

challenges improvement innovation good governance

Local Government Reform Program - Promoting Better Practice

REVIEW REPORT

PENRITH CITY COUNCIL

FEBRUARY 2007



dlg Department of Local Government

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1. ABOUT THE REVIEW

Review objectives

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

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

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.

Penrith City Council Review

Penrith City Council was asked to complete a strategic management assessment and a checklist of key council practices. The completed self-assessment and checklist were analysed by the review team prior to commencing the on-site review process.

Bronwynn Nosworthy, a Senior Risk Management Consultant acting for the Department of Local Government, conducted an on-site review of the council from 26 June to 30 June 2006.

The review was based on council's responses to a self-assessment of its corporate arrangements and capacity. This assessment asked council to respond to four critical questions of its capacity to improve:

- 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?

In order to review council, it is necessary to examine its performance across a range of functions. A number of modules of a practice checklist have been developed to assist council in assessing its functions and checking its level of compliance. Council's response to the checklist is used as a guide for the on-site review and tests how council has set about delivering its priorities and measuring its achievements.

The on-site review consisted of interviews with council's senior staff, attending a Policy Review Committee meeting, and review of a number of the council's policies and other documents. Council was invited to comment on a draft report on the

review, and its comments (set out in section 7 of this report) have been taken into account in finalising this review report.

2. EXECUTIVE SUMMARY

Penrith City Council has shown that it is a well-managed organisation. It enjoys excellent community and employee satisfaction and is proactive in its approach to achieving continuous improvement. Council has good governance practices in place, which filter through into all areas of operations, including its policies and procedures and its robust risk management approach. Council could however enhance its governance framework by establishing and operating a formal audit / governance committee. During our review, council demonstrated itself as a good example of a council that has adopted good practice within local government.

The council has a strong strategic approach to its future needs, and this strategic focus is integrated throughout the organisation. The review revealed that there is a mature approach by both council management and elected officials to decision-making. There is a shared vision for the council and its staff and councillors work proactively together to achieve the goal of 'How to make things better for the community'.

Council aligns its business and operational priorities with its identified goals. Council monitors its progress in relation to meeting its priorities through its quarterly financial reports. Council uses this monitoring process to ensure its financial allocations are aligned with its priorities. Council's management and strategic plans are supported by a series of integrated plans and underpinned by sound financial modelling. This financial planning identifies alternative sources of revenue, a long term rates strategy and reserves for capital works, land acquisition and community facilities.

Council promotes a caring working environment. This environment is targeted at promoting the personnel and career development of all council staff. Council faces a future challenge with an ageing workforce. Council needs to develop a formal workforce succession planning process to identify changes that may occur to its workforce and actions to address them in the future, including the recruitment against skill deficiencies, the transfer of skills, etc.

Council has a very strong community service focus. Council understands its community and has a comprehensive suite of community services and activities to meet its diverse needs.

In summary, the council has strong and clear leadership that is well positioned to strategically address the future needs of the Penrith local government area.

3. RECOMMENDATIONS

Strategic

1. Council should pursue its planned development and implementation of a strategy to address the issues associated with an ageing population, and the associated impacts on the council area.

Governance

2. Council should proceed with its plan to establish a formal audit/governance committee by mid-2007.
3. Council should ensure that all key policies and procedures are reviewed and updated every two years.
4. Council needs to ensure that its Summary of Affairs is published twice yearly in the NSW Government Gazette as required under the FOI Act.

Regulatory Affairs

5. Council should proceed with the development of an on-line DA tracking system to enhance customer service and community information on the DA assessment process.
6. Council should use more formal consultation processes within the community to ensure community-wide feedback is received in the development of its State of the Environment report.
7. Council could consider enhancing its community education program on companion animals through local newspaper articles, and education programs in local schools.

Asset and Financial Management

8. Council should continue to review its current IT platform/database to ensure that communication within and between departments is

seamless, ensuring that there is organisational-wide access to all relevant information.

Community and Consultation

9. Council needs to update its supporting social planning framework summary annually.
10. Council needs to provide background information in its social and community plan on the selection of social planning target groups and the review process that is used to determine the ongoing validity of these selections.
11. Council's management plan needs to indicate the methods of performance measurement against specific objectives relating to social planning.
12. Council needs to consider in the next 12 months whether it should devote more attention to social development and infrastructure development and support to the older community areas, including through its strategic plan and management plan.

Workforce relations

13. Council needs to formalise an internal appeals process.
14. Council should ensure it develops and implements an action plan arising from the results of its latest employee attitude survey, and reports to staff on the issues raised and actions being taken.
15. Council needs to formalise its secondary employment policy.
16. Council needs to adopt a more systematic approach to monitoring and reporting sick leave.
17. Council needs to be more proactive in the recruitment of professional staff, especially planners and engineers.

18. Council needs to develop a succession plan for key personnel and positions within the next twelve months.

4. CONTEXT

Penrith was originally incorporated as a Municipality in 1871. The Municipality of Penrith was proclaimed a city in 1959.

The Penrith Local Government Area is located at the base of the Blue Mountains, 55 kilometres west of the Sydney CBD. The Hawkesbury-Nepean River and the Blue Mountains escarpment define its western boundary, which is shared with Blue Mountains City Council. Creek lines and roadways define its other boundaries with Hawkesbury, Blacktown, Fairfield, Liverpool and Wollondilly Local Government Areas.

Penrith is contained within the Hawkesbury-Nepean catchment. The Hawkesbury-Nepean River is one of the longest in eastern Australia. This catchment is subject to significant impacts from many land uses, particularly urban and rural development, agriculture, and extractive industries.

Penrith is evolving. It has been shaped by the role it has played in metropolitan Sydney over the last 40 years. Penrith is now an important and influential city in outer north-western Sydney providing education, employment, economic services and a variety of cultural and social experiences for a population beyond its own limits. The recently released metropolitan strategy, *City of Cities: A Plan for Sydney's Growth* has identified Penrith, together with Parramatta and Liverpool, as a regional city.

5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS

This part of council 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.

Penrith City Council is a dynamic and innovative organisation dedicated to creating a sense of community, a healthy environment and economic prosperity for its community. Council's stated commitment is to providing, facilitating and brokering high quality services that meet the present and future needs of the community efficiently and effectively, while being ecologically sustainable and retaining the things that make the city the special place that it is. Council states it is focused on developing an environment of trust and respect, of community activism, of encouraging innovative solutions, and delivering fairness and equity to all stakeholders. The review found support for this statement in council's special variation application.

Council's vision is of sustainability and prosperity within the region, which successfully combines both urban and rural qualities with a strong commitment to environmental protection and enhancement.

Councillors have demonstrated that they are dedicated and committed to protecting and promoting the best interests of the community. From the reviewer's observation of committee meetings, it appeared that while each councillor may have their own opinions and interests about issues and priorities within the community, they all work together as an effective team, which focuses on good decision-making. The councillors also appear to have quite healthy, open and constructive relationships with council staff members.

Council's greatest challenge is moving the city towards sustainable living, in terms of environmental sustainability and being able to support the needs of the projected population growth through adequate infrastructure and service provision. Council is

working on many programs to tackle issues such as environmental damage and degradation, energy waste, and deforestation. Council has joined the Sustainability Reporting Alliance and was involved in the establishment of the Penrith Partners in Sustainability Network. Council has a highly recognised and valued ‘Sustainability St’ program that educates and supports residents to develop sustainable living practices and creates healthier, safer, more environmental friendly residential areas. Council’s commitment to reducing waste was recognised with the “Keep Australia Beautiful Waste Minimisation Award”. Council was also named ‘Energy Smart Council of the Year’ in 2004 for work with the NSW government in piloting the Home Rating Tool and also received the ‘Leadership in Energy Management Award’.

Council has been proactive in its efforts to improve the availability of jobs in the area. The council has held the ‘Discovering Penrith Investors Forum’, which attracted key investors from the Sydney CBD to promote the area’s development and its potential within the region.

Council has also developed strong relationships with other cities and areas both within NSW and internationally. Recently, the Minister for Local Government urged more city councils to follow Penrith City Council’s example and pursue sister city relationships with rural councils. Penrith City Council formalised such a relationship with Lachlan Shire Council by signing a MOU. This relationship will facilitate the sharing of expertise, staff, and asset management systems between the two Councils. The relationship should lead to benefits for both Penrith City and Lachlan Shire Councils.

Penrith City Council has shared information and experience of its “OUTCOMES” program used in planning with Dubbo City Council. Council has developed international sister city partnerships in Japan and China, with Fujieda City and Xicheng.

Ageing population

Planning for the major changes and service demands that will be created by Australia’s ageing population will be a major challenge for all levels of government.

Between 2004 and 2022 Penrith's population is projected to increase in size by 10.1 per cent. Its youth population is projected to decline in size, its working age population to grow slightly (mainly at the older ages) and its elderly population to grow substantially.

Approximately 7.5 percent of the Penrith population is currently aged 65 years and over. This is projected to grow to 14.6 percent by 2022. At an average increase of 0.39 percent per year, this rate of ageing is faster than that projected for both Greater Sydney (0.28%) and total NSW (0.33%). Penrith's population aged 85 years and over is projected to double from 0.7% to 1.5 percent.

Reflecting these trends, Penrith's total working age population (15-64 years) is projected to fall as a proportion of the population, from its current 69.2 percent to around 66.2 percent by 2022. However, total numbers of this age group is projected to increase by approximately 5.3 percent.

These changes will have a significant impact on the demand on services, facilities and infrastructure and all aspects of council's operations.

The Local Government and Shires Associations have produced 'Planning the Local Government Response to Ageing'. This paper is intended to offer a framework to assist councils to begin to plan for the ageing population in 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 amongst 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 in their planning processes. Progress in relation to these priorities should be reported regularly via the performance appraisal system and management plan reports as well as annually in the council's annual report. Penrith City Council has a range of programs in place for the elderly, and (commendably) is well advanced in the development of an Ageing Strategy. It is appropriate for council to finalise the development and implementation of this Strategy. (*Recommendation 1*).

Population growth

Another challenge for the future of the Penrith City Council will be the increase in population in the area.

The potential benefits of this urban growth will be the creation of a more prosperous and sustainable place with the following characteristics:

- an established major regional centre
- a cosmopolitan area with a culturally diverse population
- more access to education and job opportunities and
- more varied leisure and lifestyle opportunities.

