

# **Promoting Better Practice Program**

## **REVIEW REPORT**

### **WILLOUGHBY CITY COUNCIL**

**JUNE 2013**



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## **EXECUTIVE SUMMARY**

### ***About the Review***

A Promoting Better Practice Review of Willoughby City Council (the Council) was undertaken in November 2012 by the Division of Local Government, Department of Premier and Cabinet (the Division). The Promoting Better Practice Program aims to assist in strengthening the local government sector by assessing performance and promoting continuous improvement. The reviews are designed to act as a 'health check' examining a number of areas:

- Governance
- Strategic planning and delivery
- Financial and asset management
- Workforce management
- Community services and facilities
- Land-use planning
- Regulatory functions.

This report identifies where better practice exists in order to acknowledge the strengths of the Council and contribute to improvement in the local government sector. The report also discusses key areas of the Council's activity that require improvement or development to meet its legislative obligations, as well as to meet community expectation.

### ***About Willoughby***

Within close proximity to the Sydney Central Business District (8.5km), the local government area of the City of Willoughby covers an area of 23 square kilometres. The area includes the suburbs of Artarmon, Castlecrag, Castle Cove, Chatswood, Middle Cove, Naremburn, Northbridge and Willoughby, as well as parts of Gore Hill, Lane Cove, St Leonards and Roseville. The traditional owners of the area are predominately the Cammeraygal people.

The Willoughby local government area is home to approximately 70,300 people and the city is fast becoming a sub-regional area of the Sydney metropolitan area. With just over 30% of its population being from a non-English speaking background, the area is rich in cultural diversity.

Willoughby City Council is led by an elected body of twelve councillors and a popularly-elected Mayor. The organisation employs 404 full-time equivalent staff, and the main administrative office of the Council is situated in Chatswood. During 2011/12 the Council spent \$96.5 million on its continuing operations.

### ***Summary of key findings***

Willoughby City Council is generally performing very well, with the majority of its policies, practices and systems being of a satisfactory or better standard. A number of better practice examples have been reported on across the spectrum of the Council's functions. While some areas requiring development have been identified, in most cases the Council is in the process of implementing appropriate strategies to affect positive change.

The review team observed strong teamwork and rapport between the Mayor and the General Manager. Together they were able to articulate to the review team a shared vision for the Willoughby local government area and demonstrated a good understanding of the Integrated Planning and Reporting requirements. Working relationships among the senior and middle management teams also appeared productive. Overall the culture of the organisation is perceived to be positive.

In 2011, the Council was presented with the A.R Bluett Award for being the council that has made the greatest relative progress over the previous financial year. The Council is justifiably proud of this major achievement which resulted from a whole-of-council effort and significant community engagement.

The Council has reported an operating surplus before capital grants in the last five financial years. However, as a result of detailed asset management planning in recent years, the Council has identified it has not been maintaining its assets as they are being consumed. As a result the Council will suffer income shortfall in the near, medium and

longer term. The Council's Long-Term Financial Plan includes business cases to address this situation and maintain the Council's ongoing financial sustainability.

During 2010/2011 the Independent Commission Against Corruption investigated and held a public inquiry into the corrupt conduct of a Willoughby City Council officer. Although the investigation focused on the conduct of one Council officer, the corruption prevention recommendations relating to the supervision and oversight of staff are relevant to the whole of the council and all councils in NSW. The Council's implementation of these recommendations now places it in a stronger position in some areas than other councils.

### Governance

The Council's governance framework was considered to be sound.

In carrying out its business the Council successfully engages with a range of external stakeholders and neighbouring councils through alliances and partnerships. A key example is the Council's leadership role in forming a strategic alliance with five neighbouring councils to strengthen its internal controls by sharing an Internal Auditor.

### Strategic planning and delivery

Consistent with the Integrated Planning and Reporting framework for NSW local government, the Council has worked with the community to develop the Willoughby City Strategy. The plan sets out a shared vision for the community and sets the long-term direction for the local government area.

The Council has undertaken a significant amount of work to comply with the Integrated Planning and Reporting framework and currently meets its legislative requirements in this regard.

### Financial and asset management

As mentioned earlier, the Council's ongoing financial sustainability, in particular ongoing budget deficits due to unfunded asset maintenance, is of concern. The review team finds that the Council appears committed to implementing and monitoring the impact of the strategies within its Long-Term Financial Plan and Asset Management

Strategy/Plans to improve and maintain its financial sustainability. Given the Council's track record as a strong financial performer (operating surpluses before capital grants in the last five financial years) it has demonstrated the capacity to improve its financial position.

The Council was recently successful in obtaining an interest subsidy of 4% on a \$2 million loan through the NSW Government Local Infrastructure Renewal Scheme, which will allow the Council to commence bringing stormwater assets to a satisfactory condition. The Council has also undertaken innovative asset rationalisation and redevelopment projects.

### Workforce management

The Council appears to have a positive culture with a motivated workforce. Staff members who met with the review team appeared very committed to continuing to support the current positive direction of the organisation. They were almost universally enthusiastic about the organisation and their work.

A Workforce Management Plan has been completed to a satisfactory standard and the Council's Annual Report 2010/2011 demonstrates continued progress in reviewing and refining its human resources policy and procedures to align them with industry standards. Several better practice examples were identified and are discussed later in the report.

### Community services and facilities

Achievements in the community engagement, community and recreation areas are of a high standard. Several initiatives have been recognised with an industry award, particularly for The Concourse development.

Multiculturalism is a significant consideration for Willoughby City Council and is an area where the Council has shown better practice, particularly in relation to the library services offered and the Multicultural One Stop Assistance Information Centre (MOSAIC).

### Land-use planning

Development of the new Local Environmental Plan (LEP) has been a lengthy process for the Council, commencing in 2006, awaiting final approval at the time of review and approved early 2013. The LEP appears to be based on a solid platform of community consultation and communication.

While the Council has demonstrated some innovative ways of managing the Development Application process, much work will need to be done in the future to address the turnaround times which are consistently higher than NSW State averages.

### Regulatory functions

The Council demonstrated several better practice examples in relation to its regulatory functions. Success in this area appears to be based on a thorough knowledge and application of the relevant legislative requirements and an emphasis on staff training and team development.

### **Next steps**

The review team recognises that the elected body and Executive Management Team of the Council has been active in identifying areas requiring development and has developed appropriate strategies to bring about the required improvement. Consequently, the team has made only seven recommendations. These are discussed in the report and listed in the action plan in Part V. The action plan is to be completed by the Council. The completed action plan, including the Council's comments, will be reproduced in the final report.

The final report is to be adopted by the Council to guide the implementation and monitoring of the recommendations in this report. Upon issue of the final report, the Division will advise the Council if it intends to monitor the implementation of the recommendations of the report, or leave this responsibility with the elected body and Executive Management Team of the Council.

It should be noted that the report does not provide detailed specific recommendations. The Council needs to give due consideration to the areas for improvement that have

been noted. Having done so, it is anticipated that the Council will take action to address these matters.



## **PART I      BACKGROUND**

### **1      ABOUT THE REVIEW**

Reviews of councils are undertaken by the Division of Local Government through its Promoting Better Practice Program.

#### ***Program Objectives***

By promoting better practices, the Division aims to:

- work with councils toward strengthening the local government sector by assessing performance and promoting a culture of continuous improvement with an emphasis on:
  - Governance
  - Strategic planning and delivery
  - Financial and asset management
  - Workforce management
  - Community and social service provision
  - Land-use planning
  - Regulatory functions
- identify trends and issues arising from reviews to support policy and legislative changes for the local government sector
- promote strong relationships within the sector by working with councils to respond to emerging trends or issues in an innovative way.

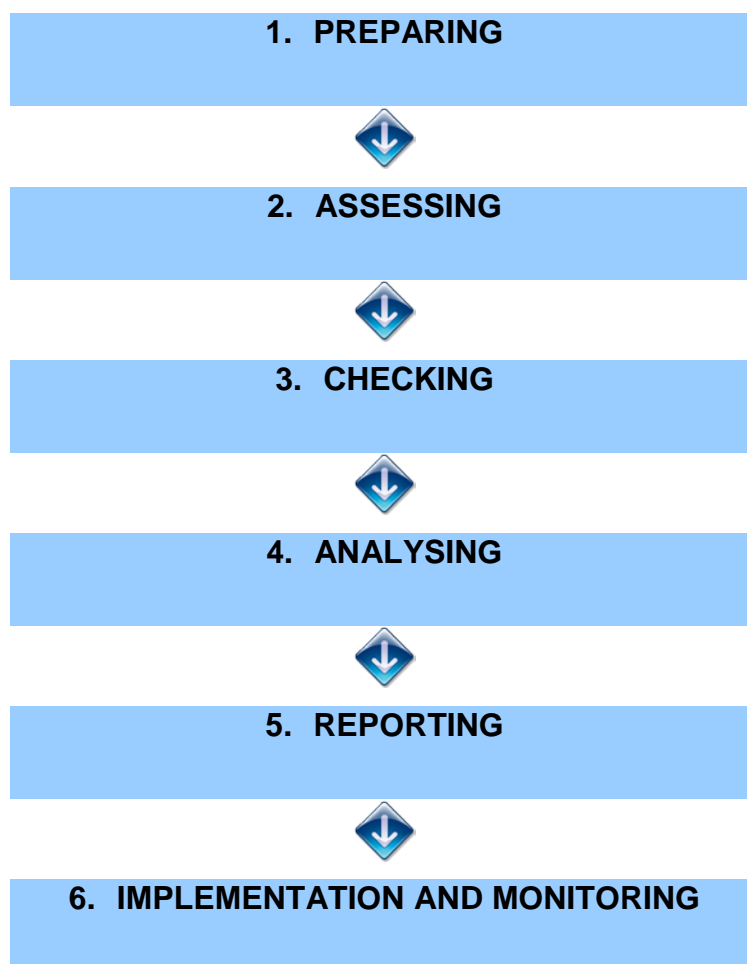
#### ***Review Process***

The reviews are designed to act as a 'health check', giving confidence about what is being done well and helping focus attention on key priorities. They are conducted by a review team from the Division of Local Government.

The reviews do not attempt to examine every aspect of a council's operation. Instead a targeted approach is taken to focus on areas highlighted in the self-assessment

checklist completed by the council, and areas in which the council has demonstrated innovation or better practice. Consideration is also given to the local circumstances and those matters that pose significant risks to the council and the community.

A review essentially involves six key steps, as follows:



*Preparing:* The council completes a comprehensive self-assessment checklist and provides a range of documents to the review team.

*Assessing:* The review team examines the completed checklist, documents and other information it has gathered. These provide the local context/circumstances which assist in developing an understanding of the pressures on the council and how the council is managing these.

