

Promoting Better Practice Program

capacity building good governance improvement

REVIEW REPORT

CITY OF CANADA BAY COUNCIL

MAY 2010



Division of Local Government
Department of Premier and Cabinet

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EXECUTIVE SUMMARY

In 2008 the (then) Department of Local Government commenced a review of the City of Canada Bay Council under its Promoting Better Practice program. Due to logistical issues, it was not possible to complete a draft report for a considerable time. As a result, Council updated its checklist in late 2009 and the Division of Local Government undertook a further on-site review to update the information.

The ability to conduct a review that allows an opportunity to measure a council's movement over 2 years has been a unique opportunity.

When the initial work was undertaken the Council was undergoing the processes that would form the platform for its move towards integrated planning and reporting. At that time the Council was about to commence public consultation on its Community Strategic Plan. During the period of the review, the Council has delivered and adopted the plan, known as its Futures20 Plan.

Since the time of the initial work, the Council has asked to be included in the first annual group of councils to implement the integrated planning and reporting framework. Discussions with Council's staff indicate that it has a firm view that it will be ready to meet its commitment to implement the framework by the end of June 2010.

In the short period between the initial on-site review in 2008 and the later on-site review conducted early in 2010, the Council has undertaken an impressive amount of work in order to be able to implement the framework.

The changes noted during the period of the review are not limited to those necessary to implement the integrated planning and reporting framework, but are across the raft of Council's processes.

It is the review team's view that the Council is on a sound footing and has the drive to carry on its work and to implement changes into the future.

1 ABOUT THE REVIEW

Review objectives

Promoting Better Practice Reviews have a number of objectives. The objectives include generating momentum for a culture of continuous improvement and the promotion of good governance and ethical conduct. 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.

Review process

The process involves a review team from the Department of Premier and Cabinet's Division of Local Government (DLG) evaluating the effectiveness and efficiency of the council's operations and giving feedback.

There are essentially five steps in a typical review - preparing, assessing, checking, analysing and reporting. The completion of a comprehensive self assessment checklist by the council is a key element in all PBP reviews.

The review team takes a risk based approach targeting its resources to areas identified as core matters to be examined as part of a PBP review and those matters considered to be important having regard to the circumstances of an individual council. It does not examine every aspect of a council's operations.

All reviews will involve checking compliance with a range of statutory requirements, examining appropriate practices and ensuring that council has frameworks in place to monitor its performance. All reviews seek to identify better and noteworthy practices.

The review team examines local circumstances in order to understand the pressures on council and how the council has sought to manage that environment.

The scope of a review report such as this is limited to documenting those areas the review team identified as:

- exceeding good practice (referred to as better practice)
- in need of improvement or further development
- otherwise noteworthy for the reasons detailed in the body of the report.

City of Canada Bay Council Review

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

Senior Investigations Officer Angus Broad and Senior Finance Officer Ross Bailey of the then Department of Local Government and Lois Gray of the Department of Planning comprised the review team that conducted an initial on-site review of Council from 26 to 30 May 2008.

Due to logistical issues, it was not possible to complete a draft report for a considerable length of time. In those circumstances, the Division held concerns that the report that had been drafted might be out of date. In late 2009 it was decided that the better course was for the Division of Local Government to ask that the Council update its checklist and for a limited on-site review to be undertaken.

The Council provided an updated checklist at the end of 2009.

The information provided in the subsequent checklist was compared to the information previously provided in Council's earlier checklist, as well as material and information that had previously been provided. Arrangements were made for an on-site review to be conducted by Angus Broad on 18 February 2010.

The review report has been amended to compare Council's earlier and later responses to the self-assessment of its corporate arrangements and capacity.

The initial on-site component of the review consisted of a briefing for Council's senior staff, conducting interviews with the councillors and a number of staff, and the review of a number of Council's policies and other documents.

The later on-site review comprised interviewing a number of staff and the review of a number of Council's policies and other documents.

The particular circumstances of this review have provided an opportunity to measure the Council's movement over the span of a couple of years. This has allowed a

unique insight into the way that the Council, recognising both the need to, and having the willingness to do so, undertakes the processes necessary to implement change.

The scope of the review is limited to a core set of compliance and good practice areas. This review only reports where there is a need to improve or where practices are noteworthy or exceed good practice. Areas outside the scope of the core set of questions will only be reported on where the matters are significant or serious. The core compliance and good practice areas are identified at the beginning of each subject module in this report.

The results and recommendations of reviews are analysed and reported back to the elected council, the Deputy Director General (Local Government) and the Minister for Local Government.

Council will be responsible for monitoring the implementation of any recommendations in this report.

2 ABOUT THE COUNCIL AND THE AREA

The City of Canada Bay Council was proclaimed on 1 December 2000 and was formed through the amalgamation of the former Concord and Drummoyne Councils.

The City of Canada Bay Council lies within the inner western suburbs of Sydney. The Parramatta River forms its northern boundary, while Parramatta Road makes up the greater portion of its southern boundary. It is dissected on the eastern side by Victoria Road and on the western side by Concord Road.

Canada Bay has over 230 hectares of parks and reserves or 15.3% of its total area of 1,982 hectares. Many of the parks and reserves give direct access to the foreshore benefiting local and nearby residents.

About 30% of the population speaks another language in addition to English. Italian, Greek, Cantonese/Mandarin, Arabic and Spanish are the major languages. The Council reflects this cultural diversity with events such as Ferragosto and the Concord Street Fair.

The area is moving away from its former industrial base. Sites such as the former AGL site at Mortlake and the former Union Carbide site on the Rhodes Peninsular have been or are continuing to be remediated to provide for higher density housing. These projects, together with developments at Cabarita and Liberty Grove, will lead to a population of approximately 80,000 persons. Council's FuturesPlan20 anticipates 10,000 new dwellings within the Council area. The plan seeks to achieve this through encouraging a diverse housing stock that responds to changing housing needs. The plan also seeks to support an additional 10,000 jobs.

The area's proximity to Sydney and the major roads that either traverse or bound it generate significant traffic issues. Traffic issues associated with the major roads impact on the Council, with major cross traffic along the Great Northern and Lyons Roads and with traffic using local roads when seeking to avoid traffic delays on Parramatta, Concord and Victoria Roads.

The City has 17 suburbs, including Canada Bay, Rhodes, Five Dock, Cabarita, Concord and Drummoyne. Other than the recently developed major shopping complex at Rhodes, the area is characterised by local shopping centres.

The Council has taken a number of steps to support smaller business operators operating in its area. Additionally, the FuturesPlan20 anticipates that the Council will support local business growth by supporting and facilitating, inter-alia, village development programs, developing retail and commercial strategies and developing programs to strengthen and sustain small businesses.