The potential negatives of this urban growth are the following:

- loss of productive and attractive rural lands
- deterioration of air and water quality and the loss of valuable natural areas
- inadequate infrastructure, with shortages of facilities, services and transport
- neighbourhoods experiencing physical and social changes
- a lag in job creation and higher percentage of population travelling to other areas for employment
- unsatisfied community and limited lifestyle choice and
- unsustainable developments and conflicting land use.

In responding to this challenge, council plans to:

- accept and manage change and growth in areas, and set limits on the level of growth in line with a level that is sustainable within the region
- provide quality services, facilities and economic infrastructure
- protect the region's environment, such as water resources, bushland heritage and air quality
- develop and promote employment and economic opportunities
- integrate land use and transport planning and
- develop efficient and effective transport infrastructure for the region.

These plans and initiatives are supported in the council's long-term *Strategic Plan 2005-2009* and supporting management plans. This *Strategic Plan* was developed in consultation with the community and other stakeholders and is integrated with the council's other strategic planning and reporting documents, including its management plan, land use plan, and social plan.

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

There is clear evidence that council has a culture where divisions work together to achieve their objectives. Examples of this include the close working relationship between all divisions on the strategic planning initiative and the 2025 planning process. Other examples include the establishment of inter-divisional committees dealing with specific issues such as section 94 plans and plans of management.

There are examples where council works collaboratively with its neighbouring councils and other organisations. Council is a strong supporter and participant of the Western Sydney Regional Organisation of Councils and Metropool.

Council promotes important issues such as social and environmental, community and business development, and provides access to information so that the community can make informed decisions. Council also provides leadership in planning for the future of the community and represents the needs of the local communities to higher levels of government.

Strong links between financial management and the organisation's priorities are evident. This is demonstrated in the financial statements that are presented to council. These statements provide comparisons and analysis of the budget position against management plan objectives.

Council has brought together the views that have been gathered from the community and used them to guide its strategic and planning processes. Council has conducted a range of community surveys including surveys on vision, social planning, and

service delivery. The consistent themes that have come through these surveys form the basis of the key strategic directions for the council.

Council aligns its business priorities with its identified goals. Council monitors its progress in relation to meeting its priorities through its quarterly financial reports. Council manages its finances to align with its priorities through this monitoring process.

Council recognises that one of the most important strategic challenges facing local government is the effective management of infrastructure. Council has a strategic asset management plan. Its aim is to ensure local infrastructure supports future social, economic and cultural needs.

Council's social planning framework represents an innovative approach to its social planning obligations and demonstrates a clear understanding of the dynamics of that community.

The framework demonstrates that council understands the many roles it may play in the social planning environment, not only through direct provision of services, but also through informed land use planning, support of other service providers, establishment of research and planning partnerships, and acting as a lobbyist and facilitator.

There is strong integration with other planning mechanisms, such as section 94 plans, city centres review and new release areas planning. There is also strong integration with the management planning process and the annual reporting framework.

Council adopts performance indicators across the organisation to ensure a best value approach to services is developed and monitored.

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 industry 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*
- *Pecuniary interests*
- *Management Plan*
- *Risk management and internal control*
- *Council's decision-making processes*
- *Monitoring and review.*

What is working well

Ethics and values

Council developed a specific set of values in consultation with all staff in 2000. These values were included in the previous code of conduct and its new code of conduct, which is based on the new Model Code of Conduct for Local Councils in NSW developed by the Department of Local Government. The values are also contained within council's *Statement of Business Ethics*.

Council adopted its statement of business ethics in April 2006. This provides guidance to external parties such as suppliers and contractors on the standards that are required when dealing with the council or acting on the council's behalf.

Council also adopted a policy in April 2006 governing the interaction between councillors and staff.

Council publishes its values in its management plan on an annual basis. For staff, the values are emphasised in induction training, the employment performance appraisal system, and job descriptions. These actions ensure that all councillors, staff, delegates and the community are aware of council's explicit values.

The community is made aware of council's values through customer contact and partnerships, the *Customer Service Charter* and through the Community Participation Manual.

Code of conduct

Council has recently commenced training on its code of conduct and, at the time of the review, had trained approximately 85 percent of staff. This program should be completed within the next three (3) months. Council also provides news articles on related conduct and ethical issues in its bi-monthly staff magazine. Council's code of conduct is available through its website and its intranet. Council adopted its current code of conduct on 28 February 2005 at council's Policy Review Committee meeting.

A council officer has joined the department's reference group overseeing the current review of the Model Code of Conduct for Local Councils in NSW in light of its interest in the matter and its views and concerns about the existing code.

Council provides a copy of the code of conduct to all new staff and councillors on commencement in induction sessions. In addition, a summary version is also sent to the parties with the letter of appointment. Councillors and staff participate in training on the subject. Presently, a new training program is being rolled out which will take up to three months to complete.

All new staff attend induction training on governance issues, with a large proportion of this training relating to the code of conduct. A staff newsletter contains articles on governance in the majority of issues. Council's Legal Officer or Internal Auditor address tender information sessions about compliance with the code of conduct. Council's website contains a copy of the code of conduct. When specific issues relating to the code of conduct arise, awareness sessions about the issues are

organised. Training is provided by the Legal Officer, Assistant Legal Officer and or the Internal Auditor, all of whom encourage staff discussion of conduct-related issues.

Protected disclosures

An effective process for dealing with protected disclosures is an important means by which councils can signal commitment to ethical practice. It can also act as an early warning system for management. Council has an internal reporting policy to assist staff to make disclosures concerning 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 training induction sessions and in councillor development programmes. The Councillor Induction Program for all incoming councillors also covers protected disclosures.

Pecuniary interest

The Local Government Act sets out the parameters that must be adhered to when councillors and staff have a conflict between their public duty and private interests that constitute pecuniary interests. The Act requires that councillors and designated staff complete and lodge disclosure of pecuniary interest returns.

Council maintains a register of disclosure of interest returns by councillors and designated persons as prescribed by section 449 of the *Local Government Act 1993*. A review of the documentation regarding pecuniary interests indicated that relevant council officials are complying with the relevant legislative requirements regarding written returns of interests.

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. Council's draft management plan was exhibited in accordance with section 405 of the Act.

The council's current management plan 2006/07 was adopted on 19 June 2006. This management plan was examined and appears to comply with the relevant provisions of the Local Government Act and Regulations. The management plan contains an ongoing requirement for the alignment of the organisation with the council's strategic program.

Council has a strategic and management plan system through which all elements of the management plan are regularly reported. Comprehensive performance reviews are undertaken on a quarterly basis and subsequently reported to the council and the community. The performance against the management plan is assessed using specific performance indicators for service delivery of projects on time and within budget and completion of an annual set of tasks, which are an instalment of the council's four year strategic program. Council has a well established strategic and management planning model which ensures that all plans in the organisation are driven by the council's overall strategy.

Prior to the adoption of the current management plan, council conducted research to ascertain community views, conducted public meetings and internal workshops, and publicly displayed the plan. Council monitors the implementation of the management plan through quarterly reports to council.

Risk management and internal control

Council's risk management plan is currently under review. The plan is based on an operational risk profiling program and an activity risk assessment process of service specifications. Council has also published self-assessment tools for assessing risks for the management of assets and compliance.

Council does not presently have a formal audit committee. Council's internal control arrangements would be enhanced by establishing an audit/governance committee. Council has recognised this by recently resolving to establish an audit committee, and envisages it will be operational by mid-2007 (*Recommendation 2*). Council has a finance working party that considers financial governance issues in the organisation. The establishment an audit committee is planned for consideration this year.

Information is being gathered and relates to the form and composition of the committee and the reporting relationships. Council has a corporate governance team that considers governance issues in the organisation. Council's current internal audit plan covers compliance, regulatory and risk management issues.

Council has a fraud control policy, which was adopted by its corporate management team in April 2006. Council last undertook a systematic fraud and corruption risk assessment when the internal audit plan 2006/07 was being developed.

Council has a monitoring and review system in place that ensures that legislative and regulatory obligations are identified and met. The council has a system in place that notifies council of all changes. This system is part of the council legal services department's duties. As part of council's risk management, a process known as risk profiling is used. This process identifies, through questionnaires, areas that have the potential of legislative non-compliance. Legal services monitors compliance and provides advice to the organisation. In relation to environmental planning and assessment, practice notes have been developed that staff are required to follow. In the planning approvals area, a series of monitoring systems are in place to review the compliance with consents and ensure that council's internal processes are followed. Council also has subscribed to the Local Government Managers Australia's project to develop tool kits for planning and development assessment across local government in NSW.

Document Management

Council's privacy management plan is currently under review. Any issues related to privacy are referred to council's public officer. Staff and councillors have received training in the requirements of the privacy legislation. Customer contact staff have sessions with the legal services department and document management department to discuss privacy issues and provision of information. In 2003 council's internal auditor undertook a review of council's compliance with the *State Records Act 1998*.

Council has a records management policy, records management procedures and guidelines, a records disaster recovery plan and a records disposal plan/schedule. These policies and guidelines apply to both electronic and paper based records.

Decision-making

Council undertook a review of its organisational structure in March 2005 within 12 months of the last election as required by the Local Government Act.

Council has a formal structure for senior management meetings. Council's corporate management team regularly meets and keeps minutes and produces business papers. Council also has a system of management teams that meet around the programs in the management plan. Directors and managers meet regularly to discuss issues. Formal business papers are produced and minutes of all meetings are appropriately recorded.

Delegations

The delegation of council's powers to staff is an important tool that assists council officers to carry out the functions of council in an effective and timely manner. Delegations need to be made in accordance with sections 377-381 of the Local Government Act and regularly reviewed, thereby ensuring that they remain current. We examined a number of the instruments of delegation issued to staff and found that all delegations and sub-delegations are documented through council minutes and council's policy 'Decision Making Arrangements during Council Recess' for delegations during the council recess. These appear to be in accordance with the Act. The delegations suggest that the council is adopting good governance principles to the delegation of its functions. The delegations are clearly written and precisely drawn. There is clear delineation of the nature and extent of the delegations and, as appropriate, the circumstances when they can be exercised.

Council and committee meetings

In 2004/05, the Council held 21 ordinary meetings. Councillors also meet as a policy review committee, where the key focus is policy creation, implementation and impacts on the community. The policy review committee met 7 times in 2004-05.

There were no extraordinary council meetings held in 2005-06. In 2004-05, meetings were closed to the public on 16 occasions. Council is disclosing the reasons set under the Local Government Act for closing the meetings. Members of the

community are encouraged to speak on any issue or area of concern at council and committee minutes, as provided in the code of meeting practice.

