



# **Warrumbungle Shire Council**

**Council meeting**

**Thursday, 16<sup>th</sup> December 2010**

**to be held at the  
Family Support Services Building,  
Coonabarabran**

**commencing at 11.00 am**

***MAYOR***

Councillor Peter Shinton

***DEPUTY MAYOR***

Councillor Murray Coe

***COUNCILLORS***

Councillor Kerry Campbell

Councillor Tilak Dissanayake

Councillor Ray Lewis

Councillor Mark Powell

Councillor Victor Schmidt

Councillor Ron Sullivan

Councillor Denis Todd

***MANAGEMENT TEAM***

Robert Geraghty (General Manager)

Vacant (Director Corporate Services)

Kevin Tighe (Director Technical Services)

Tony Meppem (Acting Director Environmental Services)

Rebecca Ryan (Director Community Services)

# **WARRUMBUNGLE SHIRE COUNCIL**

**Ordinary Meeting of the Warrumbungle Shire Council to be held at the Family Support Services Building, Robertson Street Coonabarabran on Thursday, 16 December 2010 commencing at 11.00am**

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Date: 10 December 2010

Cr Peter Shinton  
Mayor  
Warrumbungle Shire Council  
John Street  
COONABARABRAN 2357

Cr Shinton

## **AGENDA**

I submit the following report for Council's consideration at its meeting to be held on 16 December 2010. I further attach relevant reports from the Directors to me for the consideration of Council.

### **Forum**

### **Declaration of Pecuniary interest and conflicts of Interest**

### **Confirmation of Minutes**

**CONFIRMATION OF MINUTES** of the ordinary meeting of Warrumbungle Shire Council held on 18 November 2010

**ADOPTION OF THE RECOMMENDATIONS** of the Traffic Advisory Committee meeting held on 25 November 2010

**ADOPTION OF THE RECOMMENDATIONS** of the Yuluwirri Kids Advisory Committee meeting held on 24 November 2010

### **Reports**

<b>GENERAL MANAGER'S REPORT</b>	<b>ANNEXURE 1</b>	<b>PAGE 01</b>
<b>CORPORATE SERVICES REPORT</b>	<b>ANEXURE 2</b>	<b>PAGE 29</b>
<b>TECHNICAL SERVICES REPORT</b>	<b>ANNEXURE 3</b>	<b>PAGE 39</b>
<b>ENVIRONMENTAL SERVICES REPORT</b>	<b>ANNEXURE 4</b>	<b>PAGE 49</b>
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## **Questions for Next Meeting**

.....  
**R J GERAGHTY**  
**GENERAL MANAGER**

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## GENERAL MANAGER'S REPORT

## ANNEXURE 1

### **1.1 Publication Guide - GIPA**

Under the new GIPA Act, Council must prepare and adopt its first Publication Guide within six (6) months after the commencement of the Act. This means that Council must finalise and adopt the Guide by 31 December 2010.

Before this document can be adopted by Council, Council must notify the Information Commissioner (OIC) and submit a copy of the proposed document. The Publication Guide was submitted to the OIC on 3<sup>rd</sup> November 2010 and the Commissioner has formally responded to Council in accordance with Section 22 of the GIPA Act.

The draft Publication Guide has been forwarded to Councillors under separate cover.

### **RECOMMENDATION**

For Council's consideration and endorsement.

### **1.2 Coolah Cultural Centre**

Council is in receipt of a letter from the St Andrew's Coolah Community Cultural Centre Foundation. The letter seeks Council's consideration for the Cultural Centre when determining future developments for Coolah and says:

*We note Council's above plan (2011 10 Year Community Strategic Plan) to determine future developments in and around Coolah, including cultural facilities.*

*While understanding that proposed development probably only relates to council owned property, the Foundation trusts that Council will remain aware of the contribution that the St Andrew's Community Cultural Centre is making to the cultural life of Coolah and surrounding districts and would be prepared to assist us in any way.*

*Stage one of our project is operational, while stage two, the construction of the acoustically designed "Octagon" auditorium, is still dependent on raising sufficient funding to complete the project.*

*We do hope that Council will keep the Cultural Centre in mind while determining future developments for Coolah, and may be in a position to assist the project in some way.*

### **RECOMMENDATION**

That when Council develops its Community Strategic Plan the Coolah Cultural Centre will be taken into consideration.

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## **1.3 Dunedoo Amateur Swimming Club**

Council has received a letter from the Dunedoo Amateur Swimming Club Inc seeking sponsorship of an event at the annual carnival. The carnival is to be held on the 18<sup>th</sup> December 2010 and the letters reads:

*The Dunedoo Amateur Swimming Club Inc would like to invite you to sponsor an event(s) at our annual carnival, which is to be held on Saturday 19 December 2010 at the Dunedoo swimming pool.*

*We are seeking sponsorship to assist with the running costs of the carnival, prize money and trophy expenses. Medals are awarded to 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> place getters in each event for 8 years and under, whilst prize money of \$10, \$6 and \$4 is awarded to place getters 9 years and over. Therefore each event has a cost of approximately \$20 in prizes. In addition, our SKINS events have prize money of \$55 per event. We have included a copy of the carnival's event schedule for your information. If your organisation is able to assist, please be assured that any amount would be greatly appreciated.*

*In return for your generous support, your organisation will have its name announced regularly throughout the day of the carnival as well as published in the carnival program.*

*If you are able to assist, please send your donation to the above address before Wednesday 10 December 2010 to enable your name to be printed in the program.*

A determination is sought from Council on whether it wishes to sponsor one or more of the swimming events at the Dunedoo Amateur Swimming Carnival in December 2010.

## **RECOMMENDATION**

That Council determines if it wishes to sponsor one or more events at the Dunedoo Amateur Swimming Carnival. Further if it approved, where the funds will come from and does Council wish it to become part of Council's Donation Policy.

## **1.4 Dunedoo War Memorial Hospital**

Council at its ordinary meeting in December 2009 resolved that:

*Council proceed to negotiate with NSW Health and Land and Property Management Authority to acquire the former Dunedoo War Memorial Hospital site under the Land Acquisition (Just Terms Compensation Act) at a notional value.*

After that decision representations have been made to the Department of Health about the acquisition of the site and building. Originally the Department of Health indicated that they would be prepared to transfer the site to Council as is at a cost of \$170,000.

Further representations gained agreement to transfer the land to Council at nil cost. This decision recognized that the Kahkama House Community Group had generously worked

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with the Department of Health in developing and handing over the aged care facility in Dunedoo.

That offer from the Department of Health was subject to approval by the State Treasurer. However, in the meantime an Aboriginal Land Claim has been lodged on the site. Further progress must now await the determination of the land claim.

## **RECOMMENDATION**

That Council notes the update report. Further that once favorable advice has been received that the acquisition of the land proceeds.

### **1.5 North West Equestrian Expo Inc**

Council has received correspondence from the North West Equestrian Expo Inc. The Committee has expressed their disappointment at the cessation of the regular donation from Council and seeking Council's certain services free of charge. The letter is as follows:

*I am writing to you on behalf of the Committee of the North West Equestrian Expo, regarding the Shire's contribution to the above event.*

*In the years proceeding last year the Shire provided monetary support for Expo and were recognized as a major sponsor on the program. In 2010 we did not receive any contribution to the event from the Shire which we as a committee found very disappointing.*

*There is a general agreement that the North West Equestrian Expo brings enormous collateral economic benefits to the Shire. It is recognized as a leader in school equestrian events throughout the state. 2011 will be the 10<sup>th</sup> Expo and we would like to redefine the Shire's involvement and support for this event.*

*The committee is requesting that in lieu of a dollar donation the Shire provide their services for free or at a nominal cost to the event. This would involve line marking and garbage collection. In return the Shire would be recognized as a major sponsor with naming rights for a specific event and promotional opportunities for profiling the whole district.*

*Our charter is to provide a quality Equestrian Event that is affordable to all secondary school students. The Coonabarabran businesses community is always very generous with support and the committee are requesting the Shire to reciprocate with their support.*

*There is a positive community spirit associated with being part of a successful event that transcends town boundaries and embraces the whole shire. The Warrumbungle Shire Council is in a unique position to demonstrate leadership in this area and spearhead our sponsorship program in 2011.*

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*Please give this matter your consideration. If you require further information please contact me.*

## **General Manager's Note:**

- a) In the past Council had historically provided an annual donation of \$2,000 (and more recently \$1,000 2008/09) to the Expo. In 2009/10 and 2010/11 there has been no contribution. The Expo in turn used these funds to pay for the garbage collection and line marking services. The line marking services are straightforward and do not take long to do however, the daily garbage collection becomes more complicated when it is needed of a weekend and overtime rates apply.
- b) Council rates for the hire of plant and staff time are charged out at:
  - Garbage collection**
  - Staff - \$22.3026 per hour
  - (Overtime – \$44.6052)
  - Plant - \$43.75 per hour
  
  - Line marking**
  - Staff - \$21.904 per hour
- c) Another matter of concern after an inspection of the Showground site at this year's Expo, which has been raised by the Manager Urban Services and Mr Dan O'Connor, the Regional Risk Manager from Statewide as to the crowded and unsafe state of the Showground. There is a real OH&S hazard in the way the camps are positioned and the way the trucks are maneuvered between the camps. The power leads needed for the camps are left exposed and running all over the grounds. The fear is that Council staff are at risk each time they have to access the grounds to remove the garbage.

Further any in kind assistance will need a Council budget allocation whether it is "in kind" or not.

A determination is sought from Council on whether it wishes to provide a donation to the Expo by way of Staff and Plant time at the current council hire rate.

## **RECOMMENDATION**

For Council's consideration and if approved where the funds will come from and if the donation should again form part of the Council's Donations Policy.



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## **1.6 Financial Assistance Grant**

Council in its budget for the 2010/2011 budgeted for income from FAGS Grants as follows:

General FAGS	\$3,260,863
Roads FAGS	\$1,949,132
<b>Total</b>	<b><u>\$5,209,995</u></b>

This figure was developed from the advice of the indicative grant allocation for 2009/10. In establishing the expected FAGS Grants for the previous year 2009/10 Council over estimated the expected income. Because of that over estimation it was determined in part that the current budget (2010/11) it would not anticipate any increase from the actual amount received in the previous year.

The Grants Commission in determining its income level gives an indicative entitlement advice and an adjustment on the previous years indicative figure to the actual. The adjustment is based on changes in inflation figures and CPI adjustments. Each year that advice forms the final FAGs figures.

The advice now received is as follows:

	<b>2010/11 Indicative Entitlement</b>	<b>2008/09 Adjustment</b>	<b>Indicative Total</b>
<b>General Purpose</b>	\$3,424,311	\$35,987	\$3,460,298
<b>Local Roads</b>	\$2,058,422	\$25,457	\$2,083,909

This then means that a variation to Council's budget figures is needed.

	<b>Budgeted</b>	<b>Advised</b>	<b>Adjustment Needed</b>
<b>General Purpose</b>	\$3,260,863	\$3,460,298	\$199,435
<b>Local Roads</b>	<u>\$1,949,132</u>	<u>\$2,083,909</u>	<u>\$134,777</u>
	<u>\$5,209,995</u>	<u>\$5,544,207</u>	<u>\$334,212</u>

Acknowledging the previous years over statement and the Council's deliberation in the setting aside of a balanced budget to take account of the outcome a surplus of \$233,503 was budgeted. Based on the determination on no increase in FAGs the now advised indicative surplus of \$334,212 needs to be considered.

It should also be noted that Council has added an additional \$108,975 to the budget bottom line by way of a supplementary votes to date.

There are a number of options that could be contemplated.

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- a) Council could take the original surplus of \$233,503 along with this figure of \$334,212 and transfer \$550,000 to a restricted asset for the construction of the building at the corner of John and Cassilis Street. This action would reduce the future draw down on General Fund in the 2011/12 budget for the building to \$950,000.
  - b) In light of the continual rain damage to Councils local roads it may be appropriate to allocate either the total additional income to rural roads maintenance (\$334,212) or the roads component of the FAGS (\$134,777) to roads maintenance.  
Or,
  - c) To simply record the additional increase and make no expenditure provision.

## **RECOMMENDATION**

That Council make a supplementary vote of income to:

- a) General Purpose FAGS \$199,435 and
- b) Road Component FAGS \$134,777,

Further that Council determines what expenditure items it wished to apply against this additional income against if any.

## **1.7 Risk Management Plan, Procedure and Policy**

As a result of the public liability audit undertaken earlier in the year, it was identified that a Risk Management Plan and Procedures and Risk Management Policy should be prepared and endorsed by Council.

The following draft documents have now been prepared and are submitted for Council's endorsement.

## **RECOMMENDATION**

That Council endorse the following Risk Management Policy and Risk Management Plan and Procedure

## **Risk Management Policy**

### **1. INTRODUCTION**

Risk Management is a systematic application of management policies, procedures and practices to minimise exposure to any losses, penalties or insurance claims including but not limited to public liability, workers compensation, professional responsibilities, property and motor vehicle. Risk Management is about the systematic identification, analysis, evaluation, control and monitoring of risks associated with Council activities.

### **2. DEFINITIONS**

- Hazard – A hazard is a source of potential harm or a situation with potential to cause harm
- Risk – Risk is defined as the chance of something happening that will have an impact upon objectives. Risks are measured in terms of likelihood and

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consequence. The highest risk level (ie the most severe consequences and highest likelihood of occurring) should be controlled or minimised first.

### **3 OBJECTIVES**

To minimise Council's exposure to all categories of risks, in all areas of operation, through an effective and pro-active approach to the management of risk and to ensure that all levels of management and staff are aware of and responsible for the management of risk.

### **4 POLICY**

Council adopts the risk management approach and general methodology specified in Australian Standard, AS/NZS ISO 31000:2009 – Risk Management – Principles and Guidelines. Council is committed to minimising or eliminating financial or other losses arising from:

- Personal injury to employees and the public;
- Loss or damage to assets of Council or the public;
- Damage to the environment;
- Damage to the reputation of Council.

This will be achieved by implementing a risk management program, but for this to be successful Council will need to ensure:

- Senior Management support of and commitment to the risk management plan
- Commitment of Management and Staff to risk management
- Commitment of existing staff resources to the management of risk
- Appropriately trained personnel
- Consistently applied procedures to:-
  - Establish the context
    - Identify risks
    - Analyse risks
    - Evaluate risks
    - Treat risks
    - Monitor and review
    - Communicate and consult
    - Audit

### **4. RESPONSIBILITIES**

*Council* will support this policy by: -

- The allocation of appropriate resources for the effective implementation and ongoing review

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- Promptly communicating to the General Manager all risk matters identified by or to them.

*The General Manager* has overall responsibility for the implementation of Risk Management across Council by ensuring appropriate resources are allocated to meet Council's Risk Management obligations

*Directors, Managers and Supervisors* are required to create an environment where managing risk is accepted as the personal responsibility of each employee. They are accountable for the implementation and maintenance of sound Risk Management within their areas of responsibility.

*All employees* are to be actively involved in the identification assessment and management of risk to the best of their ability. They are responsible for carrying out all activities in a safe manner and in accordance with procedures and to provide assistance in rectification of problems. In particular employees are to bring to the attention of the supervisor, as soon as practicable, any matter that could affect the effectiveness of an adopted risk management procedure.

## **5. MONITOR AND REVIEW**

This policy and related procedures shall be reviewed every two years by the Safety Officer in consultation with management and the Occupational Health & Safety Committee. If any changes occur to work practices or legislation then a review of the Policy and Procedures shall take place.

## **7. RELATED DOCUMENTS**

Warrumbungle Shire's Risk Matrix  
AS/NZS 31000:2009  
Risk Management Plan and Procedure

## **8. AMENDMENTS**

# RISK MANAGEMENT PLAN AND PROCEDURE

## **Scope**

This plan and procedure, along with Warrumbungle Shire's Risk Management Policy demonstrates a commitment and a focus on strategies to identify, evaluate and control risks to the Council and the community.

The Risk Management Plan and Procedure applies to all areas of Council's operations, and covers risk of financial loss, injury to employees and/or members of the public, damage to equipment and property, and loss of reputation.

For Council's purposes, risk is the threat that an event or action will adversely affect the Council's ability to achieve its objectives and to successfully execute its strategies for the benefit of the community and visitors.