*Checking:* The review team visits the council to ‘reality check’ what it has found to date. Activities usually include meeting with senior officers, talking with individual staff and councillors, observing a council or committee meeting and viewing systems or

processes in action. Determining whether the council has frameworks in place to monitor its own performance is also important. The review team shares its preliminary findings with the Mayor and General Manager at the end of the visit.


***Analysing:*** Post visit, the review team analyses the information it has obtained (from the council and other sources) against applicable legislation, policy, guidelines and practice which apply across the local government sector.

***Reporting:*** The review team prepares a draft report which documents significant observations (including the council’s responses to the self-assessment checklist) in the following areas:

- Governance
- Strategic planning and delivery
- Financial and asset management
- Workforce management
- Community services and facilities
- Land-use planning
- Regulatory functions.

In particular, the report focuses on capturing examples of better practice and identifying areas requiring further development, as defined below:

 <p><b>Better practice</b></p>	<ul style="list-style-type: none"> <li>• Beyond or above minimum compliance requirements, statutory obligations and published guidelines etc.</li> <li>• In some way better than or above standard local government sector practice.</li> <li>• Innovative and/or very effective.</li> <li>• Contributes to continuous improvement within the local government sector.</li> </ul>
 <p><b>Requires further development</b></p>	<ul style="list-style-type: none"> <li>• Does not satisfactorily meet minimum compliance requirements, legislative obligations, industry standards, policies and published guidelines etc, and poses significant risk to the council/community.</li> <li>• Significant improvements are required or are in progress in order to enhance performance in an area.</li> </ul>

	<ul style="list-style-type: none"> <li>• Development or enhancement of a policy, program, initiative or system is required to reduce any negative impacts on the council's operations and/or service delivery to the community.</li> <li>• The council has identified that an area requires improvement or further development but this work has not been completed.</li> </ul>
<p style="text-align: center;"> <b>Satisfactory</b></p>	<ul style="list-style-type: none"> <li>• Complies with the <i>Local Government Act 1993</i> and other key legislation that the council is required to comply with.</li> <li>• Policies and procedures appear to be consistent with local government sector practice.</li> </ul>
<p><b>Not examined in detail</b></p>	<ul style="list-style-type: none"> <li>• The resources of the review process are finite. In some instances, a council may have indicated in its self-assessment checklist that it complies with the requirements of a particular area. However, due to time constraints and/or other priorities, the review team has not had an opportunity to examine that particular area in sufficient detail to be able to confidently make an overall assessment of the council's performance.</li> </ul>

In some instances, the review team will assess an area as reflecting better practice elements as well as requiring development. The main reason for this is that the key areas listed above may have a number of components and these have been ranked differently. The way each component has been ranked is explained in the body of the report.

Where appropriate, recommendations are made. In some cases, the recommendations support the council's proposed direction and the work it has already commenced. All recommendations are included in an action plan at the back of the report. The council is asked to provide comments on the draft report and complete the action plan. These are reproduced in the final report.

***Implementation and monitoring:*** The final report is to be adopted by the council to guide the implementation and monitoring of the recommendations in this report. Upon issue of

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

### ***Conduct of reviews***

The Promoting Better Practice Review is not intended to be a detailed audit of the council's compliance with the *Local Government Act 1993* and other key legislation that the council is required to comply with. Rather, the reviews are designed to act as a 'health check', giving confidence about what is being done well and helping to focus attention on key priorities.

The review team is required to exercise due diligence in carrying out the review. This means the members of the team have an individual and collective responsibility to:

- act professionally
- work cooperatively with representatives of the council
- be objective and base judgements on accurate and factual information
- make assessments based within the applicable legislative and policy framework
- prepare a report which provides a fair representation of the council
- work within the Code of Conduct issued by the Division.

Similarly, the Division of Local Government encourages the council to exercise due diligence when participating in the review. For example, the review team relies on the council to complete the self-assessment checklist accurately and to provide the team with up to date information during the review process. Also, the council is given the opportunity to provide detailed feedback in relation to the draft report. This will help to facilitate the preparation of a report which presents a balanced assessment of the council's operations and local circumstances.

### ***Review of Willoughby City Council***

The review team members were Caroline Egberts, Principal Program Officer and Erin Boyce, Senior Program Officer.

The on-site component of the review took place during November 2012 and involved the following activities:

- initial interviews with the Mayor and the General Manager
- interviews with a cross-section of staff
- observation of a meeting of the Council
- individual meetings with councillors
- a review of the Council's policies, other documents and systems
- a site visit to The Concourse and the Chatswood Library.

The review team would like to thank the councillors and staff members who participated in the review and provided valuable assistance.

## 2 ABOUT THE COUNCIL AND THE AREA

### Location and demographics

The main administrative office of Willoughby City Council is situated in Chatswood. The local government area covers 23 square kilometres and includes the suburbs of Artarmon, Castlecrag, Castle Cove, Chatswood, Middle Cove, Naremburn, Northbridge and Willoughby, as well as parts of Gore Hill, Lane Cove, St Leonards and Roseville.

The traditional owners of the area are predominately the Cammeraygal people.

### **Key demographics:**

Population: 70,305

Projected population (2036): 81,527

Average age: 38

Density: 3,125 persons per sq km

Aboriginal and Torres Strait Islander people: 0.12%

People from non-English speaking backgrounds: 30.45%

People aged 60 years and over: 17%

Young people aged 15 years and under: 18%

(Source: Australian Bureau of Statistics)



### Local issues

The area is known mainly for the Chatswood CBD, shopping district and transport hub, but also has significant native bushland and harbour-front with several peaceful and picturesque walking trails.

The diversity of the City's built environment is reflected in the busy commercial centres of Chatswood and St Leonards, industrial areas at Artarmon and East Chatswood, and a mix of residential accommodation ranging from high-rise apartment buildings/high density areas to medium and low density throughout the rest of the area.

### *The Council*

Willoughby City Council is made up of twelve councillors and the Mayor, who is popularly elected. The twelve councillors each represent one of the four Wards that make up Willoughby local government area, while the Mayor represents all Wards.

The Council's administration arm is organised into four directorates. The functions of human resources, project delivery (The Concourse) and internal audit also report directly to the General Manager.

A range of information about the Council is available on its website at [www.willoughby.nsw.gov.au](http://www.willoughby.nsw.gov.au).



## **PART II      MAKING AND IMPLEMENTING DECISIONS**

### **3      GOVERNANCE**

#### **SCOPE**

This part of the report focuses on examining the effectiveness of Willoughby City Council's decision making processes as well as the key structures, systems and processes involved in administering its strategic and day-to-day operations. The self-assessment checklist completed by the Council, considers minimum compliance requirements in 30 key areas relating to governance. The responses have been used as a basis for assessing the Council's performance in this area.

#### **POLICY AND LEGISLATIVE FRAMEWORK**

Each council is a statutory corporation (*Chapter 9, Local Government Act 1993*). The councillors are the governing body of the corporation and they have the responsibility of directing and controlling the affairs of the council in accordance with the Act.

All functions of a council come from statute, either from the *Local Government Act 1993* or other legislation. Governance in this context refers to all the means by which a council is organised (politically and administratively) to make and enact decisions to carry out its functions. The Division has issued a range of policy and procedural documents to assist councils with this role.

Strong, effective governance is critical to:

- achieving goals and aspirations
- enhancing organisational performance
- minimising and managing risks
- increasing the confidence of the community in the organisation
- ensuring that the council is meeting its statutory and ethical obligations
- assisting in the prevention and detection of dishonest or unethical behaviour.


## GOVERNANCE ASSESSMENT

An assessment of the Council's performance in relation to the governance areas covered in the self-assessment checklist completed by the Council is set out in Table 1 below:

**Table 1: Governance Assessment**

Area of assessment	Assessment of the Council's performance
Ethics and values	✓
Code of Conduct	★
Gifts and benefits	★
Communications devices	✓
Disclosure of pecuniary interests	✓
Business ethics	★
Risk management	★
Fraud control	✓
Business continuity	★
Internal audit	★
Legislative compliance	⚠
Legal services	✓
Procurement, disposal and tendering	✓
Privacy management	✓
Records management	✓
Access to information by the public	✓
Policy register	✓
Executive Management meetings	Not examined in detail
Delegations	✓
Council meetings	★
Council committees (s355 and others)	✓
Councillor induction and ongoing training	✓
Expenses and facilities policy	⚠

Councillor/staff interaction	✓
Access to information by councillors	✓
Campaign donations	✓
Customer service/complaints handling	✓
Protected disclosures and internal reporting	✓
Information technology	✓

**Table key:**  Better practice  Requires further development  Satisfactory

For a description of each of these rankings see pp 11-12

## SIGNIFICANT OBSERVATIONS

### Summary analysis

Overall, Willoughby City Council's governance framework was considered to be sound. The Mayor and General Manager reported that they have a strong and constructive working relationship. Together they were able to articulate to the review team a shared vision for the Willoughby local government area and demonstrate a good understanding of the Integrated Planning and Reporting requirements.

The decision-making processes of both the elected body and the executive management team of Willoughby City Council appeared mature and constructive. Councillor and staff interaction was described as positive and productive by all staff. No feedback was received from the councillors to the contrary. However, one councillor expressed the view that his access to information could be improved.

Most policies, procedures and systems are considered to be of the required standard to successfully meet statutory obligations and guide the Council's operations.

In carrying out its business, the Council successfully engages with a range of external stakeholders and neighbouring councils through alliances such as the Northern Sydney Regional Organisation of Councils (NSROC), Shorelink (library consortium) and the Sydney Coastal Councils Group. The Council also formed a strategic alliance with five neighbouring councils to strengthen internal controls through the sharing of an Internal Auditor. Further details are provided later.

In 2011, Willoughby City Council was presented with the A.R Bluett Award<sup>1</sup> for being the council that has made the greatest relative progress over the previous financial year. The accolade was awarded to the Council primarily for “its outstanding initiative, mature forward thinking and sound management in delivering a significant community asset to the City”. This asset, The Concourse development, is described as the “complete facility for the arts, learning and business”.

### ***Better practice***

#### *Code of Conduct*

During 2010/2011, the Independent Commission Against Corruption investigated and held a public inquiry into the corrupt conduct of a Willoughby City Council officer. The Commission’s findings and recommendations are documented in its report issued in June 2011<sup>2</sup>.

Although the investigation focused on the conduct of one Council officer, the corruption prevention recommendations relating to the supervision and oversight of staff are relevant to the whole of the Council and all councils in NSW. Willoughby City Council’s implementation of the recommendations set out in the Commission’s corruption prevention response now places it in a stronger position in some areas than other councils.

The Council amended its Code of Conduct on 10 October 2011 beyond the minimum requirements of the Model Code of Conduct<sup>3</sup>. The Council’s Code now includes the provision that ‘under no circumstances should staff seek or accept a gift or benefit.’