Council has a number of section 355 committees which have developed their own constitution from standard templates, detailing membership, functions and delegations. The code of conduct applies to committee members. Documented procedures and operation manuals are produced in consultation with the committee and council officers, and committee members receive training. All section 355 committees keep records of their deliberations.

Councillor induction and training

Council has a structured induction program for elected members. This is extensive, covering topics such as the council's charter, strategic planning, management planning, governance, finance, workforce development, planning and development controls.

Council also has an ongoing training program for its elected members. Council provides to councillors briefing sessions and reports to the policy review committee. Councillor development is provided on certain topics and councillors attend sessions run by the Local Government and Shires Associations. Councillors also attend a range of conferences, seminars and training sessions provided by external organisations. Council keeps records of all training undertaken by its councillors.

Council uses a variety of methods to communicate its annual report to the community. The report is available through the council's website, at community libraries, is distributed to key organisations in the city, and the council advertises in local papers promoting the availability of the report for review.

Policy Register

Council has a policy register containing all its policies. Access to this register is available to all staff via the intranet. The register was last updated on 7 June 2006. The policy register was reviewed along with paper copies of current and previous policies and it was found that despite the fact that most council policies and procedures have been updated in the last twelve months, prior to this some policies

had not been reviewed and updated for lengthy periods of time. In some cases, it had been ten years between the current policy and the previous document. For example, there is currently an Access Policy but the previous policy is dated 1995. Council should endeavour to review and update all policies every two years. Council has indicated in its response to the draft report that it is working to respond to this recommendation already. (*Recommendation 3*)

Legal services

Council has an internal legal services department. This department, as well as having a significant role in governance, also provides a large amount of legal services directly to the organisation as well as the oversight role in the use of external legal services. External legal services can only be engaged through the legal services department and budgets for this are centralised in this department. The Legal Officer monitors the allocation of legal work.

Complaints handling

A Complaints Handling Policy was adopted by the Corporate Management Team in April 2006. The Ombudsman's Toolkit and Complaint Handling Manual have been used as a basis for the Council's policy and practices. The Council's Complaints Handling Policy and Procedures define the person responsible for the complaints, and how they are handled, as in accordance with the Ombudsman's Guidelines. A training course in this area has been identified for next year's organisational training plan. Elements of this policy are also addressed in the Council's Code of Conduct. Counter staff also receive regular training in this area.

Council uses a correspondence report to record all complaints received and the actions taken by the council. This report is monitored by senior management. The Director, City Services plays a key role in this process. Council's new Information Management System (IMS) has a protocol to escalate different complaints to the relevant level of management. The business rules relating to the system require staff to record all business dealings into the system. Senior management will not only receive notice of certain complaints, if the correspondence is not dealt with in a timely manner, they will escalate the correspondence to senior management. Council also has a customer service charter that allows for customers to comment

on service issues. All council staff, through the code of conduct training and customer service training, have been advised to inform the public of their right to submit a formal complaint to the council.

Access to information

Council ensures that there is reasonable access to information for inspection at the office of the council during office hours. Front counter staff are responsible for the calling of the information from the relevant management area. It is the responsibility of the management area to provide the information. If in doubt, the customer service staff consult with either the Legal Officer, Assistant Legal Officer or the Internal Auditor.

The FOI officer and counter staff advise the public of their right to access information under sections 12(1) and 12(6) of the Local Government Act. It has been identified that a policy needs to be developed around access to information and this issue will be included in this policy. This project has commenced but is not expected to be finalised until the 2006/07 financial year.

The Summary of Affairs is an effective mechanism to encourage councils to regularly identify and catalogue their policies and helps ensure compliance to these policies within the council. This Summary of Affairs is required to be published in the NSW Government Gazette twice yearly under sections 14(1)(b) and 14(3) of the FOI Act. Penrith City Council had only published its Summary of Affairs in the June 2005 Government Gazette, but did not do so in the December 2005 issue (which council attributes to changes to its document management system. Council should ensure it complies with this requirement in future. *(Recommendation 4)*

Governance

Good governance is seen as an important indicator of economic stability and development, for gaining and retaining the trust of the public and other stakeholders, and for the effective operations of the organisation.

Council has its own corporate governance unit (an internal group of senior management who have responsibilities in the governance area) where the issues in the LGMA Governance Health Check have been debated.

6.2 Regulatory Functions

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

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

- *Council's planning instruments and policies*
- *Development assessment*
- *Section 94 plans*
- *Environmental management*
- *Graffiti removal*
- *Enforcement practices.*

Strategic planning instruments

Council does not presently have an overarching strategic plan as a framework guiding land use, employment, and economic development strategies. However, council has a sustainability blueprint for new land release areas, a rural lands strategy and a biodiversity strategy. These strategies/plans provide a framework for planning for the city's growth and development. These strategies and others currently being developed are to be incorporated into the city-wide Local Environmental Plan, which is now being prepared.

Council does not currently have a single current Local Environmental Plan, but has made this a key priority, with significant resources being directed to this task. Council's intention is to develop one plan for the whole city by March 2008. This is in accordance with the agreed timetable set by the Department of Planning. Council also has an approved program for the review and updating of its LEPs, its DCPs and other planning policies. These policies are programmed to be reviewed on a 5-10 year program.

Council assists the community in obtaining land use information by making relevant information available in the following ways:

- council's website
- face to face enquiries made at the council office
- by request
- via the section 149 certificate
- information displayed at public libraries
- public meetings and consultations as a component of policy development or in relation to development proposals and
- through the community participation manual developed to assist the guidance and promotion of effective engagement with the community.

Council integrates and links its management plan with its LEPs, DCPs, State of the Environment Report and other planning policies by including these instruments and stated objectives in the management plan and reporting progress towards their achievement in quarterly reviews.

Council's land use planning instruments such as LEP and DCP are driven by council's strategic plan and the management plan. Closer integration will be achieved through the development of a single LEP.

Development application process

Council has a stated commitment to providing effective pre-lodgement advice to DA customers. Council has a pre-lodgement advice service for applicants and a number of developer information sheets, which provide guidance and are available to applicants and the public. Council has a system for monitoring progress of assessments and turnaround times.

Council operates an extensive pre-lodgement application process that has an objective of identifying any issues prior to the application being lodged. Where an application is received, staff consult with the applicant and may suggest a modification of the application so that it is in a format that may be able to be

approved. In the event that an appeal is lodged, staff explore the option of encouraging a section 82A review with amended plans/information or mediation to resolve outstanding issues. Council also maintains an 'in-house' legal team, which has considerable planning and mediation expertise. The planning department also use these resources to assist in other dispute resolution processes.

Council does not presently have an independent hearing and assessment panel for development applications. However, council has resolved to investigate the establishment of such a panel. Council is currently exploring the establishment of two panels - a design panel and an independent hearing and assessment panel.

Council has evaluated its planning function in the last two years. During 2003/04, council undertook a review of the development application service and how to improve it. There is an on-going program to implement the recommendations of that review. Council formed four departments from 2 larger planning departments to create a greater specialisation and focus on DAs, the local release area and regional planning.

Council has a monitoring system in place to enable DAs to be easily located at any point during processing. A new DA system, 'PROCLAIM', was introduced in May 2006.

Turnaround times for DAs are monitored on a weekly basis by a number of staff and reported to council. A quarterly report is presented to the council that details relevant DA statistics and turnaround times. Additionally, KPIs have been identified within council's annual management plan and these are also reported to the council on a quarterly basis.

Council provides applicants with a separate DA information sheet and a matrix of submission requirements for particular land use or development types. A checklist is also provided. Ninety percent of DAs are dealt with under delegated authority.

Council's development assessment department maintains a procedure manual that contains information on how a DA can be called up to the elected council. The

criteria relates to the number of objections received, the monetary value of the development, visually prominent sites and development in which council has or had an interest.

Council does not provide facilities for electronic lodgement and on-line tracking of DAs and assessments. Both of these functions were previously provided but the new recently implemented DA system does not currently include these. The new DA system is to be expanded to incorporate those processes. DA assessments can be internally tracked. External use is currently being investigated, and council is encouraged to proceed with such a system in order to enhance community participation in the assessment process. (*Recommendation 5*)

A quarterly report is provided to the council on determinations made under delegated authority. In addition to this, councillors are provided with a list of major applications received and their status, including whether they will be determined under delegated authority.

Section 94 contributions

Council has adopted numerous section 94 contributions plans. Some are based on a city-wide catchment while others are specific to a defined catchment area such as new urban release areas. Guidelines for making assessments under section 94 are set out in each of the section 94 plans. The contribution rate is normally based on a readily identifiable unit of development such as an area in either hectares or metres squared, number of lots or number of occupants.

Council maintains a section 94 register that ensures that contributions are monitored and spent within a reasonable time and in an area to which they relate. Council currently has a manual register of section 94 contributions within the finance system. A new automated system is currently being developed which will enable greater monitoring of income received as well as outstanding contributions levied on the new developments. This will enable improved monitoring and budgeting for future expenditure of contributions.

Council has an officer who is responsible for the co-ordination of the delivery of section 94 projects. This role liaises with the finance department and various managers responsible for the delivery of identified projects to ensure delivery within budget and specific time frames are achieved. All section 94 projects are regularly monitored by the manager responsible for the delivery of the project. A section 94 management team also monitors budgets and project delivery on a quarterly basis.

State of the Environment Reporting

Council uses the Department of Local Government's environmental guidelines: "*State of the Environment Reporting by Local Government*". It has prepared a comprehensive state of the environment report pursuant to section 428(2)(c) of the Act. The report meets the requirements of the Local Government (General) Regulation 2005.

The SOE report is used as key background information in the development of each management plan. Recommendations contained within SOE reports are considered in future management plans. Indicators will be linked to the management plan that will assist reporting on the achievements against those indicators. It is intended that closer links will be developed between the SOE report and planning policies and council's adopted strategic plan and strategic program over the next 2-4 years.

Council shows a commitment to managing its environment through the emphasis it places on sustainability and tackling the pressures faced by the LGA. Council's response to the state of its environment and the pressures on it has been to adopt a Sustainable Penrith Strategy and introduce an environmental enhancement program.

Council is currently working towards delivering a sustainability report by 2008. It is developing sustainability indicators and is aiming to integrate information from its management plans, which links to its targets in its strategic plan. This move to a sustainability report will improve the integration between the SOE report and council's activities in response to the State and pressures placed upon it and should improve the usefulness of indicators. Council's 2004/05 annual report provides an excellent summary of the council's environmental achievements. Council shows a strong commitment to the environment in its management plan with a specific master

program titled 'The City in its Environment'. Overall, Penrith City Council demonstrates a strong commitment to the sustainable management of its environment.

