two apprentice mechanics, two trainee engineers, three trainee water and sewer operators, two school based trainees in IT and childcare, trainee planner and trainee health and building inspector.

Performance management

The Local Government Award requires that all employees shall have on-going feedback about performance. The Award states that the “performance development process can be simplified to three stages:

- (1) joint development on objectives and performance standards
- (2) progress reviews and
- (3) a formal performance review, which is followed by decisions and outcomes”.

Council has a competency and performance management process in place. The performance management process is reviewed annually, with employees and their supervisors being invited to provide feedback and recommend changes.

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. Council conducted an employee survey in February 2008. At the time of the review an analysis of this survey had not occurred. This is an effective tool to gauge job satisfaction, overall staff morale and seek suggestions of areas for improvement.

The survey will provide a realistic assessment of the climate of Council's workforce. In particular, the information gathered would identify areas where intervention might be needed and allows Council to develop proactive strategies to respond to create a positive and highly motivated workforce.

Equal employment opportunity (EEO)

Section 345 of the *Local Government Act 1993* outlines what a council's Equal Employment Opportunity (EEO) Management Plan is to 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 adopted an Equal Employment Opportunity Policy and Management Plan for 2007/2008.

The policy and plan complies 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.

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.

The Framework identified that in 2001 in Australia and NSW approximately 40% of people employed in the local government sector were 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.

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 19)** In response to the draft report, council advised that it has a link on its website to the Australian Local Government Women's Association website and will be considering the implementation of the various recommendations of the National Framework for Women in Local Government at its February 2009 meeting.

Secondary employment

Council has a policy and procedures on secondary employment, including an application form seeking approval from the General Manager. Any specific conditions of approval granted require formal acknowledgment by the staff member concerned.

7. COUNCIL'S RESPONSE

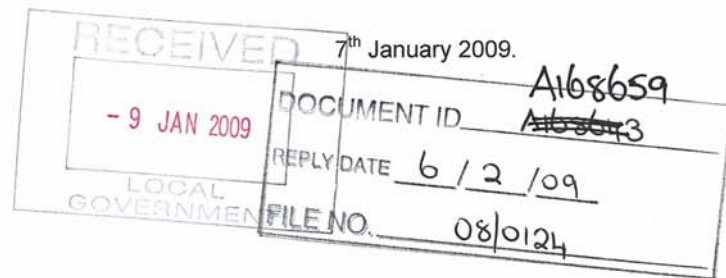


Mr. G Payne,
Director General,
Locked Bag 3015
NOWRA NSW 2541

Dear Garry,

Reference: RH:KT

Contact: Mr. Hunt



Re: Promoting Better Practice Review

I refer to the Draft "Promoting Better Practice Review Report" received by Council on the 1st December 2008.

The Report has been distributed to Councillors and senior staff and was discussed at Council's Ordinary Meeting held 17th December 2008.

Please find below the comments made on the recommendations and the action proposed or already taken on those recommendations.

Recommendation No:

1. Noted and agreed – Council is currently developing the integration of its plans but is largely dependent on the completion of its asset management plan due in 12 months time.
2. This has been implemented – Councillors requested to have written questions with notice given to the General Manager (GM) for inclusion with the Business Paper.
3. The second Public Forum at the conclusion of confidential items has been deleted in the code of meeting practice. It has been existing policy that questions in the Public Forum must be in regard to business on the Business Paper and written notice of the questions must be given to the GM beforehand. However it is difficult to refuse members of the public who haven't given notice and who may have driven a long distance to ask a question.
4. Agreed – Councillors should advise the reports that they wish to comment on with all other reports being adopted in total within each section of the Business Paper.
5. Noted – Council currently conducts information sessions prior to elections for prospective candidates. Staff will visit community organisations generally seeking to make people more aware of what local government is about and how they can become a councillor.
6. Noted – Policy, travel form and delegations to be reviewed by the Director Corporate Services (DCS) in a separate report to Council at its February 2009 Meeting.