The Council has 9 councillors. The Council is currently in its third term. Seven of the former councillors are currently serving. The Mayor, Clr Tsirekas, continues in his former role.

The Mayor is elected by popular vote. The Council continues to conduct two meetings each month, with ordinary meetings held on the third Tuesday of each month. The Council also holds other meetings, principally dealing with development applications, referred to as a “Committee of the Whole”, on the first Tuesday of each month. Again, the Council continues to conduct regular workshops that are held as information sessions to brief councillors on matters that will assist them in the performance of their duties.

The 2009 Financial Reports indicate that the Council had an annual income of approximately \$64 million. Slightly over half of Council’s income was derived from rate income.

Council is organised into five directorates: Executive Services; Corporate Services; Technical Services and Operations; Environment and Planning; and Community Development.

3 SUMMARY OF KEY FINDINGS

Better practices/noteworthy practices	Areas for improvement
STRATEGIC POSITION	
The Council has moved promptly to embrace the Integrated Planning and Reporting framework	
The Council is reviewing its corporate values to ensure that they align with the Integrated Planning and Reporting framework	
GOVERNANCE	
The Council is in the latter stages of adopting a comprehensive business continuity plan	The Council should adopt records management and disposal policies reflecting statutory requirements
The Council is actively engaged in strategic alliances and resource sharing programs	The Council should undertake a systematic fraud risk assessment and adopt a fraud control policy or strategy
	The Council should adopt a legislative compliance process and a reporting program
PLANNING AND REGULATORY	
The Council has completed the review of its landholdings as well as Crown land in its area	The Council should consider the adoption of an IHAP
The Council determines 95% of development applications under delegation	The Council should adopt a policy to reduce euthanasia rates and offer subsidised micro-chipping services in regard to companion animals
The Council has adopted appropriate policies and strategies when dealing with planning agreements	The Council should adopt a compliance program to ensure that private swimming pools comply with the <i>Swimming Pools Act 1992</i>
The Council independently audits the compliance of its public swimming pools annually	

Better practices/noteworthy practices	Areas for improvement
ASSET AND FINANCIAL MANAGEMENT	
The Council has been undertaking long-term financial planning for a number of years	The Council should closely consider its investment and funding strategies
The Council has adopted comprehensive and well drawn plans of management for some specific landholdings	The Council should ensure that the information in its accounts complies with section 410 of the <i>Local Government Act 1993</i>
The Council has adopted a comprehensive asset management strategy	
The Council has taken steps to rationalise its assets	
The Council has taken positive steps to reduce its green house gas emissions through its motor vehicle strategies	
The Council continues to develop, review and to adopt policies	
The Council maintains sound controls over outstanding rates	
The Council has been able to complete major projects on budget	
COMMUNITY, COMMUNICATION AND CONSULTATION	
The Council has adopted sound consultation processes for major programs	The Council should develop a tourism plan
The Council utilises a wide range of processes to obtain the views of its community	
The Council has created links between its plans and strategies to facilitate the Integrated Planning and Reporting framework	
The Council continues to develop, review and adopt policies	
The Council has adopted and implemented a disability access policy	

Better practices/noteworthy practices		Areas for improvement	
	The Council emphasises and supports the cultural diversity of its area		
	The Council has a clear focus on customer service		
WORKFORCE RELATIONS			
	The Council's workforce planning regime is aligned to the resourcing strategies of the Integrated Planning and Reporting framework		The Council should take positive steps to ensure that the makeup of staff reflect the cultural diversity of its local area
	The results of Council's staff survey are being incorporated into its HR strategies		The Council should review whether its practices conform with section 338 of the <i>Local Government Act 1993</i>
	Council's consultative committee has a wide range of members and meets regularly		The Council should develop and adopt a succession plan
	Council's OH&S strategies appear to be sound		The Council should ensure that it completes and adopts its new grievance management policy
	The Council has positive programs aimed at attracting and retaining staff		

4 COUNCIL'S STRATEGIC POSITION

This part of the review focussed on Council's strategic intent and how it has involved its communities and other stakeholders in developing long term strategic plans. The review assessed the clarity of Council's strategic direction, whether its plans reflect a shared and realistic vision and its overall approach to corporate planning. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to Council's performance in this area.

A new planning and reporting framework for NSW local government has been introduced to improve local councils' long term community planning and asset management, as well as streamline reporting to the community.

The new framework aims to improve the sustainability of local communities by encouraging councils, residents and State agencies to work together on long term plans and appropriate delivery programs. Community strategic plans will be supported by a long term financial strategy (resourcing strategy), asset management plan and workforce strategy. The framework is set out in the following diagram.

Diagram 1: Proposed planning and reporting framework



Better practices

The Council is in the first group of councils in NSW to move to adopt the Integrated Planning and Reporting framework. The Council appears to be well placed to do so.

In order to do so, it has been necessary for the Council to apply significant resources to the program.

In 2008 the Council adopted its FuturesPlan20 Community Strategic Plan. This plan will guide the Council in the next 20 years.

The Council has adopted its first Operational Plan.

Additionally, the Council indicates that it is on track to adopt the various plans that link together to make up its integrated planning regime, including its Resourcing Strategy, Workforce Plan and its Asset Management Strategy and is currently aiming to submit its Local Environment Plan for Ministerial consent in May or June this year.

Other noteworthy practices

The Council is currently reviewing its corporate values to align them with the Integrated Planning and Reporting framework.

Council response

Council is well placed to complete its transition to the new integrated planning and reporting framework as part of group one. Our revised community strategic plan, delivery plan and operating plan are currently on an extended public exhibition (close on 18 May). For thoroughness of community involvement, Council has also placed its Long Term Financial Plan and Asset Management Plan on public exhibition. Council also has an internal project underway to fully integrate these strategic documents with other policies and strategies and with team and individual work plans. Methods of reporting against all these documents and plans are being finalised ready for implementation as of 1 July.

5 DELIVERING AND ACHIEVING

This part of the review focussed on examining key structures, systems and processes involved in delivering the stated outcomes of the City of Canada Bay Council's operational plan. This included considering the means by which Council:

- governs its day to day operations
- undertakes its planning and regulatory obligations
- manages its assets and finances
- involves the community, and
- recruits and retains its workforce.

5.1 GOVERNANCE

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

5.1.1 Scope of review

- *Ethics and values*
- *Management planning*
- *Procurement, disposal & tendering*
- *Privacy management*
- *Code of conduct*
- *Disclosure of pecuniary interests*
- *Risk management, legislative compliance & internal control*
- *Council's decision-making processes, including delegations and conduct of meetings*
- *Support for councillors*
- *Records management*
- *Access to information*
- *Complaints handling*

5.1.2 Overview of City of Canada Bay Council's governance practices

Overall, City of Canada Bay Council has many effective governance systems and processes in place. Council has established a position that is charged with the responsibility of overseeing corporate governance for the organisation.