Council does not use a formal consultation process with the community in the development of its SOE report. Instead it seeks advice from informal environmental networks such as Bushcare groups and their feedback. Under the current SOE report, the community has a formal role in monitoring changes in the environment. (*Recommendation 6*)

BASIX

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

Graffiti removal

Council has a register of graffiti removal pursuant to section 67C of the Local Government Act. Council, in conjunction with the Penrith Valley Community Safety Partnership, is developing a citywide strategy to combat graffiti. Council keeps records of work it undertakes on private property and in view of a public place.

Enforcement

Council's enforcement and prosecutions policy is currently under review by the legal Services department. Council has a separate system for the reporting and investigation of reports of non-compliance and unauthorised development and regular performance reports are submitted to council.

Council has a compliance program for monitoring activities regulated under Chapter 7 Part 1 of the *Local Government Act 1993*. Council has developed a strategy and

undertakes inspections based on a risk assessment of the systems. Places of public entertainment are appropriately inspected and regulated.

In response to complaints of non-compliance on sites for which a private certifier has been appointed as the principal certifying authority (PCA), council refers any complaints directly to the private certifier. If these cannot be adequately addressed by the PCA, council staff intervene and take appropriate action.

Council provides information to the public on how to report suspected non-compliance and unauthorised development. Council is a member of the Regional Illegal Dumping (RID) Squad. Information on the RID Squad can be found on council's website and in information available at the council's libraries and at the Central and St Marys offices. Special designed forms are available to assist with the recording of necessary information.

Council has a proactive program for monitoring compliance with environmental requirements in the council area. Council has an officer who undertakes an environmental audit program, particularly of industrial and commercial premises. Other environmental staff also assist with this program and respond to complaints. The development control team also has a regular compliance audit program.

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.

Penrith City Council does not currently have a compliance program to ensure it is notified of all swimming pools in its council area, and that swimming pools comply with the *Swimming Pools Act 1992*. However, council follows up and investigates complaints about improperly fenced pools and take appropriate action to require upgrading.

Council is of the opinion that it is neither practical nor reasonable for council to inspect the thousands of household pools throughout the city. Council instead

invests resources in promoting pool safety and advising pool owners of their obligations.

Environmental management

Council has a proactive program for monitoring compliance with the environmental and planning requirements. A council officer monitors industries and commercial agriculture for compliance. Other environmental staff assist with this program as needed and respond to complaints. The development control unit also conduct regular compliance audits in relation to planning approvals.

Council has an on-site sewage management plan and a stormwater management plan, and is a long term member of the Local Government Advisory Group for the Hawkesbury Nepean Catchment Management Authority (HNCMA). Council also has a waste management DCP, which covers all developments, and a waste management strategy.

Companion animals

The adoption of a companion animals management plan is recognised as good practice. Council has adopted a formal companion animals strategy, which provides it with the capacity to meet associated challenges in providing these services to the community.

Council delivers a community education program on companion animals at a number of levels, including speaking to the community at festivals and open days, and running programs on specific issues. This program of community awareness could be enhanced further. Strategies council may wish to explore include options such as placing articles in newspapers, having a companion animals good citizen award through local primary schools and implementing a school education program.
(Recommendation 7)

As part of its Companion Animals Strategy, council seeks to reduce euthanasia rates of unwanted animals and has procedures in place to handle nuisance animals in the area. As a result of that strategy, there has been a reduction in euthanasia rates.

Council actively pursues outstanding registrations and identification of companion animals in the area in a number of ways, including the use of an Internet register and by the receipt and follow-up of complaints.

Currently, local vets in the area provide microchipping services to the community. The council does not routinely provide this service to the community. Due to resource constraints, council hasn't been able to provide these services for over twelve months. Council would like to hold a free microchipping day every year. However, council does provide free microchipping services to Department of Housing tenants throughout the year on a rotational area basis.

Council has a procedure to enter dangerous dogs data on the Companion Animals Register (CAR) and any physical attack that warrants an investigation is reported to the department by email. Council also has a standard procedure to enter nuisance cat and dog data on the CAR.

Section 62 of the *Companion Animals Act 1998* requires that a seized animal is delivered to its owner, if they can be identified, in preference to taking the animal to the pound. Council has a number of initiatives to minimise the number of animals taken to the pound. These include contacting the registered owner using CAR.

Water safety

Council has developed an education program for owners of pools. Council's two public pools meet all relevant safety requirements and both centres run learn to swim programs.

6.3 Asset & Financial Management

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

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

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

Overview of financial position

Council has had operating deficiencies before capital items for four of the last five years. After a surplus of \$3.7M in 2003/04, Council incurred a deficit of \$2.9M in 2004/05. The surplus in 2003/04 resulted from a \$6M gain on sale of assets.

Council has achieved surplus results after capital items for the years 2000/01-2004/05 (inclusive), ranging from \$9.3M to \$14.92M.

Grants contributions for capital purposes during 2004/05 were \$17.48M (a similar % of revenue received in previous years). Grants and contributions for capital purposes during 2004/05 were \$17.86M, an increase from \$8.6M in 2003/04. The main reason for the variance in 2004/05 was underestimating expenses by \$3.5M and grants and contributions for capital purposes by \$12M. Council has generally underestimated grants and contributions for capital purposes, except in 2003/04 when these were overestimated.

Variances in past years:

- 2003/04 - underestimating income from sale of assets by \$6M and overestimating grants and contributions for capital purposes by \$3M
- 2002/03 - underestimating grants and contributions for capital purposes by \$7M

- 2001/02 - expected sale of asset did not occur. Underestimation of grants and contributions for capital purposes by \$11.3M.

Liquidity and cash position

Council's unrestricted current ratio (UCR) was low in 2004/05 at 1.07. This was down from 1.72 in the previous year. Council has had low unrestricted current ratios over the past 5 years, with the highest being at 1.96 in 2000/01.

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. The department considers a good UCR to be greater than 2, although council states it has advice from its external auditor that a UCR of greater than 1 is good.

Council's unrestricted cash was \$5.46M in the financial year 2004/05. Rates and Annual Charges Outstanding Percentage (RACO%) was good at 4.07%. The RACO% assesses the impact of uncollected rates and charges on liquidity and the efficiency of debt recovery. A benchmark for city councils such as Penrith is less than 5%.

Council had a good Debt Service Ratio (DSR) of 8.55% in the financial year 2004/05. This indicator assesses the degree to which revenues from ordinary activities are committed to the repayment of debt. A DSR of less than 10% is good. A DSR ratio from 10% to 15% is considered borderline and a DSR of 15% or more may be of concern.

Total loans outstanding at 30 June 2005 amounted to \$52.07M. New loans of \$3M were raised in 2004/05. Council applied for loans of \$51.3M in 2005/06, made up of \$46M for buildings and \$5.3M for infrastructure.

Employee Leave Entitlements (ELE) is cash funded to 11% by internal restricted reserves. This is considered low, as council transferred \$1.3M to section 94 contributions along with other reserves at the auditor's direction (\$5M spent in advance on roads).

Council has the key elements of a good financial planning framework, 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, as required under section 407 of the Act, which is satisfactory.

The relevant auditor's comments are: "Internally restricted cash (reserves) fell as large transfers were made from the Property Acquisitions Reserves (down \$6M) and ELE Reserve (down \$1.4M) in particular. These transfers had a negative impact on the council's liquidity ratios....".

For 2004/05, council was compliant with the accounting code. Council has submitted its financial statements well in advance of the deadline (Sept and Oct) for the last 4 years.

Council measures its performance against predetermined standards to assess the financial health of the organisation. Council has held a Standard and Poors Credit Rating since 2004. In 2006, this rating remained at AA (positive watch).

The financial indicators are discussed with the finance working party before adoption by council and inclusion in the management plan. Council annually completes the LGMA financial health check and this is included as an appendix to the annual financial statements. Council has been runner-up twice in the last three years in the Local Government Finance Professionals Annual Financial Statements Award.

Special variations

Council sought special variations to general income in 2002 and 2004. Council made a further application in 2006. A package of significant long-term programs has been included in council's 2006-07 management plan, subject to approval of the application by the Minister for Local Government. The variation sought was 8.8%, comprising the 3.6% maximum increase allowed by the Minister and 5.2% required to fund these programs. This variation application was approved for a period of 10 years. Conditions include:

- (i) using the funds for the Asset Renewal and Established Areas Strategy, as defined by the council, for a period of 10 years
- (ii) clearly reporting in its annual report for the period 2006/2007 to 2015/2016 information on the total income received, expenditure per project/program and outcomes achieved
- (iii) developing a comprehensive Asset Management Plan linked to a long-term financial plan.

Pensioner rates and Hardship Policy

Council does not have a pensioner rates and charges reduction policy under section 582 of the *Local Government Act 1993*. Council has resolved not to give any further reduction than provided in the legislation. Council considers that this is a State Government issue. Council reduces pensioner rates under section 575 of the *Local Government Act 1993*. Council has a hardship policy for ratepayers. This policy is reviewed every three years when a revaluation is received.

Debt recovery

Council's policy is not to borrow beyond the base program unless a funding source or savings for the loan repayments has been determined. The base program has, for several years, involved \$2.8M borrowed annually for infrastructure funding. In 2005-06, council resolved to increase this to \$3.2M and a review of the program is a task in the 2006-07 management plan.

Council has an investment policy that reflects the intent of the Ministerial order. Council's current investment policy was adopted in June 2005.

Council utilises a range of state and federal grants to support annual construction and maintenance programs. Council also has a policy on loan borrowings and uses property development as a source of income. The mixture of funding is highlighted in the financial plan. Council is also currently considering the potential use of infrastructure bonds.

Infrastructure maintenance

The written down value (WDV) of council's assets for 2004/05 period are as follows:

- Roads, bridges and footpaths at 78%
- Stormwater Drainage at 93%.

The Department of Local Government considers that a WDV below 50% may be cause for concern. Council's estimate of the cost to bring assets to a satisfactory condition was \$85.344M in 2004/05. In 2003/04, council estimated a cost of \$86.296M to bring assets to a satisfactory standard.

Council estimated annual maintenance for 2004/05 at \$13.855M while programmed maintenance was \$10.715M, a shortfall of \$3.140M. Through its asset management planning, discussed below, council should be working towards eliminating this gap.

Asset management planning

Council has an asset maintenance program for a range of assets. The program is developed predominantly from asset systems and/or service specifications.

Council maintains a register of infrastructure, which includes asset identification, valuation and condition assessments. Council has a complete register of all assets that includes asset identification, valuation and depreciation. Council conducts a regular condition review of all significant assets completed and all artworks have been recently revalued.