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Council is committed to best practice risk management to help improve its decision making and its achievement of objectives will:

- Adopt an effective and transparent corporate approach to proactive risk management in order to:
  - Identify, evaluate and manage risks so as to minimise the costs and disruption to services caused by undesired events
  - Make better informed decisions based on a fair balance between risk and reward for the community
  - Encourage innovation and improvement through taking calculated and well managed risks to improve service delivery
- Develop a better awareness of risk management and promote a risk aware culture throughout its operations through promotion, training, performance management and monitoring.

The aim is to develop a culture within the organisation where structures, processes or practices exist to cost effectively reduce Council's risk profile and keep Council viable.

## **Objectives**

- To create a culture of risk management being a fundamental component of duties adopted by Councillors and staff.
- To promote and support risk management practices.
- To recognise that successful risk management is the responsibility of all employees.
- To encourage the identification and reporting of potential risks to all stake holders.
- To implement processes to reduce risk.
- To establish and promote practices which minimise losses and provide a safe environment for staff and the public.
- To protect and enhance Council's image as a professional, responsible and ethical organisation.
- To provide resources to develop, maintain and promote Council's Risk Management Plan.
- To integrate risk management across all Council activities

To meet this requirement, risk management is recognised as every employee's responsibility and sound risk management principles and practices must become part of the routine management strategies adopted by all staff.

Accountability for the management of risk, at both management and employee level, should be reflected in performance plans, job descriptions and key performance indicators.

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Policies, processes and procedures will be developed in accordance with the Statewide's Best Practice Manuals and will include but not be limited to the following:

- Footpaths
- Roads
- Trees and Tree Roots
- Certificates and Applications
- Signs as Remote Supervision
- Gathering Information
- Community Events
- Volunteers

## **Risk Management Process**

Council will apply risk management in a systematic and consistent way across all areas of Council's functions and operations. To achieve this, Council will use the risk management and methodology outlined in AS/NZS ISO 31000:2009 Risk Management – Principles and standards, which comprises the following steps:

### **1. Communication and Consultation**

Communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process.

### **2. Establish the Context**

Establish the strategic, organisational and risk management context in which the rest of the process will take place. Criteria against which risk will be evaluated should be established and the structure of the analysis identified.

This includes the organisation's internal and external environment.

### **3. Risk Assessment**

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

#### **3.1 Risk Identification**

Identify what, why and how things can arise as the basis for further analysis.

#### **3.2 Risk Analysis**

Determine the existing controls and analyse risks in terms of consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences may occur. Consequence and likelihood may be combined to produce an estimated risk level.

#### **3.3 Risk Evaluation**

Compare estimated levels of risk against the pre-established criteria. This enables risks to be ranked so as to identify management priorities. If the level of risk established is low, then risk may fall into an acceptable category and

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treatment may not be required. This is also known as risk appetite.

#### **4 Risk Treatment**

Accept and monitor low-priority risks. For other risks, develop and implement a specific management plan which includes consideration of funding.

#### **5 Monitor and Review**

Monitor and review the performance of the risk management system and changes which might affect it.

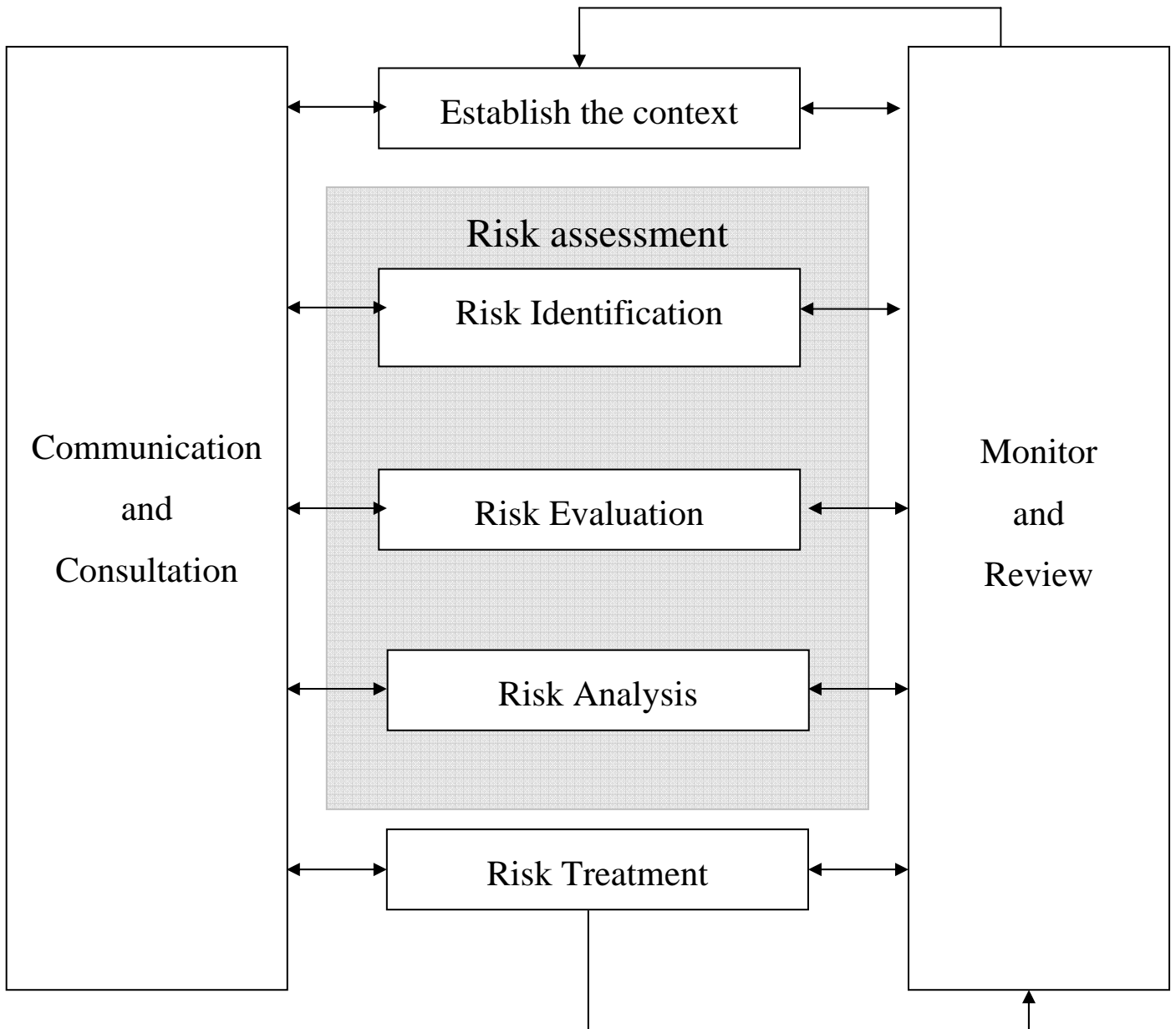
**The details of the risk management process are shown in Figure 1**

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**Figure 1 – THE RISK MANAGEMENT PROCESS**



*Source: AS/NZS ISO 31000:2009 Risk Management - Principles and Guidelines*



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## **Roles and Accountability**

### **1. All employees**

All employees are responsible for the effective management of risk and as such, will have access to information regarding Council's risk management processes and identified risks in their work area.

All employees are to be actively involved in the identification assessment and management of Risk to the best of their ability. They are required to communicate to their Supervisor any identified Risk associated with faults or errors in Council's assets (owned and /or controlled), activities, procedures or policies as well as any non-compliance with Council controls or requirements that are likely to expose Council to Risk.

### **2. General Manager**

Has overall responsibility for the implementation of Risk Management across Council by ensuring appropriate resources are allocated to meet Council's Risk Management obligations and systems are developed.

The assignment of responsibilities in relation to risk management other than those set out in this policy are the prerogative of the General Manager.

### **3. Directors, Managers and Supervisors**

Are required to create an environment where managing risk is accepted as the personal responsibility of each employee. They are accountable for the implementation and maintenance of the Risk Management Policy and Procedures within their areas of responsibility. This includes the identification, assessment and recording of risks identified, and the acceptance or assignment of risk responsibility and registering risk as part of business and project planning and management.

### **4. OHS Committee**

The OH&S Committee will fulfil a statutory role as the nominated consultative body of Council;

The Committee will provide input into the implementation of the Risk Management Action Plan and emerging issues.

## **Hazard Identification**

The person in charge of a job site or project, in conjunction with staff shall undertake to identify the foreseeable hazards applicable to the work area before commencing work.

When a risk assessment is being undertaken all staff on the job will be informed of the outcomes of the process, the hazards identified, the risks associated with the hazards

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and the controls implemented. Each staff member will then be required to sign the risk assessment to acknowledge that they have been informed of the process and the outcomes.

A risk assessment must be carried out at least daily or when the following occurs:

- Change in conditions, eg weather, traffic, pedestrian volumes or environmental issues
- Change in tasks
- Change in equipment

The aim of the Hazard identification is to identify what, why and when events could lead to harm or risk.

Identification of hazards present in workplace can be undertaken through:

- Safety audits and the systematic and periodic inspection of the workplace
- The completion of Safe Work Method Statements
- The review of purchasing and supply systems to identify hazards being brought into the workplace from external sources
- Workplace inspections carried out by Managers, Supervisors, OHS Committee Representatives and the Workplace Safety Officer to determine through observation which hazards exist in the workplace
- Consultation is vital as the employees who carry out the process and work are often more aware of the hazards and possible ways of controlling them than management. Through consultation, there is a much greater likelihood that co-operation with control measures will be forthcoming
- Incidents provide important information regarding hazards and risks in the workplace. Timely reporting of this information is part of good risk management practice
- Injury and sickness records are an invaluable indication of hazards that may exist in the workplace and analysis of these records can highlight areas of concern
- Complaints from employees
- are a common way for hazards to be identified

Once hazards have been identified, they have to be assessed and entered into the Hazard Register. There are some hazards that are prescribed hazards under the Mine Health and Safety Act 2004, these include:

- Electricity
- Use of conveyors
- Earthmoving machinery

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- Fire and explosion
  - Mine road design and construction
  - Explosives
  - Ground stability and inrush

Please refer to the Mine Safety Management Plan is working in a quarry.

## **Risk Assessments**

As outlined in the Risk Management Process previously, Council has adopted a standard methodology consistent with AS/NZS 31000:2009 Risk Management – Principles and guidelines for identifying and measuring risks. The methodology will be integrated into Council's project, business and corporate planning and review process.

Once hazards have been identified, then a risk assessment must be carried out.

A risk is the likelihood of a particular hazard causing harm/ this may depend upon many factors such as exposure to the hazard (repeated, cumulative or one-off), the particular employee, the specific characteristics of the hazard and existing controls.

The severity of the risk concerns the extent of the injury or degree of harm that may result from exposure to the hazard.

The following risk matrix will give you a score for each hazard. The risk score will indicate the speed of action required, as determined in table 2.

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Consequence (choose consequence first)

Insignificant	Minor	Moderate	Major	Critical
<b>Health &amp; Safety</b>				
<ul style="list-style-type: none"> <li>• First aid treatment or injury only.</li> <li>• Low level soreness or small amount of pain.</li> </ul>	<ul style="list-style-type: none"> <li>• Medical treatment injury</li> <li>• Restricted work injury</li> <li>• Presented to hospital (no overnight stay).</li> </ul>	<ul style="list-style-type: none"> <li>• Single Lost Time Injury</li> <li>• Short term hospitalisation (&lt; 7 days)</li> <li>• Reversible impairment to human health</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple Lost Time Injuries</li> <li>• Extended hospital stay (&gt; 7 days)</li> <li>• Permanent disability &lt; 30%</li> <li>• Serious long-term health issue</li> </ul>	<ul style="list-style-type: none"> <li>• Permanent disability &gt;30%</li> <li>• One or more fatalities</li> </ul>
<b>Environment</b>				
<ul style="list-style-type: none"> <li>• No or very low environmental impact.</li> <li>• Impact confined to a small area.</li> </ul>	<ul style="list-style-type: none"> <li>• Low environmental impact.</li> <li>• Rapid clean-up by internal staff or contractors.</li> <li>• Impact contained to area already impacted by operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Moderate environmental impact.</li> <li>• Clean-up by internal staff or contractors.</li> <li>• Impact confined 1km of operation</li> </ul>	<ul style="list-style-type: none"> <li>• Major environmental impact.</li> <li>• Considerable clean-up effort required by internal staff and external contractors.</li> <li>• Impact may extend across shire boundary or into waterway</li> </ul>	<ul style="list-style-type: none"> <li>• Severe environmental impact.</li> <li>• Likely species destruction and long recover period.</li> <li>• Extensive clean-up using external resources.</li> <li>• Impact on a regional scale.</li> </ul>
<b>Community/External Relations</b>				
<ul style="list-style-type: none"> <li>• Isolated complaint received.</li> <li>• No media coverage.</li> <li>• No damage to reputation or relationships with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>• Multiple or sporadic complaints received.</li> <li>• No media coverage.</li> <li>• Short-term damage with relationship with one or more stakeholders but no damage to reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• Repeated or serious rate of complaints.</li> <li>• Local media interest and coverage.</li> <li>• Reversible damage with stakeholders and to reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing complaints from local groups, Non Government Organisations or regulators.</li> <li>• Regional/national media interests.</li> <li>• Protests by external stakeholders.</li> <li>• Local or regional damage to reputation.</li> </ul>	<ul style="list-style-type: none"> <li>• High level concern from community, regulators, stakeholders and/or stakeholders.</li> <li>• Adverse national or international media coverage.</li> <li>• International damage to reputation.</li> </ul>

# WARRUMBUNGLE SHIRE COUNCIL

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Legal				
<ul style="list-style-type: none"> <li>• Questionable or minor non-conformance with operating condition.</li> <li>• No fine or prosecution.</li> <li>• Unlikely to attract regulatory interest.</li> <li>• Easy to resolve.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-compliance with operating conditions.</li> <li>• Could attract low level administrative response from regulator</li> <li>• No court appearance required</li> </ul>	<ul style="list-style-type: none"> <li>• Breach of local or national law with potential prosecution by regulator.</li> <li>• Continuing occurrence of minor breach.</li> </ul>	<ul style="list-style-type: none"> <li>• Major breach of local or national law.</li> <li>• Prosecution or penalties by regulator likely.</li> <li>• Short term threat to operations continuing.</li> <li>• Civil action initiated.</li> </ul>	<ul style="list-style-type: none"> <li>• Significant breach of national or international law with potential goal sentence.</li> <li>• Operations suspended or cease (short or long term)</li> <li>• Licenses withdrawn or revoked.</li> <li>• Class action initiated.</li> </ul>
Operational/Cost				
<ul style="list-style-type: none"> <li>• Minor impact, easily corrected with no loss of production.</li> <li>• &lt;\$1000</li> </ul>	<ul style="list-style-type: none"> <li>• Minor damage to equipment or infrastructure with minimal loss of production (&lt;1 day),</li> <li>• \$1,000 - \$10,000</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to equipment or infrastructure causes production to cease &lt;1 week.</li> <li>• \$10,000 - \$50,000</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to equipment or infrastructure causes production to cease &lt;1 month.</li> <li>• \$50,000 - \$100,000</li> </ul>	<ul style="list-style-type: none"> <li>• Damage to equipment or infrastructure causes production to cease &gt;1 month.</li> <li>• &gt;\$100,000</li> </ul>

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## Second - Choose Likelihood

Likelihood Definitions: What is the likelihood of the selected consequence occurring?			
Rating	Description in terms of full operating life of Council		Frequency
Almost Certain	Consequences expected to occur in most circumstances		Daily or continuous
Likely	Consequences will probably occur in most circumstances		Weekly
Possible	Consequences could occur at some time		Monthly
Unlikely	Consequences will probably not occur in most circumstances		Annually
Rare	Consequences may occur in exceptional circumstances		Decade

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### Third - Assess the risk

RISK RANKING MATRIX		Consequence/Severity				
		Insignificant	Minor	Moderate	Major	Critical
Likelihood	Almost Certain	High (11)	High (16)	Extreme (20)	Extreme (23)	Extreme (25)
	Likely	Moderate (7)	High (12)	High (17)	Extreme (21)	Extreme (24)
	Possible	Low (4)	Moderate (8)	High (13)	Extreme (18)	Extreme (22)
	Unlikely	Low (2)	Low (5)	Moderate (9)	High (14)	Extreme (19)
	Rare	Low (1)	Low (3)	Moderate (6)	High (10)	High (15)

### Fourth - Action and gain sign off

	Risk Action Levels	Sign off required
Extreme	Immediately stop process	Discipline Leader in consultation with General Manager
High	Take immediate action to further control the risk	Divisional Director in consultation with Manager
Moderate	Review for improvement opportunities	Manager
Low	Monitor risk, reduce if practicable	Supervisor in consultation with Manager

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*Table 2 – Action required*

Risk Rating	Action required
Extreme	Stop work immediately and notify Supervisor. If the hazard identified is a result of a breach of existing procedures, then take remedial action. If the hazard is not a result of a breach, then initiate immediate action to reduce the risk level to as low as possible before any further work is undertaken. Any solution must be in writing. Eg TCP, SWMS
High	Notify supervisor immediately. If the hazard identified is a result of a breach of existing procedures, then take remedial action. If the Hazard is not a result of a breach, then propose a solution which would reduce the risk level to as low as possible. Any solution must be in writing
Moderate	If the hazard identified is a result of a breach of existing procedures, then take remedial action. If the Hazard is not a result of a breach, then propose a solution which would reduce the risk level to as low as possible. A written solution must be generated as soon as practicable. If no action is taken, there must be a regular risk assessment carried out to ensure that there is no increase in risk.
Low	If the hazard identified can be quickly eliminated, do so. If large costs or time is involved, do what is possible to reduce risk further. Custom and practice may continue and procedures need not be written



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## **Risk Control Measures**

Once all foreseeable hazards have been identified and prioritised, action must be taken to treat the risks. Risk treatment involves identifying the range of options for dealing with the risk, deciding the best course of action, preparing a plan, implementing it and defining how it will be monitored. All control measure must be in accordance with the hierarchy of control as shown below. The most effective action is to eliminate the risk completely by removing the hazard from the workplace. If this is not reasonably practicable, then other control measures should be used. Only when each control measure has been exhausted, or is not reasonably practicable, can the next lower standard of control be used. Personal Protective Equipment should only be used a last resort or short-term solution while other controls are being considered.

