

challenges improvement innovation good governance

Promoting Better Practice Program

REVIEW REPORT

RICHMOND VALLEY COUNCIL

OCTOBER 2007



Department of Local Government

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1. ABOUT THE REVIEW

Review objectives

The Promoting Better Practice Program is a review process that has a number of objectives:

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

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

Review process

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

Richmond Valley Council Review

Richmond Valley Council wrote to the Department of Local Government requesting a Promoting Better Practice review be undertaken at the Council. Following this request the Council was asked to complete a strategic management assessment and a comprehensive set of checklists about key Council practices. The review team examined these and a range of other source documents prior to visiting Council, in order to gain a preliminary understanding on the pressures on Council and how the Council has sought to manage that environment.

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

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

The review team was comprised of Senior Investigations Officers Paul Terrett and Angus Broad. The on-site component of the review was conducted from 20 to 23 February 2007.

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

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

This report details the review's findings, recommendations and Council's initial response. The Department expects councils to formally respond to the review process, to prepare an action plan to address agreed issues and to provide progress reports on the implementation of the action plan.

2. EXECUTIVE SUMMARY

It is evident that Richmond Valley Council has faced considerable pressures since the amalgamation in 2000.

Council is moving in a positive direction and has a willingness to think strategically in providing services to the community. There is a fundamental commitment to act for the betterment of the Richmond Valley Council area and to take what are sometimes difficult decisions in order to meet the current and future needs of the community.

The councillors generally understand their roles and responsibilities, but councillors need to be pro-active in developing policies and future direction for the Council.

It is not surprising that a comprehensive review process such as this has identified several areas where Council needs to improve its performance. It should be acknowledged at the outset that the Council is already aware of many of those areas, albeit that this awareness is not totally reflected in its management planning processes.

A major area where Council needs to improve is in its approach to strategic and management planning and the monitoring of its performance. It is acknowledged that the Council has already commenced a comprehensive strategic planning process.

The population of the area is ageing at a significant and increasing rate. Furthermore, the Far North Coast Regional Strategy projects that the population of the area will increase. The Council does appear to have come to terms with the impact that these two issues will have on it and the area. We have provided advice in this report on resources that are available to assist councils to develop further responses on this issue.

Council needs to critically review the content and format of its management plan to address the concerns raised in this report. In doing so it should ensure the management plan lists and accurately describes the actual activities Council intends

to undertake in each of the next three financial years, and ensure detailed information is provided about the next year's activities.

Beyond the focus on planning and reporting, there are some other governance issues that Council needs to address. Council needs to pay particular attention to its risk management and internal control activities. There is a need for Council to develop and implement strategies for its information technology.

The Council makes extensive use of delegated authority to efficiently deal with development applications. Council has also recognised the need to allocate additional resources to the enforcement of key regulatory functions.

There is scope for Council to improve its performance in the way it approaches its environmental responsibilities. Particular attention needs to be paid to Council's state of the environment reporting and to increasing awareness of its charter and to manage the environment in a manner that is consistent with and promotes the principles of ecologically sustainable development.

Many of the challenges raised in this report are identical to those faced by other councils. While the Council is working co-operatively with its neighbours, there remains scope for the Council to learn from other councils and to re-think how it delivers certain services. Council should identify in what areas of service delivery it excels and consider the opportunities offered by providing services in these areas for other councils. Council should also look at its business activities, such as the Doolan Deck, as opportunities for the Council.

Council needs to develop its website as a key conduit for communicating with its community. Council should better share its policies, practices and other information with the community. It is important that it leverages this investment by promoting the site in the community.

Council's financial position is satisfactory. However, Council should review its level of general rates income as part of its long term financial planning. The work that Council is currently undertaking to update its asset register and its stated intentions

to do condition assessments and update valuations will assist it in developing long term asset management and financial plans.

The section of the report on Council's workforce relations practices makes a number of suggestions for improvements. The most basic of these is ensuring that the Council's human resources policies are freely available to all staff and on the Council's intranet.

Council has recently revised its policy and procedure for the recruitment and selection of staff, which is commendable. However, it is apparent that it needs to do further work to ensure compliance with the new requirements.

3. RECOMMENDATIONS

Ambitions, Priorities and Future Focus

1. Council should work towards the integration of its planning process to integrate its strategic plan with its social and community plan, management plan, asset management plan and long-term financial plan.
2. Council should continue to pursue resource sharing with other regional councils.
3. Council should prepare a long-term strategy to meet current and future needs for older people in the community. Priority actions should be determined on an annual basis and incorporated in Council's plans and reported in the annual reports.

Governance

4. Council should review the contents and format of its management plan to comply with the provisions of the Act and Regulation.
5. Council should review relevant statutory annual reporting requirements to ensure future annual reports are fully compliant.
6. Council should put its statement of business ethics and its code of conduct on Council's website.
7. Council should review its statement of business ethics so that it extends to private contractors doing work with the Council.
8. Council should supply all Councillors and designated persons with a copy of the Department's Circular 04/16 to assist them in completing written returns of

interests.

9. Council should ensure that its risk management policy and its risk management efforts extend to identifying and managing all business risks faced by the Council.
10. Council should examine the costs and benefits of establishing an internal audit function. This should be supported by an audit committee and an internal audit plan.
11. Council should develop a fraud policy and carry out fraud and corruption risk assessment on a regular basis.
12. Council should develop a disaster recovery/business continuity plan.
13. Council should ensure all of its section 355 committees have a constitution or charter setting out their membership, functions and delegations. Committees that carry out functions on behalf of Council should be provided with procedural or operational manuals. Members of these committees should undergo appropriate training on their roles and responsibilities under the Act and the code of conduct.
14. Council should disclose in its annual report a greater breakdown of councillor expenses.
15. Council should make changes to its record keeping practices by developing a records disaster recovery plan (as part of its broader disaster recovery/business continuity planning), provision for records disposal and provision for storage of councillor documents.
16. Council should amend its meeting practice note to remove business without notice and the adoption of recommendations “en globo”.

17. Council should review its Privacy Management Plan and provide training to staff and councillors on the privacy legislation.
18. Council should keep records of councillor training undertaken. It should also provide additional training to councillors in the areas of finance and planning. Council may wish to undertake a councillor training needs analysis.
19. All staff and councillors should undertake training on the code of conduct. All staff should be given a copy of the code of conduct and be asked to sign an acknowledgement that they have read and understood the obligations set out in the code.
20. The Council should review its purchasing policy to ensure that it adopts appropriate action to determine the true value of any real estate prior to its sale.
21. Council should review its tendering policy to ensure that it complies with section 55 of the Act.

Planning and other regulatory functions

22. In reviewing the LEP Council should consider strategies to encourage and promote affordable housing in the council area
23. Council should review its section 94 plan to ensure it is in line with anticipated future community needs.
24. The supplementary State of Environment Report included in the Annual Report should be reduced in scale, and the resources required to prepare it should be reduced.

25. In accordance with section 35 of the Act, Council should develop plans of management for all community land.
26. Council should develop a formal enforcement and prosecution policy.
27. Council should consider resource sharing with other councils to establish a regional compliance and inspection program.
28. Council should take steps to develop a compliance program as required under the *Swimming Pools Act 1992*.

Asset and financial management

29. Council should develop a long-term financial plan that integrates with Council's other key planning documents.
30. Council should develop a comprehensive overarching asset management plan for the Council area.
31. Council should undertake a systematic assessment of the condition of all its infrastructure assets as part of the planning process. This should be linked to the long-term financial plan referred to above.
32. Council should develop a register of infrastructure that details the current value and condition of all assets.
33. Council should develop a road hierarchy for all roads in the Council area.
34. Council should explore further opportunities, whether by way of licensing, franchising or otherwise, to promote its Doolan Deck Bridges, both in New South Wales and elsewhere.

35. Council should review its business plans for all business units.
36. Council should review its intranet and internet sites with a view to including additional information about the Council, its policies, business activities, tourism, etc.
37. Council should review current resourcing of the IT Department and investigate resource sharing with other Councils in the area of information technology.
38. Council should follow good practice as set out in AS7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures. Council should keep the system under review to reflect the changing nature of technology.

Community Consultation

39. Council should address the deficiencies in its social plan identified in this report.
40. Council should include in the social plan the methodology used in developing the plan.
41. Council should use the community services database to assist in planning community services for the Council.
42. Council should examine the role of its community services staff to better manage the potential conflict between provision of advice on community services and advocating for various providers of services.
43. Council should develop a tourism plan, possibly as part of a broader economic development strategy.