When the review team first reviewed the Council, the team was of the view that, overall, the Council had sound governance practices. Generally the Council's plans and policies were aligned to the future direction of the Council. In turn, the policies and the other documents of the Council were generally clear, concise, orderly and readable.

In the period between the first on-site component of the review and the recent visit, the Council has demonstrated an ongoing commitment to improve its governance systems. Over the period of the review the Council has undertaken processes to prepare a raft of policies. While a number of the policies are in draft form, the number of policies that have been adopted indicates a significant determination to ensure that the Council has sound governance practices.

5.1.3 Significant Observations

Better practices

Business Continuity

The Council is in the latter stages of adopting a comprehensive and detailed business continuity plan. To its credit, the plan focuses on continuity across the whole of the Council's business and not merely IT continuity. The plan anticipates annual testing and ongoing review.

Complaint Handling

The Council's complaints handling processes appear to be very good. The Council operates a call centre and rotates staff between the call centre, the front counter and its administrative team. Staff receive training and are assessed for their ability to undertake various tasks. Council's processes are augmented by web based workflows applicable to over 350 services. Additionally, complaints handling is audited internally to ensure quality. The Council also conducts customer satisfaction

surveys. The Council is a member of the National Customer Service Network and provides assistance to other councils.

The Council has provided training to all staff regarding its complaints handling policy. Additionally, the Council provides a copy of the policy in the civic centre foyer and on its intranet. Staff regularly report to the councillors on numbers, progress and outcomes of complaints.

Strategic Alliances and Resource Sharing

Council's Annual Report for the year 2008/2009 records significant developments in strategic alliances and resource sharing.

Since the initial component of the review, the Council has become part of the Southern Sydney Regional Organisation of Councils comprising 16 councils in the southern area of Sydney, representing more than 1.4 million residents.

Council is engaged in a number of partnerships and memoranda of understanding; including:

- A partnership with the Department of State and Regional Development to provide monthly business training events
- A Memorandum of Understanding with “Communities for Communities” to provide joint events in the Canada Bay Area
- Memoranda of Understanding with Strathfield, Burwood, Leichhardt and Ashfield Councils to develop an annual program for youth activities in the area, to expand on Youth Week and to develop an Inner West Youth Theatre
- A Memorandum of Understanding to work in partnership with the NSW Police Service to provide the community with tamper proof screws for motor vehicle licence plates
- A partnership with Sydney Water and Leichhardt Municipal Council to provide a sustainable business project officer at both Councils for a two year period and to implement long term energy and water saving solutions to high demand business users in the area.

Areas for improvement

Records Management

While the Council has adopted records management procedures, it does not have a records management policy, nor has it adopted records disposal guidelines or a schedule for both its electronic and paper based records, as required by the State Records Act. The Council should adopt a comprehensive records management policy. *(Recommendation 1)*

Fraud Controls

The Council does not have a fraud control strategy or policy. While the Council has taken fraud control measures, such as the use of Datafuel and Keywatch programs at its works depot, the Council has not undertaken a systematic fraud risk assessment. *(Recommendation 2)*

Legislative Compliance

The Council has not yet adopted a legislative compliance process, nor does it have a process for internal reporting of legislative non-compliance. *(Recommendation 3)*

Noteworthy practices

Risk Management

At the time of the recent on-site review, the Council was undertaking the final review of its draft risk management plan. While there may be some argument that the objectives in the draft plan gives insufficient emphasis to enterprise risk or that it does not prescribe the basis for the meetings of the Risk Management Group, the focus on risk is a significant step in the way to ensure sound governance practices.

Updating and Development of Policies

The Council has updated or adopted a number of policies during the period of the review, including its consultation processes affecting its operational plan, its computer usage policy and its expenses and facilities policy. Additionally, the Council has taken steps to implement an internal audit function.

Councillor Disclosures

The Pecuniary Interest returns lodged at the time of the on-site component of the review were timely and generally good, although some demonstrated unnecessary declarations, such as interests in public corporations and declarations of debts to financial organisations.

Meeting Procedures

Meeting procedures appear to be generally good, with the Council holding an ordinary meeting as well as a committee of the whole meeting monthly. The committee of the whole meeting is principally used to deal with development applications. Additionally, the Council holds a workshop on the second Tuesday of each month, where presentations are made on topical and other relevant matters. Meetings appear to take between 2 – 2.5 hours on average, with the committee of the whole meetings being generally longer, as would be expected. The Council had not held an extraordinary meeting in the year prior to the review nor in the past year.

The Council continues to operate without the need for extraordinary meetings.

Council response

Recommendation 1: *The Council should adopt records management and disposal policies reflecting statutory requirements.*

Response: Records management and disposal policies are currently being drafted for consideration of the Executive. Council currently complies with NSW State Records General Disposal Authority - Local Government Records (GDA 10) in relation to disposal of Council Records. Adoption of the policies is expected by July 2010.

Draft Recommendation 2 (now removed): *The Council should adopt a policy governing councillor access to information.*

Response: There was an error in the 2009 Promoting Better Practice Checklist submitted to the Department of Local Government in that it did not recognise that the Code of Conduct adopted by Council after the first PBP conducted in 2008 now incorporates requirements with respect to Councillor and administrator access to

information. The new Code of Conduct was adopted on 17 March 2009 and section 10 of this document outlines the requirements. A copy of the Code is provided for the Departments reference. Action on this recommendation is considered to be completed.

Reviewer's Response: *The Council's response has been noted and the recommendation removed.*

Recommendation 2 (formerly Recommendation 3): *The Council should both undertake a systematic fraud risk assessment and adopt a fraud control policy or strategy.*

Response: A draft Fraud and Corruption Control Policy has been prepared and will be presented to the next meeting of the Audit and Risk Management Committee in May 2010. The policy proposes that Council act proactively in preventing fraud and corruption through the adoption of a suite of better practice processes including:

The Fraud Control Better Practice Guidance and Improvement Kit issued by the NSW Audit Office.

The Governance Health Check issued by the LGMA.

The requirements of Australian Standard AS 8001-2003 "Fraud and Corruption Control"

The policy also proposes having in place a comprehensive fraud and corruption prevention plan and assessment of fraud and corruption risks which will also be submitted to the Audit and Risk Management Committee for review upon completion. Action on this recommendation is expected by August 2010.