Council has developed long-term asset management plans. Asset management plans/systems are in place for all civil assets, including roads, bridges, drainage, signs, line marking, pathways and laneways.

Council's long-term asset management plans are linked to its long-term financial modelling. The council's asset management plan for road pavements is linked to a 4 year funding strategy to bring the assets to, and maintain assets at, a satisfactory position. Building maintenance has been linked to long-term plans and is reflected in council's long-term modelling.

Council has made provision for the funding of infrastructure improvements. Council considers the following factors when considering capital expenditure on long term assets:

- Formal economic justification for the capital expenditure is conducted for the larger assets where a detailed cost benefit analysis is undertaken, for example, the Joan Sutherland Performing Arts Centre (JSPAC) extensions
- Capital projects are delivered using a mix of contractors and day labour and
- Alternative funding arrangements.

Council has a substantial annual plant replacement program with the timing of replacement determined to minimise maintenance costs and change over costs. Council has undergone a process of asset rationalisation conducting regular reviews of plant and vehicles, building utilisation and other assets.

Land Assets

Council maintains a property register of all council land as well as leases and licences and land that is under its care, control and management.

Council also has generic plans of management for all of its community land, which includes:

- Parks
- Sportsgrounds
- Community uses
- Natural areas - Bushland.

Resource sharing

Council has been proactive in its region in resource sharing in the following arrangements with other councils:

- Westpool Joint Insurance Pooling

- Regional Illegal Dumping Squad
- Joint purchasing for stationery, electricity and telephone systems
- Western Sydney Regional Organisation of Councils – WSROC.

Insurance

Council self-insures for liability and property risk. Council participates in liability insurance pooling through Westpool (involving 7 regional councils), and property insurance pooling with 14 councils through the United Independent Pool. Penrith City Council was an inaugural member of Westpool.

National Competition Policy (NCP)

Council is involved in the operation of 11 NCP businesses. Any NCP complaints are dealt with by the council's public officer.

Council has several category 1 businesses (i.e. over \$2M sales/income pa). These include children's services, council pools and property development. Competitive neutrality principles are fully applied to all category 1 businesses. For each category 1 business, council includes in its annual reports a statement of expenses incurred, revenue raise, assets required, and assets held, to the extent required by the NSW Local Government Code of Accounting Practice.

Council's category 1 business activities such as childcare and council pools had a deficit operating result before and after capital items for 2004/05. Property development had a surplus result before and after capital items.

Council's category 2 business activities such as the JSPAC, cemeteries, tennis courts, Lemongrove and halls sustained deficit operating results before and after capital for 2004/05. Penrith 'Whitewater' and construction certificates achieved operating surpluses before and after capital.

Council provides a summary of its progress in implementing the competitive neutrality principles in its annual report, as required by legislation.

Information technology

Council has adopted a strategy which incorporates specific strategies for information technology, information management and information systems. Council's information strategy identifies industry standard hardware and software requirements. The strategy for business systems is based on 'best of breed' applications for each key business area (accounts, rating, governance, payroll) rather than assuming a single platform.

Council has an integrated property system and an integrated financial system with interfaces where required and a range of specialist systems that meet the standards for hardware, software and performance as established by the Information Strategy.

Based on discussions with council IT staff and managers, council should continue to review its current IT platform/database to ensure that communication within and between departments is seamless, ensuring that there is organisational-wide access to all relevant information. (*Recommendation 8*)

6.4 Community & 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 examined:

- *The methods council uses to involve and determine the views of its community*
- *Access to information*
- *Social and community functions of council*
- *Cultural planning*
- *Ethnic affairs obligations*
- *Reporting to the community and keeping the State government informed about its activities.*

Social and community planning

Penrith City Council has adopted a living framework for its social planning so that in effect the planning cycle is perpetual. This format is the most appropriate for the growing region that the council services and provides better outcomes for the community than adopting fixed terms for social planning. The current framework was adopted in consultation with the Department of Local Government.

The framework contains a variety of planning initiatives. The framework as a whole and initiatives are reviewed annually. Key actions derived from the social planning framework are included in the management plan and are reviewed as part of the annual reporting process.

The framework shows cross-referencing to other council planning instruments and represents a mature understanding, not only of the strategic planning process, but also of council's multifarious roles within the social planning environment. There is good translation from the social framework to the management plan and subsequently to the annual report.

Because of the perpetual framework, there are multiple modification dates. The supporting social planning framework summary documents assist in understanding the currency of the various components. It would be appropriate to update this summary annually. (*Recommendation 9*)

The social planning framework document provides a user-friendly interface to assist the public in understanding the framework and how they may obtain more information on its various components. Nominating the responsible officer for each component, and providing his or her contact details, shows good transparency and encourages community feedback.

Although council has demonstrated sufficient strategic maturity to determine its own social planning target groups, it would be helpful to provide some background information on the rationale of selecting these groups and the review processes to determine the ongoing validity of the selection. (*Recommendation 10*)

Although the management plan tasks are well defined and documented, the plan does not indicate how the council will measure its performance against some of the nominated objectives. For example, Task 9.1B3 in the current draft management plan: 'Strengthen Partnerships with Key Recreation and Leisure Providers', has the objective as "Access to and quality of open space areas are enhanced". How will the council measure its success in achieving this objective? What indicators are going to be used to determine whether access had been enhanced? How would council gauge whether the quality of the area had been improved? Although it is often difficult to 'measure' social outcomes, the plan would benefit by some reference to the type of indicators the council will use to gauge its performance. (*Recommendation 11*)

The framework shows a mature understanding of ongoing consultative processes and the various roles that a council may play in the social planning environment. It is commendable to see a council actively facilitating the consultation process by establishing planning partnerships and supporting and resourcing inter-agency work and networks.

Community participation

Council consults with social justice groups within its area through council committees, which mainly comprise of citizen representatives. Council also has a disability access committee. This meets six times per year and has both councillor and community representation. Council has a full-time Aboriginal liaison officer, a youth development officer, aged and disability services officer, and a multicultural access officer who work closely with their respective target groups and community and government agency partners in facilitating and delivering access and equity outcomes. Council actively consults with all groups within the community.

Council also provides programs from a community development approach. Council does not have 'direct service' programs, but through social planning and community development provides a resourcing, co-ordination and support role. Council has programs and services for all the groups mentioned above.

The council does not have a formal MOU with the local Aboriginal community, but has adopted a number of protocols that articulate council's commitment to working with Aboriginal organisations in the city. For example, council has a set protocol where it is adopted as a statement in the front of every council report. This statement is used as a formal policy stating that the council helps and provides assistance to Aboriginal organisations and the Aboriginal community at large.

Council has in place various mechanisms to encourage community feedback, participation and consultation. Council has adopted a community participation policy and a detailed community participation manual to guide officers that will be completed this year. A program of community and customer surveys is in place. An extensive range of community consultation and forums and mechanisms is provided in accordance with the council's strategic plan and its commitments to community

engagement and a shared vision for the city. In addition, council's staff consult directly with many communities and interest groups including the social justice target groups through means such as youth agencies, the Aboriginal Service Network and through inter-agency networks, for example, the Community Care Forum, the Penrith Interagency and the Penrith Migrant Interagency.

Council seeks the community's views on issues and council performance. The feedback participation and consultation mechanism described above provides on-going input from the community as to priorities, issues and council performance. Council undertakes a city-wide customer survey every two years and a program of customer satisfaction surveys in many key services. In addition, council has in place a complaints mechanism, and undertakes surveys on particular issues on a regular basis to assist council in decision-making. For example, all submissions from the public and stakeholders on, for example, the council's strategic plan, its management plan, major projects and development applications are assessed and responded to in detail and then reported to council for consideration as part of its decision making processes.

Council conducted customer surveys in 2003 and 2005. Council's last survey of community views on council performance was conducted in May 2005. The results of this survey indicated that there was an overall general satisfaction rate with the council's performance in delivering services but identified areas where council could improve. Areas of improvement were required to be addressed by the relevant managers.

Council has adopted a set of specific customer service standards, which are represented in its 'Customer Service Charter'. It provides a comprehensive staff training program. It collects, monitors and reviews information on its performance against these standards. Council then uses this information to develop associated policies.

Cultural planning

Council does not currently have a formal cultural plan. A cultural plan is a valuable means for council to take a strategic approach to cultural affairs in the council area.

At the time of the on-site visit, council staff were in the process of preparing a cultural plan that was expected to be completed by February 2007. Council undertakes the following cultural planning activities:

- Supporting cultural activities in local neighbourhood centres
- Youth centres
- Seniors centres
- Joan Sutherland Performing Arts Centre
- Penrith Regional Gallery and Lewers Bequest
- Penrith Valley Cultural Precinct which provides accommodation for a number of community-based cultural organisations
- Supports NAIDOC Week, Senior's Week, Youth Week, International Day of People with a Disability, Harmony Day, etc.

Ethnic affairs

Council has adopted an access and equity policy that has a strong multi-cultural focus. Additionally, the council employs a multicultural access officer to provide advice and support to the organisation in enhancing access for people from non-English speaking countries. This officer also organises projects and initiatives with community and government partners to enhance access for culturally and linguistically diverse communities in the city.

Council has a range of documents available in languages other than English, for example, childcare information, development applications and supporting information, and council letterhead. The community also has access to an interpreter service if required. Council also operates a Telephone Interpreter Service (TIS) at the front counter for visitors to the council to use. Other council officers can also utilise TIS for telephone enquires. If necessary, depending on the individual request, council may also refer the matter to another agency for further assistance.

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

Council has an extensive program of communication as well as consultation with the local community and the State Government. Major elements of this program include the following:

- Council prepares an annual report, which is available to both the community and the State Government.
- A review is undertaken and published every quarter of the council's management plan performance.
- Prior to the adoption of the management plan, the council advertises extensively seeking comment from the public and holds public forums to receive input from the community.
- A quarterly community newsletter is produced and distributed to all households and businesses in the City of Penrith.
- Council has a weekly information column in several local newspapers and an extensive media information program.
- Many major council projects and initiatives have their own consultation or communication strategy as part of the project.
- When council adopts its strategic plan, officers meet with local Members of Parliament to discuss the issues.
- There is a regular forum with local Members of Parliament to discuss issues arising from council's management plan and programs.

Tourism and economic development

Council has a current formalised tourism plan entitled City Marketing Plan for 2005-2006 for its area. Last financial year, council spent \$490 000 on tourism. Council has the following tourist programs in place:

- Visitors centre
- Visitors guide
- Coach/conference guide
- Website
- Brand promotion
- Media liaison
- Event sponsorship programme
- Regional marketing programs and
- International educational visits.