Workforce relations

44. Council should develop a recruitment policy that encourages young people and indigenous people to apply for jobs with Council.
45. Council should work on strategies to address staff morale issues, including conducting an employee attitude survey and developing and implementing an action plan to respond to the findings.
46. Council should make its human resources policies available on the Council's intranet and otherwise more readily available to all staff.
47. Council needs to develop a rehabilitation policy to compliment its return to work program.
48. Council should instigate a process where staff sign an acceptance notice when receiving Council's OH&S policy.
49. As the consultative committee's aim should be to provide for two-way communication between management and staff, Council should nominate alternative management representation to replace the councillor currently on the committee and should revise the constitution to comply with clause 27 of the Local Government (State) Award 2004. Council should distribute the minutes of the consultative committee to all councillors.
50. Council should review its EEO plan to ensure compliance with section 345 of the Act.

4. CONTEXT

Richmond Valley Council was formed in February 2000 following the amalgamation of the former Richmond River Shire Council and Casino Council.

The Council is located approximately 800km north of Sydney and 260km south of Brisbane, within the Northern Rivers area of the Far North Coast of New South Wales. It has a total area of approximately 3,051 square kilometres. The area is predominately rural in nature, with approximately 30% of the local government area comprising state forests, national parks and nature reserves. The area enjoys a temperate to subtropical climate, with mild winters.

Council's main administrative centre is located in Casino. Another office is located in Evans Head. Hospitals are located at Casino and Coraki, and community health services provide outreach services to the population as part of the Northern Rivers Area Health Service.

Lifestyle is a significant factor for many people living in and relocating to the Richmond Valley, with the Local Government Area (LGA) stretching inland approximately 85km from the coast to the foothills of the Great Dividing Range. The council area is traversed by the Richmond River.

The main economic activities within Council's area include retail, manufacturing, agriculture, forestry, fishing and health and community services. The Northern Co-operative Meat Company operates a meat processing plant at Casino and is the largest employer in the Northern Rivers region. Newer emerging industries involving coffee, olives, soybeans and tea tree are assisting in the development of eco-tourism within the valley.

The 2006 Australian Bureau of Statistics census show the majority of the population (16,500) live in the main communities of Casino, Coraki, Woodburn, Evans Head, Broadwater/Riley's Hill and Rappville. A further 5,902 live throughout the rural areas of the local government area. The census shows the total population of the Council area at 22402.

The area is linked to the larger capital cities by both rail and road. The Pacific and Bruxner Highways and Summerland Way traverse the area. Casino is some 28 kilometres from the provincial city of Lismore. Council is also responsible for approximately 400 kilometres of sealed bitumen roads and 550 kilometres of unsealed gravel roads.

Council is experiencing the effect from people moving from metropolitan areas to rural NSW, this “tree change” phenomenon has resulted in increased demand for residential and commercial land. Council has focussed on the preparation of various land use plans that will cater for the projected population growth over the next 25 years.

The establishment of the first stage of the "CMCA Casino Village" commenced in 2003, and continues to be developed. This provides further enhancement to the area's economic base. This \$40 million dollar project involves 115 hectares of land surrounding the now deregistered Casino Airport. The land is being transformed into a state of the art Campervan and Motorhome Facility for members of the Campervan and Motor Home Club of Australia. It represents an Australian first.

5. COUNCIL'S AMBITIONS, PRIORITIES AND FUTURE FOCUS

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

Council has clearly articulated its vision and mission. It displays these throughout Council offices. With the amalgamation of the councils in 2000, Council is well on the way to setting a strategic direction for the organisation. Senior management has driven much of this, with councillors also giving feedback.

The Council has a set of principles it aims to pursue. These include:

- Good Governance
- Representative democracy and community support
- Sound policy
- Sufficient resources
- Meaningful planning
- Connectedness
- Strong leadership.

Based on these principles, Council has determined seven strategic priorities:

- Ongoing improvement and upgrade of water and sewerage infrastructure across the council area
- Implementation of a public pool improvement program (including provision of new facility at Evans Head)
- Implementation of a stormwater drainage capital works program
- Progression of Casino Community Centre Project as part of Casino CBD building rationalisation
- Increase capacity for road construction and road maintenance funding

- Implementation of improvement program for sporting grounds and parks/gardens infrastructure
- Progression of the Casino CBD Upgrade Project.

Evidence exists that this strategic approach will continue and will incorporate greater community consultation, the determination of key performance indicators and the determination of what resources Council will need to meet the on-going and emerging needs of the area.

The Department of Local Government's vision is to foster a strong and sustainable local government sector that meets changing community needs. We provide the policy and legislative framework to local government in NSW so that councils are able to deliver quality services to their communities.

A major corporate priority of the Department is to work with councils to better integrate their planning, service delivery and reporting.

Integrated planning is about ensuring that council planning requirements and processes are sufficiently interconnected to maximise the achievement of councils' goals and desired outcomes. If plans are not integrated it is likely that their implementation will work against each other to fragment and confuse responsibilities and targets, and undermine the achievement of council's goals.

Integrated reporting is about ensuring that reporting is linked to the Council's plans, particularly in regard to the progress toward achieving those plans and then accurately informing the development of future plans.

Richmond Valley Council has a corporate strategic plan, but this needs to be better integrated with Council's key planning documents, including the management plan. The vision, strategic goals and objectives of the corporate plan provide the framework for the programs and activities of the management plan.

The current annual report outlines the vision, strategic goals and objectives set out in Council's corporate strategic plan. The annual report should contain a summary of major achievements of the previous year's management plan. Council's actual performance in relation to the original targets set out in the last management plan

and any discrepancies between targeted and actual performance is set out in an attachment to the current annual report.

Council has also produced a range of other plans and reports such as the Social/Community Plan and the State of the Environment Report. The extent to which they link with the corporate and management plans and each other, needs some attention.

While it is acknowledged that these documents may have been prepared prior to the adoption of the strategic corporate plan, they do not outline Council's vision and strategic focus and how they fit in or will contribute to achieving it.

(Recommendation 1)

Resource sharing

Council shares resources with other councils and is a member of the following groups of councils:

- Northern Rivers Regional Organisation of Councils (NOROC)
- Richmond – Tweed – Clarence Council Co-operation.

The current resource sharing is focusing on such areas as information sharing, human resources, risk management, procurement, finances, engineering, rating customer services and records management.

In November 2006 the matter of a strategic alliance network was referred to NOROC to develop and formalise a business cluster between Richmond Valley, Tweed Shire and Clarence Valley Councils.

Strategies have been established to tackle skills shortages, group purchasing of aerial photography, internal auditing, regional training co-operation, regional records facility, regional economic development enhancement and broadening broadband.

Many of the challenges raised in this report are identical to those being faced by other councils. While the Council is working co-operatively with its neighbours, there remains scope for the Council to learn from other councils and to re-think how it delivers certain services. The review team encourages Council to consider

developing a sister city relationship with a large city council, to develop professional and cultural ties. Council should also identify what areas it is doing really well and consider the opportunities offered in providing services in these areas for neighbouring councils, such as bridge building, operation of saleyards.

The review team was encouraged by the willingness of the Council to develop relationships with other councils in the region. Council has acknowledged that some aspects of Council's service could be improved by working with its neighbours. Council should continue to pursue resource sharing with other councils and examine other areas to expand joint co-operation in council matters. (**Recommendation 2**)

Changes to council population

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

The Far North Coast Regional Strategy predicts an increase in residential housing and as a consequence a major increase in population by 2025. This will place particular pressure on the Council in planning and meeting community needs into the future. As is noted later, Council appears to be planning for this growth.

Turning to ageing, with 17.3% currently aged 65+ years, Richmond Valley is NSW's 29th oldest LGA. This is projected to grow to 25.4% by 2022. At an average increase of 0.45 percentage points per year, this 'force of ageing' is substantially faster than that projected for NSW as a whole (0.33). The Council's population aged 85 and over is projected to increase in proportion from 2.1% to 3.5% of the population (*Population Ageing in New South Wales and its Local Government Areas*, Dr. Natalie Jackson, Director, Demographic Analytical Services Unit, University of Tasmania).

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

The Local Government and Shires Associations have produced *Planning the Local Government Response to Ageing and Place*. This paper is intended to offer a

framework to assist councils to begin to plan for the population ageing unique to their area by:

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

The Department encourages councils to use this paper in their planning processes. Council's social plan includes some strategies for older people. However, it was not evident to the review team that Council has integrated strategies across its various functional areas to address this challenge.

Given Council's aged population is increasing at a significant rate, Council needs to consider ways to raise the awareness of this issue across all sections of Council. Building upon strategies in its social plan and using the Ageing and Place Framework developed by the Associations, Council should prepare long term strategies to meet current and future needs for older people.

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

Progress in relation to these priorities should be reported on a regular basis via reports to Council, inclusion in the management plan, as well as annually in Council's Annual Report. (**Recommendation 3**)

6. DELIVERING AND ACHIEVING

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

6.1 Governance

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

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

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

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 and the regulations require certain particulars to be included in Council’s draft management plan. The review team examined Council’s Management Plan for 2006/2009 and its draft Management Plan 2007/2010.

The positive attributes of the plan include clearly defined strategic priorities for Council and the fact it restates the Council's strategic direction, including Council's vision and mission statements and principles.