## **Hierarchy of Control**

Taking into consideration the hierarchy for controlling risk the following approach can be considered:

- **Elimination** of hazard and risk – remove the hazard and the risk from the workplace and process
- **Substitution** – can the hazard and risk be substituted. E.g., can a hazardous substance be substituted for a non- or less hazardous substance? It is important to ensure that the substituting substance does not present an alternative hazard
- **Isolation** – can the hazard and risk be isolated from the employee or public through guards, remote handling or isolation of the public
- **Engineering Controls** – design and install equipment to counteract the hazard e.g. ventilation – can ventilation, whether local or a general exhaust remove the hazard
- **Administrative procedures** – these procedures include job rotation to reduce exposure, timing the job so that fewer workers or the public are exposed, routine maintenance and housekeeping procedures and training to correct work practices
- **Personal Protective Equipment** – the provision of personal protective equipment does not address the hazard but may be used as a last resort.

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## **Risk Treatment**

When the risk control measures have been determined, the Supervisor or Manager needs to set in place a risk control plan in accordance with table 2. The Supervisor or Manager will need to identify who will be responsible for actioning the control measure and setting a time frame for implementing the control measure.

## **Risk Treatment**

When the risk treatment measure has been implemented, the Supervisor or Manager will then need to review the effectiveness of the controls to determine whether a new hazard has been introduced. The hazard register will be presented to the OHS Committee for review and to determine and action plan.

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## Warrumbungle Shire Council Site Specific Risk Assessment and On-Site Meeting Record

<b>Section 1: Job Site Details</b>			
Job Location:		Job Description:	
<b>Section 2: Hazard Checklist</b>			
Hazard	Rat ing	Control Measures	Residual Risk Rating
Underground/Overhead Services			
Overhanging trees/branches			
Deep pits/uneven ground. Trips, slips & falls			
Soft edges/shoulders and drains			
Steep grades/batters/embankments/culverts			
Traffic			
Public			
Traffic conditions – wet/slippery/dusty			
Falling debris			
Weather conditions			
Sharps			
Fauna – snakes, spiders, bees			
Hazardous substances eg emulsion, diesel			
Plant movement			
Manual Handling			
Electrical – tagged and tested, maintained			
Blind spots eg corners, crests, driveways			
Confined spaces			
<b>Any other issues discussed with Employees/Contractors</b>			
<b>SWMS Used:</b>		<b>TCP Used:</b>	

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<b>Section 3: Do all Employees/Contractors have their Construction Induction Tickets?</b>		<b>YES</b>	<b>NO</b>
<i>Cards Sighted?</i>			
<b>Section 4: Personnel Briefing Record</b> <i>All personnel on site are notified of the hazards relevant to their work and the worksite.</i>			
Signature: Name:	...../...../20.... .....:..... am/pm	Signature: Name:	...../...../20 .. .....: ..... m/pm
Signature: Name:	...../...../20.... .....:..... am/pm	Signature: Name:	...../...../20 .. .....: ..... m/pm
Signature: Name:	...../...../20.... .....:..... am/pm	Signature: Name:	...../...../20 .. .....: ..... m/pm
Signature: Name:	...../...../20.... .....:..... am/pm	Signature: Name:	...../...../20 .. .....: ..... m/pm
<b>Section 5: Person In Charge Declaration</b>			
Pre-start and hazard checklist has been completed. All necessary action has been taken and all personnel notified of potential hazards.			
Person in Charge: ..... Signature: ..... / 20.... :..... am/pm			

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## **Definitions**

### **Residual Risk**

The remaining level of risk after risk treatment measures have been taken.

### **Risk**

The chance of something happening that will have an impact upon objectives. It is measure in terms of consequence and likelihood.

### **Risk Acceptance (Risk Appetite)**

An informed decision to accept the consequences and the likelihood of a particular risk.

### **Risk analysis**

A systematic use of available information to determine how often specified events may occur and the magnitude of their consequences.

### **Risk Assessment**

The overall process of risk analysis and risk evaluation

### **Risk Control**

That part of risk management which involves the implementation of policies, standards, procedures and physical changes to eliminate or minimise adverse risks.

### **Risk Evaluation**

The process used to determine risk management priorities by comparing the level of risk against predetermined standards.

### **Risk Management**

The culture, processes and structures that are directed towards the effective management of potential opportunities and adverse effects.

### **Risk Management Process**

The systematic application of management policies, procedures and practices to the task of establishing the context, identifying, analysing, evaluating, treating, monitoring and communicating risk.

### **Risk Treatment**

Selection and implementation of appropriate options for dealing with risk.

### **Hazard**

A source of potential harm or a situation with potential to cause loss.

### **Incident**

An event or occurrence. A loss from any insured peril. An insured is obligated to report such losses to the insurer or its representative as soon as possible.

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## **Stakeholders**

Those people and organisations who may affect, be affected by or perceive themselves to be affected by, a decision or activity.

## **Accidental Loss**

A negative consequence, financial or otherwise, which is not deliberate.

## **1.8 Cobbora Coal Mine Strategy**

Council adopted a 15 point strategy in preparation for the potential coal mine at Cobbora. That strategy required that the General Manager report quarterly on the progress of that strategy.

The issues within the strategy were:

- i) Possible health effects of air pollution
- ii) Water quality and security for irrigators
- iii) Inflated valuation of land values
- iv) Loss of skilled workers from other industries to the mine
- v) Impact of additional population
- vi) Demand for infrastructure and a Voluntary Planning Agreement
- vii) Maximizing benefit to the Shire
- viii) Siding Spring Observatory
- ix) Mining Administration office

The 15 strategies fit within the above 9 areas.

There has been very little progress on any of the matters. The proponents of the mine had sought to get a Miner for the project but after the tenders closed they were unable to negotiate a satisfactory outcome. This has meant that the State Government is now preparing to re enter the business of mining. However this suggestion has progressed little and with a State Election shortly I do not expect any further progress before then. Although the development of the mine is associated with the sale of electricity generating facilities so it may transcend any party political reservations or electoral timetables.

Until a miner is sought, whoever it is, none of the above issue areas can be addressed.

## **RECOMMENDATION**

That the above information be noted.

## **1.9 Staff Christmas Breakup Function**

### **Background**

The 2010 staff Christmas function is to be held at the Dunedoo Sports Club on Friday, 17<sup>th</sup> December 2010. A small committee has been formed to make arrangements for the function and they have requested a contribution from Council towards the cost of the two

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buses required to transport staff to the venue. Furthermore, they are requesting consideration be given to granting staff time off to attend the function.

## **Issues and Options**

In relation to time for staff to attend the function, it has been Council's practice to require staff to work up time, that is, time in lieu. That is, employees are required to make up time before they attend the Christmas function. There is a significant cost to Council if the time is granted and the request by the committee does not offer any concession to offset this cost.

## **Financial Considerations**

Council has a budget allocation of \$4,500 for the 2010 Christmas function.

The letter making these requests was not received in time to be included in the November Council Meeting Business Paper. Consequently the information was emailed to Councillors seeking comment. From that I have advised the Committee that Council will provide the budgeted amount of \$4,500 and staff will need to make up the time needed to attend the function.

## **RECOMMENDATION**

That Council endorse the actions of the General Manager in advising the Committee that Council will provide the budgeted amount of \$4,500 and staff will need to make up the time needed to attend the function.

### **1.10 Boundary Adjustment**

Council has been approached by Gunnedah Shire Council on behalf of Mr Thomas Fearby and Mrs Janet Fearby to have their land transferred from Warrumbungle Shire Council to the Gunnedah Shire Council. The area in question is 1186.42 ha including an enclosure permit and would be joined with 36.42 ha within Gunnedah Shire.

Council will be well aware of the process surrounding a boundary adjustment in its dealings with the properties in the Warrumbungle Shire Council and the Upper Hunter Shire proposals. For the transfer to proceed both Councils must agree. If there is no agreement between the Councils and if the property owner wanted they would then need to submit it to the privately to the Boundaries Commission for consideration. Usually the Boundaries Commission will not accede to any transfer when one of the Councils does not agree.

Set out below is a rough map of the location of the property.

## **RECOMMENDATION**

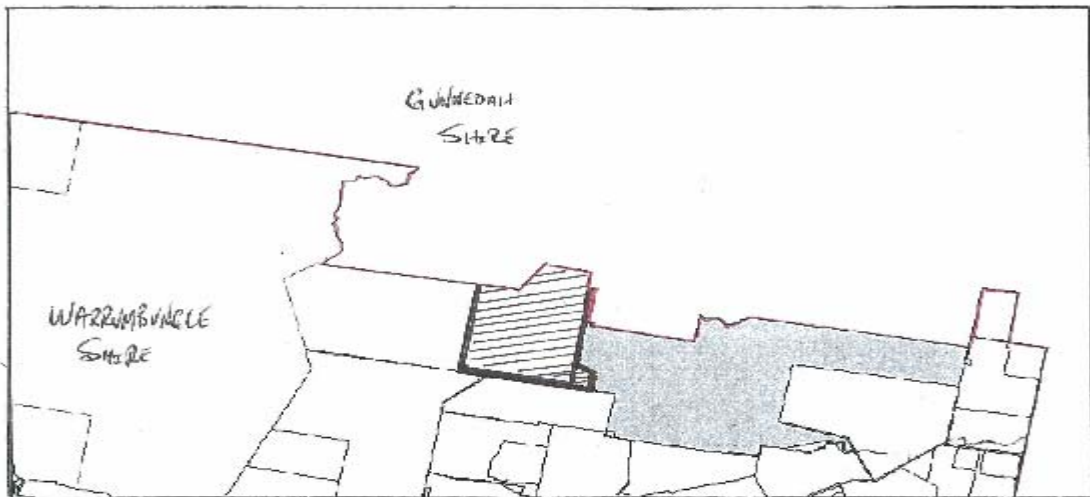
That Council does not agree to the proposal to transfer lot pt 78 DP 755479 and EP35944 owned by TK & JP Fearby to Gunnedah Shire.

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## **1.11 Baradine Forestry Land**

At the ordinary June 2009 Council meeting Council considered a request from the Baradine Progress Association to acquire a portion of land from the NSW Forests for the purpose of retirement housing. Council resolved that it would proceed to compulsorily acquire the area of land in accordance with the Land Acquisition Act 1991.

This decision was based on the NSW State Forests being willing and ready to transfer the land to Council to hold on behalf of the Community, with an expected minimal cost or no cost.

Since that time the Baradine Progress Association has been involved in negotiations with the State Forests to proceed with this acquisition. Currently the Baradine Progress Association are obtaining plans and costings at the request of NSW State Forests. However, it has now been suggested by the NSW State Forests in Baradine, that an Occupational Permit be entered into for the use of the land rather than Council compulsorily acquiring it.

The negotiations are moving well away from the original suggested transfer between willing parties.

### **RECOMMENDATION**

That Council note the update report. Further that Council not accede to an Occupational Permit with the NSW Forests for the Baradine retirement housing, but that it continue to negotiate to compulsorily acquire the area of land when all plans and costings have been obtained.

## **1.12 Coolah House Sales**

Council at its April 2009 Council meeting determined to sell two houses in Coolah, namely 84 Martin Street and 4 Irwin Street. In doing this an estimated \$350,000 was given as expected income. That income was to be applied against the extinguishment of a number of loans related to capital projects previously undertaken in Coolah. The loans are:

• Coolah Staff Housing	\$138,196.76
• Doctor Housing Coolah	\$140,424.21
• Coolah Pool*	<u>\$35,693.18</u>
	<u><b>\$304,314.15</b></u>

\* this loan is not due until 27<sup>th</sup> June 2012.

The remaining balance has been attributed to a restricted asset for works within the town of Coolah.

I am advised that the houses have been referred to real estate agents at Coolah to sell with no interest being shown in the one house that is readily available. The other house still

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has a staff member in residence – it was proposed that that staff member would be relocated to a house in Cole Street, no progress has been made on that transfer. The asking price by Council would appear to be well in excess of what the market is bringing. I believe that it is highly unlikely that the estimated \$350,000 will be delivered in the short or long term. In fact it may fall well below the combined pay out on the three loans.

Two of the houses have been paid off with an internal debtor being created in anticipation of income being eventually received.

Council now needs to determine what actions it wishes to take in this matter. The options are to continue with the sales and await the outcome or to immediately recognise the debt created and make a supplementary vote of \$278,620.97 and at a future date treat the income as income in that year it is received. The supplementary vote will come out of Council's available funds.

## **RECOMMENDATION**

That Council determines to either await the outcome of the sales or make a supplementary vote of \$278,620.97.

### **1.13 Notice of Motion**

The following Notice of Motion has been received from Councillor Sullivan:

*That Council investigate through the Traffic Committee the opportunity to open the Newell Highway over the Mary Jane Cain Bridge to travel of agricultural equipment eg headers, when the weir is impassable due to high water level and to direct the traffic around Essex Street and Charles Street.*

## **RECOMMENDATION**

For Council's consideration.

### **1.14 Promoting Best Practice Review**

The final report from the Division of Local Government relating to their recently completed Promoting Best Practice Review is attached at an addendum to this business paper. The review was held in April 2010 and a draft report came to Council in late August 2010. A copy of that draft report was distributed to each Councillor at the time of receipt. Since then Council has made a response to the report and its comments have been noted within the report.

The report is required to be tabled at the December Council meeting and after that will be immediately put on the web and be a public document.

Councillors should also look closely at pages 66 to 73 which includes a timetable to meet the recommendations. This will need to be adopted by Council at the December meeting and reported on to the Division of Local Government within one year.

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## RECOMMENDATION

That Council notes the contents of the Promoting Better Practice Report by the Division of Local Government and further adopts the reporting timetable set out on pages 66 to 73 of that report.

### 1.15 Notice of Motion

Councillor Powell has submitted the following Notice of Motion:

*“That Council transfer the amount of \$3,200 from the Coolah Town Improvement Fund (a restricted asset) into the account of the Coolah & District Development Group. These funds are to be used by the Coolah Historical Arts and Tourism Sub-Committee for the purposes of promotion and advertising of Coolah, including the Photographic Outback Development Initiative.”*

#### General Manager’s comments:

Council has an amount of \$26,754 noted as Coolah Town Improvement Fund in its restricted assets. There is an amount of \$5,918 by way of revotes in 2010/11. This was for a contribution to the Coolah Development Group, one noted for Coolah Arts, Historical and Tourism of \$918 and the other the Coolah Development Group Management Plan \$5,000.

This means that there remains \$20,836 in restriction at present.

## RECOMMENDATION

For Council’s determination.

### 1.16 Rating Policy – Operational 2.1

Council at its 22<sup>nd</sup> October 2009 meeting endorsed its Rating Policy – Payment of Rates. There is an issue in part 1 (c) of this Policy in relation to when the debt recovery will commence.