Recommendation 3 (formerly Recommendation 4): *The Council should adopt a legislative compliance process and a reporting program.*

Response: A legislative compliance register is currently being prepared and a reporting program will be finalised following completion of the register, The register will cross reference existing Council codes and policies against legislation Council has responsibilities under to ensure compliance. Timeframe for completion of the reporting program is April 2011.

5.2 DEVELOPMENT CONTROL & OTHER REGULATORY FUNCTIONS

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

5.2.1 Scope of review

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

- Council's planning instruments and policies
- Development assessment
- Section 94 plans
- Companion animals
- Environmental management
- Compliance and enforcement practices
- Swimming pools

5.2.2 Overview of land use planning, development assessment and regulatory practices

At the time of the first on-site component of the review, the Council had recently obtained Ministerial consent for the adoption of a Local Environment Plan affecting the whole of the Council area. This plan had replaced the former Concord Council and Drummoyne Council Local Environment Plans. This plan, while in the model LEP template adopted by the Department of Planning, was, in effect, an amalgamation of the earlier Concord and Drummoyne Local Environment Plans. Notwithstanding its recent adoption, the Council has been required to develop a further plan anticipating future growth.

The Council has undertaken this process and is nearing the time when it can submit the draft plan to obtain Ministerial consent for community consultation.

Prior to the commencement of the review, the Council had been engaged in litigation surrounding the sale of a parcel of “community” land in the Strathfield Triangle. The sale of the land highlighted concerns that the Council had failed to maintain records of its land holdings and whether such land was held as “operational” or “community” land. When the initial on-site component of the review was undertaken, the Council was undertaking the task of ascertaining its holdings and their categorisation.

The Council has now completed this task, and while it has some residual concerns, the gazettal of its LEP will remove these doubts.

5.2.3 Significant Observations

Areas for improvement

Independent Hearing and Assessment Panel

The use of an Independent Hearing and Assessment Panel may be beneficial in the review and consideration of contentious developments or those developments where the Council is an applicant or has an interest. The Council has not appointed an IHAP and may wish to consider such an appointment. (*Recommendation 4*)

Companion Animals

The Council has a companion animals plan in place and also has many supporting strategies in place. The Council could improve its plan by providing community education programs, by adopting policies to reduce the euthanasia rates for companion animals and by offering Council subsidised micro-chipping services. (*Recommendation 5*)

Private Swimming Pools

The Council does not have a compliance program to ensure that swimming pools comply with the *Swimming Pools Act 1992*. Council’s response to the issue of swimming pool compliance appears to be ad hoc, being triggered by the lodgement of a development application affecting the site. The Council should both promote awareness of the *Swimming Pools Act* and undertake a program aimed at ensuring that domestic swimming pools meet the requirements of that Act. (*Recommendation 6*)

Noteworthy practices

Categorisation of Landholdings

The Council has now completed the task of ascertaining its landholdings. While some concerns regarding classification of some land remain, the Council is moving to deal with this issue as part of the adoption of its Local Environment Plan. Council's land register contains a significant number of parcels that are owned by the Council, as well as a large number of parcels of Crown land for which the Council acts as trustee. The Council is to be commended for the work that it has undertaken.

Determination of Development Applications

The Council continues to regularly review its regulatory processes and has reviewed a number of its processes during the period of the review, including its development assessment processes.

The Council has increased the percentage of development applications dealt with under delegation from 85% to 95%.

Planning Agreements

The Council is utilising planning agreements and has adopted a planning agreements policy. The policy sets out the circumstances in which the Council will consider a planning agreement and provides for the independent assessment of the cost or benefit provided under the agreement. The Council also utilises the services of independent legal advisors to draw up the agreements.

Public Swimming Pools

The Council operates 2 public swimming pools, one at Drummoyne and the other at Cabarita.

When responding to the later checklist, the Council provided a brief synopsis regarding its compliance with Practice Note 15 – Water Safety. The response suggested that the Council has not considered the full extent of the practice note.

The Council has subsequently provided evidence that an independent consultant conducts intensive annual audits of its pools and their operation. The nature of these audits closely aligns to Practice Note 15.

Council response

Recommendation 4 (formerly Recommendation 5): *The Council should consider the adoption of an IHAP.*

Response: During the initial Better Practice review, Council was in the process of considering the need for an Independent Hearing and Assessment Panel. This included reviewing the models that have already been adopted by other Councils such as Canterbury City Council and Warringah Council and consideration of the types of applications that might be appropriate for review by an IHAPS, and including whether the need for an IHAP can be justified given the fact that only 6% of all Development Applications are determined by Councillors at Council meetings. However, during the course of this review process, the State Government gazetted amendments to the Environmental Planning and Assessment Act 1979 which introduced Joint Regional Planning Panels (JRPP) and the Planning Assessment Commission. As JRPP's are now the consent authority for development applications with estimated cost of works of \$10million or more for private development proposals and proposals from public authorities with a value of \$5million or more the need for an IHAP has been reduced or eliminated. Independent assessments are arranged for DA's involving section 93F contributions and significant Council applications. Council has not as yet received any Development Applications requiring referral to a JRPP, however, as this is likely to change with the imminent introduction of a new Masterplan for the Rhodes Peninsula, we would like to take the opportunity to reconsider the need for an IHAP following a 12 month period of JRPP determined DA's.

Recommendation 5 (formerly Recommendation 6): *The Council should adopt a policy to reduce euthanasia rates and offer subsidised micro-chipping services in regard to companion animals.*

Response: The companion animal management plan is due for review in 12 months. At that time a comprehensive education plan to support the reduction of

euthanasia rates will be considered along with the subsidising of micro-chipping services. Review to commence in April 2011.

Recommendation (formerly) 7 - now removed: *The Council should review its practices to ensure that it complies with Practice Note 15 - Water Safety.*

Response: There was an error in the 2009 Promoting Better Practice Checklist submitted to the Department of Local Government in that the comments did not appropriately reflect the question posed. The Department should note that Council has taken action to act on Practice Note 15 - Water Safety by requiring operators of Council's two swimming centres to undertake an annual comprehensive audit conducted by the Royal Life Saving Society Australia. Those audits address the requirements of Practice Note 15. The most recent audits undertaken on 13 October 2009 are provided for the Departments reference. Action on this recommendation is considered to be completed.

Reviewer's Response: *The further information has been reviewed and recommendation 7 has been withdrawn. Council's approach is regarded as being a noteworthy practice and the report has been amended.*

Recommendation 6 (formerly Recommendation 8): *The Council should adopt a compliance program to ensure that private swimming pools comply with the Swimming Pools Act 1992.*

Response: Council will review and consider an appropriate methodology and program to achieve compliance with section 5 of the Swimming Pools Act (General Duties of local authorities regarding swimming pools). This review will commence by June 2010.