7. Complaint data and graphs generated by the Tr@ceR electronic data management system are submitted in monthly reports by the DCS which MANEX is aware of (see attached example report).
8. This Circular has been superseded by Circular 08-71 and was recently e-mailed to all Councillors and designated staff. The former Circular 04-16 was distributed in hard copy to Councillors on previous occasions dealing with how to complete the pecuniary interest returns.
9. Noted – Since the Better Practice Review (BPR) visit the Statement of Business Ethics has been included in tender documents. It was already placed on our website in February 2008 prior to the BPR visit. Contractors however have not been advised and a copy will be sent out immediately.
10. Council has a policy on Risk Management but a strategy is to be developed. See also response to Recommendation 13 as this will form part of our strategy.
11. Noted – Internal Audit Guidelines received from the Department Local Government (DLG) in October 2008 and will be subject to separate report to Council after review by MANEX.
12. Council has had a Fraud Management Policy since February 2007. A Plan will be developed to ensure systems are in place and that staff are aware of these systems.
13. Council adopted a revised Disaster Recovery Plan/Business Continuity Plan in October 2007.
14. Council has a detailed generic set of S355 Committee Operational Guidelines with individual Terms of Reference for each committee. Training of new committee members will be undertaken following appointment of all new members.
15. Noted – delegations to be included in position descriptions and broadened to include more staff members.
16. Noted and agreed
17. Noted and agreed
18. Noted and agreed – currently under review
19. Council adopted a generic Management Plan for community land at its September 2007 Meeting. This plan included community halls, cemeteries, sportsgrounds and other community land. Council's largest community land facility is the racecourse/showground and a separate Management Plan for this facility, currently in Draft form, will be presented to Council at its February 2009 meeting.
20. Noted and agreed
21. Noted and agreed – current Debt Recovery policy has procedures but not timelines for completion. These will be inserted.
22. Noted and agreed – asset management plan currently under development

23. Noted and agreed – asset management plan currently under development
24. Council has an Asset Management Committee which is overseeing and coordinating the development of the system with various departments of Council. An Assetics database program has been implemented and is being updated as asset information is collated.
25. Council employs a Community Services Co-ordinator responsible for HACCC, Child Care, youth programs, Recreation Centre, festivals, community events and libraries and has done so for a number of years.
26. Noted and agreed - HR Strategy currently under development
27. Noted and agreed
28. Council presently employs many trainees to cover areas where there are skill shortages – these include two apprentice mechanics, two trainee engineers, three trainee water and sewer operators, two school based trainees in IT and child care, trainee planner and trainee health and building inspector. The area that requires a trainee is Finance and that will be for consideration by Council in the Organisation Restructure report to be submitted to Council in the near future.
29. Council produces a staff newsletter – see sample attached
30. Noted and agreed – there should be more women in Local Government – both staff and councillors. However, this is difficult to achieve in senior management positions as women rarely apply for these jobs and the proportion of women in many of these professions is very low to start with. Council has a link on its website front page to the Australian Local Government Women's Association website. Council will also be considering the implementation of the various recommendations of the National Framework for Women in Local Government – A Way Forward Report at its February 2009 Meeting.

Council has been happy to participate in the Promoting Better Practice Review Program and looks forward to implementing the recommendations above. Should you require any further information or wish to discuss any of the issues that have been raised in this letter please do not hesitate to contact me.