Part 1 (c) states that *recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within ninety (90) days unless arrangements have been entered into.*

A review of the Policy has been carried out and a determination is sought from Council to have Part 1 (c) of the Rating Policy amended to:

#### 1. Recovery of Debts

- c) *Recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within thirty (30) days unless arrangements have been entered into.*

## RECOMMENDATION

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That Council endorse the changes to the Rating Policy – Operational 2.1 which includes Part 1 (c), Recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within thirty (30) days unless arrangements have been entered into.

.....  
**R J GERAGHTY**  
**GENERAL MANAGER**

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Mr R J Geraghty  
General Manager  
Warrumbungle Shire Council  
John Street  
COONABARABRAN 2357

Dear Sir

## DIRECTOR OF CORPORATE SERVICES

## ANNEXURE 2

### 2.1 Bank Accounts and Investments as at 30 November 2010

GENERAL FUND	BANK	RESTRICTED	BALANCE
General Fund Bank Balance	\$ 10,332,091.04		\$ 8,463,575.04
Future Capital Upgrading		\$ 371,270.13	
Employees Leave Liability		\$ 767,414.00	
External Grants for Specific Projects		\$ 418,832.87	
Development Sec 94/64 Contributions		\$ 310,999.00	
<b>TOTALS</b>	<b>\$ 10,332,091.04</b>	<b>\$ 1,868,516.00</b>	<b>\$ 8,463,575.04</b>

WATER FUNDS	BANK	RESTRICTED	BALANCE
Baradine Water Bank	\$ 546,983.95		\$ 546,983.95
Binnaway Water Bank	\$ 507,178.81	\$ -	\$ 507,178.81
Coonabarabran Water Bank	\$ 1,204,915.29	\$ 914,150.00	\$ 290,765.29
Coolah Water	\$ 768,775.98		\$ 768,775.98
<b>TOTALS</b>	<b>\$ 3,027,854.03</b>	<b>\$ 914,150.00</b>	<b>\$ 2,113,704.03</b>

SEWERAGE FUNDS	BANK	RESTRICTED	BALANCE
Coonabarabran Sewerage	\$ 2,759,918.01	\$ 1,558,000.00	\$ 1,201,918.01
Baradine Sewerage	\$ 234,429.11	\$ 160,020.00	\$ 74,409.11
Coolah Sewerage	\$ 1,307,054.19	\$ 828,800.00	\$ 478,254.19
<b>TOTALS</b>	<b>\$ 4,301,401.31</b>	<b>\$ 2,546,820.00</b>	<b>\$ 1,754,581.31</b>

TRUST FUND	BANK	RESTRICTED	BALANCE
	\$ 144,700.10	\$ 144,700.10	\$ -
<b>TOTALS</b>	<b>\$ 144,700.10</b>	<b>\$ 144,700.10</b>	<b>\$ -</b>

SUMMARY	BANK	RESTRICTED	BALANCE
General Fund	\$ 10,332,091.04	\$ 1,868,516.00	\$ 8,463,575.04
Water Fund	\$ 3,027,854.03	\$ 914,150.00	\$ 2,113,704.03
Sewerage Fund	\$ 4,301,401.31	\$ 2,546,820.00	\$ 1,754,581.31
Trust Fund	\$ 144,700.10	\$ 144,700.10	\$ -
<b>TOTALS</b>	<b>\$ 17,806,046.48</b>	<b>\$ 5,474,186.10</b>	<b>\$ 12,331,860.38</b>

**RECOMMENDATION**  
For Council's information.

## WARRUMBUNGLE SHIRE COUNCIL

Ordinary Meeting of the Warrumbungle Shire Council to be held at the Family Support Services Building, Robertson Street  
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### 2.2 Investments held as at 30 November 2010

Warrumbungle Shire Council										
Local Government Financial Management Regulations (Clause 16)										
Investments Held As At 30 NOVEMBER 2010.										
ON CALL										
	Investment	S & P Fitch Rating	Final Maturity Date	Current Interest Rate	Interest Frequency	Next Interest Date/Reset	Amount Invested Face Value (\$)	Market Value at End Of Month (\$)	% of Total Funds (Face Value)	Accrued Interest to End of Month \$
	St George Bank	A1+	On Call	6.02%	Monthly	End of Month	5,550,000.00	5,550,000.00	0.346	15,338.63
OTHER INVESTMENTS										
1	RIM Securities BOND ST CUSTODIAN- TITANIUM AAA	AA	14/12/2010	4.96%	Quarterly	14/03/2010	2,000,000.00	1,994,240.00	0.125	14,474.00
2	ANZ CREDIT SAIL-ANZ INVESTMENT BANK CDO- A	B	30/12/2011	0.00% Note 1	No Coupon	30/03/2010	500,000.00	415,500.00	0.031	No Coupon
	Investment	S & P Fitch Rating	Final Maturity Date	Current Interest Rate	Interest Frequency	Next Interest Date/Reset	Amount Invested Face Value (\$)	Market Value at End Of Month (\$)	% of Total Funds (Face Value)	Accrued Interest to End of Month \$

## WARRUMBUNGLE SHIRE COUNCIL

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3	<b>BENDIGO BANK</b> FRN	BBB	21/09/2012	5.22%	Quarterly	21/03/2010	500,000.00	483,855.00	0.031	5,910.00
4	<b>ANZ</b> ASPIRT 1- CPPI/FRN-Aap	AA	11/08/2012	0.00% Note 1	No Coupon	11/02/2010	500,000.00	462,223.50	0.031	No Coupon
5	<b>WBC</b> DANDELION-FRN-	AA	21/12/2012	0.00% Note 1	No Coupon	21/03/2010	1,000,000.00	863,200.00	0.0623	No Coupon
6	<b>ANZ</b> ASPRIT 11- CPPI/FRN-Aap	AA	30/03/2013	0.00% Note 1	No Coupon	30/03/2010	800,000.00	725,512.00	0.05	No Coupon
7	<b>DEUTSCHE BANK</b> <b>AG LONDON</b> DAISY	AA-	31/05/2011	0.00% Note 1	No Coupon	28/02/2010	1,500,000.00	1,445,250.00	0.09	No Coupon
8	<b>ANZ</b> ALL SEASONS- KEOLIS AAA	AA+	16/06/2013	0.00% Note 1	No Coupon	16/03/2010	1,500,000.00	1,210,650.00	0.09	No Coupon
9	<b>ANZ</b> AVERON BOND- SEALINK P/L- CPPI/FRN-AAA	AA+	20/06/2013	0.00% Note 1	No Coupon	30/03/2010	700,000.00	591,780.00	0.044	No Coupon

## WARRUMBUNGLE SHIRE COUNCIL

Ordinary Meeting of the Warrumbungle Shire Council to be held at the Family Support Services Building, Robertson Street  
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	Investment	S & P Fitch Rating	Final Maturity Date	Current Interest Rate	Interest Frequency	Next Interest Date/Reset	Amount Invested Face Value (\$)	Market Value at End Of Month (\$)	% of Total Funds (Face Value)	Accrued Interest to End of Month \$
10	DRESDNER BANK OCTAGON PLC- EMU NOTE	AA+	30/10/2015	0.00% Note 1	No Coupon	30/01/2010	1,500,000.00	1,141,350.00	0.09	No Coupon
							<b>16,050,000.00</b>	<b>14,883,560.50</b>	<b>Interest Received</b>	<b>160,676.84</b>

Monthly Investment Certification

In accordance with Regulation No.264, Clause 19(3)(b) I certify that the investments have been made in accordance with the Act, the Regulations and the Council's Investment policies at the time the investment was made.

**Responsible Accounting Officer**

**Notes to Investment Report**

- 1 With the other investments where no coupon is indicated - they are in principal protection mode. When the basket of securities reaches \$ for \$ again they will start paying coupons again based on the quarterly BBSW plus margin

General

Note Valuations based on data received at end and are for the capital value only.(do not include accrued interest)

**RECOMMENDATION**

For Council's information.



# WARRUMBUNGLE SHIRE COUNCIL

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## **2.3 Reconciliation of General Fund Bank Account – as at 30 November 2010**

	<b>General Managed Fund</b>	<b>Trust Fund</b>	<b>Investment Fund</b>
<b>Cashbook as at 30th November, 2010</b>			
<b>Opening Balance</b>	<b>1,158,119.92</b>	<b>142,042.40</b>	<b>14,850,000.00</b>
Plus Deposits	4,214,208.53	4,939.90	1,200,000.00
Less Payments	-3,760,982.07	-2,282.20	0.00
<b>Adjusted Cashbook Balance</b>	<b>1,611,346.38</b>	<b>144,700.10</b>	<b>16,050,000.00</b>
<b>Bank Statement as at 30th November, 2010</b>			
	<b>1,685,709.77</b>	<b>145,465.47</b>	
Plus Outstanding Deposits	139,797.50	0.03	
Less Outstanding Payments	-214,160.89	-765.40	
<b>Adjusted Statement Balance</b>	<b>1,611,346.38</b>	<b>144,700.10</b>	<b>0.00</b>
<b>Ledger Cash Book</b>			
Closing Balance	1,611,346.38	144,700.10	16,050,000.00
<b>Total Ledger</b>	<b>1,611,346.38</b>	<b>144,700.10</b>	<b>16,050,000.00</b>

### **RECOMMENDATION**

For Council's information.

## WARRUMBUNGLE SHIRE COUNCIL

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### 2.4 Rates and Charges Collection Report– up to and including end November 2010

GENERAL		RATE ARREARS	2010/2011 LEVY	PENSIONER WRITE OFF	ABANDON- ED	RATE ARREARS AND NET LEVY	TOTAL PAYMENTS TO DATE	TOTAL OUTSTANDING 2010/2011	COLLECTION % 2010/2011	TOTAL OUTSTANDING 2009/2010	COLLECTION % 2009/2010
	CBN RES/RURAL RES	50,942	622,731	53,667	3,778	616,228	323,575	292,653	<b>52.51%</b>	489,741	51.50%
	BARADINE	37,096	139,286	15,996	1,198	159,189	68,200	90,989	<b>42.84%</b>	97,511	39.78%
	BINNAWAY	12,952	68,198	11,642	1,758	67,750	33,326	34,424	<b>49.19%</b>	42,623	41.88%
	VILLAGE 1- RESD/BUS	7,754	31,710	2,855	1,239	35,371	15,810	19,561	<b>44.70%</b>	19,204	42.88%
	FARMLAND	229,370	4,181,063	20,326	859	4,389,248	2,207,368	2,181,880	<b>50.29%</b>	2,014,351	49.29%
	COOLAH	20,066	200,137	12,411	0	207,792	104,262	103,531	<b>50.18%</b>	96,202	51.12%
	DUNEDOO	19,548	218,329	16,441	0	221,437	112,963	108,474	<b>51.01%</b>	98,391	52.78%
	MENDOORAN	14,714	67,957	7,507	6	75,158	34,477	40,680	<b>45.87%</b>	38,288	43.87%
	VILLAGE 2 RESD/BUS	3,351	18,471	2,323	3	19,496	10,285	9,211	<b>52.75%</b>	6,438	45.67%
	COOLABAH ESTATE	2,589	15,443	1,642	1	16,389	7,044	9,345	<b>42.98%</b>	10019	37.26%
	RUR/RES COBBORA	132	3,118	237	0	3,013	2,243	769	<b>74.47%</b>	2241	33.76%

## WARRUMBUNGLE SHIRE COUNCIL

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GENERAL		RATE ARREARS	2010/2011 LEVY	PENSIONER WRITE OFF	ABANDON- ED	RATE ARREARS AND NET LEVY	TOTAL PAYMENTS TO DATE	TOTAL OUTSTANDING 2010/2011	COLLECTION % 2010/2011	TOTAL OUTSTANDING 2009/2010	COLLECTION % 2009/2010
	GENERAL RESD/BUS-STH	78,833	573,914	24,847	1,201	626,699	328,514	298,185	<b>52.42%</b>	76,194	53.70%
	BUSINESS- CBN-RURAL	23,856	356,619	250	1,018	379,207	210,832	168,375	<b>55.60%</b>	155,804	61.02%
						0		0		-	
	COONABARA- BRAN	30,024	370,206	27,440	2,496	370,294	201,004	169,289	<b>54.28%</b>	173,676	52.62%
	BARADINE	28,450	111,515	9,545	1,269	129,151	57,815	71,336	<b>44.77%</b>	80,608	39.96%
	BINNAWAY	22,147	118,130	9,034	3,006	128,238	66,346	61,892	<b>51.74%</b>	77,898	42.49%
	VILLAGE 1- RESD/BUS	11,497	13,396	1,050	4,561	19,282	5,440	13,842	<b>28.21%</b>	25,310	14.20%
	FARMLAND - NTH & STH	5.41	338.60	0.00	0.00	344	178	166	<b>51.60%</b>	880	21.69%
	COOLAH	32,280	207,987	11,100	0	229,167	112,260	116,907	<b>48.99%</b>	116,420	47.12%
	DUNEDOO	14,473	151,693	9,386	0	156,779	81,689	75,091	<b>52.10%</b>	68,893	52.68%
	MENDOORAN	33,196	147,618	4,903	12	175,900	82,392	93,508	<b>46.84%</b>	84,990	43.72%
	COONABARA- BRAN	53,591	177,707	22,746	3,405	205,147	147,780	57,367	<b>72.04%</b>	307,630	50.15%
	BARADINE	33,837	45,803	7,200	2,092	70,349	36,205	34,144	<b>51.46%</b>	109,217	44.39%

## WARRUMBUNGLE SHIRE COUNCIL

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GENERAL		RATE ARREARS	2010/2011 LEVY	PENSIONER WRITE OFF	ABANDON- ED	RATE ARREARS AND NET LEVY	TOTAL PAYMENTS TO DATE	TOTAL OUTSTANDING 2010/2011	COLLECTION % 2010/2011	TOTAL OUTSTANDING 2009/2010	COLLECTION % 2009/2010
	COOLAH	21,752	51,560	6,536	0	66,775	41,655	25,120	<b>62.38%</b>	101,538	52.44%
	DUNEDOO	15,752	48,113	6,539	0	57,327	33,371	23,955	<b>58.21%</b>	86,376	52.59%
		<b>798,209</b>	<b>7,941,043</b>	<b>285,623</b>	<b>27,900</b>	<b>8,425,729</b>	<b>4,325,036</b>	<b>4,100,693</b>	<b>51.33%</b>	<b>4,390,960</b>	<b>49.73%</b>
<b>GARBAGE- North</b>		69,439	688,490	56,447	4,114	697,368	384,296	313,073	<b>55.11%</b>	342,343	52.53%
<b>GARBAGE - South</b>		59,735	472,885	39,685	471	492,465	251,907	240,558	<b>51.15%</b>	222,619	48.98%
<b>FARMLAND - NTH - STH</b>		2,144	46,320	637	2	47,824	24,257	23,567	<b>50.72%</b>	18,001	50.91%
<b>LEGAL FEES</b>		185,780	42,633	0	9,141	219,272	42,633	176,639	<b>19.44%</b>	218,084	15.31%
								0	<b>0.00%</b>		
<b>INTEREST</b>		139,382	30,220	0	0	169,603	0	169,603	<b>0.00%</b>	154,994	0.00%
	<b>TOTALS</b>	<b>1,254,690</b>	<b>9,221,591</b>	<b>382,392</b>	<b>41,629</b>	<b>10,052,261</b>	<b>5,028,129</b>	<b>5,024,132</b>	<b>50.02%</b>	<b>5,347,001</b>	<b>48.12%</b>

**Note:** These do not include Legal / Interest / Waste Outstanding Amounts as they are not broken up into these localities

**RECOMMENDATION**  
For Council's information.

# **WARRUMBUNGLE SHIRE COUNCIL**

**Ordinary Meeting of the Warrumbungle Shire Council to be held at the Family Support Services Building, Robertson Street Coonabarabran on Thursday, 16 December 2010 commencing at 11.00am**

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## **2.5 Write off of Rates – D Ladmore**

Mr Ladmore was leasing Section 1 DP759065, Lots 1, 2, 3, 9, 10 Section 1 DP759065 and the laneway southwest of Lots 1, 2 and 3 DP759065, Licence 348935 for grazing purposes from the Lands Department.

Notification has been received from the Lands Department that Licence 348935 has been terminated as from 14 September 2010 with the balance of the 2010/2011 rates to be written off.