Council supports and promotes economic development in its area in the following ways:

- Council has an extensive economic development programme
- It has been the facilitator for the Penrith Valley Economic Development Corporation (PVEDC) that is innovative in the area's economic development. The Council's economic development programme is outlined in its economic master program and covers employment generation, investment attraction and capacity building and
- Council also funds and supports the independent PVEDC and Penrith City and St Marys Town Centre Associations.

Area Strategies

Council currently has a long term focus on the development of new areas in terms of residential and business areas in the community. Council needs to examine the need for it to direct greater attention in terms of providing and improving current infrastructure in the socio-economically disadvantaged, older core areas of the community. Council has programs with specific priorities for these areas through the service specification program, such as the established areas initiative and the neighbourhood renewal initiative. But council should in the next 12 months determine whether this issue needs more attention and more emphasis placed on it in management and strategic plans. (*Recommendation 12*)

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*
- *Equal employment opportunity*
- *Staff development*
- *Grievance management*
- *Occupational health and safety*
- *Secondary employment.*

Overview of the organisation

The composition of council's workforce reflects the diversity of the community it serves. Council directly employs 845 staff and its controlled entities employ a further 72 staff. The workforce includes staff representative of Aboriginal and non-English speaking backgrounds, women, and people with physical disabilities.

Council's salary budget for the previous two financial years, as adopted in its management plan, was as follows:

- 2004/05 \$50,600,000
- 2005/06 \$54,500,000 and
- 2006/07 \$57,400,000 (proposed).

The total salary expenditure for the financial year 2004/05 was \$50.900M, this represented a minor variation. For the financial year 2005/06, salary expenditure is under budget by 3.6%. The total value of overtime paid during the last financial year is \$1.070, being 2.1% of actual 2004/05 salaries and wages.

Human resources strategy

Council appears to have a solid policy framework across its human resources area, including a human resources policy and procedure manual, a documented recruitment and selection policy, and provisions to ensure selection panels are trained in merit selection. All positions have written job descriptions. Council has a documented salary system and has an active consultative committee.

Council has a current human resource strategy plan. The plan includes actions to address the following key workforce issues:

- Recruitment and retention of staff
- Training needs
- OH&S issues
- Workplace/industrial relations issues and approach to consultation
- Equity and diversity.

Council's human resources policy and procedures cover the following:

- Recruitment, selection and appointment
- Attendance, leave and absences
- Discipline
- Salary system/performance management.

All staff can access and are made aware of policies and procedures that are documented in a manual, and are accessible via intranet. Council also provides induction and staff training courses.

Consultative committee

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

composition of this committee is made up of fifteen members, being equal numbers of employees and managers, with a chairperson. The committee has met 11 times in the last twelve months and keeps appropriate records of all its deliberations, which are available to all staff.

Staff are trained and aware of how the committee operates, their role and rights and the constitution and frequency of meetings. The minutes to all meetings are circulated to all representatives and posted on noticeboards. There is evidence of adequate follow-up and resolution of issues raised.

Recruitment and selection

Council has a documented selection policy and procedures manual that applies to all recruitment by the council.

Council ensures that selections are made on the basis of merit, as required by section 349 of the *Local Government Act 1993*, as follows:

- All advertisements and job descriptions clearly outline the qualifications, and both essential and desirable criteria and
- All applicants are selected for interview based on a culling process.

All procedures are formally documented in the recruitment and selection policy. The council develops and ensures that all selection criteria are made available to all applicants. The council also has a formal policy concerning the use and composition of selection committees.

The recruitment and selection policy covers key issues including:

- Requirement for current job descriptions
- Process for developing selection criteria - both essential and desirable
- Requirements for advertising
- The need for impartiality and independence
- The need for confidentiality
- Provision of guidance about managing conflict of interest that may arise

- Requirement for decisions and reasons for decision to be fully documented and
- Definition of who is accountable for key decisions throughout the process.

All positions within the council have written job descriptions and all employees have copies of their respective job descriptions. Council has a formal policy and practice for the review of job descriptions.

Council does not have an internal appeal process, but applicants for positions have the right to ask for formal written feedback explaining why they were unsuccessful. This issue is covered in the council's grievance handling policy. However, this would be enhanced by adopting a specific formal policy covering internal appeals. (*Recommendation 13*)

Employee remuneration

Council has a documented salary system that also takes into account special market forces that may affect individual positions. Council has a 'market forces process' that takes into account these situations. However, the major determinant for wages and salaries is council's formal job evaluation program, which is used to assess and measure work value.

Equal employment opportunity

Council has an equal employment opportunity management plan and reports on EEO strategies and outcomes in its annual report.

Staff development

Council has a structured formal induction program for all new staff, which covers general information, occupational health and safety, computer needs and records management. Council has a policy and procedures that require managers to assess the performance of their staff against identified performance targets. Council has developed a training plan as required by clause 23 of the *Local Government (State) Award 2001*.

Grievance management

Council has a grievance handling policy and procedures in place to deal efficiently and effectively with any disputes or litigation that may arise. All documentation is required to be kept on file in records. Council has been involved in some staffing disputes and litigation which went before the Anti-Discrimination Board, the Industrial Relations Commission and the Workers Compensation Board in the last five years.

Council is also currently conducting an employee attitude survey - staff attitude climate survey. It will be important for council to develop strategies to act on the issues identified in this survey, and to implement those strategies, reporting on this action to all staff. (*Recommendation 14*)

Secondary employment

Council does not have a formalised policy on secondary employment. However, the council has adopted a procedure, which is covered in the council's code of conduct and this issue is addressed in the Staff Induction Program. Nevertheless, it would be appropriate to formalise its policy. (*Recommendation 15*)

Occupational Health and Safety

Council appears to have a well-developed OH&S policy and procedural framework and has a practice of conducting systematic OH&S risk assessments. Council has an adopted occupational health and safety policy and an adopted rehabilitation policy. Council has formally constituted occupational health and safety committees and conducts systematic occupational health and safety risk assessments. Occupational health and safety staff and committee members conduct audits at different work sites on a specific day each month. Council also promotes new, or changes to existing, safe work method statements throughout the organisation.

Council's "Empower" workforce information system can generate sick leave reports that are available to all managers on request. The workforce development department is producing a report on workforce issues and health. Currently, this report does not include information on sick leave but it is intended to include statistics on sick leave in that report in the near future. Efforts in this area would be

enhanced by adopting a more systematic approach to monitoring and reporting on staff sick leave. (*Recommendation 16*)

Workforce planning

Penrith, like many other councils, is exposed to a number of workforce issues, such as:

- Shortages of specialised skills in certain areas, such as engineers and planners
- An ageing workforce
- A change in workload for certain sections as council's and government priorities change
- Increases in career opportunities outside the area.

The demographic of council's workforce suggests that it is exposed to risk from ageing. Currently, 14% of the council's workforce is between the ages of 55 to 65 plus years, and there is also a large number of staff (approximately 50%) that will be approaching the age of 55 years in the next 5-10 years. In 5-10 years, there will be a significant number of staff retiring.

Currently, council has no succession plan for key personnel and positions. This issue is recognised by council. Council needs to address this issue. It has been identified as a project in the 2006/07 financial year and also highlighted in its strategic plan. (*Recommendation 17*)

The human resources department is currently building up information on the workforce to conduct analysis of forecasted staff turnover and identified needs of the organisation. Council is also attempting to address this problem by offering trainee programs for young people in the area. Council offers a traineeship program, which has between 45 to 50 positions aimed at youth in the area and also offers work experience programs which have been very successful. Council actively promotes these programs by aiming the program at school leavers and people who have been out of school a few years. Council advertises in local papers, makes school visits and participates in career fairs. Council also monitors market salaries and offers graduate programs.

7. COUNCIL'S RESPONSE



Our Ref: 1264065
Contact: Glenn Schuil
Telephone: 47 327856



30 November 2006

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

Response to the Department's Promoting Better Practice Review Report.

Dear Mr Payne

We refer to the "Promoting Better Practice Review Report" that the Council received on 2 November 2006.

For the Department's information, the Report was discussed by the Council on 15 November 2006. We are pleased with the outcome of the Review and especially with the professionalism demonstrated by Ms Nosworthy while she undertook the review.

For the sake of convenience, we have attached to this letter a Table indicating the action that either has been or is proposed to be taken on the recommendations made. By way of observation, it would appear that a number of the recommendations made by Ms Nosworthy have already been identified by either the Council or Council's staff and progress is already being made towards implementing the recommendations made. On some occasions, it is noted that the Consultant has made recommendations where the Council has already made significant progress or has put in place strategies or action plans to implement the recommendation. On these occasions, it is suggested that there is no merit in including these recommendations within the Report as the Council is already committed to the outcome that has been identified by the Consultant (see recommendations 1, 8, 10, 14, 15, 20 and 22).

On page 19 a comment is made that approximately 50% of the staff have been trained in the Model Code of Conduct. The current figure is 85%. Regarding the staff newsletter, these are produced bi-monthly and not monthly. On page 22, a comment is made that the Internal Auditor advises Council of legislative changes, this task is undertaken by the Council's Legal Services Department.

A statement is made on page 37 that "No new loans were raised in 2004/05". In actual fact, new loans totalling \$3 million were raised. Reference is made on page 38 to the Standard and Poors Credit rating given to the Council. The rating for 2006 has now been received and the Council's rating continues to be AA (positive watch). On page 37 reference is made to the Council's Unrestricted Current Ratio for 2004 / 2005 being low. The Council's External Auditor has advised the Council's Financial Services Manager that an unrestricted current ratio higher than 1:1 is good.

On page 46 a statement is made that the Cultural Plan was expected to be completed by August 2006, this is now expected to be completed by February 2007.

In recommendation 22 a statement is made, with no apparent substantial background regarding the Council's sustainability and long term financial position. As the Department may be aware, the Council has been successful recently as Gold Winners at the LGMA Management Excellence Awards in the area of sustainability in both 2005 and 2006. The 2005 Award was for the Sustainable Penrith Program and in 2006 for developing a Sustainable Blue Print for Release areas. Additionally, during the on-site visit mention was made to the Consultant that the Council has developed a 10 year financial plan. This is a very comprehensive and contemporary document that was used for the preparation of the Council's 2006/2007 Management Plan.