Yours faithfully,

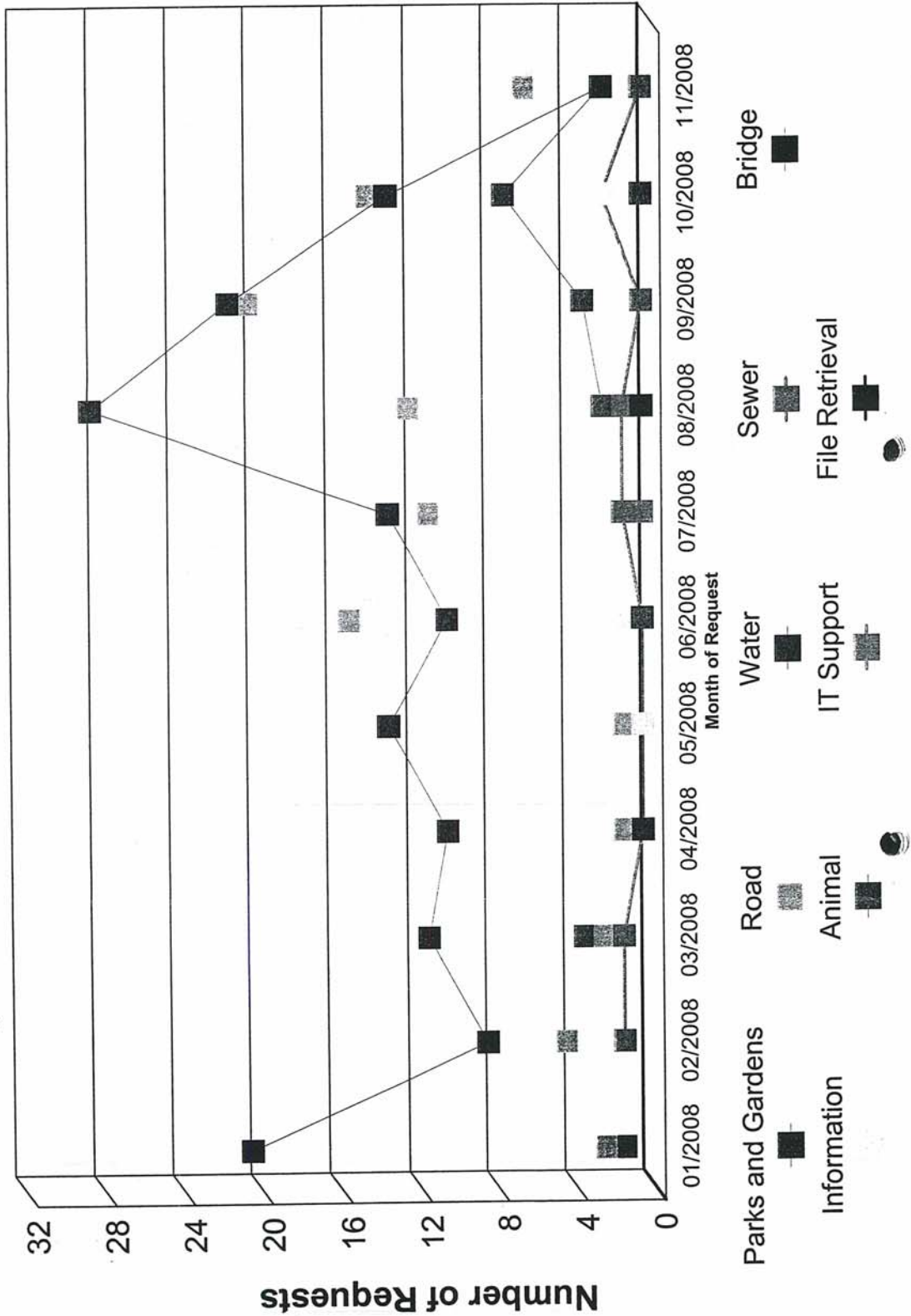


Robert C Hunt
GENERAL MANAGER

LIVERPOOL PLAINS SHIRE COUNCIL

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Trends by Customer Action Request Classification



	01/2008	02/2008	03/2008	04/2008	05/2008	06/2008	07/2008	08/2008	09/2008	10/2008
Total	312	26	21	15	19	31	29	49	48	44
Animal	2	0	0	0	0	1	0	0	0	1
Bridge	2	0	0	1	0	0	0	1	0	0
File Retrieval	1	0	0	0	0	0	0	1	0	0
Information	6	0	0	0	1	2	0	0	0	3
IT Support	1	0	0	0	0	0	1	0	0	0
Parks and Gardens	25	2	4	0	1	0	0	3	4	8
Road	99	3	3	2	2	16	12	13	21	15
Sewer	16	0	2	1	1	1	2	2	1	3
Water	160	21	12	11	14	11	14	29	22	14



Staff Newsletter

December 2008

CHRISTMAS MESSAGE FROM THE GENERAL MANAGER

The year 2008 has again been an eventful one for all areas of our operations. We have lost quite a few experienced and long term staff members who have either retired or gone on to bigger and better things. Fortunately we have recruited some very good staff members who have filled the void that was left. Similarly we have lost some very good Councillors however I am confident the newly elected Councillors will bring with them some new ideas and enthusiasm which will benefit both the Council and the community.