Council can improve its management plan and get more value from it by including more clarity and detail about what the Council is planning to do. This detail is important because the Act and Regulation require more detail than Council provides. The Promoting Better Practice Management Plan Checklist (available for download on the Department's website) could assist Council in ensuring all statutory requirements are addressed.

The inclusion of more detail will assist the management plan achieve its primary purpose of facilitating accountability. It will also assist in making consultation with the community more meaningful.

As councillors will be well aware, the General Manager is responsible for the day-to-day management of Council. Including more detail in the plan will provide a better basis for the elected Council to communicate clearly what it expects, and will facilitate more meaningful reporting.

The plan should include a description of how it was developed. This allows the quality of the planning process to be scrutinised and improved over time.

The proposed revenue and expenditure for each activity should be included with the description of the activity, as well as in the consolidated budget.

The section of the plan that is supposed to describe the activities to be undertaken to implement its equal employment opportunity management plan fails to do so. While it refers to Council's EEO plan, there is no clear description of what the Council intends to do to implement the plan in the coming year. The text in this year's draft plan is identical to last year's.

The description of Council's human resources activities is also the same as last year's. The description does not appear to be an accurate reflection of what the Council intends doing in this area.

Council is required to consider its most recent State of the Environment (SoE) Report when developing the management plan, and to apply the principles of ecologically sustainable development. However, there is no evidence to indicate that it has done so.

The plan includes a statement with respect to proposed Council activities in relation to access and equity activities in the area. However, this is the same as the previous year and does not set any targets or objectives for the coming year. The inclusion of such a statement and reference to priorities drawn from the social and community plan is a statutory requirement.

In summary, the review team recommends that Council critically review the content and format of its management plan and ensure that future management plans address the concerns raised in this report. (***Recommendation 4***)

Annual Report

The Act requires a Council to prepare an annual report within 5 months of the end of the financial year, as to its achievements with respect to the objectives and targets set out in its management plan for that year. The Act and Regulation stipulate what must be included.

As with the management plan, the report includes a General Manager's foreword. The most fundamental area for improvement in Council's annual report is reporting of outcomes with respect to the objectives and targets set out in its management plan.

Generally, what is required is more detailed information and the inclusion of a range of qualitative and quantitative data so that the readers can satisfy themselves that an outcome has or has not been achieved.

Council is required to include a copy of its audited financial reports in its annual report. The 2005/2006 report does not include this report. The Council should ensure that future annual reports include the entirety of the audited reports and a copy of the audit certification.

The Council is required to include a statement in the annual report of the action taken by Council in complying with the requirements of the Privacy and Personal Information Protection Act (PPIPA). While the annual report provides statistics on internal review applications and proceedings to the ADT, it does not indicate whether the Council took any action in 2005/2006 to implement that plan. This year Council should report on the review it undertook and any other action it takes in relation to complying with the Act's requirements.

The annual report is required to report on the provision of facilities to councillors. There is no break up of this total figure.

The inadequacies of Council's EEO Management Plan are discussed later in this report. Given these inadequacies, it is not surprising that the information contained in the annual report regarding EEO could be improved.

Council should review the statutory reporting requirements and ensure that future annual reports are fully compliant and address the other issues identified in this report. (**Recommendation 5**)

Statement of business ethics

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

Council's statement of business ethics is available from Council. It covers key issues around the values Council stands by. The review team was assured that this statement, together with a copy of the Council's code of conduct, is provided to all persons conducting business on behalf of Council. Like many of Council's policies, this policy is not on the Council's website. (**Recommendation 6**)

Council is encouraged to review its statement of business ethics so that it is clearer what contractors need to be aware of when doing business with Council. It should also include discussion of the need for public sector agencies to achieve value for money, protection of Council's image, managing conflicts of interest, safety and other contract performance criteria. (**Recommendation 7**)

Pecuniary interest returns

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

The review team examined the most recent returns and found their completion to be generally of a good standard. However, we suggest Council review its administrative processes for the completion of disclosure of interest returns, to ensure that they accurately reflect signing and lodgement dates. Council should provide all councillors and designated staff with a copy of Departmental Circular 04/16 to assist them in completing their returns. (**Recommendation 8**)

Risk management and internal control

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

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

Council has developed a risk management policy, which sets out an integrated risk management framework. The objectives of the policy are to ensure that sound risk

management practices and procedures are fully integrated into Council's strategic and operational planning processes.

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

Council needs to look beyond insurable risks and work to identify and manage all business risks. While the review team acknowledge that some work has been done in this area, Council needs to address all risks it faces. (**Recommendation 9**)

One aspect of effective risk management is ensuring legislative compliance. To facilitate compliance with legal requirements, councils and their senior staff should ensure that:

- management commitment to compliance is clear and unequivocal,
- the legal requirements which apply to each activity for which they are responsible are:
 - identified (including updates reflecting changes to the law), and
 - documented (preferably in detail, but as a minimum by reference to relevant provisions),
- staff are aware of where/how Council's current policies and procedures can be accessed;
- all staff are kept fully informed, briefed and/or trained and reminded of the key legal and policy requirements relevant to their work,
- staff are made aware of the potential repercussions of non-compliance with legal requirements that apply to them and Council,
- record-keeping systems and practices that capture evidence of compliance and non-compliance are in place; and
- Internal review and audit activities are focussed periodically on verifying Council compliance with key legislative obligations.

Council should keep these issues in mind as it implements the recommendations of this report.

Internal audit and control

Internal audit and control provides for systematic scrutiny of an organisation's operations, systems and performance. It assists in ensuring that service standards are met, data records are accurate and complete, and established procedures are being followed. Council does not have an internal audit committee or an internal audit plan. An internal audit committee and/or an internal audit function would assist the Council in monitoring and improving its internal controls, and Council should examine the costs and benefits of establishing such functions. (**Recommendation 10**)

The development of internal audit processes is also important as Council does not appear to have undertaken any fraud risk assessment. Nor does it have a fraud control policy or strategy. Changes to the Australian Auditing Standard 210 (AIS210) now require all external auditors to obtain a written representation from management that the organisation has systems to deal with fraud risks. (**Recommendation 11**)

Council does not have a disaster recovery/business continuity plan. Such a plan is an important part of a business's risk management strategy. The Department has issued Circular 07/12 that will assist Council in developing such a strategy. (**Recommendation 12**)

Gifts register

Council has adopted a code of conduct that provides information on the procedures to be followed by staff and councillors in relation to gifts and benefits. The Council does have a gifts register and gifts and benefits policy. This was reviewed in September 2006. The Council also has a Councillor and Staff Personal Benefit Disclosure form that facilitates the disclosure of gifts.

Section 355 committees

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

It is important that all of the committees have a constitution or charter setting out their membership, functions and delegations. Procedures or operational manuals should be provided to those committees that carry out functions on behalf of Council. This will help ensure that they carry out those functions in a proper manner. It is also suggested that Council provide adequate training for committee members in relation to their relevant area and obligations under the Act. (**Recommendation 13**)

Section 252 policy

All councils are required to adopt a policy on the payment of councillors' expenses and the provision of facilities to councillors pursuant to section 252 of the Act. A council must not pay any expenses or provide any facilities otherwise than in accordance with its section 252 policy. Councils are required to report on the expenses paid and the facilities provided in their annual report. While Council does report to residents on councillor expenses, the layout of information is not clear and bulked into a total figure. To allow greater transparency and so that Council fully complies with its reporting obligations, Council should show a breakdown of the totals in future annual reports. (**Recommendation 14**)

Records management

The *State Records Act 1998* requires councils to make and keep full and accurate records of their activities. It also requires councils to establish and maintain a records management program that conforms to best practice standards and codes. The review identified several opportunities for Council to improve its record keeping practices. The Council appeared to have an awareness of a number of these prior to the review and was proposing to take appropriate action.

Council should make changes to its record keeping practices to facilitate greater compliance with the State Records Act and to ensure that its record systems support the needs of the organisation. Actions required include having a records disaster

recovery plan as part of Council's overall disaster recovery/business continuity effort, procedures for record disposal, and procedures for capturing and storing councillor records. (**Recommendation 15**)

Council meetings

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

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

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

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

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

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

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

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

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

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

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

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

Council should also adopt a practice of including items as "Matters Determined without Further Debate" on the business paper. This allows the Council to determine those matters which will be adopted 'en globo'. This assists in Council meetings operating smoothly and avoids undue delays where councillors agree with the officers' recommendations. (**Recommendation 16**)

Council's business papers are informative and allow councillors to make informed decisions. We note the practice of providing councillors with a full list of development

applications approved under delegated authority. This allows councillors and the community to be fully informed of development in the council area.