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<sup>1</sup> *A.R. Bluett Award 2011 – Willoughby City Council webpage - <http://www.willoughby.nsw.gov.au/About-Council/awards/ar-bluett-award-2011/>*

<sup>2</sup> *Investigation into the corrupt conduct of a Willoughby City Council officer, the Independent Commission Against Corruption, ICAC report June 2011.*

<sup>3</sup> *The Model Code of Conduct for Local Councils in NSW June 2008, Division of Local Government*

The Council's Code of Conduct also incorporates additional general conduct obligations for its regulatory staff. Specifically, it includes their responsibility to report breaches of development consents, planning instruments or unauthorised uses discovered in the course of fulfilling their duties.

In 2009, the Council also adopted separate codes of conduct for contractors, community representatives and volunteers. These provide clear guidelines specific to each group.

### Gifts and Benefits

The Independent Commission Against Corruption also recommended improvements to the Council's policies and activities relating to gifts and benefits. The changes made in this area are now above minimum compliance requirements and existing legislative obligations. More importantly, they should serve to assist in preventing any further corruption or misconduct in this area.

#### 1. Gifts and Benefits Policy

The *Willoughby City Council Gifts and Benefits Policy* was amended on 8 August 2011 to require that “as a general rule staff, councillors and representatives of council should not accept any form of gift, benefit or hospitality”.

Under the revised Policy, councillors and staff who for one reason or another are unable to refuse a gift are required to complete a Gift Benefit Declaration and forward the declaration and the gift to the Administrative Services Manager. The Declarations are processed and included in the Gifts and Benefits Register. The gifts are then usually donated to a charity or local community service.

- Each year the Gift and Benefit Register is tabled at a council meeting and staff are reminded of their obligations under the Gift and Benefit Policy via a notice on the Council's Intranet.
- Community Education Campaign

The Council has developed and made available information to the community which reinforces its position on Council officers accepting gifts and benefits. A key example is a business ethics statement (see commentary below).

The General Manager has commenced a program to engage with and actively involve the local business community. He has met with a number of business leaders from non-English speaking backgrounds, including Sunrise Rotary, on the topic of ‘the correct way of doing business with Council’, and reinforcing the Council’s position that its employees are not to accept gifts.

Each November, the Council sends out letters to suppliers and other organisations that it deals with on a regular basis asking that, despite Christmas traditions, they not send or offer any gifts to its employees. The Council is also developing a targeted community education campaign to different cultural groups likely to undertake business with the Council.

## 2. Staff Education Program

In November 2011, all frontline and regulatory staff attended an education program on cross-cultural matters facilitated by an external trainer with relevant experience.

A two-month training program was conducted during 2011 to ensure all staff members in all Council facilities were made aware of the contents of the revised Gifts and Benefits Policy.

## 3. Monitoring Change

The Executive Management Team is monitoring the implementation of the strategies that have been put in place regarding Gifts and Benefits to measure improvements in overall practice and culture.<sup>4</sup> This information will be used for education and training purposes.

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<sup>4</sup> 12 Month Progress Report, Willoughby City Council re the report of the Investigation into the corrupt conduct of a Willoughby City Council officer, the Independent Commission Against Corruption, ICAC report June 2011.

### Business ethics

The 'Doing business with Council' brochure provides information for people who are dealing with the Council about the ethical behaviour the Council will guarantee, and expect in return, in any business relationship it enters into. The brochure has been translated into four community languages and is available on the Council's website. Alternatively, hard copies can be accessed from the Council's Help and Service Centre.

### Risk Management

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

Willoughby City Council has established an *Enterprise Risk Management Framework* which includes a *Risk Management Policy*, *Risk Management Plan* and *Strategic Risk Register*. These provide a very robust framework which will allow the Council to proactively identify, communicate and manage generic and specific risks.

### Business continuity

The Council has prepared four major corporate plans which provide strategies for dealing with the impact of unforeseen disasters or crisis. The *Business Continuity Plan*, the *Pandemic Management Plan*, the *Disaster Recovery Plan (Information Technology)* and the *Climate Change Risk Assessment*, mean that the Council is well placed to continue its operations in the event of unforeseen disasters with minimal negative impact on staff and the community.

### Internal audit

Willoughby City Council has taken a leadership and sponsorship role in establishing and maintaining internal audit functions in an efficient and cost-effective manner.

Internal audit functions are provided in a shared arrangement under the *North Shore Councils Audit Program*. The Councils of Hunters Hill, Lane Cove, Manly, Mosman and North Sydney participate in the arrangement with Willoughby City Council. Each council contributes an annual amount to fund a common internal audit program, developed through a working group of the General Managers of each council, with a discretionary program subject to extra funding by each council.

Each council has its own Internal Audit Charter and Audit Committee which meets a minimum of four times a year. The Audit Committee at Willoughby City Council presently consists of two councillors and two independent community members. The Audit Committee approves the internal audit program.

The 'Internal Audit, North Shore Councils' is based at Willoughby City Council. There are currently two full-time positions and one part-time position shared by all of the councils.

Details of the arrangement have been formalised in an *Internal Audit Function Agreement* which was signed by all participating councils in 2009. The *North Shore Councils Internal Audit Operating Protocols* and an annual audit program guide the work of the audit team across the councils.

In preparation of yearly and long-term internal audit programs, an analysis of audit risk across the known "audit universe" is undertaken. The "audit universe" includes all of the known services and activities of the councils, which for the six councils involved amounts to approximately 145 possible auditable areas. The audit risk analysis considers likelihood and consequence of control failure in each area, together with specific risks or issues identified in each area. The long-term audit program extends to 2016/2017 and is based on risk modelling and resource levels across the six councils.



During 2011, audits were completed of the councils' parking management and revenues, long-term financial plans, asset acquisitions and disposals, and debtor fees and charges.

The North Shore Councils Audit Program presents as an innovative model for providing comprehensive internal audit functions above minimum statutory obligations across a number of councils.

### Council meetings

Consistent and proper meeting practices contribute to good public decision-making and increase councils' accountability to the community. The review team attended the Council meeting of 12 November 2012. The meeting was well chaired and proceeded in an orderly manner to reach decisions relating to the items in the business paper. Councillors and senior staff acted in accordance with standards set out in the Council's Code of Meeting Practice and its Code of Conduct. Most councillors who participated in the proceedings demonstrated a general understanding of the respective roles of the members of the elected body and the staff.

Positive features of the meeting which stand out are:

- The public may apply to speak at a public forum held within the meeting.
- 'Matters not requiring elaboration or debate' are identified and passed as a group early in the meeting. This is an efficient way of dealing with business on the agenda.
- 'Matters brought forward by the public' is a standing agenda item which allows matters in which the community has an interest to be considered early in the meeting. Following addresses by the applicant and the correspondent on a particular item, all councillors left their seats to consider additional plans and photographs relevant to the matter under discussion. The Mayor retained control of the meeting throughout the consideration of this item and decision-making did not appear compromised. This is perceived as an example of cooperative problem-solving that resulted in a timely decision for the community based on considered information.
- The Mayoral diary which lists the Mayor's activities for the relevant period is included in the business paper for the Council's general meetings. This provides all councillors and officers with an up-to-date appreciation of key civic events being held in Willoughby.

- Two large monitors in the public gallery area record Council's decisions as they are made. While the use of monitors is an example of better practice, at the meeting attended, the resolution of the text displayed on the monitor (including the number of the item being dealt with) was too small to be legible. The Council has informally advised the review team that it is considering options to rectify this.

### ***Requires further development***

#### **Legislative compliance**

The Council has established a system for internal reporting of legislative non-compliance and fines/penalties/prosecutions against the Council as required by cl413A of the *Local Government (General) Regulation 2005*. However, the Council does not appear to have an overarching system or process in place to ensure its legislative and regulatory obligations are met.

The functions and activities of councils in NSW are affected by more than 100 State Acts of Parliament, the main two being the *Local Government Act (NSW) 1993* and the *Environmental Planning and Assessment Act (NSW) 1979* (administered by the Department of Planning and Infrastructure). In an environment of continuous legislative change it is important for the Council to develop strategies to ensure conformity with applicable laws.

Willoughby City Council has some processes and structures in place to ensure that legislative requirements are being met. For example, as part of its internal audit program the Council conducts detailed compliance audits into key functions and activities. However, these processes and structures are not documented in a policy that demonstrates a clear and integrated commitment by the Council to ensuring compliance with all applicable legislation.

### ***Recommendation 1***

*The Council should prepare and implement a whole-of-council policy and procedure to ensure all of its legislative and regulatory obligations are met on an ongoing basis.*

Expenses and facilities policy

Councillor expenses and facilities policies should allow for councillors to receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties as elected representatives of their local communities.

The preparation and review of these policies on an annual basis by councils is a mandatory requirement of the Local Government Act to ensure accountability and transparency in the reasonable and appropriate provision of expenses and facilities to mayors and councillors in NSW.

Willoughby City Council reviewed and amended its *Policy for the Payment and the Provision of Facilities for the Mayor and Councillors* in October 2012. The Division issued guidelines for all NSW councils to assist in the development and review of their policies in this area in 2009.<sup>5</sup> It is not stated whether the Council used these guidelines in the review of its policy.

Overall the Council's policy is satisfactory. However, the policy specifies monetary limits for some but not all expenses and equipment/facilities. The Division's guidelines state "councils must agree and set monetary limits to all expense provisions in their policy, where practicable and where appropriate, as well as standards for the provision of equipment and facilities provided to councillors. In doing so, councils need to consider what is a reasonable and acceptable level of provision".

The duration for which the limits apply should also be clearly set out, for example - for one financial year. For periods less than a full year, for example, after a local government general election, a council may choose to apply a limit for each expense worked out on a pro-rata basis.

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<sup>5</sup> *Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW, Division of Local Government, Department of Premier and Cabinet October 2009*

Identifying and publishing monetary limits allows members of the public to know the expected cost of providing services to councillors and to make comment during the public consultation phase of making or amending the policy. Having clear limits also avoids situations where councillors incur costs that are unforeseen or considered unreasonable by other councillors and the public.

***Recommendation 2***

*The Council should better align its 'Policy for the Payment and the Provision of Facilities for the Mayor and Councillors' with the 'Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW', Division of Local Government, Department of Premier and Cabinet, October 2009.*

***The Council's response***

The Council made minor amendments which have been incorporated in the body text above.

## **PART III PLANNING AND DELIVERING A SUSTAINABLE FUTURE**

This part focuses on determining how well the Council is planning and working with its community toward achieving a sustainable future. It consists of three interrelated sections:

- Strategic planning and delivery
- Financial and asset management
- Workforce management.