Looking back over the last 12 months it has certainly flown by with many new achievements along the way. Some of these include the completion of the Rose Lee toilet block, the Currabubula amenities block, the Quirindi Children's pool, the purchase of the Royal Theatre and the Fairfield property at Quipolly Dam, the Henry Street oval improvements, the installation of shade sails at various parks, reconstruction of the Wallabadah road and the Blackville road, construction of culverts on unsealed roads, the development of a new LEP Strategy, the opening of the Willow Tree HACC service, completion of the Werris Creek library, Depot Extension and Second Fleet Gardens, refurbishment of the Quirindi Showground, new water mains and drainage works to name a few.

The year has also seen the construction of many new houses in the shire, mineral and gas exploration, the completion of the Quirindi supermarket and the McVicar Sawmill - all of which portray the Shire as being sustainable in terms of growth, employment opportunities and social development.

The many achievements of Council during the year are due to your efforts and I am pleased to advise that eligible staff members (those permanent staff members who have been with Council longer than 9 months) will receive a performance bonus prior to Christmas. The main reason for the bonus has been the exceptional performance with regard to occupational health and safety and the corresponding reduction in workers compensation premiums. The bonus of \$60,000 will be split among eligible staff with permanent part-timers receiving a pro rata bonus depending on the hours worked.

On behalf of Council please accept my congratulations on this performance and best wishes to you and your family for a very happy, safe and restful Christmas and New Year. I look forward to working with you again in 2009.

Robert Hunt
GENERAL MANAGER



PPE

A reminder to all managers, supervisors (gangers) and staff that it is important to familiarise yourselves with specific Council policies to ensure your daily work operations are fully compliant. The wearing of PPE is an important policy that affects all staff and managers should take appropriate measures to ensure the proper use of personal protective equipment including education, instruction and supervision.

A risk assessment of each work activity will reveal what risks employees face and which type of protective equipment is suitable.

The following are examples of PPE available from the Store:

- *Safety helmets*
- *Wide brimmed hats*
- *Safety glasses, goggles, face shields*
- *Gloves, hand creams, hand wash*
- *Safety boots, leather spats*
- *Respirators*
- *Uniforms, overalls, aprons*



The relevant PPE must be worn at all times.

REMINDER – SUN SAFE POLICY



Staff are reminded of Council's sun safe policy and the requirements for wearing of PPE when out and about. Hats, long sleeve shirts, trousers, sun glasses and sun screen are all available at the store.

Defibrillators at Pools

Safety of pool patrons at both the Werris Creek and Quirindi pools has increased with Council approving the purchase of 2 state of the art defibrillators. In a recent public liability audit Council returned an exceptionally high score for risk management which resulted in a refund of \$7,600 and the Councillors have agreed to use these funds for the purchase of the machines.. The defibrillators have been installed at both pools and the pool life guards have all undergone training in the use of the defibrillators. The lifeline AED is a simple to use fully automated and portable defibrillator which features full audio prompts and clear instructions for the user to follow.



Christmas & New Year Payroll

The last pay for 2008 will be deposited into banks on Wednesday 24th December 2008. Timesheets for this pay should be completed on Wednesday 17th December with the last two days Thursday (18th) and Friday (19) being an estimate of time to be worked on these days. Advance holiday pays will be included and any overtime will be adjusted in January 2009.



Pay ending the 2nd January 2009 will be paid into bank accounts on Thursday 8th January 2009 and this will be a standard pay of 70 or 76 hours along with standard allowances. Overtime adjustments will be made with payment of the 16th January 2009 pay.

Environmental & Community Services

The Werris Creek Library is nearing completion with carpet being laid this week. The Library will then be ready for furniture as soon as it can be delivered early in the New Year.

The Currabubula shower/toilet facility will be completed in the New Year. This will be a major asset for those community organisations that use the recreation area and facilities.

Council weeds officers are continuing with inspections of properties within the Liverpool Plains Shire Council area for noxious weeds.