The amount calculated to be written off as a result of this termination is \$241.96 which will provide accuracy of future levy however revenue will be lost due to the write off.

### **RECOMMENDATION**

That Council agree to the adjustment of the rate book by writing off \$241.96 of outstanding rates in respect of Licence 348935 and transfer the land back to the Crown as a non-rateable property.

## **2.6 Write off of Rates – CLALC**

The Coonabarabran Local Aboriginal Land Council is applying to have the rates and service charges written off under Section 555 of the Local Government Act 1993 for the following properties as they are vacant land not being used for commercial or residential purposes and therefore exempted from rates and charges.

5 Queenie Street Coonabarabran – Lot 472 DP753378 (known as Lot 5)

1 Charles Street Coonabarabran – Lot 1 DP527761

2 Charles Street Coonabarabran – Lot 1 DP601511

1 White Street Coonabarabran – Lot 6 Sec 47 DP758281

The Local Government Act Section 555 (1)g and the Aboriginal Land Rights Act 1983 Section 43 Division 5 of Part 6 states that “specified lands vested in Aboriginal Land Council is exempt from the payment of rates and charges if the land is not being used for commercial or residential purposes.” It is by these acts that Council has the authority to write these amounts off as the Act makes these lands exempt.

The amount calculated to be written off as a result of this request is \$8,942.19 (plus interest due) which will provide accuracy of future levy however revenue will be lost due to the write off.

### **RECOMMENDATION**

That Council agree to the adjustment of the rate book by writing off \$8,942.19 of rates and charges plus current interest due in respect to the above Aboriginal land properties.

## **2.7 Rating Policy – Operational 2.1**

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Council at its 22<sup>nd</sup> October 2009 meeting endorsed its Rating Policy – Payment of Rates. There is an issue in part 1 (c) of this Policy in relation to when the debt recovery will commence.

Part 1 (c) states that *recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within ninety (90) days unless arrangements have been entered into.*

A review of the Policy has been carried out and a determination is sought from Council to have Part 1 (c) of the Rating Policy amended to:

2. *Recovery of Debts*

- c) *Recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within thirty (30) days unless arrangements have been entered into.*

**RECOMMENDATION**

That Council endorse the changes to the Rating Policy – Operational 2.1 which includes Part 1 (c), Recovery action will commence if other debts (other than amounts due from Government Departments) are not paid within thirty (30) days unless arrangements have been entered into.

.....  
**VACANT**  
**DIRECTOR CORPORATE SERVICES**

# **WARRUMBUNGLE SHIRE COUNCIL**

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Mr R J Geraghty  
General Manager  
Warrumbungle Shire Council  
John Street  
COONABARABRAN 2357

Dear Sir

Attached is my report for consideration by Council

**DIRECTOR OF TECHNICAL SERVICES**

**ANNEXURE 3**

## **3.1 Street Sweeping In Baradine**

### **Background**

At the meeting on the 18 November 2010, Council resolved to investigate and report on the frequency of street sweeping in Baradine. The streets in Baradine are relatively flat and drainage water is slow moving and as result sediment builds up in the gutters and on road shoulders. The use of Council's street sweeper is seen as an effective method for removing the sediment. However, the cost of utilizing the street sweeper must be weighed up against the cost of existing manual methods and utilization of staff on other activities associated with street cleaning.

### **Issues**

Sediment washes onto sealed roads and into gutters from areas of land that are unsealed. The typical sources of sediment are residential driveways and yard areas, vacant areas of land and areas of unsealed footpath and road. If the sediment is not removed from the gutter, it builds up promoting growth of weeds as well creating a blockage to the flow of drainage water.

Constant sweeping of the kerb and guttering is necessary to prevent sediment build up occurring. Sediment will be deposited after each rainfall event, however judgment and budgetary constraints often determine when streets and the guttering are cleaned out.

Currently, the budget allocation for street sweeping is used to sweep and clean Wellington Street on Monday and Friday. This work is undertaken by two staff members and takes around 3 hrs to complete. There is no sweeping undertaken in any other streets in Baradine. Any build up of sediment in gutters in the streets of Baradine is removed on an intermittent basis with a tractor and truck.

Traditionally, the street sweeper is only used in Baradine at Christmas time and in April before the ANZAC ceremony and when the Supervisor at Baradine specifically requests the sweeper. However, the Supervisor is careful about requesting the street sweeper because of the cost.

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## **Options**

Council has discretion in this matter and may wish to consider reducing the frequency of cleaning Wellington Street and increasing the number of times the street sweeper visits Baradine. An option that is available within existing budget allocation is cleaning Wellington Street just once per week and then utilizing the street sweeper once every two months or six times per year. Alternatively, Council may wish to increase the budget allocation for street cleaning in Baradine.

## **Financial Considerations**

The 2010/11 budget allocation for street cleaning in Baradine is \$21,070. At the end of November 2010, the actual expenditure is \$6,247.

The annual cost of utilizing the street sweeper in Baradine for six days, or once every two months is \$4,440.

The cost of utilizing the street sweeper every two months in the period 1 January 2011 to 30 June 2011, and reducing the frequency of sweeping Wellington Street to one day per week is around \$9,300. That is, the change in service level to accommodate utilization of the street sweeper can be accommodated within the remaining budget allocation for 2010/11.

## **RECOMMENDATION**

That no change is made to current street cleaning operations in Baradine and furthermore, the cost of additional street sweeping with the street sweeper is included in budget considerations for 2011/12.

## **3.2 Policy Update – Procurement Policy (Including Local Preference Policy)**

### **Background**

From time to time it is necessary to update Council Policies to reflect changes in legislation, guidelines and Council objectives. Council's tendering policy has been reviewed and substantial changes to the policy are proposed. The proposed policy is now called 'Procurement Policy (Including Local Preference Policy).'

Council is asked to consider the policy and make a resolution regarding adoption of it.

### **Issues**

Clearly Council needs to obtain goods and services in order to undertake the functions expected of Local Government. Council procures a vast range of goods and services from contractors, consultants and suppliers. Staff at all levels in the organization are involved in procuring goods and services in order to meet expectations. Council is expected to demonstrate transparency and compliance with a wide range of guidelines and laws when acquiring goods and services.



# **WARRUMBUNGLE SHIRE COUNCIL**

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The Local Government Act clearly outlines processes associated with procurement of goods and services. In particular, the Local Government Act establishes dictates when a process of tendering must be implemented. When that threshold is not reached, Council acquires goods and services using a quotation process. The proposed policy covers the process associated with tenders as well as the process associated with tenders.

The proposed policy also deals with Council's stated intention to provide a preference to local companies and businesses for the supply of goods and services. Council has authority to provide local preference, however, it must be clearly stated in a policy and be known to anybody wishing to supply goods and services to Council.

The proposed policy refers to a number of templates that may be used by Council staff when procuring goods and services. The templates when fully developed will provide a corporate approach to procurement activities, particularly tendering.

## **Options**

Council is required to have a policy dealing with procurement, however Council does have discretion regarding policy objectives, principles and implementation and responsibilities within the policy.

## **Financial Considerations**

There are no budgetary implications arising from the proposed policy.

## **RECOMMENDATION**

The proposed policy called 'Procurement Policy (Including Local Preference Policy) be placed on exhibition for 28 days at the end of which the policy proposal be referred back to Council for adoption.

Attachment 1.0. Proposed Policy.

## **POLICY DOCUMENT**

### **Procurement Policy (Including Local Preference Policy)**

#### **1. POLICY NAME**

Warrumbungle Shire Council Procurement Policy (*including Local Preference Policy*).

#### **2. POLICY**

Warrumbungle Shire Council is committed to providing goods and services that meet the expectations of the community and stakeholders in the Shire at an affordable cost.

#### **3. POLICY OBJECTIVES**

# **WARRUMBUNGLE SHIRE COUNCIL**

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The policy aims to ensure Council's procurement of goods and services is legal, ethical and to Council's best advantage. The expected outcomes of this policy are:

- Open and fair competition
- Value for money
- Encouragement of local business
- Enhancement of the local economy
- Ethical behaviour and fair dealing
- Compliance with relevant legislation.

## **4. POLICY SCOPE**

Council procurement covers a wide range of goods and services necessary to discharge its functions and to meet the aspirations of the community it serves. Procurement procedures are undertaken on a daily basis by a wide range of staff employed by Warrumbungle Shire Council. This policy provides overall guidance to those staff members required to acquire goods and services. This policy also provides guidance to elected representatives when they are required to make procurement decisions.

## **5. DEFINITIONS AND ABBREVIATIONS**

### Procurement

'All activities involved in acquiring goods or services either outright or by lease (including disposal and lease termination). Includes acquiring consumables, capital equipment, real property, infrastructure, and services under consultancies, professional services, facilities management and construction' (*source DLG Tendering Guidelines for NSW Local Government, October 2009*).

### Local Supplier

1. An organisation that operates from permanently staffed premises within the boundaries of the Warrumbungle Local Government Area and has operated from those premises for a minimum period of three (3) months before submitting a quotation or tender.
2. An organisation that is more than 49.9% owned by an individual (or individuals) that live within the boundaries of the Warrumbungle Local Government Area and has done so for a minimum period of three (3) months before the organisation submits the quotation or tender.

## **6. POLICY IMPLEMENTATION**

# **WARRUMBUNGLE SHIRE COUNCIL**

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- The cost of obtaining and providing goods and services, including disposal of assets, will be determined by either a quotation process or a tender process. Staff and elected representatives will use the process that best meets the objectives of this policy.
  - In accordance with Section 355 of the Act, Council may choose to engage in joint purchasing arrangements with other councils or groups of councils such as voluntary regional organisations of councils.
  - Council will give preference to local suppliers where evaluation criteria outlined in section 6.4 are utilized. Furthermore, all suppliers whether by tender or quotation will be advised of the evaluation criteria and Council's preference to use local suppliers.

## **6.1 Tenders**

Council will seek tenders where required by the Act and when deemed appropriate by the General Manager. The tendering process will follow the guideline document produced by the DLG called 'Tendering Guidelines for NSW Local Government, October 2009'. Particular attention will be paid to the process checklist included in the guidelines.

Clause 166 of the Regulation identifies the types of tendering methods available to Council. Council must decide by resolution whether it is going to use an open or selective tendering process.

### **6.1.1 Tender Documentation**

Whether open tenders are invited or tenders are invited from a selected list from a call for expression of interest, the following sections will appear in the overall tender document.

- Advertisement
- Information for Tenderers
- Conditions of Tender
- General Conditions of Contract
- Job Specific Requirements (or Services to be Provided)
- Specifications
- Tender Schedules
  - Pricing Schedule
  - Schedule of Insurances
  - Project Schedules
  - Consultants / Contractors Resources.

The following templates have been developed to assist staff in the tendering process and preparation of tender documentation. The templates are available on Council's intranet.

- Example Advertisement,
- Information for Tenderers
- Include Selection Criteria.
- Condition of Tendering

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- Relevant Conditions of Contract.

## ***6.1.2 Non Refundable Fee for Tender Documents***

The cost of producing a set of tender documentation and advertising a tender will be recovered by the imposition of a nominal fee. The fee will be set by the relevant Officer to recover the expected costs. The fee will be included in the advertisement and will be non refundable.

## ***6.1.3 Consideration of Tender Information in Closed Council***

In accordance with Section 10A, if tender information being considered by Council will either prejudice the commercial position of a tender or confer a commercial advantage on a competitor or reveal a trade secret, Council is obligated to consider the matter in closed Council.

## ***6.1.4 Invitation to Tender to Recognised Contractors on Council's List***

From the Guidelines, 'Clause 169 of the Regulation allows Council to establish a list of contractors who are interested in tendering for proposed contracts of a special kind'.

'Selective tender lists of recognised contractors are established where there is a continuing workload in a particular category of work and this workload justifies the cost of setting up and maintaining the list.' (p36. DLG Tendering Guidelines).

Currently, Warrumbungle Shire Council prepares a list of earthmoving contractors and truck contractors for provision of services to Council. It is expected that in due course other kinds of lists such as trade services will be developed.

'Overall management of the selective tender list system should be designed to give a fair distribution of opportunities to all recognised contractors over time. However, the contractor's past performance is a prime consideration. Other factors that may be taken into account include the location of the work, special requirements of the work, skill level of the contractor and commitments of the contractor.' (p36. DLG Tendering Guidelines).

## ***6.1.5 Tender by a Regional Procurement Company***

Council may from time to time become a member of one or more procurement companies. The purpose of membership is to join with other councils for procurement to attract price savings for a particular product or service.

The procurement company undertakes the administrative process associated with tendering and Council has the opportunity to procure products and services at the tendered price. However, being a member does not allow Council to delegate its responsibility for determining the outcome of a tender process. That is, Council by resolution is required to formally accept or reject a particular tender proposal by the procurement company.

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## ***6.1.6 State Government Procurement Contract***

Council is able to access products and services through providers that are recognised by the State Contracts Control Board and the Commonwealth Department of Administrative Services.

“State Contracts are the principal method of purchasing for Government agencies across New South Wales. Over 100 State Contracts have been approved under the authority of the State Contracts Control Board (SCCB). A complete list and information about all NSW Government State Contracts can be found on the NSW Procurement sister website [www.nswbuy.com.au](http://www.nswbuy.com.au).” (website – [www.nswprocurement.com.au](http://www.nswprocurement.com.au)).

## ***6.1.7 Prescribed Organisations***

Local Government Procurement Partnership is a prescribed provider pursuant to Clause 163 of the Regulation.

## **6.2 Quotations**

The cost of obtaining and providing goods and services must be determined by quotation where a tender process is not used. The quotation process must keep in mind the objectives of this policy.

The ordering of any goods or services as a result of quotation must be authorised by a staff member with the appropriate level of delegation.

The scale, complexity and political sensitivity of the procurement will usually determine if formal or informal quotations are sought and the number of quotations. Table 1.0 outlines minimum procedural requirements in relation to procurement by quotation.

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**Table 1.0 – Monetary Thresholds for Quotation Procedures**

<b>Purchase Value</b>	<b>Procedure</b>
Purchase value less than \$5,000	Verbal request for quotation permitted however, quotation must be in a documented form. At least two quotations must be received.
Purchase value between \$5,001 and \$70,000	The quotation must be sought by formal request. Documentation associated with the request must include a brief outline of the services to be provided. At least three quotations in documented form must be received.
Purchase value between \$70,001 and \$149,999	The quotation must be sought by formal request including public advertisement in the local paper. Documentation associated with the request must include a specification or brief for the services, pricing schedule and closing date. At least three quotations must be received in the prescribed format.

### **6.3 Order Splitting**

Purchase Orders must not be split to avoid the monetary thresholds outlined in Table 1.0.

### **6.4 Evaluation Criteria**

Value for money assessment of tenders and relevant quotations will be based on set performance criteria as well as price. The criteria must be included with documentation made available to potential service providers. The relevant Council officer will establish the criteria and weight them accordingly, however the list of criteria included in Table 2.0 must be included as a minimum. The weighting attached to each criterion will not be made known to potential service providers. A score will be given by the assessment panel against each criterion and when the score and weighting are multiplied out an overall assessment score will be determined.

The evaluation criteria used to assess tenders and relevant quotations must include 'local benefit' criteria as indicated in Table 2.0. Local benefit criteria will have a maximum weighting of 10% of the total evaluation criteria.

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**Table 2.0 - Minimum List of Performance Criteria for Assessment of Tenders and Relevant Quotations**

Assessment Criteria	Weighting	Score	Assessment Score
Track record in completion of similar projects.			
Suitability of proposed personnel, plant, equipment and subcontractors.			
Suitability of proposed works methodology.			
Details and logic of the proposed method of works.			
Local Benefit ( <i>maximum weighting 10 points out of 100</i> ).			
Locally sourced materials (grown, manufactured, assembled, made within the Warrumbungle Shire Local Government Area) specific to the contract.			
Locally sourced labour (actual / potential as result of the contract).			
Locally sourced services (eg. fuel, accommodation) as a result of the contract.			
Supplier is a business operating within the Warrumbungle Shire Local Government Area			

## **6.5 Local Preference**

For all quotations and tenders for the supply of goods, material and / or services for Warrumbungle Shire Council above \$500 a price advantage is given to local suppliers. In the process of determining the successful supplier, an amount of 5% will be nominally deducted from the local supplier price for the purpose of price comparison only.