### **4 STRATEGIC PLANNING AND DELIVERY**

#### **SCOPE**

This section examines the Council's implementation of the Integrated Planning and Reporting framework. This includes consideration of the quality and utility of the documents the Council is required to produce, and how well it has involved its communities and other stakeholders in developing long-term strategic plans.

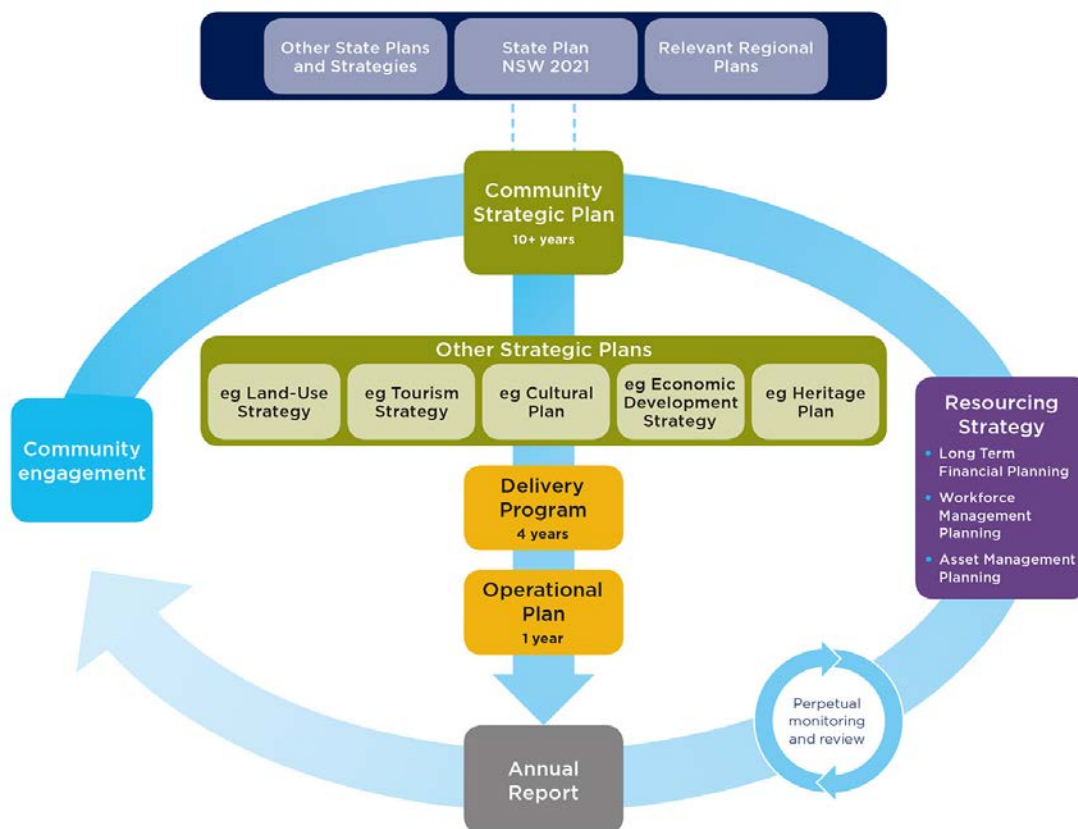
The self-assessment checklist, completed by the Council, considers the minimum compliance requirements in relation to each component of the framework. The responses have been used as a basis for assessing the Council's performance in this area.

#### **POLICY AND LEGISLATIVE FRAMEWORK**

The Integrated Planning and Reporting framework for NSW local government was introduced to improve local councils' long-term community planning and asset management, as well as to streamline reporting to the community.

The framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long-term plans and strategies. The Community Strategic Plan is supported by a four-year Delivery Program, an annual Operational Plan, and a Resourcing Strategy that includes long-term financial planning, asset management planning and workforce management planning.

**Diagram 1: The Integrated Planning and Reporting Framework**



Community Strategic Plan

The Community Strategic Plan is the highest level plan that a council will prepare. The purpose of the plan is to identify the community’s main priorities and aspirations for the future and to plan strategies for achieving those goals.

In order to ensure priority services and infrastructure can be delivered efficiently and effectively, councils are encouraged to integrate all other strategic plans into this framework. For example, strategic land-use and economic development plans also contribute to maximising the capacity of communities, industries and local economies.

Delivery Program

The Delivery Program is a statement of commitment to the community from each newly elected council. The Program translates the community’s strategic goals into actions for the term of the council.

### Operational Plan

Each annual Operational Plan supports the achievement of the Delivery Program. Councils are required to develop an Operational Plan every year that details the actions to be undertaken to achieve the priorities identified in the Delivery Program.

### Resourcing Strategy

Council is responsible for developing a long-term Resourcing Strategy to enable the achievement of the objectives and priorities established by the Community Strategic Plan. The Resourcing Strategy must include provision for long-term financial planning, workforce management planning and asset management planning.

### Community Engagement

Each council must prepare and implement a Community Engagement Strategy to utilise when working with the local community in developing and reviewing the Community Strategic Plan.







### Reporting




Councils must report against the Delivery Program at least six-monthly, and prepare an Annual Report within five months of the end of the financial year. They must also prepare an end-of-term report at the end of each council term which articulates the progress made towards achieving the objectives established in the Community Strategic Plan. The purpose of these reports is to encourage councils to keep their communities informed and to be accountable for the decisions they make on behalf of the community.

## **STRATEGIC PLANNING AND DELIVERY ASSESSMENT**

An assessment of the Council's performance in strategic planning and delivery, in relation to the areas covered in the self-assessment checklist completed by the Council, is set out in Table 2, below:

**Table 2: Strategic Planning and Delivery Assessment**

Area of assessment	Assessment of the Council's performance
Community engagement	
Community Strategic Plan	
Delivery Program	
Operational Plan	
Resourcing Strategy <ul style="list-style-type: none"> <li>• Workforce Management Plan</li> <li>• Long Term Financial Plan</li> <li>• Asset Management Plan</li> </ul>	
Reporting	

**Table key:**  Better practice  Requires further development  Satisfactory

For a description of each of these rankings see pp 11-12

## SIGNIFICANT OBSERVATIONS

### Summary analysis

The review team acknowledges that the Council has made significant progress toward meeting all requirements of the Integrated Planning and Reporting framework.

In particular, the Community Strategic Plan is satisfactory. The Delivery Program is sound, clearly articulating activities, services and programs for the four-year term, and identifying responsible positions as well as key partners in delivering the Program. The Program addresses the quadruple bottom line, and it is clear how the activities in the Program cascade to the actions in the Operational Plan.

The Operational Plan is also considered to be sound, clearly integrating with the Delivery Program. The Council's performance in relation to each component of the Resourcing Strategy is considered satisfactory.

The Council appears to have met all of its reporting requirements.



## ***Better practice***

### *Community Engagement*

Willoughby City Council has developed a generic Community Engagement Strategy and supporting Toolkit (dated November 2011). The Strategy and Toolkit are comprehensive documents that clearly outline the different consultation approaches available, and how to conduct the consultation. Community Engagement Plan templates, checklists and evaluation forms are also included in the Toolkit to ensure a standardised approach to consultation is taken.

The advice and assistance provided to the organisation by the Corporate Planning team is resulting in a more sophisticated approach towards community engagement as demonstrated via the Council's online discussion forum. There is a drive to register new consultation activities with the Corporate Planning team to maximise information sharing, use of resources and to avoid over-consultation or repetitive consultation.

### ***Requires further development***

#### *The Delivery Program*

While the Delivery Program is sound, stronger integration with the Resourcing Strategy is required. In the Council's initial Delivery Program submitted to the Division, the components related to Council's Resourcing Strategy were under developed. Since that time the Council has made considerable progress in strengthening these components and the linkages between the documents.

Any major programs or activities articulated in the Asset Management Strategy and Workforce Plan should also be reflected in the Delivery Program. It should also be clear to the reader as to how the Resourcing Strategy supports the ongoing implementation of the Delivery Program.

The Council appears to be taking these requirements into consideration as part of the development of the new Delivery Program.

### **Recommendation 3**

*The Council continue to develop its Delivery Program to achieve improved integration with the Resourcing Strategy.*

#### *The Operational Plan*

*While the Operational Plan is sound, it could be strengthened by the inclusion of target and baseline information in the measures and targets.*

### **Recommendation 4**

*The Council is encouraged to strengthen its Operational Plan by the including target and baseline information in the measures and targets.*

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

See summary analysis but in general:

Council Officers are continuing to improve the Delivery Program incorporating Councillor aspirations for the Council term as well as integrating the Resourcing Strategy and other strategies.

The Executive Management Team is providing oversight of the Delivery Program to draw together the threads of the various strategies through the Program.

Timing: June 30<sup>th</sup> 2013 for current Delivery Program then ongoing improvement.

## **5 FINANCIAL AND ASSET MANAGEMENT**

### **SCOPE**

This section examines the Council's overall financial position and how it is managing its finances and assets in order to deliver the outcomes identified in the Community Strategic Plan. It also considers the Long-Term Financial Plan and Asset Management Strategy in more detail.

The self-assessment checklist, completed by the Council, considers the minimum compliance requirements in relation to each component of the Integrated Planning and Reporting framework. The Council's responses have been used as a basis for assessing the Council's performance in this area.

A number of financial and asset management indicators have been examined to gain an appreciation of the Council's financial position, performance and long-term sustainability.

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils in NSW are required to provide services, facilities and infrastructure through the effective and efficient use of resources.

Under its Charter<sup>6</sup>, a 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. As the custodian and trustee of significant public assets, the council must also effectively account for and manage these assets.

As part of its Resourcing Strategy, each council must prepare a Long-Term Financial Plan (covering a minimum of ten years). The Plan is an important part of the council's strategic planning process. This is the point where long-term community aspirations and priorities are tested against financial realities.

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<sup>6</sup> The Council's Charter Section 8 NSW Local Government Act 1993 No 30

Each council must also prepare an Asset Management Strategy which includes an overarching Asset Management Policy endorsed by the council. The Asset Management Policy sets the broad framework for undertaking asset management in a structured and coordinated way. The Policy underpins all asset management activities and the preparation of more detailed asset management plans for each class of assets which the council has responsibility for.

## LOCAL CONTEXT

Councils provide the Division with a range of information related to their financial position and performance on an annual basis, via the Financial Data Return. Willoughby City Council's financial results for the last four financial years are summarised in Table 3, below.

The Council's net operating result before capital grants for 2011/12 was a surplus of \$471,000 (\$13,995,000 in 2010/11). The Council has reported an operating surplus before capital grants in the last five financial years.