Privacy management

The *Privacy and Personal Information Protection Act 1998* (“PPIPA”) provides for the protection of personal information and for the protection of the privacy of individuals. Section 33 of the PPIPA requires all councils to prepare a Privacy Management Plan. Council adopted the Model Privacy Management Plan in 2000. The model plan provides for regular reviews. Council has not reviewed the plan since 2000. Council has not provided training to staff and councillors in the requirements of the privacy legislation. (**Recommendation 17**)

Induction training for councillors

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

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

Council staff could not produce the record of councillor training. The review team recommends that Council ensure that such records are kept in a systematic way. From councillor feedback, there appears to be demand for additional training for councillors in the areas of finance and planning (**Recommendation 18**)

Aboriginal Mentoring Program

Council is congratulated for its initiatives in developing community leaders in the Aboriginal community to stand as councillors. This mentoring program is a positive step in sharing with the community an understanding of the role of the local councillor.

Code of Conduct

Council adopted its current code of conduct in February 2005, incorporating the Departmental guidelines and the disciplinary provisions of the *Local Government Act 1993*. Council has advised that not all new staff have been provided with a copy of the code of conduct. All staff and councillors should undertake training on the code of conduct and sign a form that they have been given a copy of the code of conduct, have read the code and understand the obligations as set out in the code.

(Recommendation 19)

Delegations

Council must review its delegations during the first twelve months following an ordinary election. Richmond Valley Council has done so. In addition, delegations should be regularly reviewed as staff duties change or new incumbents start.

There is a comprehensive enquiry and reporting system on delegations, by delegation title, number, position, activity and category. This system is linked to the employee information system. The printout of particular delegations given to staff members identifies the source of authority, the description/limits of the delegation, the financial limit of the delegation and the day it was issued.

Provision of information to the public

Councils are required to make their documents available for inspection free of charge under section 12 of the Local Government Act unless the documents are exempt under that section, or the Council is satisfied that allowing access would, on balance, be contrary to the public interest. Councils are entitled to impose reasonable photocopying charges for reproducing documents under this section. Where the General Manager or other person refuses access to a document, they must provide their reasons for doing so in writing to the Council. Those reasons must

be publicly available. Council must review the restriction within three months of access being refused.

Council has a commendable 'open access' policy for public access to Council information. The policy has broad application and is supported by a procedure that assists Council staff, especially front counter staff, to locate all documents that are to be made publicly available pursuant to section 12(1) of the Local Government Act.

Separately, Council makes information available under the FOI Act. As a matter of principle, all requests for information under the Freedom of Information Act are first assessed for applicability of the provisions of section 12 of the Local Government Act.

In handling requests for documents and information under the *Freedom of Information Act 1989*, Council uses the Guidelines prepared by the Premier's Department. Council prepares and publishes both the statement of affairs and the summary of affairs pursuant to the requirements of the *Freedom of Information Act 1989*. The summary of affairs appropriately identifies relevant Council policy documents.

Procurement and Tendering

Richmond Valley Council has adopted purchasing practices and procedures relating to the acquisition of goods and services and the disposal of property and assets.

Importantly, the purchasing policy recognises the need to obtain value for money, emphasises OH&S and environmental issues and responsibilities and seeks to ensure that Council acquires goods and services in an ethical and transparent manner. The policy contains an OH&S purchasing checklist.

This policy prescribes purchasing limits exercisable by staff by position description. For example, the Manager, Development Assessment has a purchasing limit of up to \$20,000.00, whereas Development Officers are limited to \$5,000.00. In this sense the policy is both clear and concise. Clear delegations, such as those contained in

the policy, provide an important step in association with audit and other controls to limit fraud risk.

The policy sets expenditure criteria, with limits on single sourcing, and provides for formal and informal quotations. It requires that Council tender for purchases over \$100,000. The policy does not contain a local preference provision, but encourages local businesses to discuss procurement with the Council.

The policy places a strong emphasis on monitoring and evaluation of performance both during and following completion of the contract, to ensure that the Council obtains value for money.

The policy also deals with disposal of land and buildings, plant and other items. Generally, the policy is clear, but it appears to overlook the need for Council to obtain valuations prior to the sale of real estate. The Council should review the policy to ensure that it provides for the need to obtain valuations of real estate prior to its sale, particularly where this process is other than by listing with an agent or by public auction or tender. (**Recommendation 20**)

The purchasing policy prohibits contract splitting. It also deals with aspects such as preferred supplier agreements, payment procedures, conflicts of interest, risk management, value for money, ethical standards and environmental principles.

The policy does not appear to have been reviewed recently and contains a number of references to the previous tendering regulations. It contains a number of errors, including:

- The tendering threshold (which is now \$150,000)
- References to specific regulations in the previous regulations
- Advice that the value of any tender is not to be disclosed to the public – contrary to clause 179 of the Regulation
- Some typing errors.

The Council should review the policy to ensure that it complies with the current regulations (**Recommendation 21**).

As part of the review process, three tender files were reviewed. These included a tender for supply of aggregates and the purchase of plant. Additionally, the team reviewed an urgent purchase of aggregates following damage caused by flooding.

The review of these files was hampered by the poor condition of one of the files, with the evaluation of the tenders and the report to Council missing from the pile of documents.

The file relating to the purchase of plant was, by comparison, well documented with the file conducting a full analysis of the various tenders, including a whole of life costs analysis.

The file relating to the emergency provision of aggregates appeared to be reasonably well documented and included:

- the report to the meeting indicating the need for the purchase and a description of the emergency that had arisen
- the relevant considerations under section 55(3)
- reference to the fact that the Council had written to the Department advising that it had exercised the provisions of section 55(3).

While the review of the documents suggests that the Council is meeting its wider responsibilities when dealing with tenders, the poor state of the files does not allow a definite conclusion to be reached. Additionally, as the policy does not reflect the current regulations, particularly regulation 179, this raises concerns that other instances may have arisen and have not been detected.

6.2 Planning and other regulatory functions

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

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

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

Council's planning instruments and policies

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

Council has welcomed the template as it enables Council to bring different planning strategies together. Council plans to have the new template completed well before the 31 March 2009 due date and place it on public exhibition.

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

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

Council has a number of Urban Land Strategies, as is required by the North Coast Regional Environmental Plan. These are significant tools in the determination of land use in the Council area.

Affordable Housing

The Council recognises the issue of affordable housing in the Council area. The establishment of the mobile home village has acted to increase affordable housing options in the area.

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

(Recommendation 22)

Council is addressing this “sea change/tree change” phenomenon by focussing on the preparation of various land use planning documents that aim to set aside sufficient land for residential and commercial use so as to cater for population growth to the year 2025. This is in line with the work of the Department of Planning, which has identified Richmond Valley Council under the Far North Coast Regional Strategy as an area of significant population growth. To plan for this, Council has adopted Urban Land Release Strategies for all four villages in the area.

As part of this expansion in residential and commercial development, Council should review its section 94 contributions plan to ensure it is appropriately linked to anticipated changes to community needs. ***(Recommendation 23)***

Determination of development applications

Council has developed a clear set of criteria to assist staff in deciding which DA determinations are referred to Council. This includes a condition that allows 2 councillors to request in writing to have the matter referred to the Council, although Council advises this rarely occurs. This indicates that councillors are aware of their role and the role of staff in the determination of DAs. Council indicates that 98% of its DAs are dealt with under delegated authority. Council has developed a policy to guide planning staff on the matters that should be referred to Council.

Development Assessment Panel

The Council has established a Development Assessment Panel (DAP) through which all delegated authority is administered. The panel consists of four members nominated by the General Manager, Director Environmental Development Services and Director Works. All councillors are provided with the minutes of each DAP meeting and a list of all newly received DAs.

State of Environment Report (SOE)

Richmond Valley Council's State of the Environment reporting is very detailed, for which Council should be commended. The review team notes that the supplementary report (273 pages) is 52 pages longer than the last comprehensive report (221pgs). It includes a lot of the same information, but with updates for new issues and statistics.

However, Council should be conscious that a supplementary report is to include an update on trends, and Council should use this as an opportunity to provide the community with a concise update on the state of the environment. The size and detail of the current document may prove daunting for many members of the community who just want to get an update on the state of their environment. It is noted that the executive summary from the SOE is included in the Annual Report and this is a good idea to give the community an overview of the state of the environment.

The compilation of such a detailed supplementary report would also appear to be a resource intensive exercise unless Council has good systems in place to capture annual data. The legislation only requires a supplementary report, so Council should consider strategies to reduce the scale of the report and to reduce the resources required to provide supplementary reports on the state of the environment.

(Recommendation 24)

BASIX

Council has put in place measures that ensure compliance with the BASIX certification system. BASIX involves all proposed single dwellings and dual

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

Plans of management

Section 35 of the Local Government Act requires Council to use and manage community land in accordance with a plan of management. Council does not currently have plans of management for all the community land under its control. Council should act promptly to develop plans of management for the land in question. (**Recommendation 25**)

Caravan and Motorhome Village

The Ansett Airlines Group and Hazelton Airlines formerly operated services out of the Casino Airport. However, with services removed from the airport, it no longer had commercial support and was subsequently deregistered. In 2003 the Caravan and Motorhome Club of Australia moved to acquire part of the airport and to develop Australia's first motorhome village.