The Council is aware of the Percy Allan Report into the Sustainability of Local Government and is practically addressing the issues raised within that Report. The Council has acknowledged the importance of maintaining its civil assets and has been increasing the budget allocation in this area for a number of years, along with its commitment to long term financial sustainability. We would like to point out that the Council has embraced the need for increasing its budget for civil assets and its commitment to long term sustainability well before the outcomes of the Percy Allan Report were identified.

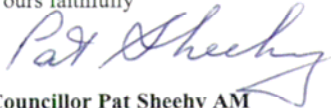
Key financial indicators, and the confirmation of Council's AA credit rating by Standard and Poors, show that Council's finances are sound. All indicators for 2005-06 are an improvement on the previous year and are expected to improve again in 2006-07 and are within the range expected from a large developing local government authority.

Penrith City Council has recorded budget surpluses (of varying magnitude) for a number of years and in 2005-06 the Annual Financial Statements recorded a surplus Net Operating Result before Capital Grants and Contributions of \$943,000.

Council takes a strategic view of all financial decisions and has a number of adopted policy decisions supporting this (eg use of appropriate debt and special rate variations to deliver identified priorities). Strategic financial decision making is assisted by the use of a comprehensive long term (ten years) model. The model is updated at regular intervals and is included in Council's Management Plan and Quarterly Review documents.

Subject to the comments made in this letter and in the attached Table, we have been happy to participate in this process. If you think it desirable for us to discuss any of the issues that have been raised either in this letter and / or in the attached Table we would be pleased to do so. Once again the Council was pleased to be part of the "Promoting Better Practice Review Program".

Yours faithfully



Councillor Pat Sheehy AM
Mayor



Alan Travers
General Manager

Recommendation	Responsible Manager	Action
Strategic		
1. Council should review its social and community plan and its management plan to ensure that it adequately addresses the issues associated with an ageing population, and the associated impacts on the council area.	Erich Weller, Community Development Manager.	As discussed with the Consultant who undertook the review, Council had made a commitment to undertaking an Ageing Strategy for the City and that Consultants had been contracted to undertake an initial Scoping Paper. For the Department's information, the Ageing Strategy is being prepared "to guide Council in its planning, actions, and service delivery to respond to the challenges of an ageing community". The final draft of this Paper was received from the Consultants in October 2006. An internal reference group of officers are currently completing a review of the final draft report. It is expected that the Scoping Paper will be reported to the Corporate Management Team and the Council in the near future. In the Capacity Review that was undertaken by the Organisation during 2005/2006 it was identified that additional resources would be required to undertake the Ageing Strategy for the City. If the Council allocates additional resources in the 2007/2008 Management Plan to fund the Ageing Strategy, it is planned that this Strategy will be completed within that financial year. Given that the Council had implemented strategies to address the recommendation prior to the Department's review, and that these were provided to the Consultant at the time of the Review, it is considered that this recommendation is not warranted.
Governance		
2. Council should establish a formal audit/ governance committee.	Glenn Schuil, Internal Auditor.	During the preparation of the Council's 2005/2009 Strategic Program it was identified at a management workshop in October 2004 that the establishment of an Audit Committee would be one of the steps to be

		undertaken. When presenting the draft 2006/2007 Management Plan to the Council in May 2006 the Council's Chief Financial Officer referenced that during the next financial year the Council's staff would be undertaking research into establishing an Audit Committee. During the on-site review the Consultant was advised of the above information and after the on-site review was completed, the Council's Internal Auditor advised the Consultant that a Report was to be presented to the Council's Finance Working Party on 21 August 2006 to consider establishing an Audit Committee. During that Meeting the Council supported in-principle the proposal to establish such a Committee. A Report was considered by the Council's Policy Review Committee on 13 November 2006 to consider the need for establishing an Audit Committee. The Council adopted this report. It is envisaged that an Audit Committee would be operational by mid 2007 after seeking representatives from both CPA Australia and UWS. Although the majority of the work to establish an Audit Committee was undertaken subsequent to the Department's review, the Council was heading towards this direction prior to the Department's review and it is considered that this commitment should be acknowledged within the final Report.
3. Council should ensure that all key policies and procedures are reviewed and updated every two years.	Individual Managers, with an overarching responsibility by Stephen Britten, Legal Officer.	Council acknowledges the importance of ensuring that all of its policies and procedures are regularly updated. Since the Department's review, a restructure within the Council's Executive Services Department has occurred. An integral part of this restructure is that a staff member will be responsible for establishing a procedure for the on-going review of all of Council's policies. It is not envisaged that this person will physically undertake the review, but act as a catalyst to ensure that a review of policies and procedures are undertaken. Council was presented with a report to the Policy Review Committee on

		<p>16 October 2006 where it was identified "it is timely to review the management arrangements supporting the delivery of the Governance functions across the organisation. The Review is to be led by the General Manager. It will have the aim of ensuring that Council remains at the forefront of leading governance practice. The progress of the review will be reported to a future meeting of the Policy Review Committee".</p> <p>Council has currently 87 policies within the Policy Register. To ensure that the Council allocates sufficient resources to review and consider new Policies the Council recently reviewed its Council Meeting Cycle. This review will see additional Policy Review Committee Meetings being held during 2007, which will increase the number of Meetings from 9 in 2006 to 13 in 2007.</p> <p>In respect of the reference made in the report to the Council's Ethnic Affairs Policy Statement, advice has been received from the Department that LEAPS are not required (see text in response to recommendation 14 below). As the Consultant has identified, the Council's Access and Equity Policy Statement was adopted in 1996. This document is currently under review and the new draft Policy will be reported to the Council in the current Management Plan year.</p>
<p>4. Council needs to ensure that its Summary of Affairs is published twice yearly in the NSW Government Gazette as required under the FOI Act.</p>	<p>The Information and Technology Manager, currently Graham Bambrick, Acting Information Manager.</p>	<p>At the time that the Summary of Affairs was scheduled to be placed in the Government Gazette, the Council's Document Management staff were in the process of implementing a new Information Management System (Dataworks) throughout the Council.</p> <p>The implementation of this System added extra pressure for all staff, and with the Council's FOI Officer having additional duties and responsibilities at the time, the publication of this information in the Government Gazette was unfortunately overlooked. Corrective action has now been taken to ensure that an automatic resubmit of the File is forwarded to the Council's FOI Officer for action prior to the deadline</p>

		to publish the document.
Regulatory Affairs		
<p>5. Council should proceed with the development of an on-line DA tracking system to enhance customer service and community information on the DA assessment process.</p>	<p>Paul Lemm, Development Assessment Manager.</p>	<p>Council staff are in the process of developing a new DA tracking system attached to the DA system. The new tracking system will enable the public to see the status of a DA. The tracking system will also provide an opportunity for the public to look at a "locked" copy of Development Consents. The system will also allow for new DAs to be notified on Council's web site for public exhibition processes. It is expected that this will be completed within 12 months.</p>
<p>6. Council should use more formal consultation processes within the community to ensure community-wide feedback is received in the development of its State of the Environment report.</p>	<p>Wayne Mitchell, Environmental Health Manager.</p>	<p>Council is in the process of changing the format of our SOE report to report more broadly on the "State of Sustainability" of the City. This will incorporate the mandatory reporting requirements of the SOE report, but will also include information on performance against social and economic indicators as well. The Council's sustainability indicators are currently under development. It is proposed to include community feedback and consultation in the completion of the indicators and on an on-going basis in conjunction with future reporting. The indicators and reports will be Web based for easy access by the community. It is planned to have this new format in place for the 2006/2007 reporting year.</p>
<p>7. Council could consider enhancing its community education program on companion animals through local newspaper articles, and education programs in local schools.</p>	<p>Barry Ryan, Waste and Community Protection Manager.</p>	<p>Currently the Council's Animal Services Officer places advertisements in local newspapers from time to time. At present the Animal Services Officer has taken on a small project for 6 months of placing a monthly advertisement in a local newspaper of impounded stray animals that are due for disposal. This has proved to be very successful. It is proposed to transfer this information to the Council's Web site in the 2007/2008 Budget.</p> <p>Due to changes to the Companion Animals Act in January 2006 regarding control requirements for Dangerous Dogs & Restricted Dogs,</p>

		and recently cross breed restricted dogs there has been an impact on staff resources and workload that has limited the promotion of responsible Companion Animals ownership. The Council Officers are also aware that the Department has recently made available an education package for the responsible ownership of dogs. Reports are being prepared looking at the resources required to implement this education package.
8. Council needs to formalise procedures relating to the recording of dangerous dogs on the companion animal register.	Barry Ryan, Waste and Community Protection Manager.	In May 2006 the Council's Co-ordinator for Ranger and Animal Services developed a Standard Operating Procedure (SOP) for reporting Dangerous Dogs & Restricted Dogs to the Department. A copy of pages 72-78 of this SOP is attached for the Department's information. All of the Council's Rangers are aware of this SOP. Council officers are aware of recent changes to the Companion Animals Act which will require an amendment to the current SOP. It is understood that there is currently amendments before the NSW State Parliament which will have an impact on the Council's SOP for reporting Dangerous Dogs & Restricted Dogs to the Department. Given that the Council had in place a SOP to address the recommendation made prior to the Department's review, it is considered that the recommendation is not warranted.
Asset and Financial Management		
9. Council needs to review its current IT platform / database to ensure that communication within and between departments is seamless, ensuring that there is organisational –wide access to all relevant information.	Richard Baczelis, Information Technology Manager.	Council engaged Consultants to undertake a review of Council's Information Technology platform and strategy in 2001. The Consultant's report provided a number of recommendations to Council to resolve a range of issues including ensuring that communication between and within Departments is seamless. Out of that report three strategies were produced, those being Information Technology, Information Management and Information Systems.