## **7. RELEVANT LEGISLATION, GUIDELINES AND REFERENCES**

- a) Local Government Act 1993
- b) Local Government (General) Regulation 2005 (*as amended*)
- c) Occupational Health and Safety Act 2000
- d) Government Information (Public Access) Act 2009
- e) Trade Practices Act 1974(Cth)
- f) Tendering Guidelines for NSW Local Government, NSW Division of Local Government, October 2009.
- g) NSW Government Code of Practice for Procurement, January 2005.

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## **8. POLICY REVIEW**

This Policy has a life of 2 years. It will be reviewed in February 2013.

.....  
KEVIN TIGHE  
DIRECTOR TECHNICAL SERVICES



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Mr R J Geraghty  
General Manager  
Warrumbungle Shire Council  
John Street  
COONABARABRAN 2357

Dear Sir

Attached is my report for consideration by Council

**DIRECTOR OF ENVIRONMENTAL SERVICES      ANNEXURE 4**

## **4.1 Report on provision of solar power at Council pools**

### **Introduction**

In October 2008 Council resolved in minute number 105 “an investigation be undertaken and report prepared in relation to the opportunities for the introduction and utilisation of solar power at Council’s pools.”

The purpose of this report is to respond to that resolution which was decided as a result of issues being experienced with the cost of running the pumps at the Coolah pool in particular and as a motion in relation to another motion to note the action taken to obtain expert advice regarding country Energy tariffs and replace older less efficient motors for the Coolah Pool.

### **Background**

The provision of solar power to offset the costs of increasing electricity costs has been very fashionable in recent times with the government providing subsidies to encourage the take up of alternative sources of power supply. The industry for provision of solar power is relatively new to the scene and as such some confusion exists which makes it difficult to quantify expected savings and installation costs with constantly changing government regulation and rebates. Despite this environment, preliminary investigation has revealed that proposed solar power systems still require significant capital investment by Council and will require provision for depreciation and eventual replacement.

Council’s financial records indicate that the following electricity costs have been incurred at each pool over the last two full financial years:

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Pool	Electricity cost 08/09	Electricity cost 09/10	Average cost
Baradine	\$4596	\$3736	\$4166
Binnaway	\$5629	\$6323	\$5976
Coonabarabran	\$6600	\$7638	\$7119
Coolah	\$12245	\$12175	\$12210
Dunedoo	\$5758	\$6764	\$6261
Mendooran	\$5891	\$6009	\$5950
<b>Total</b>	<b>\$40719</b>	<b>\$42645</b>	<b>\$41682</b>

The above table demonstrates that Council's electricity costs are relatively minor in relation to the operating cost of each pool (less than 10%) in all except the Coolah Pool. Given the low costs and likely capital costs in the order of \$40000 per site it is not considered that significant cost reductions would be achieved relative to the outlays required for installations at the six pool sites given that provision will need to be made for replacement cost and opportunity costs. Council will be required to replace old non-compliant pumping and filtration systems over the coming years at its pools and the power source for pumps etc should be thoroughly investigated as part of that process on a pool by pool basis.

The issue of investigating the use of renewable energy in all Council buildings will need to be addressed in coming years as electricity costs rise however to provide an accurate cost benefit analysis the federal government will need to provide more certainty to the electricity markets and make firm decisions on the pricing of carbon emissions one way or the other.

## **RECOMMENDATION**

That Council note the report on provision of solar power to Council pools.

### **4.2 CONSTRUCTION OF EXTENSIONS TO JOHN STREET ADMINISTRATION OFFICE**

Council resolved at its August 2010 meeting "That Council confirms the plans provided as Annexure "A" as the preferred concept plans for the proposed extensions to the John Street administration office and seek expressions of interest from suitably qualified building design firms to complete the documents necessary to seek a lump sum tender from the public."

To seek quotations from suitably qualified firms Council required a consultant's brief which advised the potential consultants of Council's expectations from their firms.

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Delays in sourcing the quotations have arisen due to staff shortages within the environmental services section and problems being experienced in having all six pools operational by the pool season.

Four firms ( Barbara Hickson, Barnsons, Charles DeBeer and Hill Lockart) were indentified as having the necessary skills, proximity and capability to complete the requirements of the brief and all four were invited to submit a quotation by Wednesday the 8<sup>th</sup> December 2010.

Council received only two responses being quotations from Hill Lockart Architects and Charles de Beer Building Design and both quotations have been forwarded to Councillors under separate cover. The quotation of Hill Lockart did not meet the requirements of the brief as the fee submitted did not include the costs associated with the provision of engineering designs for structural work, mechanical, electrical and hydraulic services. Mr de Beer's quotation did include these sums and amounted to a GST exclusive amount of \$110320 which is in the vicinity of previous advice to Council for design costs. Charles de Beer design has been responsible for the works currently being undertaken by St Lawrence's School and the quality of his plans and documentation has proven to be of good quality.

## **RECOMMENDATION**

That the quotation of Charles de Beer Building Design of \$110,320 (excl GST) for the design and preparation of full tender documents for the construction of extensions to Council's John Street Administration offices be accepted and funded from unrestricted cash reserves.

### **4.3 FLOODING OF THE COONABARABRAN POOL**

The Coonabarabran pool has been flooded on a number of occasions over recent years and at least three times this season due to heavy rainfalls. Each time the pool is flooded Council must close the pool for up to four (4) days until such times as the pool filtration system can filter out the sediment in the water to restore visibility and water quality sufficiently enough to re-open the pool to the public.

Investigations during the more recent rainfall events indicates that the surface water from the showground is being directed via a man made contour bank to the southeastern corner of the pool grounds where it flows into the toddlers pool and then the main pool. Large volumes of water are concentrated by this bank and no drainage pit was evident until soil and debris was removed. Excavations indicated that a hole had been punched into the top of the 600mm pipe and an opening the size of a 20litre drum was created to take the water away. This pit is grossly inadequate to receive large flows of water and needs to be up graded.

Discussions with Council's technical services staff indicate that a 600mm drainage pipe was installed parallel to the pool rear fence, on showground land, from the car park of the Visitor Information Centre to a pit on the western side of the radio station building some

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years ago. Surcharge problems were resulting from that pit due to a lack of capacity to the creek near the Bowling Club and as a result Council doubled the capacity to the creek by adding another 600mm pipe.

It is considered necessary to significantly increase the size of the pit in the southeastern corner of the pool grounds to a similar design as the pit installed further along the drainage system to effectively prevent further inundation of the pool grounds.

Preliminary cost estimates from Council's technical services department indicate that a sum of approximately \$5000 would be required to complete the work necessary to increase the capacity of the inflows to the pit in question and prevent more closures of the pool.

### **RECOMMENDATION**

That Council note the cause of the flooding of the Coonabarabran Pool and that a supplementary vote of \$5000 be allocated to allow the immediate installation of a larger pit in showground land in the vicinity of the southeastern corner of the Coonabarabran pool grounds.

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### 4.4 Applications Received for Month of November 2010

#### APPLICATIONS RECEIVED FOR MONTH OF NOVEMBER 2010

Complying Development (set criteria) Development Application (Specialised Conditions)	Date Received	APPLICANT'S NAME	LOCATION (of development)	(Town)	Development Type	Status (Approved or Pending)
DA 31/1011	1/11/2010	A Wigglesworth	Park Street	Binnaway	Relocate House	Approved
DA 32/1011	05/11/2010	A Brew	Dalgarno Street	Coonabarabran	New Shed and Workshop	Approved
DA 33/1011	29/10/2010	P Rudge / GWAHS	Martin Street	Coolah	Accommodation Units	Pending
DA 34/1011	08/11/2010	D & E Stanmore	Tucklan Street	Dunedoo	Subdivision	Approved
DA 35/1011	10/11/2010	L Kearney	Digilah Road	Dunedoo	Extensions to House & Pool	Approved
DA 36/1011	18/11/2010	Dunbier Pastoral	Gamble Creek Road	Binnaway	New Dwelling	Pending
DA 37/1011	19/11/2010	Rawson Homes	Booyamurra Street	Coolah	New Dwelling	Pending
DA 38/1011	23/11/2010	P Starr	Timor Road	Coonabarabran	Commercial Sign	Pending
DA 39/1011	25/11/2010	I Thompson	Martin Street	Coolah	New Shed	Pending
DA 40/1011	26/11/2010	NLarge	Talbragar Street	Dunedoo	Barn Style Shed	Pending
DA 41/1011	29/11/2010	P & D Redden	Merebene Street	Coonabarabran	New Dwelling	Pending

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### WARRUMBUNGLE SHIRE COUNCIL APPLICATIONS HELD PENDING AS AT THE END OCTOBER 2010

CD or DA	Date Received	APPLICANT'S NAME	LOCATION	Town	Type of Development	Status
DA 16/1011	26/08/2010	W Martin	River Road	Coonabarabran	Transport & Erect House	Clock Stopped Awaiting Further Information
DA 21/1011	20/09/2010	B & K Lang	Short Street	Coonabarabran	New Duplex	Pending
DA 23/1011	24/09/2010	Catholic Church	Dalgarno Street	Coonabarabran	Boundary Adjustment	Pending
DA 29/1011	18/10/2010	B Olsen	Cassilis Street	Coonabarabran	New Garage	Pending

.....  
**TONY MEPPM**  
**ACTING DIRECTOR ENVIRONMENTAL SERVICES**

# WARRUMBUNGLE SHIRE COUNCIL

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Mr R J Geraghty  
General Manager  
Warrumbungle Shire Council  
John Street  
COONABARABRAN 2357

Dear Sir

Attached is my report for consideration by Council

## **DIRECTOR OF COMMUNITY SERVICES      ANNEXURE 5**

### **5.1 Coolah School of the Arts/Preschool – Urgent Maintenance**

On Wednesday 10th November during a storm; due to a box gutter drain exceeding its capacity to remove runoff rain between the main building and the Preschool toilet block extension; water entered the Preschool and flooded the amenities and laundry area. The roof was assessed and given the chances of more significant damage occurring if no action was taken; the Director Community Services authorised the ordering of materials for a modification to the roof to extend the gable from the main building, and remove the box gutter drain altogether.

The materials; iron, guttering and rafters totalling \$2,500 with wages approximately \$2,500; have added \$5,000 to the School of the Arts/Preschool Coolah budget.

A meeting was held with the Coolah Preschool Management Committee executive and the matter discussed. Bearing in mind that there is no operational R&M budget for the Coolah Preschool building and no income for rental; it was better to negotiate with the Preschool for a shared solution.

Coolah Preschool have written to Council and offered to share some of the responsibility and contribute 50% of the budget estimate of \$5,000.

The materials arrived and Council's Carpenter scheduled to undertake the works when; whilst not directly all related; on Saturday 6th December, following a downpour of over 95mm in ½ - ¾ hour, the whole Preschool was inundated with stormwater from this same box gutter entering via the internal walls. Combined with flood water run off from the playground and rising raw sewerage from the toilets and shower; this disaster event has resulted in the service being closed. Insurance claims are being made by both Council's property and Coolah Preschool's contents insurance to repair damages to furniture and fittings which are separate matters to this request.

As an aside; Coolah Preschool is currently operating from temporary premises at the Coolah Youth and Community Hall, made possible by an emergency evacuation Children's Services Licence.

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## **RECOMMENDATION**

That Council approve a supplementary vote of \$5,000 for the Coolah Preschool building to ensure urgent roof and gutter modification be completed and **FURTHERMORE** Council accepts the Coolah Preschool Management Committee's contribution of 50% of the costs incurred to undertake this work, which will be reflected by a supplementary vote to income of \$2,500.

## **5.2 Purlewaugh Mechanics Institute Hall – Painting**

Council supports the Purlewaugh Hall Committee with a minimal annual budget for mowing, insurance and annual fire inspections; and auspiced an employment program in 2008 and 2009. This project achieved a great deal however also left both halls in need of attention with some preparatory work left unfinished. The exterior of the building is weatherboard and is in dire need of repainting. The last few years of drought have caused severe deterioration of the paintwork and the last time the hall was painted was over 10 years ago.

Council maintains a Trust Account for the Hall Committee which currently has an amount of \$2,317. These are community raised funds which is used for the annual Christmas Tree celebrations and recently; the installation of air conditioning in the Supper Hall.

Purlewaugh Hall consists of two adjacent main structures connected by a covered walkway: of timber construction and clad externally with weatherboards with a corrugated iron roof. The smaller 'Supper Hall' contains a kitchen and is used by local organisations and community groups for business, social and community events and activities.

Options for repainting include:

- A. The Hall Committee has applied for funds to repaint the exterior surfaces of both halls under the NSW Community Hall Renewal Fund program. To date no news has been received of the success or otherwise of this grant application of \$50,000 for the total project cost of \$69,641. This included removal and preparation, neutralizing, undercoating and painting the supper and main halls exterior surfaces by a local tradesperson.
- B. In the meantime the Hall Committee has met on site with Programmed Property Services, based in Tamworth which includes a professional painting services division. A quotation of \$8,511 (ex GST) per annum for 7 years has been received for a full repaint in year 1 followed by annual paint maintenance in years 2 to 7. The total cost being \$59,577 which includes the main hall, supper hall, walkway and toilet block. All surfaces are cleaned, prepared and blistered paintwork eliminated progressively identified and treated.



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Council consideration is sought for financial support for this project; and both options for completion would achieve the outcome and preserve the building from further deterioration. The proposal being, that if the Hall Renewal Fund grant was successful, it would immediately reduce Council's investment. When this funding will be announced and the chance of success is unknown.

This project has been presented to Council at budget preparation meetings and submitted again in July as a Round 3 RLCIP community project. Each time, the cost has been understandably too prohibitive. Option B is certainly appealing, being a significantly lower financial outlay per annum, although accepted this is a 7 year commitment.

## **RECOMMENDATION**

That Council supports the Purlewaugh Hall Committee's objective of repainting the Mechanic Institute Hall by inviting tenders to repaint the Hall in preparation of the 2011-2012 budget for either a managed or once off painting service.

## **5.3 Warrumbungle Shire Pedestrian Access And Mobility Plan**

Council resolved at the October Council meeting to investigate options and funding of a shire Pedestrian Access and Mobility Plan (PAMP) for our major towns (**Resolution No 124**). PAMPS being a coordinated approach to providing safe, convenient and connected pedestrian routes which will encourage people to walk rather than use cars. The NSW RTA works with Local Government to implement PAMP's which can provide;

- *More appropriate pedestrian facilities in busy areas*
- *Improved access for mobility impaired members of the community*
- *Safe and convenient crossing opportunities on major roads*
- *Reduced injuries to pedestrians*
- *Links with other transport providers eg. taxis, trains, buses*
- *Integration with Councils other planning instruments*
- *Links with other strategic plans eg Bike Plans, Maintenance programs*
- *Meeting special event needs of pedestrians*
- *Consistent facilities throughout NSW*

(How to Prepare and PAMP – NSW RTA 2002)

The RTA will fund on a \$ for \$ basis with local Councils; and is prepared by Council either by engaging their own resources or an external consultant. It is recommended that extensive community engagement takes place to ensure all stakeholders and pedestrians have a sense of ownership with the completed PAMP. From commencement to finish the PAMP will take approximately 6 months to complete.

Once the PAMP is completed, an action plan and schedule of engineering works identified will require additional Council and where available RTA funds to complete over a future time period.

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A project team would be established comprising of Council's Road Safety Officer, Engineering Technical Officers, Town Planning, Traffic Advisory Committee, RTA officers and invited Community members from each town would be desirable; with involvement by the town Development Coordinators, schools, community groups and disability services agencies at the local level.

It is proposed that Council's Road Safety Officer undertakes the role of completing the PAMP, with support from the project team and co-opting of consultants or contractors for promotion, design works, mapping where necessary. Budget would be required for workshops, advertising, surveys, promotion and external support as determined.

Applications for RTA funding for the PAMP is due by 31 December 2010. An application is being submitted for \$30,000 for the Warrumbungle Shire Council PAMP 2011.

## **RECOMMENDATION**

That Council approves the submission to NSW RTA for co-funding of a Warrumbungle Shire Council Pedestrian Access and Mobility Plan (PAMP) 2011.

.....  
REBECCA RYAN  
DIRECTOR COMMUNITY SERVICES

# **Attachment**

**(see Item 1.14)**

**Promoting Better Practice Program**

**REVIEW REPORT**

**WARRUMBUNGLA SHIRE COUNCIL**

***November 2010***

# Promoting Better Practice Program

## REVIEW REPORT

## WARRUMBUNGLA SHIRE COUNCIL

*November 2010*

improvement

good governance

capability



**Division of Local  
Government**  
**Department of Premier and  
Cabinet**

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## **EXECUTIVE SUMMARY**

### **OVERVIEW**

Warrumbungle Shire Council was constituted in 2004. As such it is a relatively new local government authority.