The club is the largest motorhome club in Australia, with 48,000 members. The village is being developed progressively and incorporates the former terminal, hangars and other buildings. The development provides both long-term and short-term facilities for caravan and motorhome owners through a range of serviced and unserviced sites and camping facilities.

Development within the village centres on the varying needs of campervan and motorhome owners. Over the longer term, there are plans to develop a retirement village on the site for members wanting to retire in their vehicles on a permanent basis.

The review team inspected the village and was impressed by its quality and the facilities that it provides. The project represents a novel response to the needs of

caravan and motorhome owners and, particularly, of retirees who wish to establish a “base of operations”.

It both adds to the economic base of the area and draws on the existing services provided in Casino. The Council has fostered a quality development with widespread appeal on land that might otherwise have been a burden on the Council. Having regard to Recommendation 2, Council may wish to consider the village’s future impact on service demands in the Council area, particularly services for older people.

Enforcement

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

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

The enforcement practices of councils must be resolute and demonstrate both parity and transparency. They must signal the position taken by the particular council regarding such issues. It is good practice that councils and other agencies with such powers set out in a considered way a policy to be used to ensure rational and consistent decisions are taken. An enforcement policy should deal with the manner in which the council will carry out its functions, the procedural steps that may be involved, the circumstances in which council will institute court proceedings and the manner and circumstances in which discretions may be exercised.

Council does not have an organisation-wide enforcement policy. It is evident that council undertakes investigations into matters and proceeds to issuing penalty infringement notices. Council also undertakes routine inspections in a range of its areas of regulatory responsibility. The review team was advised that the steps Council officers need to follow in enforcing regulatory requirements are communicated by managers and through team meetings. Council should document its policy and procedures in relation to dealing with non-compliance issues. The NSW Ombudsman's enforcement guidelines may be a useful resource in developing this policy (**Recommendation 26**).

Council should also look at resource sharing with neighbouring councils in the area of ranger services, and examine the establishment of regional compliance and inspection programs. (**Recommendation 27**)

Companion Animals

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

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

Council's companion animals management plan has identified strategies that Council will pursue in meeting its obligations under the Companion Animals Act. These obligations include community education, enforcement and environmental and community amenity strategies. Council has met its obligation under section 64 of that Act to seek alternatives to that of euthanasia if practicable. Euthanasia rates for the Council have fallen from 47.9% in 2002–03 to 33.5% in 2005–06.

Council has 296 cats and 2,847 dogs on the companion animals register. However, of these, only 186 cats (38.6%) and 1,502 dogs (65.4%) have lifetime registration. Council should build into its plan strategies to encourage dog and cat owners to register their animals.

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. Richmond Valley Council does not currently have a compliance program to ensure it is notified of all swimming pools in its area, and that swimming pools comply with the *Swimming Pools Act 1992*.

Council is not fully complying with the requirements under the *Swimming Pools Act 1992*. Council should take steps to ensure it has programs that assist with compliance. (**Recommendation 28**)

6.3 Asset and financial management

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

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

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

Overview of financial position

The financial position of Richmond Valley is sound, with all financial indicators better than accepted industry benchmarks, with the exception of funding for infrastructure maintenance.

Council had a total income for 2005/2006 of \$39,270,000. This was made up as follows:

Rates and Annual Charges	\$12,368,000	31%
User Charges and Fees	\$10,535,000	27%
Grants and Contributions	\$13,095,000	34%
Other revenue	\$3,272,000	8%

Council applied for a special variation for 2007-08. In addition to the general variation of 3.4% and any other small adjustments, the Minister for Local Government approved of Council increasing its general income by a further 6.42%. This special variation may help to rectify some of the imbalance in Council's mix of revenue sources by increasing Council's rates income level. Currently Council has a low general rates revenue base compared to other councils in the same category of council. Council should review its general rates level as part of its long term financial planning.

The Council's income statement ending 30 June 2006 shows a surplus result from ordinary activities after capital amounts of \$5,840,000 compared to the surplus in the previous year of \$1,912,000. The result before capital items was a surplus of \$1,311,000 compared to a deficit \$340,000 for 2004/05.

Council has \$33,157,000 in cash assets and investment securities. Of this, \$10,820,000 is internally restricted. Council's internal restrictions include \$2,587,000 for plant replacement and \$949,000 for employee leave entitlements. No internally restricted reserves have been set aside for infrastructure maintenance or replacement.

Council's performance ratios are considered satisfactory, with most showing an improvement for the 2005-06 financial year. Current ratios and unrestricted current ratios refer to the amount of available assets that a Council has to meet its current liabilities. Councils should be aiming at ratios greater than 2:1.

Another important ratio is the debt service ratio, which measures debt service costs as a ratio of revenue from continuing operations excluding capital and special purpose grants. Richmond Valley Council has a debt service ratio of 1.95%.

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

TABLE 1 FINANCIAL RATIOS

Ratio	2005/06	2004/05
Current Ratio	6.77	4.89
Unrestricted Current Ratio	3.81	3.64
Debt Service Ratio	1.95	2.91
Rates & Annual Charges Outstanding Percentage	4.67%	5.23%

Financial planning

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

Council has developed a General Fund Financial Plan 2007–2013 which shows operating and capital revenue and expenditure, for the next 6 years. Council also has a Sewerage Fund Financial Plan for the period 2006–2026. While this is Council's initial approach to long term planning, a longer term plan should be developed integrating and reflecting the changing social and community needs of the council area. Council is also in the process of developing a 10 year financial plan for all its other programs. This should result in an integrated financial plan taking account of the needs of the Council over this period. (**Recommendation 29**)

Asset Management and Infrastructure Maintenance

Asset management is a systematic process to guide the planning, acquisition, operation and maintenance, renewal and disposal of assets. Its objective is to

maximise asset service delivery potential and manage related risks and costs over asset life. It involves effective coordination of the Council's financial and engineering resources.

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

- Roads, Bridges and Footpaths 51%
- Stormwater Drainage 60%
- Water Supply Network 65%
- Sewerage Network 50%

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

As at 30 June 2006 Council estimated that it would cost approximately \$101,473,000 to rehabilitate its infrastructure assets to a satisfactory standard. Estimated annual cost to maintain infrastructure at a satisfactory level is \$6,142,000 per annum. Council currently spends \$3,661,000 on annual infrastructure maintenance.

Council's most recent audit report recommends regular revaluation of assets and better financial planning based on an improved understanding of the cost of maintaining each asset. The Department has recently taken the initiative to promote the need for councils to introduce fair-value accounting for all infrastructure assets. Council has been pro-active in revaluing assets and improving asset management practices.

Council should prepare a long-term asset management plan together with a comprehensive infrastructure maintenance program. This will ensure proper medium to long-term decisions in terms of Council assets, and prioritise such decisions. In drawing up such a plan, Council also needs to weigh the costs of investing in infrastructure renewal over the medium term against the potential costs of failing to do so over the long term. With ageing infrastructure and a limited revenue base, Council needs to implement strict budgetary controls to meet these challenges.

During the review, Council advised it is in the process of developing an asset management plan. Council should proceed with this effort as a priority action.

(Recommendation 30)

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

(Recommendation 31)

Council should develop a register of infrastructure that details the valuation and the most recent condition assessment for each asset. **(Recommendation 32)**

The review team notes that the current Council roads hierarchy covers rural roads only. This hierarchy should include sealed roads in the Council area and be classified as part of the road maintenance program. **(Recommendation 33)**

Council Assets and Business Activities

Council has a number of assets that are of a high standard and meet good practice in their operations. These include:

- Silver Sands Caravan Park
- Commercial and industrial land development in Casino
- Upgrade of sewerage works
- Council quarries
- Tip operations
- Dog pound.

One of Council's innovative business activities relates to the Doolan Deck Bridge System. In 1995 the former Richmond River Shire Council purchased the patent for the Doolan Deck Bridge System and continues to manufacture the deck and other pre-cast concrete products.

The Doolan Deck is a modular bridging system originally developed as a maintenance strategy for Council's existing timber bridges. The system combines the use of a timber girder as the primary structural element built into and beneath a

concrete deck. The product is both cost efficient and an environmentally sound method of construction.

The Council has utilised the system to undertake a bridge replacement program within its area and has already replaced the majority of timber bridges in the Council area.

The Council has been selling both the deck modules and associated concrete products to other councils and has assembled a specialist team providing:

- Project management
- Design and development
- On-site construction
- De-commissioning of old bridges.

The Council undertakes work for other councils both in the local area and southern Queensland. Information provided by the Council suggests that the system is unique, adaptable, ecologically sound and cost efficient. Importantly, manufacturing appears to be reasonably low-tech. The Council has been involved in the construction of in excess of 200 bridges.

The 2005/2006 Annual Report indicated the value of work completed for the financial year exceeded \$3,000,000, with 4 internal and 13 external works undertaken. The Council advised that its ability to supply bridges elsewhere in and outside New South Wales is limited by its geographical position and cartage costs.