Staff

Since our last newsletter, the following people have commenced employment with Council: Barry Maher (Manager Works & Assets), Gillian Evans (Casual Librarian), Vincent Willebrands (Ganger), Wally Simmonds, Justin Nean, Garry Fechner, Martin Mooney and Bradley Keys (General Hands), Kay Wheeler (HACC Administrator), Jason Heaver and Bill Stone (Water Services Trainees), Simon Carroll (Relief Ranger), Merrilee Kemp & Simone Mingay (Cleaners). Best of luck to Jo Porter, Bob Stewart, Ellen Mackie-Gulliver, Murray Jenkins and Jim Porter who have left Council.



Works

SR 6 Warrah Ridge Road – Work has commenced on the reconstruction of Warrah Ridge Road across the Warrah Flood Plain. Initially a twin cell box culvert on the eastern side of the Plain was replaced with a new structure that has twice the volume of the original unit. The northern side of the road is now being excavated and new gravel pavement placed. After Christmas work will recommence on the southern side of the road with completion expected by mid February 2009.

MR 130 Single Street Werris Creek – Work continues with the upgrade of stormwater drainage across Single Street Werris Creek between Poole Street and North Street. This work is part of the CBD redevelopment and completion of the stormwater drainage work will be followed by the reconstruction of the road pavement. Work will continue on this project in 2009 however the stormwater drainage upgrades are expected to be completed before Christmas.

Water and Sewer – A construction brief has been completed for the design and construction of the new 3 Megalitre water storage reservoir for east Quirindi. Quotations are expected in late January with work expected to commence shortly after. Council is also awaiting confirmation that approximately \$250,000 in State Government funding has been approved for the purchase and installation of an automatic Telemetry Water and Sewer monitoring system. Once formal confirmation of funding has been received the system will be installed.

Future Work – There are several major road projects schedule for completion in 2009. These include the construction of SR 8 Goran Lake Road gravel section, reconstruction of MR 126 Wallabadah Road from Pollocks Lane to Callaghans Lane, reconstruction of Russell Street Quirindi from MR 126 to Duke Street and the reconstruction of MR 130 north of Werris Creek near the old dairy. A significant heavy patching program is also being considered for MR 130 to repair the numerous pavement failures that have developed over recent months.

Rudolph

There once was a czar in Russia whose name was Rudolph the Great. He was standing in his house one day with his wife. He looked out the window and saw something happening. He said to his wife, "Look honey. Its raining."



She, being the stubborn type, responded, "I don't think so, dear. I think it's snowing." But Rudolph knew better. So he said to his wife, "Let's step outside and we'll find out."

Lo and behold, they stepped outside and discovered it was in fact rain. And Rudolph turns to his wife and replies,

"I knew it was raining. Rudolph the Red knows rain, dear!"



8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- Clearly articulated mission and set of values that are focussed on the community.
- A culture of 'can do' as seen by winning the 2006/2007 Bluett Award.

Challenges to improve

- Development of long term financial plans.
- Integration of all its plans.

GOVERNANCE

What is working well

- Innovative and effective document management system.
- Established a positive sister city relationship with Blacktown City Council.
- Active in seeking resource sharing opportunities with neighbouring councils.

Challenges to improve

- Develop a system to collect and report complaint data and utilise the information to identify problem areas.
- Develop of a risk management strategy to effectively control and minimise its risk profile.
- Further broaden and develop Council's relationships with neighbouring and sister city councils.
- Review meeting practices to improve their overall operation.

REGULATORY

What is working well

- Council operates its planning functions successfully.

Challenges to improve

- Develop electronic systems for logging and tracking development applications.

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Council utilises its information technology extremely well.

Challenges to improve

- The development of a long term financial plan that is integrated with its management plan.
- Develop an asset management plan that incorporates an asset maintenance program.

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Council has a clear understanding of its community and actively consults with the community.
- Council has a commendable Social Plan that complies with all legislative requirements.

WORKPLACE RELATIONS

What is working well

- Staff relationships appear both positive and professional.

Challenges to improve

- Develop a Human Resources Strategy that is linked to other plans and strategies.
- Document succession planning activities.