		All of the recommendations made by the Consultant have been actioned. Council is a diverse organisation which relies on a great deal of different Information Systems. There is always tension between compatibilities and "best of breed" software. Council established in early to mid 1990's an internal staff committee called the Procedures and Systems Team which oversees the introduction and management of Information Systems within the organisation. This Committee has recognised and attended to many issues of seamless communications between IT Systems within Departments. An example of this is the recent move to the Proclaim DA processing system which provided more seamless integration to Council's property system. Integration of software is always a challenge and is constantly under review. Council has set a standard for operating systems and software compatibility to guide this process. It is noted that there is no detail comment provided in the Report that may have led the Consultant to incorporate this recommendation within the Report. Council acknowledges that IT is an area that is constantly under review and this is being considered in the introduction and upgrade of systems to the organisation.
Community and Consultation		
10. Council needs to identify women as a target group in its social planning framework.	Erich Weller, Community Development Manager.	Contrary to the recommendation made, Council currently identifies Women as a target group within the Access and Equity Activity Statement that is produced and forwarded to the Department each year along with the Council's Annual Report. Many of the Council's activities impact on Women and the Access and Equity Activity Statement includes over 68 Tasks that have implications for all

		<p>mandatory target groups, including Women. For example Tasks included under Issue 11, Community Safety include the development and implementation of strategies focussed on women in the Community Safety Plan.</p> <p>The Community Safety Plan includes a comprehensive strategy for working in conjunction with the Nepean Domestic Violence Network to address issues for women experiencing domestic violence.</p> <p>The Social Planning Framework Summary (dated 2004) is currently being updated to include activities such as International Women's Day that Council has actively supported for the last two years. As an example of the Council's commitment to women, Council provided administrative support to the Australian Local Government Women's Association for approximately 5 years during the period that a Councillor held the position of Secretary on ALGWA.</p> <p>Given that the Council has established a number of positive strategies that address women in the Council's Social Planning Framework, and these were discussed with the Consultant during the on-site review, it is considered that the recommendation is not warranted.</p>
11. Council needs to update its supporting social planning framework summary annually.	Erich Weller, Community Development Manager.	The Social Planning Framework is generally updated annually and depending on need may be done more frequently. The Access and Equity Activity Statement, which includes a summary of Council's approach to social planning, is a mandatory reporting requirement and is updated annually and sent to the Department. It is expected that the update to this Framework Summary will be completed by June 2007.
12. Council needs to provide background information in its social and community plan on the selection of social planning target	Erich Weller, Community Development Manager.	The Social Planning Framework (available on the Council's website) and the statutory Access and Equity Activity Statement (pages 188-189 of the 2006/07 Management Plan – Part B) both include a broad summary of the methodology that Council uses to select social planning

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groups and the review process that is used to determine the ongoing validity of these selections.		<p>target groups.</p> <p>The methodologies include consultation and participation, demographic information and related research (with the research component articulated more clearly in particular projects listed in the Social Planning Framework), Council's Strategic priorities, the importance of access and equity in Council's overall program and partnerships.</p> <p>This information will be included within the Social Planning Framework by 30 June 2007.</p>
13. Council's management plan needs to indicate the methods of performance against specific objectives relating to social planning.	Erich Weller, Community Development Manager.	<p>It is acknowledged that further work is required in this area. An approach to this task will be discussed with the Managers concerned. This will be considered in Council's Service Specification Stage 2 process.</p> <p>It is proposed that this reporting will be included within the Council's 2007/2008 Management Plan.</p>
14. Council needs to review and update its Local Ethnic Affairs Priority Statement.	Erich Weller, Community Development Manager.	<p>As acknowledged in the draft report, Council has an Access and Equity policy that is currently under review. Comprehensive community consultation was undertaken on this revised Policy during 2005 / 2006. This revised Policy will be reported to the Council in the near future.</p> <p>The issue of Local Ethnic Affairs Priority Statement (LEAPS) has been discussed between the Council's Community Development Manager, Mr Weller and Ms Wendy Forrester from the Department of Local Government. Ms Forrester has advised that the Department is not seeking LEAPS from Councils as they are not the preferred approach to responding to the particular needs and circumstances of people from culturally and linguistically diverse backgrounds.</p> <p>Additionally, Ms Forrester advised that the Department is trying to reduce the number of Reports that Councils have to prepare. Ms Forrester has also advised Mr Weller that the Department's preferred method is that the needs of the community (including people from</p>

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		culturally and linguistically diverse backgrounds) are considered as part of the Social Planning process, which is the method that is being implemented by the Council. It would appear that Ms Forrester's comments echo the position that was taken by the Department of Local Government in the Social and Community Planning and Reporting Manual that was issued in December 2002, Appendix i. Having regard to the fact that the Council is in the process of reviewing its Access and Equity Policy, and that LEAPS is not seen as the preferred approach by the Department it is considered that the recommendation is not warranted.
15. Council needs to devote more attention to social development and infrastructure development and support to the older community areas.	Erich Weller, Community Development Manager.	When the Consultant met with Mr Weller, Council's Manager of Community Development during the review he emphasised to her the significant progress that the Council has made in the recommended area over a number of years. The most recent example was the proposed Asset Renewal and Established Areas Strategy (AREAS), a copy of which was provided to the Consultant during the review. During the meeting referred to above, Mr Weller provided extensive information on the work that Council has undertaken on this subject up to June 2006 on Neighbourhood Renewal (Cranebrook, North St Marys, Werrington/Cambridge Park) as well as the review of Council's Neighbourhood Renewal Program and the special rate initiative that was endorsed by the Council (and subsequently approved by the Minister for Local Government) to address the needs of the older areas. Given that the Council has identified and implemented a number of strategies to address the intent of the recommendation made, it is considered that the recommendation is not warranted.
Workforce Relations		
16. Council needs to formalise an internal appeals process.	Danielle Welsh, Personnel Services Manager.	Some preliminary work has been undertaken in developing an Internal Appeals process. It is proposed that this work will now be re-visited to

		ensure that the process is contemporary before it is submitted for consideration by the Council's Corporate Management Team. It is estimated that this will be completed by June 2007.
17. Council should ensure it develops and implements an action plan arising from the results of its latest employee attitude survey, and reports to staff on the issues raised and actions being taken.	Danielle Welsh, Personnel Services Manager.	The results of the recent staff survey have been relayed to all staff in early November 2006. The results of the survey were extremely positive, however some areas for improvements have been identified. Work has been undertaken to develop an action plan to address these issues over the next 18 months. Aspects within this action plan will be implemented over this timeframe.
18. Council needs to formalise its secondary employment policy.	Danielle Welsh, Personnel Services Manager.	The need to develop a secondary employment policy has been identified during training of the Model Code of Conduct. Having said this, there have been very few requests to-date from staff who have requested approval to undertake a second job. It should be noted that the significant issue that the Council ensures it addresses in any request for approval of secondary employment is the avoidance of any potential conflict of interest with the work performed at the Council. It is proposed that this Policy will be developed jointly by the Council's Legal Officer and the Personnel Services Manager during the 2007/2008 Management Plan.
19. Council needs to adopt a more systematic approach to monitoring and reporting sick leave.	Danielle Welsh, Personnel Services Manager.	The Council's Workforce Development Department currently prepares a Workforce Development Report every 6 months. This Report details a number of human resources related issues, including the extent of leave outstanding of staff within Departments and the occurrence of sick leave. Sick leave reports are currently being generated and it is the intention to provide all Managers with a copy of this report on a quarterly basis. This report will be supported by pro-active advice by the Council's Workforce Development Department to ensure that Managers are aware and are provided advice on action where any slippages may occur.

		While there is not much information in the draft Report to understand the intent of this recommendation, one initial interpretation of the recommendation may be that the Council has poor controls in place for monitoring sick leave. On the contrary, the Council has robust controls in place to ensure that sick leave is recorded and monitored on a regular basis by both Managers and the Workforce Development Department. It is expected that this Report will be ready for distribution to Managers in early 2007.
20. Council needs to be more proactive in the recruitment of professional staff, especially planners and engineers.	Danielle Welsh, Personnel Services Manager.	<p>It is considered that there is no foundation in the recommendation made. The Council has in place a wide number of strategies to assist with skills shortages in the areas of Planning and Engineering. These strategies include:</p> <ul style="list-style-type: none"> • Identifying Undergraduate Trainee positions. • Identifying Graduate positions. • Establishing 2 year Traineeships in the areas of Environmental Planning and Engineering that has been successful in encouraging 2 recent School leavers to take up studies in this field. • Promotional material is distributed annually in these careers to High School Career Advisers and at Career Fair days. • Market Forces reviews have been undertaken to ensure that competitive salaries are being offered to persons in these professions. <p>It should be noted that the issue identified is being experienced across a range of employment markets. The Council's 2005/ 2009 Strategic Plan identifies the need for the Council to be seen as an "Employer of Choice"</p> <p>Given that the Council has identified and implemented a number of</p>

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		strategies to address the intent of the recommendation made, it is considered that the recommendation is not warranted.
21. Council needs to develop a succession plan for key personnel and positions within the next twelve months.	Danielle Welsh, Personnel Services Manager.	<p>When the Consultant discussed this issue with the Council's General Manager in her debrief, the General Manager commented on the apparent conflict with the concept of succession planning with Equal Employment Opportunity.</p> <p>The Council has currently a range of initiatives that are precursors to a Succession Planning Framework. These include:</p> <ul style="list-style-type: none"> • The Traineeship program • Council's Selection and Recruitment Policy • The Council's Employee Performance Planning Reviews that are undertaken every 6 months provide clear direction for requirements for promotion. • Council supports the build up of skills at all levels of the organisation so that staff are able to succeed. <p>Council's staff will examine what is required to implement a Succession Plan and the practicalities of such a plan will be examined over the next 6 months. Of course, in the development of any Succession Plan it will need to respond to, deal with and resolve any issues relating to Equal Employment Opportunity. It is clear that Equal Employment Opportunity must not be compromised in the development of any Succession Plan.</p>
22. Council should consider the review of its organisational sustainability, including succession planning and future financial requirements, in the next twelve months.	Danielle Welsh, Personnel Services Manager.	<p>There is no text within the draft Report to assist the Council for the rationale for the inclusion of this recommendation, having regard to:</p> <ul style="list-style-type: none"> • Council is seen as an industry leader in the area of Sustainability. This has been acknowledged by the Local Government Managers' Association as the Council has won two successive Gold Awards in 2005 and 2006 for "Sustainability in

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8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- meeting present and future needs of the community
- tourism and environmental focus
- encouragement and development of local industry

Challenges to improve

- implementation of the in progress strategy for meeting the needs of an ageing population

GOVERNANCE

What is working well

- Ethics and values, pecuniary interests
- Management plan
- Risk management and internal control
- Gifts and benefits
- Section 355 committees
- Complaints handling

Challenges to improve

- Policy and procedures reviews and updates

REGULATORY

What is working well

- Strategic planning
- Development applications and section 94 planning
- Environmental reporting and enforcement

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Financial management
- asset management planning

Challenges to improve

- Information technology network review

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Social and community planning, community participation, cultural planning
- Reporting to community and state government
- Tourism and economic development

Challenges to improve

- Development of older areas

WORKPLACE RELATIONS

What is working well

- Human resource strategy
- Consultative committee function
- Recruitment and selection, job description and evaluation
- Employee remuneration
- EEO, OH&S, grievance management

Challenges to improve

- Succession planning
- Internal appeals
- Secondary employment
- Sick leave reporting and monitoring