**Table 3: Willoughby City Council's financial results**

Consolidated financial results	2011/12	2010/11	2009/10	2008/09
Income Statement (Financial Performance)	\$'000	\$'000	\$'000	\$'000
Rates and annual charges	49,605	47,379	45,849	43,345
User charges and fees	17,002	15,781	14,910	13,521
Interest and investment revenue	3,066	3,902	5,541	8,291
Other revenue	19,254	10,906	11,790	8,220
Grants and contributions for operational purposes	6,530	7,455	6,049	5,578
Grants and contributions for capital purposes	6,460	7,058	5,884	4,158
Net gain from asset disposal	1,535	16,412	139	2,615
Share of interest in joint ventures etc	103,452	108,893	90,162	85,728
<b>Total income from continuing operations</b>	<b>37,173</b>	<b>36,305</b>	<b>34,268</b>	<b>32,222</b>
Employee costs and on-costs	3,682	3,472	1,938	2,289
Borrowing costs	29,581	26,811	24,771	24,873
Materials and contracts	11,063	10,558	8,983	8,743
Depreciation and amortisation	15,022	10,694	9,821	9,555
Other expenses	0	0	0	0
Share of interests in joint ventures and associations	0	0	25	17
Net loss from disposal of assets	96,521	87,840	79,806	77,699
<b>Total expenses from continuing operations</b>	<b>6,931</b>	<b>21,053</b>	<b>10,356</b>	<b>8,029</b>
<b>Operating result from continuing operations</b>	<b>471</b>	<b>13,995</b>	<b>4,472</b>	<b>3,871</b>
<b>Net Operating result for the year before Grants and Contributions</b>	<b>49,605</b>	<b>47,379</b>	<b>45,849</b>	<b>43,345</b>







\*The table reflects the consolidated results obtained from the Financial Data Return which is issued each year by the Division of Local Government for completion and return by each NSW council.




## FINANCIAL AND ASSET MANAGEMENT ASSESSMENT

### Overall Assessment

An overall assessment of the Council's financial and asset management performance in relation to the areas covered in the self-assessment checklist completed by the Council is set out in Table 4, below:

**Table 4: Financial and Asset Management Assessment**

Area of assessment	Assessment of the Council's performance
Financial management	 
Asset management	 
Land assets	
Council businesses	

**Table key:**  Better practice  Requires further development  Satisfactory

For a description of each of these rankings see pp 11-12

### Financial Performance Indicators Assessment

A number of financial and asset management indicators have also been examined to gain an appreciation of the Council's financial position, performance and long-term sustainability. Table 5, below, summarises the findings of this assessment.

**Table 5: Financial & Asset Management Performance Indicators Assessment**

Area of assessment	Council's performance (as at 30 June 2012)
<u>Unrestricted Current Ratio (UCR)</u> - measures a council's ability to meet its financial obligations, such as paying for goods and services supplied. A ratio between 1.5:1 and 2:0 is considered satisfactory, and shows that a council has sufficient liquid assets on hand to meet its short-term liabilities.	3.38:1 which indicates a strong cash position.
<u>Debt Service Ratio (DSR)</u> - assesses the degree to which revenue from continuing operations is committed to the repayment of debt. It is generally higher for councils in growth areas where loans have been required to fund infrastructure such as roads, water and sewerage works. The Division's accepted benchmark for the DSR is <10%.	7.80% which is acceptable as it is below the Division's upper benchmark limit.
<u>Rates and Annual Charges Coverage Ratio</u> - compares a council's total income to that of its rate revenue.	47.95% which reflects a good mix of revenue streams and demonstrates that the Council is not too reliant on its rate revenue.
<u>Rates and Annual Charges Outstanding Ratio (RACO)</u> - measures the amount of rates unpaid at the end of a period (usually 30 June each year) compared to the total charged for the year. The benchmark for city/coastal councils is 5% or less.	2.77% which is a satisfactory level.
<u>Infrastructure Renewal Ratio (IRR)</u> - assesses the rate at which these assets are being renewed against the rate at which they are depreciated. A ratio of 1:1 indicates that the renewal of assets equals the amount of depreciation, amortisation and impairment.	55.90% which is below the benchmark of 100%. The Council's IRR average over the last six years is 59%. This shows that the Council has not been replacing its assets as they are being consumed over time.

***T-Corp Assessment***

As part of the Local Infrastructure Renewal Scheme, the NSW Treasury Corporation (T-Corp) provided an independent assessment of the Council's financial capacity and its ability to undertake additional borrowings. The assessment confirms the Division's financial assessment that, while the Council's financial position is currently strong, it will suffer income shortfall in the near, medium and longer term. It also concludes that "the

Council's asset base is unsustainable under its current funding model. Despite the recent Capital Works Program undertaken by the Council, the debt levels are at a conservative 2.4% of Net Assets".

## **SIGNIFICANT OBSERVATIONS**

### ***Summary analysis***

Willoughby City Council is reported as being in a strong financial position<sup>7</sup> but will suffer income shortfall in the near, medium and longer term. The Council has met the requirements for long-term financial planning. The Council's Long-Term Financial Plan is well-presented with graphs and data which are accompanied with plain-English text which explains their meaning. In addition, the Council has carried out an internal audit of the Long-Term Financial Plan to identify and develop strategies to minimise potential risks. The audit also served to strengthen the integration of the Plan with the other plans in the Integrated Planning and Reporting framework.

The main area of financial risk is that the Council is not maintaining its assets to the required level (shortfall of \$2.739M in 2011/12), and is not replacing its assets as they are being consumed.

The Council has prepared an Asset Management Strategy, Asset Management Improvement Strategy and related Asset Management Plans. These provide the strategic framework in which the Council can manage its significant asset portfolio with an estimated replacement cost of at least \$599.5M (as at 30 June 2012).

The key challenge for the Council is to ensure appropriate funding levels to maintain and enhance infrastructure into the future. Financial and asset maintenance strategies to address this situation should be considered as part of the Council's review of its Long-Term Financial Plan Long and Asset Management Strategy.

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<sup>7</sup> Willoughby City Council, Auditor's report 2011/2012 Pricewaterhouse Cooper.

## ***Better practice***

### *Financial management*

The Auditor's report relating to the Council's financial position was presented to the Council meeting attended by the review team. While the Auditor's report identifies that there are various challenges to be faced, particularly in the area of asset management, the Council was described as a strong financial performer.

As indicated earlier, a number of financial and asset management performance indicators (see Table 5), as well as the T-Corp assessment, were considered to gain an appreciation of the Council's financial position, performance and long-term sustainability. Apart from the Infrastructure Renewal Ratio, the Council's performance as at 30 June 2012 was strong and above accepted industry standards.

### *Asset Management*

#### 1. Asset rationalisation and development

During the past three years, two significant depot sites were developed as a result of innovative asset rationalisation and redevelopment. The Willoughby City Council Depot, completed in early 2009, incorporates a new purpose-built depot and nineteen industrial units. The units are leased to commercial organisations providing Council with a return on its investment and a significant recurrent income stream. The Artarmon Waste Depot was completed in March 2011. This project was a redevelopment of an existing site to provide a purpose-built facility for the Council's incumbent contractors to ensure its waste service operations remained within the local government area. The development incorporates a facility that treats and re-uses water for garbage truck washing.



## 2. Flood mitigation and stormwater assets

The Council received an *Engineering Excellence Award*<sup>8</sup> for its design/construction work on the Chatswood Flood Mitigation and Stormwater Re-use Scheme.

## 3. Rehabilitation of stormwater assets

The Council has identified a \$12 million asset maintenance backlog. The Council was recently successful in its application for the NSW Government's Local Infrastructure Renewal Scheme to rehabilitate these assets to a satisfactory condition. The Scheme provides a 4% interest subsidy on a \$2 million loan to undertake the required work.

### ***Requires further development***

#### *Asset management*

The key challenge for the Council is to ensure appropriate funding levels to maintain and enhance infrastructure into the future. The Long-Term Financial Plan and Asset Management Strategy/Plans acknowledge this as a priority and consider several funding options as well as the opportunity for business service reviews to address the shortfalls.

The Council's track record as a strong financial performer (operating surpluses before capital grants in the last five financial years) demonstrates the capacity to improve its financial position. The financial modelling in the Long-Term Financial Plan puts forward as an option a Business Case for the Council to apply for a special levy (Special Rate Variation). Council considers this to be the best option to support its long-term objectives, including satisfactory maintenance of its assets. At the time of the review,

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<sup>8</sup> *Engineering Excellence Award - Design and/or Construction of a Local Government Public Works Project 2012 Institute Of Public Works Engineering Australia (IPWEA) NSW division.*

the Council had commenced consulting with the community about the special levy option.

**Recommendation 5**

*The Council should ensure that future revisions to the Asset Management Strategy and Long-Term Financial Plan adequately address the issue of asset maintenance and renewal to prevent a cumulative impact on the Council's financial sustainability.*

**Recommendation 6**

*In proceeding with the option of applying for a special levy (Special Rate Variation), the Council is encouraged to use the guidelines that the Division has prepared to assist councils in this area<sup>9</sup>.*

**The Council's response**

Council will be presented with the next version of the Long-Term Financial Plan in July and it will begin to address the recommendations above.

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<sup>9</sup> *Guidelines for the preparation of an application for a special variation to general income in 2012/2013, Division of Local Government, Department of Premier and Cabinet September 2012.*

## **6 WORKFORCE MANAGEMENT**

### **SCOPE**

This section examines the Council's implementation of its four-year Workforce Management Strategy.

The self-assessment checklist, completed by the Council, considers the minimum compliance requirements in the workforce area. The Council's responses and a range of human resource systems, policies and procedures were examined to assess how well the Council is managing its workforce, and the overall organisational culture.

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils have a number of legislative responsibilities in relation to their role as an employer. As part of its Resourcing Strategy, each council is required to develop a four-year Workforce Management Strategy which provides for the human resources required to enable the achievement of the Delivery Program.