5.3 ASSET & FINANCIAL MANAGEMENT

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

5.3.1 Scope of review

A review was conducted of a range of aspects of Council's asset and financial management practices, including:

- *Financial management*
- *Asset management, including land assets, plant replacement and capital works*
- *Management of community land*

5.3.2 Overview of asset and financial management practices.

The Council has embarked on the process of implementing the Integrated Planning and Reporting framework. This framework incorporates a 10 year financial plan.

Long term financial planning highlights both the strengths and the weaknesses in a council's financial base and its financial strategies. Used properly, long-term financial planning facilitates the adoption and implementation of strategies aimed at accommodating and/or overcoming such strengths and weaknesses.

Council's operating result before capital grants for the 2008/09 financial year was a deficit of \$3.1M. This compares with a deficit of \$2.5M in 2007/08 and a deficit of \$3.1M in 2006/07. Council's operating result after capital grants for the 2008/09 financial year was a surplus of \$10.74M compared to a surplus of \$6.65M in 2007/08 and a surplus of \$726,000 in 2006/07.

Unrestricted cash is money available to a council that has not been set aside for a specific purpose. It is available to pay the day-to-day expenses and meet any unforeseen expenditure.

Council's unrestricted cash for the 2008/09 financial year was \$3.0M, compared to \$6.8M for the 2007/08 financial year.

Council's externally restricted funds are amounts received from an external organisation that is to be used for a specific purpose. For the 2008/09 financial year, externally restricted funds were \$9.481M, compared to \$8.565M for the 2007/08 financial year and \$11.945m in 2006/07.

Council's unrestricted current ratio for all its funds for the 2008/09 financial year was 1.16, compared to 1.72 for the 2007/08 financial year and 1.36 in 2006/07. This ratio measures the adequacy of working capital and the ability to satisfy obligations in the short-term. It does not include externally restricted activities such as water, sewer or specific grants. A ratio greater than 2 is considered to be the benchmark.

Another important ratio is the debt service ratio. This measures the amount of money that Council is spending to service debts as a percentage. As at 30 June 2009, Council's debt service ratio was 1.98%, a decrease from 2.37% at 30 June 2008 and 2.47% at 30 June 2007. A ratio of less than 10% is considered the benchmark.

Council's rates and annual charges outstanding reflect the percentage of money that has not yet been collected for rates and annual charges. The percentage of rates and annual charges outstanding decreased from 2.38% to 2.29% in 2008/09, but showed an overall increase from 1.87% in 2006/07. These ratios must be considered against the Sydney suburban council benchmark of 5% or less.

Significant Observations

Better practices

Long Term Financial Management

The Council has, for a number of years, undertaken long term financial planning and the Council continues to update its plans.

Areas for improvement

Revenue Sources

Council's unrestricted current ratio is 1.16, well below the benchmark figure of 2.

While there is some shift away from the former industrial base to residential development, there are few major development opportunities that will provide substantial revenue in the form of developer contributions.

While this may limit “new” demand for services, the lack of such income places greater emphasis on Council’s traditional revenue streams through rates, charges and levies. In these circumstances the Council should closely consider its funding strategies. (*Recommendation 7*)

Collateralised Debt Obligations

The Auditor’s report for the 2007/08 financial year advised that Council had Collateralised Debt Obligations (CDOs) with a face value of \$5.2M, and were fair valued at \$3.4M. Council’s Financial Statements for the year ended 30 June 2009 valued the CDOs at \$0.251M. The Auditor’s report for that year stated:

At 30 June 2009 Council’s investment portfolio totalled \$15m and included securities that have been impacted by this market volatility. These securities were principally CDOs and Equity Linked Notes which were written down by \$1.3m to their fair value.

Over the period of the review, the Council has written down CDOs and Equity Linked Notes by \$3.1m; over half the value of these investments. This represents a significant part of Council’s overall investment portfolio. While it may be said with the benefit of hindsight, the Council must be vigilant to ensure that it does not risk the value of its investments through poor investment decisions. (*Recommendation 7*)

Information in Accounts

The Council acts as trustee for 147 parcels of Crown land. This land is contained within or makes up:

- many of its parks, including Drummoyne Oval
- its Drummoyne and Cabarita swimming pools, and
- its Barnwell Park and Massey Park golf courses.

Section 411 of the Act requires that all money received by a council in trust be held in the council’s trust fund and applied towards the purposes of the trust. The Council has failed to set aside income derived from Crown land as required by the Act.

The Council should ensure that all income received from land that it holds as trustee is recorded and dealt with in accordance with the provisions of section 411 of the Act. (*Recommendation 8*)

Noteworthy practices

Plans of Management

During the period of the review, the Council completed the task of ascertaining what land it holds and its categorisation. The Council now indicates that it believes that it has plans of management in place for its community land.

When the recent on-site component of the review was conducted, the Council provided an extensive list of its land holdings, divided according to categorisation.

The review team inspected both the generic plan of management and specific plans, such as the Drummoyne Oval plan adopted in August 2009 and the Cabarita Park plan adopted in July 2007.

Both the specific plans had been professionally drawn and were very comprehensive.

The generic plan of management, adopted in 2007 may give rise to some conflict, as it pre-dates the Council's efforts to ascertain what land it holds. While the plan expresses itself as being generic, it does list the landholdings that it applies to. Given the research undertaken by the Council, there appears to be room for some error. Notwithstanding this, the Council is moving to ensure that concerns over community land do not arise in the future, through provisions to be contained in its proposed Local Environment Plan.

Asset Management

At the time of the initial on-site review, the Council had prepared a draft asset management plan and was in the process of reviewing it. Since that time, in association with its move towards the adoption of integrated planning, the Council has adopted an asset management policy.

The asset management policy forms part of the Council's resourcing strategy and links to its long term financial plan, its workforce management strategy and its asset management framework.

The asset management policy will be supported by:

- an asset management strategy, adopted in February 2010
- an asset management plan
- detailed management plans for individual assets, and
- an asset management information system.

Ultimately, the relationship between the asset management policy and sub-policies and Council's resourcing strategy will, in conjunction with Council's other strategies, contribute to a delivery program and operational plans. While many of the sub-policies are currently in draft form (with some intended to remain so in order to facilitate ongoing change), the Council has made significant steps towards having the policies in place that will allow it to adopt the integrated planning and reporting framework.

In association with this project, the Council has adopted a policy of re-valuing its assets every 3 years, down from its former 10 year period.

Asset Rationalisation

The amalgamation of the former Concord and Drummoyne Councils led to some duplication in assets. The Council has utilised some of the holdings to provide assets, such as the new library, for its community. The Council has embarked on a process of asset rationalisation, including the closure and sale of its Concord and Concord West libraries and the rehousing of facilities. Additionally, Council has transferred its public ferry wharves to NSW Maritime.