Managing the amalgamation of the former Coolah Shire and Coonabarabran Shire Councils has been a primary task of the General Manager. It is still perceived as very much a work in progress. Warrumbungle Shire Council lacks a clear vision and strategic direction. As a result, Council does not currently appear to be well placed to strategically manage its challenges and opportunities.

With the assistance of consultants, Council has embarked on a significant change process which involves a detailed organisation review and determining its approach to establishing an Integrated Planning and Reporting Framework as required by legislation.

*Developing and then successfully implementing the components of the framework will present a significant challenge for Council. It will require effective leadership and commitment from the Mayor, General Manager and all councillors.*

*Council's workforce appears to be dedicated and motivated to embrace this change process.*

*Summarised below are initiatives, systems or processes that the review team identified as exceeding good practice and those requiring further development.*

### **COUNCIL'S STRATEGIC POSITION**

What is better practice?

- *The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

#### Areas for further development

- Council's requires a shared vision and mission to underpin strategic planning, operations and delivery of services to the communities of the Warrumbungle Shire.
- A clear and collaborative approach to establishing the new planning and reporting framework within Council is required.

### **GOVERNANCE**

#### What is better practice?

- *The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

#### Noteworthy practice

- *Council engaged consultants to undertake an Organisation Review which contained 34 recommendations for improvement.*

#### Areas for further development

- Council is encouraged to develop corporate values linked to its vision and mission to foster a more cohesive and outcomes focussed organisation.
- A number of areas in which leadership could be improved have been identified.
- *Proceedings at the Council meeting attended by the review team were generally orderly and conducive to decision making. However, some suggested improvements have been noted for Council's consideration.*
- *Further review of the Delegations Register and the means for clearly communicating the delegated authority to each staff member concerned is required.*
- *Council's internal controls require urgent attention and improvement. Of priority are the establishment of an internal audit framework, development*

*of a risk management plan, carrying out fraud risk assessments and review/modification of the fuel management system.*

- *A system or process needs to be developed to ensure that Council's legislative and regulatory obligations are met.*
- *Council does not have policies, procedures and processes relating to purchasing, tendering and the disposal of assets. The manual purchase order system should be replaced by an electronic system which is available to Council in its existing accounting software package.*
- *Council does not have a Statement of Business Ethics available for those it engages business with.*
- *An Information Communication Technology Strategic Plan should be developed and implemented. This should include providing all staff with access to an intranet facility.*
- *Systems and processes need to be improved so that statutory reporting requirements are met on time.*

## **PLANNING AND REGULATORY**

What is better practice?

- The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.

Noteworthy Practice

- Council successfully worked with 16 nearby councils and the Central West Catchment Management Authority to produce a comprehensive Regional State of the Environment Report for the period of 2008/2009.

Areas for further development

- The single Local Environmental Plan and single Development Control Plan are in progress but require finalisation.



- The Stormwater Management Plan and Waste Management Strategy should be reviewed to ensure they reflect the requirements of the entire Warrumbungle Shire.

## **ASSET AND FINANCIAL MANAGEMENT**

What is better practice?

- *The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

Noteworthy Practice

- The review team did not identify any practices of particular note or significance for the council/community.

Areas for further development

- To avoid duplication and potential errors, Council should appoint one officer to oversee the coordination and production of its annual budget.
- Council must develop a Resourcing Strategy which includes a long-term financial plan and asset management framework. The development of such a strategy is a statutory requirement which aims to ensure councils make adequate resources available to deliver the commitments set out in their Community Strategic Plans.
- Council has not prepared plans of management for all of its community land holdings.
- Income generated from Crown reserves under Council's care and control is not currently deposited into Council's trust fund as required by the Act.

## **COMMUNITY, COMMUNICATION AND CONSULTATION**

What is better practice?

- *Council demonstrated leadership and innovation in establishing the Yuluwirri Kids community based Preschool and Long Day Care Centre in 2009.*
- *Council is the management auspice of the Westpac Instore in Dunedoo. As well as providing access to banking services, the agency also collects rates and offers counter support relating to Council operations.*

### Noteworthy Practice

- *Council's successful management of 11 community infrastructure projects.*
- *A total of \$270,000 in grants for various community projects. Of note was a \$5,000 grant to establish the Coolah Men's Shed.*

### Areas for further development

- *While the Warrumbungle Shire Council Community Social/Cultural Plan 2008 is well developed and well structured, stronger links to the Management Plan would facilitate improved implementation.*
- *Council needs to develop customer service standards and turnaround times as part of a Guarantee of Service linked to complaints handling policies and processes.*

## **WORKPLACE RELATIONS**

### What is better practice?

- *The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

### Noteworthy Practice

- *A staff climate survey was carried out in December 2009 by consultants as part of a broader organisation review of Council.*

### Areas for further development

- *Council is required to develop a workforce management strategy to address the human resource requirements arising from its Community Strategic Plan.*
- *The recent organisation review identifies a range of Human Resources issues which require attention.*

- Council is encouraged to introduce an intranet facility for all staff and make all relevant human resources policies and procedures available for their ongoing reference.
- Consideration should be given to purchasing a dedicated Human resources software program to more efficiently manage Council's functions and requirements in this area.
- Council does not have an Occupational Health and Safety Management Plan/System.
- Development of a succession plan is encouraged.
- Council should consider conducting exit interviews with all staff that are leaving its employ.

## **PART I. BACKGROUND**

### **ABOUT THE REVIEW**

#### **1.1 REVIEW OBJECTIVES**

*Promoting Better Practice Reviews are primarily designed to promote good governance and ethical conduct within councils and foster a culture of continuous improvement within the local government sector.*

*For the council, a review acts as a "health check", giving confidence about what is being done and helping to focus attention on key priorities. For the local government sector, reviews have a developmental impact by identifying and sharing better practice and responding to issues through policy/legislative change or other means.*

#### **1.2 REVIEW PROCESS**

*The process is conducted by a review team from the Division of Local Government, Department of Premier and Cabinet.*

*The team evaluates the effectiveness and efficiency of the council's operations. This essentially involves five steps - preparing, assessing, checking, analysing and reporting. The completion of a comprehensive self assessment checklist by the council is a key element in all reviews.*

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

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

*The primary legislation which sets out minimum requirements and standards for councils in NSW is the Local Government Act 1993 (the Act) and the Local*

*Government (General) Regulation 2005 (the Regulation). Unless otherwise stated, this report refers to that legislation.*

### **1.3 REVIEW REPORT**

The review culminates in a report which is provided to the elected council, the Minister for Local Government and the Chief Executive - Local Government, a Division of the Department of Premier and Cabinet. Consistent with review objectives, the report documents priority focus areas identified as follows.

<b>PRIORITY FOCUS AREA</b>	<b>DESCRIPTION</b>
<b><i>Better practice</i></b>	<ul style="list-style-type: none"> <li>• Beyond or above minimum compliance requirements and good practice indicators.</li> <li>• Innovative and/or very effective.</li> <li>• Contributes to continuous improvement within the sector.</li> </ul>
<b><i>In need of improvement or further development</i></b>	<ul style="list-style-type: none"> <li>• Does not satisfactorily meet minimum compliance and good practice indicators and may impact negatively on council operations.</li> <li>• Significant improvement initiatives that are in progress and which need to be continued.</li> </ul>
<b><i>Otherwise noteworthy</i></b>	<ul style="list-style-type: none"> <li>• May include successful initiatives which respond effectively to local circumstances or practice that is in other ways significant for the council/community.</li> <li>• Practice which in general exceeds good practice but may have some aspects that require fine tuning.</li> </ul>

*The council is invited to comment on the draft report before it is finalised.*

### **1.4 WARRUMBUNGLA SHIRE COUNCIL REVIEW**

*The review team comprised Ms Caroline Egberts, Senior Investigations Officer and Mr Ross Bailey, Senior Finance Officer. Warrumbungle Shire Council completed the checklist about key Council practices and two councillors completed a survey designed to seek their views. The review team examined these responses and a range of other source documents in order to gain a preliminary understanding of Council operations prior to their visit to Council.*

The on-site component of the review took place in April 2010. It involved initial interviews with the Mayor and the General Manager, interviews with a cross section of staff, observation of a Council committee meeting, individual meetings with two councillors, a review of Council policies and other documents and visits to Council's facilities/worksites and some localities in the area.

## 2. ABOUT THE WARRUMBUNGLE SHIRE

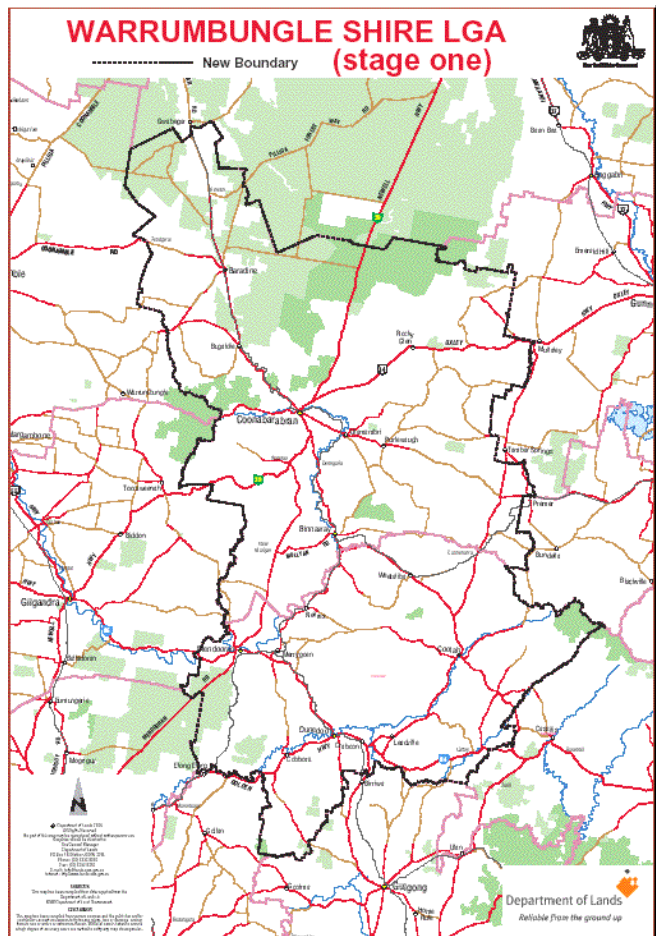
### Location and demographics

*The Warrumbungle Shire covers an area of 12,380 square kilometres and is located in the central west of NSW. The Shire draws its name from the Warrumbungle Range, which is a major feature of the area. It is strategically positioned on the Newell Highway mid-way between Brisbane and Melbourne. It is within 2 hours drive of the provincial centres of Tamworth (180 kms) and Dubbo (160 kms) which complement services provided at the local level.*

The population of the area in 2006 was 9,808 (2006 Census) and reside in the towns and villages of the Shire.

The townships of Coonabarabran, Baradine, Binnaway, Coolah, Dunedoo and Mendooran are the major centres of the area. The villages include Bugaldie, Kenebri, Merrygoen, Neilrex, Leadville, Cobbora and Uarbry

*It is acknowledged that the Gamilaraay people are the traditional owners and custodians of the northern part of the Shire while the southern part of the Shire is home to the Wiradjuri people. Also the nations of the Weilwan and Kawambarai (Werriri) intersect the Shire on the western border. Council recognizes the*



*history, traditions and culture of these people as an important part of the Shire's history.*

*In 2006 there were 746 Indigenous people recorded by the Australian Bureau of Statistics as living in the Shire. This represents 7.6% of the total Warrumbungle population. In summary, the Shire has an ageing population earning on average 40% less than the rest of Australia. However, this is counter-balanced against rent and mortgage levels which are almost half that of the Australian average.*

### *Current Council*

*Warrumbungle Shire Council was constituted in August 2004 as a result of the voluntary amalgamation of the former Coonabarabran Shire and Coolah Shire Councils. While Coonabarabran is the administrative centre for the Shire, a Council office has also been maintained in Coolah. Works depots are located in Baradine, Binnaway, Coolah, Coonabarabran, Dunedoo and Mendooran.*

*Council consists of nine councillors who were elected in September 2008. Councillors are elected by the Shire as a whole. Ordinary meetings of Council are usually held on the 3<sup>rd</sup> Thursday of each month. As a result of fire damage to Council's main administrative centre in Coonabarabran, Council does not have a formal Council Chambers. Meetings are currently held at the Rural Fire Service Centre in Coonabarabran.*

### *Council staffing*

Approximately 210 Council full and part time employees (or 184 full time equivalent) deliver a range of services within a budget between \$34M and \$40M. Council's workforce is ageing with approximately 49 (26.6%) aged 55 years and over. Council's Management Executive Team currently consists of the General Manager and four Directors.

### *Local issues*

*The Shire is predominantly rural with areas of heavy timber through to open pasture with its main economic activity based around agriculture. Tourism is*



*increasing and is based primarily on servicing the traffic passing through the Shire and visitors to the Warrumbungle and Coolah Tops National Parks and the Siding Springs Observatory. Coonabarabran lays claim to being the “Astronomy Capital of Australia”.*

*Rail lines are used for extensive freight operations. Passenger services consist of a Countrylink coach service to Lithgow with a connecting rail service from there to Sydney. Coonabarabran has an airport but this no longer offers passenger services to Sydney. Opportunities have also emerged in relation to potentially large scale natural resource and energy developments such as a significant mining project proposed in the south-west of the Shire.*

## **PART II. PLANNING A SUSTAINABLE FUTURE**

*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. Monitoring and reporting progress to promote continuous improvement was also an integral consideration in regard to Council’s performance in this area.*

### **1. STRATEGIC PLANNING AND REPORTING**

*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 to 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 resourcing strategy comprising a long-term financial strategy, asset management plan and workforce strategy. The framework is set out in the following diagram.*

*Diagram 1      Integrated planning and reporting framework*



*The Local Government (General) Amendment (Planning and Reporting) Act 2009 and the Local Government (General) Amendment (Planning and Reporting) Regulation 2010 set out councils' obligations in this area.*

## **2. WARRUMBUNGLE SHIRE COUNCIL STRATEGIC POSITION**

### **2.1 OVERVIEW**

Overall, Warrumbungle Shire Council is faced with a range of challenges. Many of these are common to other rural councils such as the ongoing impact of the drought on the local economy, an ageing population and workforce, attracting and retaining suitably qualified and experienced employees, managing its assets and providing and maintaining infrastructure throughout the entire local government area.

*On the other hand, a significant mining project proposed in the south-west of the Shire will provide a range of opportunities and benefits for Council and the Shire (if it goes ahead).*

However, Council does not currently appear to be well placed to strategically manage its challenges and opportunities.

*Since 2004 the organisation has been focussed on merging Coonabarabran and Coolah Councils. While some progress has been made toward achieving a unified Warrumbungle Shire Council, it was reported that tensions or divisions exist between small pockets of staff at Coolah and Coonabarabran offices. This was described as an ongoing legacy and challenge of the amalgamation process which hinders a more strategic approach.*

*Overall, there appears to be an understanding that Council must finalise the amalgamation process and take a more strategic approach in order to move the organisation forward. It is acknowledged that this will require councillors and the General Manager to practice a different leadership style which is less operationally focussed and more visionary and consultative.*

### **2.2 BETTER PRACTICE**

*No practices beyond or above minimum compliance requirements and good practice indicators were identified in this module.*

## **2.3 AREAS REQUIRING FURTHER DEVELOPMENT**

### **2.3.1 Council's vision**

Council does not articulate a vision and mission in its management plan, annual report or website. A shared vision developed by Council, staff and the community should form the foundation of Council's strategic approach and guide long term policy and decision making to sustain the community.

During 2009 Council engaged Local Government Management Solutions (Management Solutions) to conduct an organisation review and determine a brief for such review in consultation with councillors. An overview of this review is provided later in this report.

One of the terms of reference of that review was to *“ascertain the requirements and expectations various stakeholders have of Warrumbungle Shire Council and what a vision for the whole local government area could be.”* The report of the findings and recommendations of the review was provided to Council in February 2010. The report is currently classified as confidential.