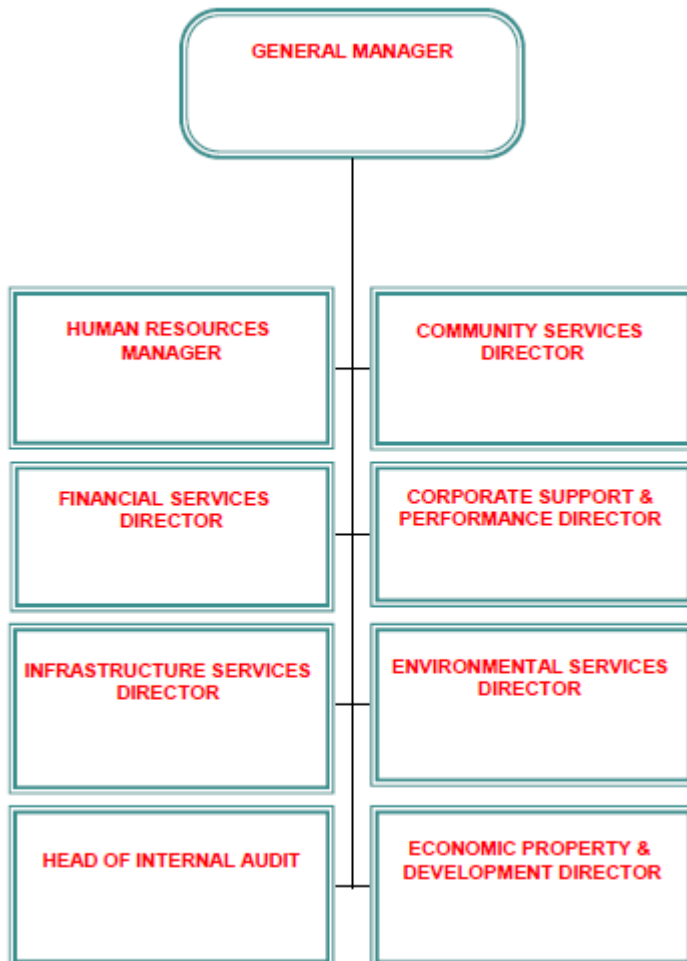
By identifying current workforce capabilities, considering what will be needed in the future, and planning systematically, the Council can limit the risks associated with unanticipated events and ensure it is appropriately resourced to deal with workforce changes and challenges in the coming years.

In short, workforce planning aims to have the right people in the right places with the right skills and motivation, doing the right jobs at the right time so that the Council can deliver appropriate services effectively and efficiently in line with the objectives set in the Community Strategic Plan and Delivery Program.

### **LOCAL CIRCUMSTANCES**

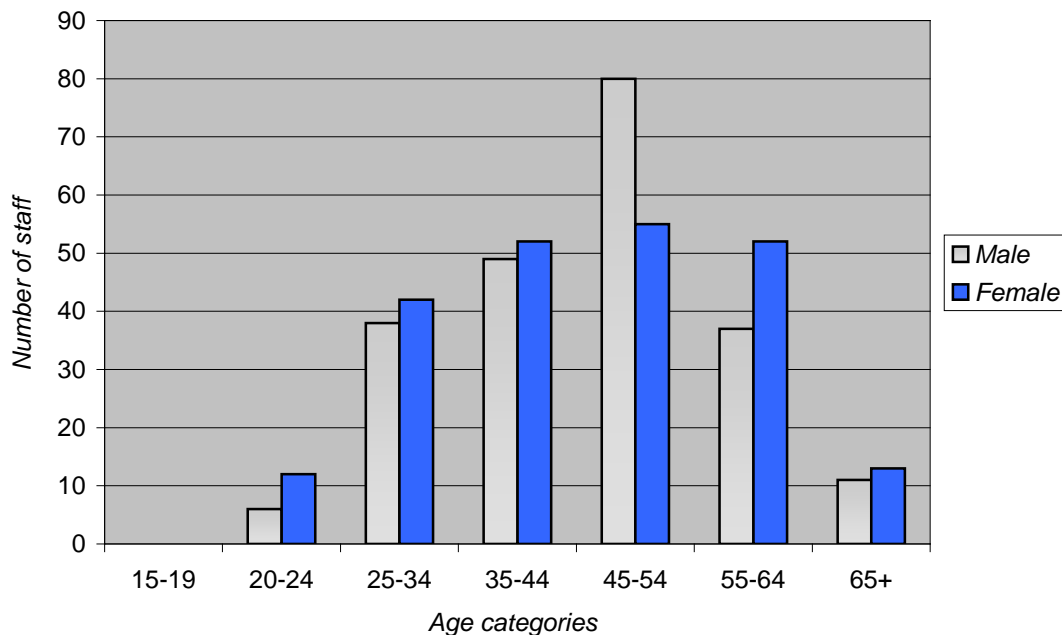
As outlined in Diagram 2 below, Willoughby City Council is organised into four directorates. The functions of human resources, project delivery (eg The Concourse) and internal audit also report directly to the General Manager.

**Diagram 2: Willoughby City Council Management Structure**



At 30 June 2012, the Council employed 404 full-time equivalent staff, with employee costs and benefits totalling \$37,173,000. The age/gender profile of the workforce is shown in Diagram 3.

**Diagram 3: Workforce Profile**



**WORKFORCE MANAGEMENT ASSESSMENT**

An overall assessment of the key workforce management areas of the self-assessment checklist completed by the Council is included in Table 6.

**Table 6: Workforce Management Assessment**

Area of assessment	Assessment of the Council's performance
Workforce management planning	✓
Workforce management issues	★
Employee surveys	★
Employment contracts	Not examined
Consultative Committee	✓
Recruitment and selection	✓
Job descriptions and evaluation	✓
Employee remuneration	✓
Enterprise bargaining	Not applicable
Equal Employment Opportunity	✓
Staff induction	✓
Grievance management	✓
Work Health and Safety	★
Secondary employment	✓
Exit of staff	✓

**Table key:** ★ Better practice    ▲ Requires further development    ✓ Satisfactory

For a description of each of these rankings see pp 11-12

## SIGNIFICANT OBSERVATIONS

### Summary analysis

Most policies, procedures and systems are of the required standard for the Council to meet its statutory obligations and support the implementation of its Delivery Program and Operational Plan.

Overall, the Council appears to have a positive organisational culture with a motivated workforce. According to a staff survey, most of its employees believe that the Council is a great place to work. The cross-section of officers interviewed during the review all demonstrated an enthusiasm and commitment to delivering quality services to the community.

*The Willoughby City Council Workforce Management Plan* is of a satisfactory standard. The Plan identifies strategies, activities and initiatives aimed toward achieving the aspirations, goals and service standards expressed in the Community Strategic Plan and the Council's Delivery Program.

The Council's Annual Report 2010/2011 demonstrates that it continues to be active in reviewing and refining its human resources policy and procedures to align them with industry standards.

### ***Better practice***

#### *Workforce management issues*

##### 1. Staff development, and attraction and retention of staff

In 2011, the Council was awarded third place in the NSW Category of the Australasian Management Challenge<sup>10</sup>.

More than 100 teams from councils across Australia and New Zealand competed in the challenge, in which teams undertook tasks that typified management in the local government environment, focused on the attraction and retention of talent, and the impact of skill shortages, an ageing workforce, an ageing population, and demand for services.

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<sup>10</sup> *Local Government Managers Australia - Management Excellence Awards 2012.*

The Willoughby City Council team completed a pre-challenge task which required the staff to investigate how the Council responds to internal and external factors affecting workforce retention. The team then completed a series of eight tasks on the Challenge Day that typified management in the local government environment and included report writing, role-playing, collaborating with other councils and a presentation.

## 2. Succession planning

Succession planning is a process for identifying and developing internal employees with the potential to fill key positions in the company. This process minimises any detrimental effects (eg loss of corporate knowledge or creation of a leadership vacuum) that could be caused by an employee leaving a critical position.

As part of its succession planning activities, Willoughby City Council's executive team identified that the Human Resource Manager position (where the incumbent was due to retire) was critical to the ongoing functioning of the Council's operations. An existing officer in the area participated in a two year part-time phased retirement program. The program focussed on on-the-job and external training to facilitate a smooth handover of functions/duties and minimise loss of corporate knowledge in a critically important area. When the position formally became vacant, the Council recruited and filled the position in accordance with the relevant provisions of the Act.

With an ageing of workforce (113 employees - 27.9% of its total workforce aged 55 years and over), succession planning has been identified as a priority for the Council. A draft report which considers critical positions at all levels of the organisation, not just at management and senior levels, and strategies to minimise the impacts of staff turnover, has been prepared for discussion prior to its finalisation.



### Employee surveys

The satisfaction of the Council's employees was measured through a non-compulsory staff survey. A total of 267 staff completed questionnaires (61% response rate). Of those who responded, 94% agreed or strongly agreed that the Council is a great place to work. Approximately 87% agreed or strongly agreed that the Council had a flexible and friendly work culture. The results of the survey are being used to enhance the workforce management areas of training and development, benchmarking of salaries and healthy lifestyle activities for employees.

### Work Health and Safety

#### 1. Work Health and Safety System

The Council has developed a comprehensive *Work Health and Safety System* to assist management at all levels in ensuring the health and safety of its workers. The System is accessible to all employees via the staff intranet. This centralised system complies with the following Australian Standards:

**AS/NZS 4801:2001** - Occupational health and safety management systems - Specification with guidance for use.

**AS/NZS 4804:2001** - Occupational health and safety management systems - General guidelines on principles, systems and supporting techniques.

#### 2. Health and wellbeing program

The Council provides a comprehensive health and wellbeing program to all employees. The Program responds to suggestions made in the employee survey and includes a wide range of morning and lunchtime activities such as Pilates, yoga, meditation and boot camps. On average these activities are very well attended. 'Brown bag' lunchtime sessions, consisting of a guest speaker who facilitates discussion on health-related topics, have had varied attendance depending on the topic.

Corporate membership to the Willoughby Leisure Centre can be paid through the payroll system. Staff members are able to negotiate flexible hours with their supervisor

to accommodate program attendance. The merits of this program have been recognised by an *Excellence in Workforce Management in Local Government Award*<sup>11</sup>

***Requires further development***

No matters requiring further development were identified.

***The Council's response***

The Council again competed in the 2013 LGMA Management Challenge.

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<sup>11</sup> *NSW Local Government Management Australia 2012 Management Excellence Awards - Excellence in Workforce Management in Local Government.*

## **PART IV SERVICES TO THE COMMUNITY**

This part of the review focused on the Council's community, social, sporting and recreational facilities and services as identified in its Delivery and Operational Plans. Services and advice in relation to land-use planning, such as development applications, as well as environmental management initiatives are also considered.

### **7 COMMUNITY SERVICES AND FACILITIES**

#### **SCOPE**

This section focuses on examining the range and quality of the services and facilities the Council provides for the community. Social planning and services provided to cater to the needs of social justice groups within its community are also considered.

The self-assessment checklist, completed by the Council considers minimum compliance requirements in this area. The responses, along with site visits and meetings with relevant staff, have been used as a basis for assessing the Council's performance this area.

#### **POLICY AND LEGISLATIVE FRAMEWORK**

A council's charter requires that a council:

1. provides services after due consultation
2. engages its stakeholders (for example, councillors, members of the public, users of facilities and services, and council staff) in the development, improvement and coordination of local government
3. actively promotes the principles of multiculturalism
4. plans, promotes and provides for the needs of children
5. keeps the local community and State government informed about its activities.

The Community Strategic Plan prepared by each council captures the main priorities and aspirations for its community and includes strategies for achieving those goals.

## LOCAL CONTEXT

There are around 70,000 people living in the Willoughby area, with a high number of daily visitors to the area. More than 39% of the population was born overseas, and around 28% speak a language other than English at home. This makes for a diverse community with a wide range of needs. The Council provides a number of different social services to the community including those specifically to meet the needs of older people, people with a disability, young people and children. A range of other activities such as education opportunities, markets and festivals are made available.