Motor Vehicles

The Council allows certain staff to lease motor vehicles under its motor vehicle policy.

The policy recognises the CO₂ output of the various vehicles that are allowed to be leased and adopts rates that reflect both the CO₂ output and the vehicle cost. The

effect of the policy is to promote 4 cylinder fuel efficient vehicles. The Council's vehicle lease agreement promotes leasing of 4 cylinder cars through early turnover provisions.

The Council advises that this approach has resulted in a positive shift to vehicles with 4 cylinder engines.

Updating and Development of Policies

During the period of the review, the Council has updated or adopted a number of its policies during the period of the review, including:

- a pensioner policy, adopted on 16 June 2009, dealing with rate reduction to eligible pensioners
- a hardship policy, adopted on 16 June 2009, dealing with the way that the Council will deal with rates in circumstances of personal hardship.

Outstanding Rates

While the percentage of rates and annual charges outstanding has increased over the review period (2006/07 to 2008/09), the amount outstanding is well below the benchmark for Sydney suburban councils. Discussions with Council suggest that this is a combination of sound practices and the demographic makeup of the local community.

Major Projects

During the course of the review the Council built the Concord library and undertook major works at the Cabarita pool. Both were completed on budget.

Council response

Recommendation 7 (formerly Recommendation 9): *The Council should closely consider its funding and its investment strategies.*

Response: Council is well aware of the restrictions placed upon it in raising revenue and finding new sources of income. The Long Term Financial Plan has been redrafted to consider additional funding opportunities for the future.

Council also foresaw a decline in Section 94 contributions as major development sites were completed. It introduced a S94A levy which generates approximately \$1.5M per year for all DA's. (Value of work x 1%). S94A revenue will continue to be received from general DA lodgements.

Council ceased purchasing Structured Credit Investments in September 2006. All new investments are now term deposits and are backed by the Government guarantee. Existing structured credit investments have been retained under the grandfathering provisions of the revised Investment Guidelines.

Review of funding and investment strategies will be undertaken annually in line with budget development and the review of the Long Term Financial Plan.

Recommendation 8 (formerly Recommendation 10): *The Council should ensure that the information in its accounts complies with section 411 of the Act.*

Response: Note that this refers to section 411 of the Act. Council will review the requirements of section 411 of the Act when preparing its annual financial accounts from June 2010.

5.4 COMMUNITY & CONSULTATION

A council's charter requires that a council:

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

5.4.1 Scope of review

A review was conducted of a range of aspects of Council's community and consultation practices, including:

- *The methods council uses to involve and determine the views of its community*
- *Ageing Population*
- *Social and community functions of council*
- *Annual reporting*
- *Customer service standards*

5.4.2 Overview of community and consultation practices

The Council has indicated that it proposes to adopt the same consultation procedures as it took with its FuturesPlan20 when undertaking the exhibition processes associated with its draft Local Environment Plan.

This process involved significant consultation with community members, stakeholders, Council's staff and councillors. A number of forums were held to obtain community views on issues facing the Council. To supplement the forums, a community survey was undertaken both directly to every household and through the Council's website.

Additionally, a detailed community forum was held, with the aim of generating detailed information to formulate broad directions. Participants were randomly selected from residents who had nominated to be part of this stage of the consultation process, with care taken to ensure a broad cross section of the community was represented.

Further consultation was facilitated through direct mail, consultation kiosks placed at various locations, displays at various locations and events.

The final stage in the process involved public exhibition of the final draft.

Lastly, a network forum was held with industry stakeholders and technical experts to ensure the alignment of the proposed broad directions of FuturesPlan20 with that of organisations in the local area.

The adoption of such comprehensive consultation procedures suggests a mature approach to consultation and recognition of the need to ensure that the Council interacts with and reflects the views of its community.

The Council was in the throes of preparing a community consultation strategy during the on-site component of the review. This strategy has now been completed. See Council response at the end of this section.

5.4.3 Significant Observations

Better practices

Major Projects

The Council has demonstrated good consultation processes in developing its FuturesPlan20 plan and had indicated its intent to utilise this process in other major projects, such as its Local Environment Plan.

Community Surveys and Information

The Council uses a range of mechanisms, including focus groups, community forums, neighbourhood committees and others to survey its community.

The Council also uses a variety of mechanisms, including community forums, newsletters, newspaper and other media articles, direct mail services, Facebook, Myspace and other direct targeting to keep its community informed of its activities.

Plan Linkages

Council's cultural plan and other strategies, such as its playground strategy and economic development strategy, are linked to its FuturesPlan20 and, in turn, to the other plans that form its integrated planning and reporting framework.

Areas for improvement

Tourism

The Council area lies close to the City of Sydney and Sydney Olympic Park. The Council area contains significant areas of open space used for both active and passive leisure activities.

Despite the statements on Council's website that the area contains *a wealth of leisure and tourism experiences, just 10 kms from Sydney's CBD and a rich diversity of eating and shopping experiences*, the Council has not adopted a tourism plan. The Council should move to do so. (*Recommendation 9*)

Noteworthy practices

Policy Development and Review

The Council continues to develop, review and adopt policies. More recently, the Council exhibited its community harmony strategy and its positive ageing strategy.

Disabled Access

The Council adopted a disability access policy in 2004 and provides disabled access to a number of its facilities, including its administrative building, Council chambers and its libraries.

Cultural Diversity

The local population has a wide cultural background, with 30% of the population speaking another language in addition to English. During the period of the review, the Council has continued to reflect this diversity by adding to the number of languages that its publications are printed in.

The Council also reflects this cultural diversity with events such as Ferragosto and the Concord Street Fair.

Customer Service

The Council has a clear focus on its customer service standards and its approach is excellent, providing a professional interface between Council and its customers. The Council provides training for staff of other councils.

Council response

Recommendation (formerly) 11 - now removed: *The Council should formalise its consultation strategies*

Response: As part of its commitment to continuous improvement and rigorous policy development, in February 2010 Council adopted a community engagement framework consisting of three documents:

A Community Engagement Policy;

A Communication Policy; and

A Communication and Engagement Toolkit.

The Community Engagement Policy sets out the City of Canada Bay's approach to community engagement activities. It provides a broad framework for the manner in which Council will undertake community engagement on issues or decisions for which Council is responsible. The policy defines the principles underpinning Council's engagement activities; when Council will undertake community engagement; the role of councillors, Council officers and community members in undertaking community engagement; and the means through which engagement strategies and mechanisms will be determined. The policy applies to all aspects of Council operations including long term planning and decision making around day to day business activities, however the policy does not apply to development applications as consultation on these is undertaken in accordance with the City of Canada Bay Development Control Plan. While the policy is designed to guide engagement activities that are initiated by Council, the same philosophical and principled approach should be applied in instances where Council is engaged by community groups or other organisations.