The former Richmond River Shire Council entered into a licence agreement to manufacture units and paid royalty to the patent holder. The licence had conditions to protect the Council as a sole supplier in NSW other than the Roads and Traffic Authority on its own works. Council purchased the patents for the system in 2006/2007.

The Council is to be congratulated on this initiative. The Council has utilised the system to address its own need to replace existing timber bridges and to seek non-core income as both a supplier and specialist constructor.

It is the review team's view that the Council should explore further opportunities, whether by way of licensing, franchising or otherwise, to promote its Doolan Deck Bridges, both in New South Wales and elsewhere. Council is currently exploring partnering with other councils in NSW and Queensland, and has recently updated its business plan to reflect current opportunities in this area. (**Recommendation 34**)

More broadly, it is important that Council continues to invest time and effort into systems to promote good risk management and control for all of its assets operating as businesses. Councils should develop a checklist for each business activity, including:

- performance indicators
- investment hurdles and cost/benefit analyses
- regular risk management reviews and
- probity checks to ensure appropriate balance between Council's role as business owner/operator and any regulatory or other roles.

Council should also review or develop business plans for all of its business activities, incorporating and building on this information. (**Recommendation 35**)

Financial Assistance Policy

Council has an effective Section 356 – Financial Assistance Policy. In August each year applications are called for requests from organisations seeking financial assistance from Council. This ensures that all applicants are aware that there are limited funds available as determined in the management plan.

Applicants are required to complete an application form. This, along with any other relevant information, is provided to all councillors prior to the selection process. Twenty percent of the available funds are left in reserve to allow councillors to allocate fund throughout the financial year.

Each councillor chooses ten applications that merit funding. Those applications with the largest number of councillors supporting their application are allocated the financial assistance.

Information technology

Council does not have a strategy or plan of action for information technology. Council needs to develop an information strategy that identifies industry standard hardware and software requirements.

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.

Council should take better advantage of its intranet and internet to communicate internally and externally. Employees should have access to information that will assist them in performing their job and the intranet should hold such information as staff policies, corporate information, etc. Similarly, the public should have access to Council policies and information, including information of council's business activities, tourism, etc. (**Recommendation 36**)

The review team note the limited resources Council devotes to the IT area, and consideration should be given to improving IT arrangements, including the option of resource sharing with other councils. (**Recommendation 37**)

Council should also follow best practice as set out in Australian Standard AS7799, which stresses the need for an IT security framework that includes an information management system and supporting policies and procedures. Council should continuously review the system to reflect the changing nature of technology. (**Recommendation 38**)

6.4 Community and consultation

A council's charter requires that a council:

- provides services after due consultation

- facilitates the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and coordination of local government
- actively promotes the principles of multiculturalism
- plans, promotes and provides for the needs of children, and
- keeps the local community and State government informed about its activities.

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

- *The methods Council uses to involve and determine the views of its community*
- *Social and community functions of Council*
- *Annual reporting*
- *Complaints management*

Social and Community Plan

All councils must develop a social/community plan at least once every five years to meet the needs of the residents of their area. This plan must be prepared in accordance with guidelines issued by the Department. Aspects of the social/community plan must be reported in Council's management plan and annual report.

The review team analysed Council's Social Plan. There is, as noted earlier, a lack of integration of the plan with the Management Plan and the Annual Report. It is unclear what Council has done and plans to do in the future regarding social planning and service delivery. The actions and strategies in the social plan need to be presented more clearly so that it is easier to use and can inform the Management Plan and the Annual Report. This issue is addressed in part in Recommendation 1.

The Social Plan provides little detail as to actions and strategies that will be implemented to address the identified needs of the target groups in the community. There is some good information that was captured on the review of the last Social Plan. From this, Council should have good knowledge of what the needs of the community are and what the community could benefit from.

The latest Social Plan was shortened in response to concerns about the length of the previous plan. This may have been achieved, but some important information seems to have been removed.

The 'Strategies to be Implemented' section of the plan includes 23 pages of dot points that list strategies to be implemented, but there is no order to these strategies, no sub-headings, and no groupings by target groups, etc. This makes it very difficult to find strategies that may be of interest to someone with specific interests in the community. This section shows 2 pages of strategies that are to be completed in 2004. Council should give greater focus to setting timeframes for the achievements of strategies.

The Council appears to be showing some commitment to social planning, but it is very difficult to piece together exactly what needs to happen or how Council plans to achieve this. There is no indication of what resources are available. Overall, the plan needs to be easier to understand both for the community and Council staff, who should benefit from having an action plan that is clearer and easier to understand. ***(Recommendation 39)***

Council also needs to ensure that the plan is in line with Departmental guidelines. It must be accessible to members of the community, councillors and other Council staff. It would be useful to include an overview of the consultation process undertaken in developing the plan. This could be included in the section on methodology. ***(Recommendation 40)***

Council has developed a detailed database on local community groups and providers, which has assisted in informing Council in its social planning. It was noted during the review that outside of the Community Services area, there was little sharing of this information. The Council would benefit from taking steps to ensure this information is shared across Council. ***(Recommendation 41)***

Request Action Management System (RAMS)

Council has developed a central tracking tool for all internal and external requests, complaints and enquiries called Request Action Management System (RAMS).

RAMS can be used to capture the details of any request made to Council. Forms are provided for easy entry of the details and to quickly capture what the request is about.

The request is saved electronically and is immediately available for actioning by an appropriate officer, via email.

Both indoor and external staff can activate the request. Councillors have access to this system and effectively use RAMS to notify Council of residents' complaints. This has raised the effectiveness of Council responses to ratepayers' concerns and minimises time delays in councillors raising matters at council meetings. The RAMS system underpins the Council's Customer Service Charter in promoting prompt effective customer service.

Community participation

As noted earlier, the Council has a number of committees established under section 355 of the Local Government Act that regularly meet and includes members from the community. These committees can have advisory and/or management functions. Council consults the community on a wide range of issues and projects.

Council has articulated an organisation-wide community consultation policy and framework to guide its practice. This is comprehensive and provides staff with clear guidance in relation to community consultation. For example, it includes information for staff about when consultation is appropriate, the level of consultation needed, the methods of consultation, managing and evaluating the consultation process. This represents good practice.

The Council uses a system of Community Network Groups as a mechanism to interact with its eight distinctive communities. They meet quarterly or as required,

with two councillors attending each meeting on a rotational basis, and at least one senior staff member (Director/General Manager) also attending.

The Community Network Group's key focus is to update the community on Council's works program, management plan and current issues. It discusses and seeks input on future projects and issues. The group assists with the circulation of information from other community groups and sectors.

Community feedback

Council uses a range of methods to obtain feedback from its community. This includes a community survey conducted in early 2006. The community survey report shows good community satisfaction with the Council. Roads and recycling are the two most important issues to residents. Dissatisfaction was expressed in relation to unsealed roads, public toilets and recycling. The community see the priorities for the future as improving local roads, sewerage and stormwater drainage. Council staff were considered courteous and professional, with fewer than 5% unhappy about Council staff.

Customer service standards

Customer service standards (also known as guarantees of service) set out some key performance standards for the most frequently used services. The highlighting of customer service standards sets a level of expectation within the community, as well as providing guidelines for staff performance.

Council has customer service standards for all its services. They state that Council is committed to providing quality services to meet the needs and expectations of the community. Correspondence is acknowledged as soon as possible, with the aim of completing all correspondence within 21 days.

Community Services

Council currently has one community services worker who facilitates Council and community interaction and contributes to the planning of Council's provision of services. It is the review team's opinion that this role needs to be reviewed. There is a tension that Council should address in having the same position giving advice on

Council's future provision of services and advocating for funding and grants to a number of community organisation. (**Recommendation 42**)

Aboriginal Liaison

Casino has long been known as a meeting place in Aboriginal culture. Council has worked with the local Aboriginal groups to identify the needs of that community. Council is applauded for its efforts at encouraging and mentoring leaders in the Aboriginal community to stand as councillors and to involve the Aboriginal community in the activities of Council.

Tourism

Given that Council spends approximately \$700,000 on tourism, it is a concern that no tourism plan has been established. While Council has been successful in providing a number of incentives for tourist activities, it is noted that events such as Beef Week may have been lost to the Council.

A tourism plan (possibly as part of Council's broader economic development planning) would assist Council in promoting the area and securing a more diversified and stronger base for the local economy. (**Recommendation 43**)

6.5 Workforce relations

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

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

- *Human resources strategy*
- *Consultative committee processes*
- *Recruitment and selection processes*
- *Employee remuneration*
- *Staff development*
- *Occupational health and safety*
- *Secondary employment*

Overview of the organisation

Richmond Valley Council advised that it has a workforce of 225 (full-time equivalent) staff. Many of the current staff had worked for either Richmond River Shire Council or Casino Council prior to their amalgamation in February 2000.