The Concourse, a newly opened facility in the heart of Chatswood, provides a library, theatre and concert hall, plus dining and retail opportunities.

## COMMUNITY AND SOCIAL SERVICES ASSESSMENT

An assessment of the Council's performance in relation to the community and social services areas covered in the self-assessment checklist completed by the Council is set out in Table 7 below:

**Table 7: Community and Social Services Assessment**

Area of assessment	Assessment of the Council's performance
Social and community services	✓
Ageing population	✓
Community participation and engagement	★
Communication policy	✓
Reporting to the community	✓
Cultural planning	✓
Multiculturalism	★
Tourism and Economic Development	★

**Table key:** ★ Better practice    ▲ Requires further development    ✓ Satisfactory

*For a description of each of these rankings see pp 11-12*

## **SIGNIFICANT OBSERVATIONS**

### ***Summary analysis***

Willoughby City Council successfully undertakes social planning for its diverse community and appears to be very active in delivering a range of appropriate services and facilities. A number of better practice initiatives were identified which demonstrates the Council's success in this area, in particular its ability to engage the community in the planning stage, thereby encouraging the optimal use of the facilities and services delivered.

### ***Better practice***

#### ***Community participation and engagement***

In May 2012, the Council opened an A-grade synthetic field at Northbridge Oval. The synthetic field has replaced a traditional grass field, which has significantly increased the use of the field by the community, particularly in wet weather conditions. The 10,000 square metre fields are one of the first publicly available synthetic fields of this size in Sydney. The oval meets International Federation of Association Football (FIFA) standards and also includes an innovative cricket pitch which is sunk and covered during the football season and raised hydraulically for the cricket season. The oval can accommodate up to 100 playing hours per week in all conditions, while other ovals are 'rested' due to rain or general wear and tear. There has been a clear increase in playing hours on the field as well as significant savings in water usage.

#### ***Multiculturalism***

With almost one third of its residents from a non-English speaking background, multiculturalism is an important consideration for the Willoughby local government area. The Council's commitment to catering for its multicultural community is evident not only through its suite of Integrated Planning and Reporting documents but through the range of services it offers to the community.

## 1. Multicultural One Stop Assistance Information Centre (MOSAIC)

MOSAIC offers a range of services to the culturally and linguistically diverse communities living in the Willoughby local government area. The Centre offers English classes/discussion groups, community language learning, information talks in community languages, cross-cultural workshops, an Aged Day Care Program, ethnic group activities and tax help.

The Centre is predominantly run by a team of multilingual volunteers. The volunteers are trained to assist people in accessing the services available at the Centre. Small fees apply for some of the services offered at MOSAIC.

## 2. Libraries

Willoughby City Council has seven libraries and offers the largest Community Languages collection in the northern suburbs of Sydney. The Community Languages collection includes books, magazines and newspapers in twelve languages to cater for the needs of the community and encourage the retention of cultural heritage.

Another service provided by the Council is iBIMS, the Chinese Bilingual Library Catalogue which allows users to search in English, pinyin and original Chinese script. The catalogue can be accessed either in the library or online.

Graded readers and English as a Second Language (ESL) kits are also available as part of the services offered by the Willoughby City Council Library. These kits are offered in a variety of formats and there are also four ESL computers that residents can utilise which have English-learning programs for all levels of learning.

### *Tourism and Economic Development*

The Council is justifiably proud of successfully delivering 'The Concourse', which is a complete facility for the arts, learning, and business. The facility was a priority of the Council's Community Strategic Plan and was achieved through a whole-of-Council effort and significant community engagement.

The Concourse entertainment and events precinct is in the heart of the Chatswood central business district, and was completed by the Council in 2011 at a total cost of

\$171 million. As well as serving the residents of the Willoughby local government area, The Concourse contributes to achieving specific goals of the *Chatswood CBD Marketing Strategy* to bring more tourism to the central business district. The marketing of the Concourse focuses on strengthening the City's brand as an entertainment, dining and shopping destination. The commercial component of the precinct also provides income for the site.

The precinct incorporates:

- a new state-of-the-art Concert Hall and Theatre, including rehearsal and studio space
- A Civic Pavilion with an Outdoor Urban Screen which is programmed with free public entertainment (for example, digital art, open air cinema, live sporting events, news and live broadcasts of sold-out events)
- A 5000 square metre public library including the latest technology such as automatic self-service book borrowing facilities and an automated book sorter
- Conference facilities and venue hire
- A mix of retail outlets, restaurants and cafes
- Open space areas which provide a natural meeting point for locals
- Several environmental initiatives, including innovative flood mitigation works.

The Council employs a Project Manager for the facility and has developed a facilities management manual, policies and procedures to guide the management of the precinct and the facilities within it. To maximise the patronage of the entertainment venues, the Council contracts the services of an external venue management firm to attract and promote events.

The Concourse has won several industry awards including the A.R Bluett Award. One judge describes the precinct as “setting a new benchmark for development by local government” incorporating “excellent urban design, stunning architecture, and myriad environmental initiatives”. These awards can be viewed on the Council's website at [www.willoughby.nsw.au](http://www.willoughby.nsw.au).

### ***Requires further development***

No areas requiring further development were identified.

### *The Council's response*

The Council also hosts the Aboriginal Heritage Office which covers eleven local government areas.



## **8 LAND-USE PLANNING**

### **SCOPE**

This section focuses on examining how the Council manages its land-use planning in the Willoughby Local Government Area. For example, the Council's role involves strategic planning to decide what buildings are permissible within certain areas, setting appropriate controls (eg building heights), and assessing the impact on the environment and neighbours (eg noise, traffic, shadowing, tree and other vegetation removal).

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils must undertake their strategic land-use planning and development assessment functions in accordance with the *Environmental Planning and Assessment Act 1979*. [State Environmental Planning Policies](#) (SEPPs), which deal with issues significant to the State and people of New South Wales and are made by the Minister for Planning, may also apply.

Appropriate zoning and development controls are important to protecting the environment and heritage areas, controlling growth, and support the achievement of the objectives of the Community Strategic Plan.

[Section 94](#) and [Section 94A](#) of the Environmental Planning and Assessment Act allow councils to levy developers for contributions towards public amenities and services required as a consequence of the development. This may include the provision of new facilities for an area or the expansion of existing facilities where an area is growing.

### **LOCAL CONTEXT**





The [Willoughby Local Environment Plan 2012](#) (WLEP 2012) provides the framework for planning in the City. The [Willoughby Development Control Plan](#) (WDGP) is a plan adopted by Council to supplement *WLEP 2012* and provide more detailed design guidelines.




There are also other guidelines and policies, including for example waste management, that provide greater detail on how to abide by and achieve policy and legislative requirements.

## LAND-USE PLANNING ASSESSMENT

An assessment of the Council's performance in relation to the land-use planning areas covered in the self-assessment checklist completed by the Council is set out in Table 8 below:

**Table 8: Land-use Planning Assessment**

Area of assessment	Assessment of the Council's performance
Strategic land use instruments	
Development applications process	
Contribution plans and planning agreements	
BASIX	

**Table key:**  Better practice  Requires further development  Satisfactory

For a description of each of these rankings see pp 11-12

## SIGNIFICANT OBSERVATIONS

### Summary analysis

Willoughby City Council's land-use planning framework is considered to be sound.

### Better practice

#### Strategic land-use instruments

Willoughby City Council has undertaken a lengthy review of its Local Environmental Plan (LEP), commencing in August 2006. A draft LEP was submitted to the then Department of Planning in March 2008. Numerous amendments were made to the LEP at the request of the Department of Planning, and it was first exhibited to the public in March 2010. The LEP was again submitted to the Department of Planning in December 2010 and was re-exhibited to the public between May and June 2012. At the time of

review, the LEP was still awaiting final approval by the Department of Planning and Infrastructure.

From the reviewers' observations, the LEP review process was underpinned by a strong consultation process, particularly from a community engagement perspective. The Council wrote to all residents about any proposed changes specific to their property, set up meetings for the community to meet with the planners, and held residential and non-residential forums.

### *Development applications process*

It was apparent to the review team that Willoughby City Council is committed to working with applicants and objectors/correspondents to ensure the best possible outcome for each development application that is submitted for assessment and approval. The Council works with the interested parties to attempt to resolve any concerns early in the process. For example, a pre-assessment service involves Council representatives meeting with the applicant and collecting all of the necessary information, such as photos and site sketches. For controversial applications, the Council will hold meetings with the public and progress associations and advise them of their involvement options.

For development applications that receive more than three objections, the Council will conduct a Ward meeting. This is a process where the Councillors for that Ward meet with the applicant and the objectors, to assist them to make a determination for which they have the delegated authority. The Council acknowledges that while this often results in the best outcomes for all parties and alleviates the burden on the whole Council it is a time-consuming process. The Council's development application turn-around times are discussed in the next section.

The Independent Commission Against Corruption investigation (referred to earlier) identified a number of recommendations related to development applications. The Council has addressed these recommendations through the formalisation of the Fast Track Approval System, which was made available on the Council's website in August 2011, and the introduction of the requirement for applicants to provide a quote for cost of works by a suitably qualified or licensed person. The Council also developed an

estimated cost of works to assist staff in making decisions as to whether quotes provided are genuine and accurate.

The Council has also changed procedures for handling development applications to eliminate end-to-end handling of a development application by a single officer. The new procedure has introduced greater accountability by requiring the relevant team leaders and/or managers to approve steps within the process. This means planning staff can no longer carry out both the assessment and approval of a development application. It is anticipated that these changes will result in better practice in this area.

### ***Requires further development***

#### *Development applications process*

While Willoughby City Council has demonstrated better practice through trying to reach the best possible outcomes for all parties, this has been at the expense of development application turn-around times. During 2010-11, the Council had an average gross development application determination time of 105 days for 'residential - alterations and additions' compared to the State average of 57 days. The Council has a gross turn-around time of 171 days for 'residential - single new dwellings' compared to the State average of 63 days. Willoughby City Council also performs poorly in terms of the 'determination times by staff to development application ratio', being one of the highest in the State.<sup>12</sup>

The review team recognises that while the development application turn-around times are substantially higher than State averages the Council is working to address this. The Council has created a new Development Approvals Coordinator position which has a primary focus of reducing turn-around times. The challenge for the Council will be in balancing the better practice initiatives with any proposals designed to reduce the turn-around times.

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<sup>12</sup> *Local Development Performance Monitoring 2010-11 report, Department of Planning and Infrastructure*

### ***Recommendation 7***

*The Council is encouraged to continue to work toward reducing the average time it takes to assess development applications.*

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

The Council's LEP was approved on 31 January 2013.