The Communication Policy sets out the City of Canada Bay's approach to communication it undertakes with its community. It provides a broad framework for

the manner in which Council will communicate with the community and sets out specific guidelines for a number of key areas. The policy commits Council to actively communicate with the community and both put and seek a range of views, information, feedback and advice across a variety of mediums. Council will provide effective communication that provides timely and appropriate information and ensures the community has access to information on the full range of Council activities.

The Communication and Engagement toolkit is an internal document designed to assist Council officers in the application of Council's Community Engagement and Communication policies. It is not designed as a prescriptive resource; instead it recognises the need to adapt communication and engagement activities based on the many specific issues, decisions or operations in which Council is involved. The toolkit recognises that individual Council officers have expertise in their respective professional areas that must be integral in developing communication and community engagement strategies. In particular, the toolkit aims to support Council officers as they consider different community engagement techniques and communication mechanisms to support particular projects. This will assist officers identify the most appropriate community engagement tools to ensure that the particular target group(s) are well informed of both the issue and related engagement opportunities.

These three documents have been developed to ensure Council can deliver best practice communication and engagement and were developed building on the existing policies of a number of other councils including Randwick, Queanbeyan, Warringah, Marrickville and Sunshine Coast. The policies and toolkit were developed to reflect the approach of the International Association for Public Participation, and the spectrum of community engagement which is central to the new integrated planning and reporting framework. Through the interplay of the three documents, specific community consultation strategies will be developed for projects as they arise. For example as the first application of the framework, Council developed the City of Canada Bay Community Engagement Strategy (Integrated Planning and Reporting Transition and Special Rate Variation Proposal 2010). This strategy set out City of Canada Bay's approach to community engagement activities surrounding its transition to the new legislative requirements and the associated special rate application proposed by Council. It provided a framework for the manner in which

Council will undertake community engagement on these issues and was designed to build on and reconfirm the extensive community engagement undertaken in 2008 to develop FuturesPlan20, Council's existing community strategic plan. The strategy identified key stakeholders and outlined a range of tools used to communicate and engage with these stakeholders and the community broadly. Importantly, the Strategy saw Council successfully trial the use of a community panel to engage with our local community. Through the panel, members have provided valuable feedback, opinions and ideas on issues that face the City. Over 150 people joined the panel and Council intends to maintain this consultation tool into the future. To ensure that Council's engagement strategy was applied in a genuinely collaborative, transparent and principled manner, Council also engaged the St James Ethics Centre to provide support throughout the consultation the strategy incorporated. The St James Ethics Centre is a fully independent, not-for-profit organisation which provides a non-judgemental forum for the promotion and exploration of ethics. Centre staff provided Council officers with advice and independent and objective facilitation at a key workshop held with panel members.

A copy each document is provided for the Departments reference. Action on this recommendation is considered to be completed.

Reviewer's Response: *The Council's response has been noted and the recommendation has been withdrawn.*

Recommendation 9 (formerly Recommendation 12): *The Council should develop a tourism plan*

Response: A draft tourism plan is currently being developed with a focus on promoting City of Canada Bay as a visitor destination. It is anticipated that this will be completed by September 2010 and integrated with the FuturesPlan20/Delivery Planning framework.

5.5 WORKFORCE RELATIONS

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

5.5.1 Scope of review

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

- *Human resources strategy and workforce planning*
- *Employee attitude surveys*
- *Job descriptions and job evaluation*
- *Recruitment and selection processes*
- *Equal employment opportunity*
- *Occupational health and safety*

5.5.2 Overview of the organisation

The Council last reviewed its organisational structure in April 2009 and determined to continue its previous structure. The corporate structure is divided into 5 units, with the General Manager heading the Executive Services unit.

The Council currently employs 316 full-time equivalent staff. This number has remained relatively static over the period of the review, rising by less than 5%. As might be expected, the greatest number of staff fall into the 25-54 years age categories. While there is a slant towards male employees, female employees make up 36% of Council's staff.

Conversely, Council's financial statements indicate a 17.5 % increase in salaries and wages for the audited reports from 2007 to 2009. Over the period of the review, overtime payments have decreased slightly, from 4% to 3%.

Only a small percentage of the staff identify as living with a disability, or being of Aboriginal or Torres Strait Islander background. Perhaps more significantly, given the cultural diversity of the local area, only 7% of staff identify as being of culturally or linguistically diverse origin. It is difficult to see how this reflects the diversity of the local community.

In order to implement the Integrated Planning and Reporting framework, the Council is moving to adopt a workforce management plan.

5.5.3 Significant Observations

Better practices

Integrated Planning and Reporting

The Council is undertaking the steps necessary to implement the Integrated Planning and Reporting framework, through the adoption of a workforce planning regime.

Areas for improvement

Employment Practices

The FuturesPlan20 indicates that 32% of residents were born overseas, with 25% in non-English speaking countries. The plan also recognises the large makeup of communities from Italian and Greek backgrounds and emerging communities from South East Asian backgrounds.

Council's equal employment opportunity management plan, adopted on 16 June 2009, contains the following data:

	Council 110 responses	Community
Population number	307	65,929
Aboriginal	2 or 0.65%	219 or 0.33%
Torres Strait Islander	0	Included in above stat of 219
Both Aboriginals & Torres Strait Islanders	0	Included in above stat of 219
Born outside Australia	23 or 20.9%	20697 or 31.4%
English as primary language	92 or 83.6%	17,576 out of 20,693 responses or 85%
English as parents first language	79 or 71.8%	Unknown
% of English spoken at home	95 or 86.4%	40,226 out of 65,369 responses or 61.5%
Racial, ethnic or minority descent	8 or 7.3%	20,697 out of 65,367 responses or 31.6%
Have a disability/need assistance	3 or 2.7%	2,341 out of 65,638 responses or 3.6%

Given that only 7% of staff identify as being of racial, ethnic or minority descent, it is difficult to see how this can be said to reflect the diversity of the local community.

While, in light of the comments received from the Council, there are some doubts regarding the correctness of this information, the Council should adopt employment practices that reflect the cultural diversity of its residents. (*Recommendation 10*)

Otherwise, a review of Council's practices indicates that the Council is generally meeting its employer responsibilities.

Contracts for Senior Staff

The corporate structure is divided into 5 units with separate directors appointed to lead 4 of the 5 units and it is assumed that these directors undertake their roles under individual contracts.