Council's salary expenditure for the financial year 2005-06 was \$11,041,000, slightly above its budget of \$11,019,200. The Council paid \$508,546, or 4.6% of salaries

budget, in overtime. The overall salary expenditure suggests that the Council is paying close attention to its budget, but overtime levels appear to be high.

Perhaps unsurprisingly, Council's workforce shows a substantial male bias in all age groups. The 25-54 year age group is the largest. Thirty-three of the Council's staff are over 55, which represents 14% of the Council's workforce. The age issue was raised with Council's human resources manager, who indicated that past recruitment programs had emphasised existing skills and had tended to attract older candidates. He advised that the Council is changing its practices to promote upskilling and traineeships. A training program that will be referred to later in this report supports this program.

Council's recruitment and selection processes, as viewed by the review team, were well documented. The review team noted that advertisements were placed locally and in Brisbane and Sydney. Other positions were also advertised in the Local Government Jobs Directory.

It was surprising that the Council does not have a current recruitment policy, particularly as its former policy had expired in February 2003. Issues surrounding the ageing workforce have been addressed through what was described as an informal policy to favour young and indigenous staff. Council anticipates that this policy will be incorporated into the recruitment policy that it is currently developing. Council should be careful to ensure such a policy does not offend its obligations as an employer (particularly insofar as it relates to age discrimination), and should focus the policy on encouraging young and indigenous applicants. (**Recommendation 44**)

During the review, some staff and councillors commented on low morale and dissatisfaction amongst both indoor and outdoor staff. Management should be aware of these concerns and identify ways of improving morale. Council management may consider raising this at the joint consultative committee to develop strategies for improving morale. Conducting a staff attitude survey may be a good starting point in this effort. (**Recommendation 45**)

Human resources policies and procedures

The Council has adopted a significant number of human resources policies covering a wide range of issues. Overall, these policies are written in clear and concise terms. Policies, such as the OH&S policy, are clearly directed downwards with responsibility shared across workforce levels.

The number of and clarity of the various policies would suggest a strong commitment to human resources issues. It was noted during the review that staff do not have access to the human resources policies on the Council's intranet. It is recommended that these policies should be accessible to all staff in this way. (**Recommendation 46**)

Council's induction program for new staff is well structured and conducted immediately after staff commence employment. A review of files indicated that the Council has adopted induction checklists tailored to the needs of particular staff, which are countersigned by staff and kept on their human resources file.

Occupational Health and Safety

Council's OH&S committee meets regularly and has a comprehensive risk management and assessment program. The Council, however, needs to develop a rehabilitation policy to compliment its return to work program. (**Recommendation 47**)

Council's OH&S policy requires that staff sign an acceptance notice, which is placed on their personnel file. The files inspected did not contain a signed acceptance notice. Council should ensure that it complies with its OH& S policy by ensuring that a signed acceptance notice is placed on each individual's personnel file. (**Recommendation 48**)

Consultative Committee

Council's consultative committee has met 9 times in the last 12 months and keeps records of its deliberations. The committee is made up of union representatives,

drawn from both field and office based staff as well as management representatives, one of whom is a councillor.

The aim of the consultative committee is to provide a forum for consultation between Council and its employees. The functions of the consultative committee are about day-to-day management issues such as award implementation, training, job redesign, performance management systems and hours of work.

The Local Government Act differentiates between and separates the role of councillors (the elected body) and staff (the corporate body). The General Manager undertakes the function of day-to-day management of the Council and is responsible for staff.

As this committee's aim and purpose is operational in nature, Council's General Manager (or his/her nominee/s) should represent Council on this committee. In light of this separation, the appointment of a councillor to the consultative committee is inappropriate. However, Council should distribute minutes of consultative committee meetings to councillors for their information. This will enable councillors to develop effective Council policy on industrial issues and remain informed about current issues and outcomes. (**Recommendation 49**)

Employee remuneration

Council is required to have a salary system that determines how employees are paid and requires that an employee shall be paid the salary system rate of pay that recognises the skills the employee is required to apply on the job in line with industry standards. Council's salary system appears satisfactory.

Staff performance is reviewed annually. Council's training program is linked to this process, and Council adjusts remuneration for staff with higher skill levels.

Equal employment opportunity

Section 345 of the Local Government Act requires that councils adopt an EEO plan. The section requires that the plan is to include:

- the devising of policies and programs by which the objects of the relevant part of the Act are to be achieved, and
- the communication of those policies and programs within Council staff, and
- the collection and recording of information, and
- the review of practices with a view to identifying any discriminatory practices, and
- the setting of goals or targets against which the success of the plan in achieving the objects of the relevant part of the Act are achieved, and
- the revision and amendment of the plan, and
- the appointment of persons within the Council to implement the provisions of the plan.

Council's current *EEO Management Plan* was adopted in April 2000. It has all the hallmarks of a draft document, anticipating the appointment of the EEO co-ordinator and the EEO sub-committee. Similarly, it anticipates that other outcomes and actions will be achieved or undertaken.

While the document appears to be a draft awaiting implementation, we were advised that there has been a de-facto adoption of the plan, with the plan being implemented in different ways.

While the plan goes some way to meeting the requirements of the Act, it does not appear to meet the requirements of section 345.

The Council should review its current EEO Management Plan. The Council should both adopt and implement a new plan on an ongoing basis. In doing so, the Council should ensure that the plan complies with the obligations contained in section 345 of the Act. (***Recommendation 50***)

Human resources strategy

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

- the shortage of specialised skills in certain areas, such as in the area of planning
- an ageing workforce

- changes in workload for certain sections as council priorities change
- increases in career opportunities outside the area.

Richmond Valley Council faces a number of workforce issues including an ageing workforce and shortage of specialised skills in some areas and low levels of indigenous staff. The Council is taking positive steps to address these issues.

The Council has a training program aimed at training staff for both key current job goals and goals associated with working at a higher level. This has the potential to address succession issues by having a core of staff who have been trained to perform tasks associated with a higher band level.

The Council has adopted a policy that emphasises the opportunity for indigenous applicants. Council endeavours to directly foster indigenous employment through traineeship programs and indirectly through its civic leader mentoring program.

The Council is moving to attract younger staff, recruiting staff who may not have all the skills required in their role and providing training in the necessary specialised skills. It is clear that Council is directing its attention to some key workforce challenges.

Staff Training

The *Local Government (State) Award* (clause 23) requires each Council to develop a training plan and budget and prescribes what is required to be taken into account when preparing the plan. In doing so it sets an industry standard.

Councils have other obligations in regard to staff training. Council staff in specialised roles are often required to maintain certain qualifications and/or complete refresher training in order to be allowed to carry out their work. Council appears to be meeting its training obligations.

The Council has been moving to address particular issues affecting staff. The Council has adopted a training plan that focuses on the needs of individuals. Following the 2005 staff assessments the Council adopted a training plan tailored to the needs of individual members of staff. At the time of the review staff assessments

were being undertaken. When finished, these will allow the 2007/2008 training plan to be prepared.

The training plan supports Council's view that it adopts a positive and generous approach to training. At the time of the review, the Council was near to finalising arrangements with the Southern Cross University, which has a campus at Lismore.

The training plan assists to achieve Council's goal of attracting and retaining younger staff. It provides traineeships, skill development opportunities and allows staff flexible working hours.

Council's training policy aims to provide for staff progression through a 3-stage process, involving:

- providing the skills necessary for the individual's position
- multi-skilling
- ability to work at the next banded level.

While not providing a succession plan, this approach assists in addressing such issues.

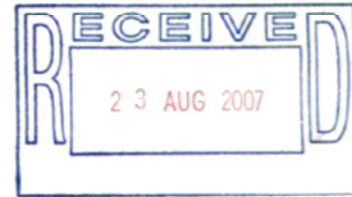
7. COUNCIL'S RESPONSE



21 August 2007

Telephone Enquiries to:
Brian Wilkinson
Council's Reference:
M.050.00 BW/AP

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



Confidential

Dear Sir

Reference is made to your correspondence dated 24 July 2007 (reference A 92634) forwarding the draft report prepared in respect of the Promoting Better Practice Review conducted on Council during February 2007.

Richmond Valley Council is supportive of the Promoting Better Practice Program and is appreciative of the review undertaken of Council earlier this year. In that regard it is considered that the review report can provide additional focus for Council to improve its organisation. Accordingly, Council looks forward to receiving the final report and commits to the provision of a formal response to the report recommendations and the preparation and progression of an action plan in relation to same.

With regard to the draft report, the following comments are made:

- ❖ It is pleasing to note that the report acknowledges challenges and pressures that have faced Council since amalgamation in 2000. It is also pleasing that the report notes that Council has initiated and commenced action in regard to strategic planning processes.
- ❖ While it is noted that the report indicates Council's financial position to be satisfactory, it needs to be recognised that the low general rate revenue base is one that needs to be addressed. Action in this regard has been commenced by Council by way of forward financial planning processes.
- ❖ Pages 14 and 19 of the draft report refers to the 2001 ABS information. The most recent ABS information (2006 Census) provides a more relevant perspective of the current profile of the Richmond Valley area.