The Development Approvals Coordinator has reviewed the processing times and issues that affect the assessment of applications. He has prepared a report "Expediting the Willoughby Development Assessment Process". The relevant Director and Senior Managers have been working through the recommendations to implement a series of changes.

The changes also need to take account of the new processes proposed in the NSW Planning Reform 'White Paper' and Exposure Planning Bill. The new Planning system will substantially change current processes and the Coordinator role will facilitate introduction of the changes with an eye to improving turnaround times.

## **9 REGULATORY AND ENVIRONMENTAL MANAGEMENT**

### **SCOPE**

This section examines how the Council is enforcing or ensuring compliance with laws designed to protect the community and the environment. Areas enforced by councils include unauthorised land use, signage and building work; stormwater pollution; backyard burning; noxious weeds; companion animals; breaches of Council Tree and Bushland Preservation Orders, and abandoned shopping trolleys.

This section also considers how the Council manages the environment throughout the Willoughby local government area and addresses issues of environmental sustainability.

### **POLICY AND LEGISLATIVE FRAMEWORK**

Councils have a responsibility to manage the environment within their area. With the help of the community, councils are expected to manage and maintain these areas to make sure that they can be enjoyed for many years to come.

Councils must comply with and enforce the requirements of a wide range of matters across multiple pieces of legislation. Some of these include:

- *Environmental Planning and Assessment Act 1979*
- *Swimming Pools Act 1992*
- *Local Government Act 1993*
- *Roads Act 1993*
- *Impounding Act 1993*
- *Noxious Weeds Act 1993*
- *Protection of the Environment Operations Act 1997*
- *Companion Animals Act 1998*
- *Smoke-Free Environment Act 2000*
- *Food Act 2003*
- *Road Transport (General) Act 2005*
- *Road Rules 2008*
- *Public Health Act 2010.*

Councils are required to prepare a number of policies and plans that accord with this legislation, such as a Companion Animals Management Plan. The efficiency and probity of the Council's regulatory functions is important for effectively managing the Council's responsibilities and for preserving public trust in the Council and its staff. Regulation is important to support a wide range of social, economic and environmental goals, as identified in the Community Strategic Plan.

## **LOCAL CONTEXT**

While Willoughby has busy urban centres with shopping and facilities, it retains significant areas of bushland (300 hectares) and riverfront which is home to many plants and animals.

Council manages and maintains these areas with the help of Bushcare and similar groups. A program called 'e.restore' was introduced in 2000 as a way to improve the local environment, and covers a broad range of projects addressing climate change, sustainability and community education.

In addition to providing recycling services, the Council also runs annual clean-ups for electronic waste (such as computers), vegetation, white goods and metals, as well as bi-annual general clean-ups.

## **REGULATORY AND ENVIRONMENTAL MANAGEMENT ASSESSMENT**

An assessment of the Council's performance in relation to the regulatory and environmental management areas covered in the self-assessment checklist completed by the Council is set out in Table 9.

**Table 9: Regulatory Functions Assessment**

Area of assessment	Assessment of the Council's performance
Graffiti	✓
Enforcement	★
Environmental management	★
Companion animals	✓
Water safety (swimming pools)	✓

**Table key:** ★ Better practice    ⚠ Requires further development    ✓ Satisfactory

*For a description of each of these rankings see pp 11-12*

## SIGNIFICANT OBSERVATIONS

### *Summary analysis*

The Council demonstrates a strong and proactive commitment to its regulatory and environmental responsibilities. Its environmental programs aim to increase energy efficiency; reduce water consumption, waste and noise; encourage safe handling of chemicals and contaminated land; improve air and water quality, and restore the environment to full health.

Regulatory functions appear to be working well within Willoughby City Council with an emphasis on staff training and building a good team culture. The Council has taken a systematic approach to reducing the incidence of fraudulently used Mobility Parking Scheme Permits, confiscating more than 1,000 unlawfully used permits between June 2008 and June 2012. The unauthorised use of variable message signs and advertising trailers and motor vehicles has also been addressed.



## ***Better practice***

### *Enforcement*

The Council identified that it had an issue with abandoned shopping trolleys in the Chatswood central business district and undertook a proactive approach to resolve the issue. Initially, the Council sought to work with the supermarket to resolve the issue and keep the trolley's confined to the premises. When that was unsuccessful, the Council exercised its powers under the following four Acts:

- *The Impounding Act 1993*
- *The Roads Act 1993*
- *The Local Government Act 1993*
- *The Environmental Planning and Assessment Act 1979.*

In exercising its powers, the Council undertook the following processes:

- conducted a survey of affected areas and kept a register with photographs
- documented and actioned parking offences by trolley collection vehicles
- documented and actioned fire safety offences (trolleys in fire escapes)
- included a requirement for a comprehensive 'Shopping Trolley Management Plan' in all supermarket Development Applications
- impounded abandoned shopping trolleys
- provided information to residents via a newsletter and website
- encouraged supermarkets to install a magnetic wheel lock system on trolleys, coin operated trolleys (where appropriate), and encouraged online shopping/home delivery service, continued shopping trolley collection services and education to customers.

Through implementing this framework, the Council was successful in getting the supermarket to implement a magnetic wheel lock system and has thereby reduced the incidents of abandoned shopping trolleys in the Chatswood area.

## Environmental Management

### 1. Dedicated funding for environmental/sustainability initiatives

In July 2000, an Environmental Levy known as 'e.restore' was introduced as a special rate variation to provide funding for environmental initiatives. Through strong community support the levy was extended for a second term in 2003. In July 2008 the levy was replaced by an ongoing Sustainability Levy which was expanded to include a focus on responding to climate change. Funds raised through this levy can only be spent on sustainability projects and significant progress has been made, including, for example a reduction in the Council's greenhouse gas emissions by over 50%. Examples of other initiatives follow.

### 2. Sustainability Charter and Action Plan

The Council has prepared a Sustainability Charter which was introduced in 2008, and in 2012 it released a Sustainability Action Plan which aligns with the Integrated Planning and Reporting framework. The Action Plan builds on the Charter and identifies specific strategies and sustainability targets.

### 3. Better Business Partnerships

Willoughby City Council works in partnership with neighbouring councils to improve the sustainability of small to medium-sized businesses on Sydney's North Shore. This is done through assisting businesses to save money, improve their environmental performance, and promote and recognise their sustainable actions.

Willoughby City Council employs three Engagement Officers that work on the Better Business Partnerships program and undertake sustainability assessments, award recognition 'badges', and promote the sustainability efforts of the businesses.

### 4. ClimateClever

Innovative approaches to addressing climate change can be found in the Council's ClimateClever program. The Council ran a number of initiatives under this program such as ClimateClever Apartments, ClimateClever Business, ClimateClever Council, ClimateClever Homes and ClimateClever Schools. The Council also runs ClimateClever

Workshops and the ClimateClever Shop. The purpose of these programs is to assist residents and businesses to reduce their carbon footprint.

One of the innovative approaches taken was the ClimateClever Power Tracker competition that was run as part of the ClimateClever Schools program. The competition required schools to prepare an environmental management plan to demonstrate how they would achieve a 15% carbon reduction target by 2015. Four schools were awarded a Power Tracker (a real-time energy logger) to enable them to track their progress in meeting their targets. Schools awarded the Power Trackers are required to report to the Council by 1 July each year for the period of the licence (2010 – 2013).

***Requires further development***

No areas for further development were identified.

***The Council's response***

The Council is continuing to work on initiatives for energy and water conservation, especially greater use of solar technology, not only for the Council's facilities but for the general community.

A new focus is also being taken in regard to measures for community climate change adaptation.

The Council has accepted numerous awards in recent years including many for sustainability initiatives. These can be viewed at:

<http://www.willoughby.nsw.gov.au/About-Council/awards/>.

## **PART V RECOMMENDATIONS AND ACTIONS**

### **10 RISK RATINGS**

The recommendations made in this report are listed in the Action Plan in the following section. The Council is encouraged to use the risk matrix below to give each recommendation a priority ranking in the review action plan at section 11.

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

#### **Risk factors to be considered could include:**

- Risk to reputation
- Compliance with statutory requirements
- Fraud/corruption
- Financial risk
- Legal liability
- Workforce Health and Safety.

## 11 ACTION PLAN

The Action Plan is to be completed and adopted by the Council to guide the implementation and monitoring of the recommendations in this report.

RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
1.	<i>The Council should prepare and implement whole of council policy and procedure to ensure all of its legislative and regulatory obligations are met on an ongoing basis.</i>	Medium	<i>An appropriate register will be developed and reported to MANEX annually.</i>	<i>End of 2013.</i>	<i>Finance Director</i>	
2.	<i>The Council should better align its 'Policy for the Payment and the Provision of Facilities for the Mayor and Councillors' with the 'Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW', Division of Local Government, Department of Premier and Cabinet, October 2009.</i>	Low	<i>Amend current Policy</i>	<i>October 2013</i>	<i>Manager Admin Services</i>	
3.	<i>The Council is encouraged to continue work to better resource the individual activities of its Delivery Program.</i>	Medium	<i>Continue to develop Delivery Program</i>	<i>End June 2013 and ongoing</i>	<i>Corporate Support &amp; Performance Director</i>	
4.	<i>The Council is encouraged to strengthen its Operational Plan by the including target and baseline information in the measures and targets.</i>	Medium	<i>Continue to develop Delivery Program</i>	<i>End June 2013 and ongoing</i>	<i>Corporate Support &amp; Performance Director</i>	

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RECOMMENDATION		PRIORITY	ACTION PROPOSED	TIMEFRAME	RESPONSIBILITY	PROGRESS REPORT
5.	<i>The Council should ensure that future revisions to the Asset Management Strategy and Long-Term Financial Plan adequately address the issue of asset maintenance and renewal to prevent a cumulative impact on the Council's financial sustainability.</i>	<i>High</i>	<i>Revised LTFP to Council in July</i>	<i>July 2013 and ongoing</i>	<i>MANEX - Finance Director</i>	
6.	<i>In proceeding with the option of applying for a special levy (Special Rate Variation), the Council is encouraged to use the guidelines that the Division has prepared to assist councils in this area<sup>13</sup>.</i>	<i>High</i>	<i>Council is working to DLG and IPART Guidelines</i>	<i>Ongoing</i>	<i>MANEX</i>	
7.	<i>The Council is encouraged to continue to work toward reducing the average time it takes to assess development applications.</i>	<i>Medium</i>	<i>Implement agreed recommendations of Development Approvals Coordinator report. Implement new planning System.</i>	<i>End 2013 and with introduction of new Planning Act.</i>	<i>Environmental Services Director</i>	

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<sup>13</sup> Guidelines for the preparation of an application for a special variation to general income in 2012/2013, Division of Local Government, Department of Premier and Cabinet September 2012.

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