Section 338 of the Act requires that the general manager and other senior staff of a council are to be employed under contracts that are performance-based.

The Council should review whether its practices conform with the requirements of the Act. (*Recommendation 11*)

Succession Planning

The Council has not adopted a succession plan and should do so. (*Recommendation 12*)

Grievance Management

At the time of the first on-site component of the review, the Council had a grievance management policy in place. At that time, the Council neither monitored nor reported on staff grievances.

The Council currently has a draft policy. While the Council now monitors and reports on staff grievances, the Council should ensure that the new policy is adopted as expeditiously as possible. (*Recommendation 13*)

Noteworthy practices

Staff Survey

Since the commencement of the review, the Council has undertaken an employee survey. This has allowed the Council to gain significant insights into a wide range of staffing matters.

The results of the survey have been incorporated into the Council's EEO policy and Council's human resources strategic plan.

Consultative Committee

Council's Consultative Committee comprises 4 management representatives, 4 union representatives, 2 professional staff representatives and a member of Council's HR staff; with records kept of their deliberations.

Over the period of the review the number of meetings held by the committee has increased from 7 to 9.

Occupational Health and Safety

The Council has an OH&S Committee that continues to meet regularly.

Over the term of the review, the number of incidents reported has increased by about 10%. Conversely, the time lost through workplace injuries has dropped substantially, by about 30%.

An increase in the reporting of incidents should not of itself be considered adversely. Rather, such reporting suggests that there is a culture of reporting incidents. Such a culture is beneficial to councils as it allows a council to take steps to ensure that such incidents do not recur.

Retention and Attraction of Staff

The Council is focussed on attracting and retaining staff. Council's processes include leisure activities, team building programs, staff support programs and the pre-payment of transport tickets.

Council response

Recommendation 10 (formerly Recommendation 13): *The Council should take positive steps to ensure that the makeup of staff reflect the cultural diversity of its local area*

Response: In reviewing the recommendation it became apparent that the data in our Equal Employment Opportunity plan is not accurate. The information in relation to "racial, ethnic or minority descent" is not directly comparative between Council and the community. This information is gathered from the Council survey but not collected by the census in regards to the community. We have used the census data relating to number of people born outside Australia - which is not comparable. This will need to be corrected at the next review of our EEO Management Plan.

In the future when Council is collecting EEO data from staff we will look to include obtaining data that shows the specific ethnic background of staff. This can then be directly compared to ethnic backgrounds of our community.

It should be noted that almost 21% of staff stated they were born outside of Australia.

All of Council's recruitment policies, procedures and practices are in line with best practice and based on the principles of merit selection. There are no barriers for people from culturally diverse backgrounds applying for positions at Council.

One of the ongoing strategies of Council's EEO Management Plan is to :

"Monitor employment strategies for EEO groups by comparing Council's profile against the community profile and develop recruitment practices to target increased representation from each EEO group."

While Council will always have to maintain appointments on the basis of merit, in formulating best practice recruitment strategies we can target advertising in media that will reach people from culturally diverse backgrounds, such as the Italian, Greek or South East Asian communities within Canada Bay. We will consider including statements encouraging people from culturally diverse backgrounds to apply for positions in advertisements.

Reviewer's comment: *Council's comments have been noted and the recommendation amended.*

Recommendation 11 (formerly Recommendation 14): *The Council should review whether its practices conform with section 338 of the Act.*

Response: Section 338 of the Act refers to nature of contracts for senior staff. Council conforms with this section in that all senior staff are employed under performance based contracts. The 4 Directors are all employed under the DLG Standard Contract of Employment Senior Staff (other than General Managers) of Local Councils in New South Wales. The General Manager is employed under an individual performance based 5 year contract. At time of renewal of the General Managers contract he will be employed under the DLG Standard Contract of Employment General Manager of Local Councils in New South Wales.

Council will be improving the performance reviews documentation for Senior staff providing a definite link to delivery plan and FuturesPlan20 outcomes. This will be completed by December 2010.

Recommendation 12 (formerly Recommendation 13): *The Council should develop and adopt a succession plan*

Response: One of the key strategies in Councils Workforce Management Plan is to develop formal succession plans for each section. This is scheduled to commence in September 2010.

The development of an appropriate succession plan will involve an across Council working group of staff finding/developing a model that best suits Councils needs.

Succession planning is a process for identifying and developing internal personnel with the potential to fill key or critical organisational positions. Succession planning ensures the availability of experienced and capable employees that are prepared to assume these roles as they become available.

Recommendation 13 (formerly Recommendation 16): *The Council should ensure that it completes and adopts its new grievance management policy.*

Response: The current draft grievance management policy has been distributed to Management and Consultative Committee for comment and feedback.

It is envisaged that the policy will be launched and implemented during July 2010 through a series of information sessions for all staff.

6 RECOMMENDATIONS

<i>Recommendation</i>	<i>Risk rating</i>	<i>Council's Proposed Timeframe</i>
1 The Council should adopt records management and disposal policies reflecting statutory requirements	M	July 2010
2 The Council should both undertake a systematic fraud risk assessment and adopt a fraud control policy or strategy	H	August 2010
3 The Council should adopt a legislative compliance process and a reporting program	M	April 2011
4 The Council should consider the adoption of an IHAP	L	June 2011
5 The Council should adopt a policy to reduce euthanasia rates and offer subsidised micro-chipping services in regard to companion animals	M	Review by April 2011
6 The Council should adopt a compliance program to ensure that private swimming pools comply with the <i>Swimming Pools Act 1992</i>	H	Commence review in June 2010
7 The Council should closely consider its investment and funding strategies	M	Annually, in line with budget development and review of Long Term Financial Plan

<i>Recommendation</i>	<i>Risk rating</i>	<i>Council's Proposed Timeframe</i>
8 The Council should ensure that the information in its accounts complies with section 411 of the Act	L	June 2010
9 The Council should develop a tourism plan	L	September 2010
10 The Council should take positive steps to ensure that the makeup of staff reflect the cultural diversity of its local area	L	June 2011
11 The Council should review whether its practises conform with section 338 of the Act	M	December 2010
12 The Council should develop and adopt a succession plan	M	September 2010
13 The Council should ensure that it completes and adopts its new grievance management policy	M	July 2010

APPENDIX – RISK RATING OF RECOMMENDATIONS

The recommendations made in this report have been assessed for a priority ranking based on the following risk analysis.

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

Priorities for recommendations: <i>(based on application of risk analysis)</i>	Risk categories could include:
<ul style="list-style-type: none"> • High • Medium • Low 	<ul style="list-style-type: none"> • Reputation • Compliance with statutory requirements • Fraud/corruption • Financial • Legal liability • OH&S