All correspondence should be addressed to:

**The General Manager,
RICHMOND VALLEY COUNCIL**

Administration Office: Cnr. Walker St. & Graham Place (Locked Bag 10) CASINO NSW 2470

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ABN 54 145 907 009

- ❖ For future Better Practice Review Reports it is suggested that consideration be given to including the “Summary - What’s Working Well and Challenges” as part of the Executive Summary. It is considered that the summary provides a good overview of the report outcomes and as such could have a more prominent focus in reports, i.e. to assist community understanding of the overall “outcomes”.
- ❖ It should be noted that Council recognises the growth anticipated in its area. In that regard, Council has previously completed a range of land release strategies and associated documentation.
- ❖ Page 29 of the Draft Report includes reference to Council’s use of a projector to display each resolution around the Council Chamber. It should be noted that whilst the equipment for same is in place, that practice has not yet been implemented by Council.
- ❖ It should be recognised that Council requested that a Promoting Better Practice Review be undertaken of its organisation.

In respect of the various recommendations the following is advised.

1. Council, particularly during the period 2005 to 2007, has undertaken considerable “groundwork” in relation to the development of data/ systems which will provide for a focus to be taken on the integration of its strategic planning processes.
2. Council has actively continued to pursue resource sharing and is continuing to do so via a range of operational groups. Further details will be provided in that respect as part of the action plan that will be prepared on receipt of the final report. The General Manager will be attending the Strategic Alliance Conference scheduled for 27 August 2007.
3. Council’s Social Plan and other documents will provide the basis for a more definitive approach to be taken on ageing issues.
4. During the Integrated Planning and Reporting discussions/processes initiated by the Department, Council has been an active participant. A review of Council’s Management Plan will be undertaken in that context.
5. The update of the Annual Report will be undertaken in conjunction with the changes proposed to the Management Plan.

6. In 2006/2007, Council initiated a review of its web site; a Project Working Group has been progressing various issues relating to same. This is linked to a Records Information Management System (RIMS) that has been scheduled for the current financial year. The outcome of these related processes will involve procedures/processes to ensure increased utilisation of the web site.
7. The Statement of Business Ethics Policy will be reviewed to include private contractors. In conjunction with same, the Business Ethics Statements will be included in contractor packs (and the like). The production of contractor packs has been commenced in response to risk management/OH&S needs.
8. Council has previously supplied Councillors and designated persons with information to assist with the completion of written returns of interest. However, a copy of the Department's Circular will be supplied for future returns.
9. Noted. Action has been commenced on these issues.
10. Council has previously considered internal audit issues. Further action has been pending the outcome of the Department's discussion paper.
11. Noted. Preliminary action has been taken.
12. Council has previously commenced action through its Risk Management Committee to prepare a disaster recovery/business continuity plan.
13. Council currently has a Committee and Delegates Information Document that defines the roles of its Committees. This document will be extended in line with recommendation.
14. A report was considered at Council's August 2007 Meeting in relation to this matter.
15. Noted.
16. Noted.
17. Noted. Council's Director Corporate Services and Manager Human Resources have undertaken the necessary training to deliver further training across the organisation.
18. Noted.

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19. Staff and Councillors have been given “training” on the Code of Conduct. The practice of getting staff to sign the Code will be introduced.
20. Noted. It has been Council practice to ensure that a valuation from a registered Valuer is obtained when dealing with real estate. This will be reinforced by inclusion in the policy document.
21. Noted.
22. Noted.
23. Council has initiated the preparation of various actions to provide data and other input to the review of its Section 94 Contributions Plan, i.e. car parking and local transport strategies, facility needs review.
24. Noted.
25. Noted. This issue has been planned for some time but has not been enacted due to resourcing/priority issues.
26. Council has previously implemented a protocol for its regulatory officers. This will be reviewed and enhanced.
27. Noted.
28. Noted.
29. Council has prepared an initial Forward Financial Plan for General Fund. This will be enhanced by asset identification and valuation that has been undertaken. Council has previously adopted a long term financial plan to guide its sewerage program.
30. Asset Management is becoming an increasing focus of Council’s direction. In that respect, Council has previously designated an Asset Engineer for its Organisation Structure. Council staff are also participating in specific asset management training.
31. Noted. Council has completed an Asset Register and revaluation of its assets. Accordingly, the direction being taken is in line with the recommendation.
32. See 31 above.

33. Stormwater Management Plans were previously adopted in 2000/2001 as required by EPA Legislation at the time. This issue was revised and audited in 2003. In June 2007 a revised Stormwater Management Plan was prepared and adopted by Council to comply with stormwater levy requirements.
34. Council has adopted a road hierarchy for its unsealed rural road network. The local transport planning processes that have already been commenced will enable the progress of road hierarchies for other road classifications.
35. Council has adopted a Business Plan to guide its future bridge operations. In that regard the former Richmond River Shire Council (RRSC) entered into a licence agreement to manufacture units and paid a royalty to the patent holder. The licence had conditions to protect RRSC as a sole supplier in New South Wales other than the Roads and Traffic Authority on their own works. The Patents for the system were purchased by Council in 2006/2007 (and expire in 2014). However, there are many options to “mimic” the design and push the patent boundaries. Council is currently exploring alliance partnering with other Councils in New South Wales and Queensland, with a focus on unit manufacture and delivery rather than remote area bridge construction by Council. Council’s Business Plan was updated in 2005/2006 to reflect opportunities in this regard and is considered an accurate reflection of where Council is headed with its concrete products. Nevertheless, other options will continue to be explored.
36. Noted. Action has previously been taken in respect of saleyard, bridge and quarry programs.
37. As indicated above, action has commenced upgrading and enhancing intranet and internet sites.
38. Council’s current Management Plan has provided for increased resources in the Information Services Section. Council’s Manager Information Services does participate in a regional IT Group. However, other options will be explored.
39. Noted.
40. Noted.
41. Noted.
42. Noted.
43. Noted.

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44. This issue has been identified as part of previous Council processes. A report to Council's August 2007 Meeting progresses the preparation of an Economic Development Strategy via a partnership with Southern Cross University. A Tourism Plan will be a component of same.
45. Noted.
46. Council undertook an organisational culture survey in 2006. Action has been taken to analyse and respond to the outcomes.
47. Noted.
48. Council has a "Workers' Compensation and Injury Management Policy". This will be reviewed and enhanced to define what is currently undertaken in respect to rehabilitation processes.
49. Noted.
50. Council will review its Consultative Committee representation at its September 2007 Meeting.
51. Noted.

It should also be noted that Pages 31 and 46 of the draft report have reference to the Shire; Council does not consider itself as a "Shire". A minor typographical error has also been noted on Page 4a - "proforming" instead of "performing". On Pages 46 and 47 of the draft report, reference is made to the saleyards operations and its relevance to the economic development of the area. It is not considered appropriate that the saleyards be quoted as attracting the Northern Co-operative Meat Company Processing Plant. It should also be noted that the reference to the CMCA Village on Page 39 of the draft report should recognise that Hazelton Airlines did operate from the airport after the cessation of Ansett.

Council appreciates the opportunity to provide comments on the draft report and is keen to progress items that have been raised.

Should you require further information from Council please do not hesitate to contact me.

Yours faithfully



Brian Wilkinson
GENERAL MANAGER

8. SUMMARY- WHAT'S WORKING WELL & CHALLENGES

COUNCIL'S PRIORITIES AND FOCUS

What is working well

- Clear vision and mission statements
- Willingness to plan for the future
- Working with other councils in the region

Challenges to improve

- Integration of strategy and planning documents to meet current and future community needs
- Ageing population

GOVERNANCE

What is working well

- Pecuniary interest returns
- Disclosure of gifts and benefits
- Procedures at council meetings
- Mentoring program for Aboriginal leaders
- Delegations

Challenges to improve

- Management plan
- Enterprise risk management
- Internal audit
- Fraud control

REGULATORY

What is working well

- Development Assessment Panels
- Planning for Motorhome Village
- Companion Animals Management

Challenges to improve

- Plans of management for community land
- Enforcement policy

ASSET AND FINANCIAL MANAGEMENT

What is working well

- Efforts to better balance sources of revenue
- Financial Assistance Policy
- Initiative in business activities

Challenges to improve

- Asset management
- Long term financial strategy
- IT strategy

COMMUNITY, COMMUNICATION AND CONSULTATION

What is working well

- Good understanding of the community
- Request Action Management System (RAMS)
- Community consultation policy
- Customer service standards
- Community attitude survey

Challenges to improve

- Social Plan
- Staff responsibilities in Community Services area

WORKPLACE RELATIONS

What is working well

- Training programs for all staff
- Policy framework
- Action to address future workforce challenges

Challenges to improve

- Accessibility of human resources policies
- Review of EEO plan
- Morale issues