#### ***Recommendation 1***

*Council should, as a matter of priority, determine a shared vision and mission to underpin its strategic directions, operations and delivery of services to the communities of the Warrumbungle Shire.*

#### **Council's Response**

Council has engaged an independent consultant to assist it in developing a vision and mission statement. The first workshop was held on the 6th September consisting solely of Councillors with a final workshop being held on 27th September with Councillors and the Senior Management Team. A draft will now be prepared and returned to Council for agreement. That draft will then be workshopped with operational staff and honed to reflect their ideals for the

organisation. A finalised vision and mission, across the organisation, will then be endorsed by Council.

### **2.3.2 Community Strategic plan**

*Council does not have a strategic plan. Rather, it operates year to year through the management plan. Under the new Integrated Planning and Reporting Framework, the development of a Community Strategic Plan covering a minimum period of 10 years has become a statutory requirement.*

For the reasons outlined above, the establishment of the Framework must begin by developing a shared vision and mission for the Warrumbungle Shire.

*Council has nominated itself to group 3 which mean the provisions of the Local Government (General) Amendment (Planning and Reporting) Regulation 2010 apply from 1 July 2012. Council is required to comply with the requirements in the Planning and Reporting Guidelines for local government in NSW (see DLG circular to councils 10-01). A supporting Manual is also available to assist councils to implement the new requirements. The Guidelines and Manual are available at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au).*

*Developing and then successfully implementing the other components of the framework (such as a Delivery Program, Operational Plan and supporting Resourcing Strategy) will present a significant challenge for Council. It will require effective leadership and commitment from the Mayor, General Manager and all councillors. The specific roles of each of these officials are highlighted in the Integrated Planning and Reporting Manual.*

*In particular, the General Manager has a pivotal role to play in mapping out Council's approach to the planning process and ensuring Council staff and the community receives the information it needs to participate in a meaningful way. He is also responsible for guiding the implementation of the Community Strategic Plan and Council's response to it via the Delivery Program.*

*It is encouraging to note that Council recently engaged consultants who provided councillors and key staff with an overview of the framework. Councillors and the General Manager need to agree on and lead a planning process which promotes*

*the development of all components of the Integrated Planning and Reporting Framework. The process must also be adequately resourced.*

Overall, support and enthusiasm was expressed in terms of establishing the framework. It was viewed as an opportunity to change “outdated management practices” within Council and finalise the amalgamation process so as to operate as one unified organisation.

### **Recommendation 2**

The General Manager, in consultation with the Management Executive Team and the elected body, should adopt a clear and collaborative approach to establishing the new planning and reporting framework within Council. This approach should be communicated to all Council employees and the community.

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

In November 2009 Council moved towards developing an approach to IP&R. Council has been accepted into the third group of councils to meet the delivery date of July 2012.

In March 2010 a series of workshops over two days was guided by an outside facilitator. These workshops were held on 4<sup>th</sup> and 5<sup>th</sup> March 2010. The workshop format was:

4<sup>th</sup> March – meeting with General Manager and Directors individually in the morning and in the afternoon a workshop was held with Councillors.

5<sup>th</sup> March - meeting with General Manager, Directors, Managers and Team Leaders in the morning with a debriefing to the General Manager in the afternoon.

Project teams consisting of across the organisation members have been established (June 2010) and led by a member of Manex to progress the four

operational aspects of IP&R. A community engagement strategy is being developed.



## **PART III. DELIVERING AND ACHIEVING**

*Successful implementation of council’s vision, strategic directions and the stated outcomes of its management plan relies on a healthy organisation that has efficient and effective structures, systems and processes.*

*This part of the review focussed on considering the means by which Council:*

- 1. Governs its day to day operations*
- 2. Undertakes its planning and regulatory obligations*
- 3. Manages its assets and finances*
- 4. Provides for and involves the community, and*
- 5. Recruits and retains its workforce.*

*While the review team looked at a range of practices, policies and systems, this report primarily documents significant observations and priority focus areas. Consistent with the Review Program’s objectives these will reflect areas which represent better practice, are noteworthy or in need of improvement or further development. A definition of each of these categories is provided earlier at Part I, section 1.3 The report.*

### **1. GOVERNANCE**

#### **1.1 OVERVIEW**

*“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.*

### **1.1.1 Scope of review**

- |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• <i>Ethics and values</i></li><li>• <i>Management planning</i></li><li>• <i>Procurement, disposal &amp; tendering</i></li><li>• <i>Privacy management</i></li><li>• <i>Code of conduct</i></li><li>• <i>Communication devices</i></li><li>• <i>Disclosure of pecuniary interests</i></li><li>• <i>Risk management, legislative compliance &amp; internal control</i></li></ul> | <ul style="list-style-type: none"><li>• <i>Council's decision-making processes, including delegations and conduct of meetings</i></li><li>• <i>Support for councillors</i></li><li>• <i>Records management</i></li><li>• <i>Access to information</i></li><li>• <i>Complaints handling</i></li><li>• <i>Information technology</i></li></ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

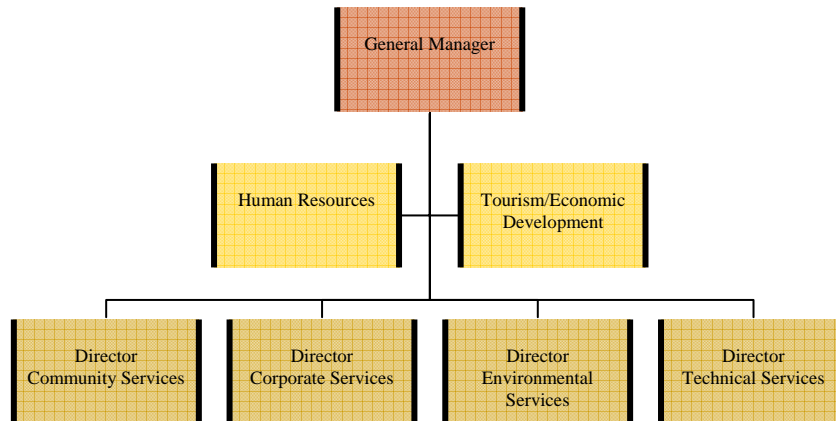
### **1.1.2 Warrumbungle Shire Council's governance framework**

Overall, Council does not have a well developed corporate governance framework. While there are a number of policies and procedures in place which meet minimum compliance requirements and some which are of a good standard, the review identified crucial gaps which leave Council susceptible to risk.

### **1.1.3 Organisational structure**

*Council's Management Executive Team consists of the General Manager and four (4) Directors. The General Manager has direct responsibility for the Human Resources and Tourism/Economic Development functions.*

**Diagram 2**      *Warrumbungle Shire Council Management Executive Team*



The organisational structure was last reviewed by Council in August 2009. Further review of this structure may occur as a result of the broader organisational review conducted recently (see below for more details).

Council's main headquarters is located in Coonabarabran, with a smaller administrative centre in Coolah. Managing the two centres has not been without its challenges such as achieving effective communication across the whole organisation and integrating systems, policies and personnel.

## **1.2 BETTER PRACTICE**

*The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

## **1.3 NOTEWORTHY PRACTICE**

### **1.3.1 Warrumbungle Shire Council Organisation Review**

In July 2009 Council authorised its Mayor and General Manager to engage Local Government Management Solutions (Management Solutions) to conduct an organisation review and determine a brief for such review in consultation with councillors.

The agreed upon terms of reference for the review covered the following key aspects of Council's operations:

1. A possible vision for the whole local government area

2. Council's organisation structure
3. The location of Council administrative centre, offices, depots and stores.
4. Delegations and chains-of-command
5. Strategic and integrated planning processes
6. A range of administrative processes related to councillor requests and correspondence, expenditure reporting, purchasing and stock control.
7. Staff morale/climate and management practices.
8. Use of technology

The organisation review was comprehensive and Management Solution's final report dated February 2010 made 34 recommendations for improvement. At the time of our site visit the report was a confidential document. The full unabridged report was made available to the General Manager and all councillors only. Some senior managers were given extracts of the report relating to their operational areas. While the review team was provided with a copy of the report, confidentiality prevents us from referring to or drawing upon Management Solution's findings in this report.

This Promoting Better Practice review (as indicated at the beginning of Part III) has a somewhat broader scope than the terms of reference of the organisation review. However, the methodology used by Management Solutions was much more comprehensive to enable a more detailed examination of their terms of reference. The methodology involved telephone interviews with external providers, focus groups with community members in the major towns and villages of the Warrumbungle Shire, a community survey, a staff climate survey and broader staff consultation.

Consultation with staff as part of the organisation review occurred during September and November 2009. Some frustration was voiced at the delay and/or perceived lack of communication from the General Manager about its status and outcomes.

However, a summary of the results from the staff climate survey was presented on the front page of the *Council Times* (staff newsletter) which was distributed during our site visit in April 2010. That edition also included a one page status report from the General Manager about the overall organisation review.

### **Recommendation 3**

*Council should give due consideration to adopting the findings and recommendations contained in the Warrumbungle Shire Council Organisation Review Report, Local Government Management Solutions, February 2010.*

#### **Council's Response**

Council at its July 2010 Meeting accepted the Local Government Management Solutions Report. A briefing report of the recommendations is being presented to the Ordinary October 2010 Council Meeting. From that an action plan will be developed to consider each recommendation in detail and then create a phase in action plan for those recommendations.

## **1.4 AREAS REQUIRING FURTHER DEVELOPMENT**

### **1.4.1 Leadership**

Under the Act, *“the general manager is generally responsible for the efficient and effective operation of the council’s organisation and for ensuring the implementation, without undue delay, of decisions of the council”* (s335(1) of the Act).

The General Manager reported that he has an ongoing focus on amalgamating the two Councils to create the Warrumbungle Shire Council. This has required attention to the operational details of creating a unified organisation.

*The current challenges and opportunities facing Council require councillors and the General Manager to practice a different leadership style. A transition from an approach which is less operationally focussed to one which is more visionary and consultative appears more appropriate.*

The General Manager holds Management Executive Team (ManEx) and Quality Control Group meetings to manage and monitor specific projects. It was reported that the proceedings of these meetings could be improved by being more strategic and focussed on priority projects.

Lack of project coordination was also raised as an issue. The example of the senior staff each producing their own different spreadsheets related to the budget was raised repeatedly. This is believed to have contributed to instances of inaccurate data being presented to the elected body.

Leadership was also canvassed in the findings and recommendations of the organisation review report (see 1.3.1). It is also listed as a priority area for improvement in the General Manager's Performance Agreement.

Managers do not currently have a forum to discuss and facilitate effective project management.

Councillors and the General Manager are encouraged to note the findings and consider adopting the recommendations relating to leadership in the Warrumbungle Shire Council Organisation Review (see recommendation 3).

#### ***Recommendation 4***

*The General Manager should:*

- a. *Review the agenda and operation of ManEx and Project Control Group meetings to facilitate more strategic decision making and the monitoring of priority projects.*
- b. *Consider introducing a regular meeting forum for middle managers to foster improvement communication and facilitate effective project management. Mechanisms to link this forum with the ManEx Group should also be implemented.*

#### **Council's Response**

- a By necessity MANEX has, to date, been dealing with operational issues. Changes have been made to the agenda processes of MANEX but there is still some way to go.
- b The establishment of regular middle management meetings is to be considered by Manex. This will look at what improvements can be made in communications and the management of programmes.

#### **1.4.2 Values**

Council does not have an explicit set of values. Corporate values define the acceptable standards which govern the behaviour of individual employees within the organisation.

As previously stated, not all Council's employees are co-located. Some comments were made to the review team of a "Coolah versus Coonabarabran" attitude between some staff. In a few instances this appeared to have descended to a personal level. Such behaviour is counter productive to achieving corporate outcomes.

An articulated statement of values could help to draw the organisation together and provide a framework for the collective leadership of an organisation. Council's values should align with its vision and mission, and the vision that it is

trying to achieve. The scope of the Management Solutions organisation review extended to providing Council with feedback and guidance in this area.

### **Recommendation 5**

Council should develop corporate values linked to its vision and mission to foster a more cohesive and outcomes focussed organisation.

#### **Council's Response**

Council has engaged a facilitator to assist in developing a vision and mission statement and as part of that consideration has been a statement of values. A draft vision and mission statement is to hand and will now seek general staff input into these ideals. A part of the discussion in developing the foregoing will be the underlying corporate values associated with a vision and mission. Further work needs to be done to draw together an agreed set of corporate values and this will be part of staff workshops.

### **1.4.3 Decision making**

*Council meetings are the primary means by which Council makes its decisions. The review team attended Council's ordinary meeting of 15 April 2010.*

*The review team made the following observations:*

- *Council's Code of Meeting practice, which guides the conduct of the meetings, was endorsed in May 2005 and was amended in May 2009. This Code complies with the procedures set out in the Act and Regulation.*
- *As a result of a fire in the main administrative centre, Council does not have formal Council Chambers. Currently it meets at the Coonabarabran Fire Control Centre which is the base of the Rural Fire Service (RFS). While functional, this arrangement is not ideal. For instance, the meeting room is relatively small with poor acoustics. Also some RFS personnel remained in the room carrying out their business while Council met. The coming and going of these personnel and gallery members was noticeable at times.*



- *Overall, proceedings were generally orderly and conducive to decision making.*
- *Participation by councillors appeared to be quite good, with most councillors participating in respectful discussion and debate on issues before Council.*
- *Some councillors and staff did not direct their comments correctly through the Mayor.*
- *At times there appeared to be free discussion between councillors and questions prior to the Mayor calling for motions. Some of this discussion focussed on operational details. This practice may not be consistent with statutory requirements.*

*Council may wish to give consideration to resolving itself into the “committee of the whole” under section 373 of the Act. In doing so the council meeting becomes a committee meeting (consisting of all councillors). Clause 259 of the Regulation allows councillors to overcome the limits, set by clause 250 on the number and duration of speeches. The meeting remains open to the public unless Council closes it under section 10A(2) of the Act.*

*However, the “committee of the whole” may not pass a Council resolution. It makes recommendations to Council in the same way as any other committee of Council. Once the “committee of the whole” has completed its business and the Council meeting has resumed, Council considers any recommendations made during its deliberations.*

### **Recommendation 6**

Council should consider, when appropriate, resolving itself into the “committee of the whole” under section 373 of the Act to allow discussion outside of the limits set by clause 250 on the number and duration of speeches.

### **Council's Response**

Councils Code of Meeting Practice will be reviewed to establish a process of when to resolve into a “committee of the whole”.

#### **1.4.4 Delegations**

A council may, by resolution, delegate to the general manager or any other person or body (not including another employee of the council) any of the functions of the council, other than those expressly excluded by sections 377, 379 and 381 of the Act. The general manager can then in turn delegate any of the functions of the general manager, other than this power of delegation (s378 of the Act).

Council has recently (for the first time) prepared a formal register to document which functions it has delegated. It covers delegations to the General Manager, Mayor, Deputy Mayor, Community Committees, Directors, Manager and Senior Finance Officer. This document should be publicly available under section 12(1) of the Act.

The review team was advised that the organisation review by Management Solutions identified this deficiency and had precipitated the production of the register. Prior to 2010, it was reported that some staff (including the Management Executive Team) were restricted in carrying out their duties due to lack of delegation.

A review of the register still appears to indicate limited delegation of functions to Directors and Managers. For instance, these officers are allowed to respond to and sign routine correspondence only. The list of exclusions which restrict these officers from preparing letters appears to be excessive and does not align necessarily with their budget and management responsibilities. It was stated that further efficiencies could be achieved if other officers could also be allowed to prepare and sign basic correspondence consistent with their job responsibilities.



### **Recommendation 7**

*The General Manager should further review the Delegations Register and determine a means for clearly communicating the delegated authority to each staff member concerned. This could include incorporating these delegated authorities into their position description.*

#### **Council's Response**

The delegations to staff were reviewed and formalised in February 2010. Delegations cover the operational span of all directors, all managers and some specialist staff. These delegations include the signing of basic correspondence consistent with job responsibilities as well as purchase orders. Manex has reviewed the delegations to ensure that they meet the operational needs of each Director.

### **1.4.5 Internal Controls**

*Internal control processes, such as internal audit, fraud control, risk management and legislative compliance, provide for systematic assessment of the adequacy and weakness of Council processes and systems. These processes should be integrated into Council's philosophy, practices and business plans rather than be seen or practised as a separate program. When it is integrated, risk management becomes the business of everyone in the organisation.*

*This is an area of Council business which requires urgent attention and improvement.*

#### **Internal audit**

*The internal audit role is primarily one of providing independent assurance over the internal controls and risk management framework of the Council. Management has primary day-to-day responsibility for the design, implementation, and operation of internal controls.*

*While internal audit has no direct involvement in day-to-day operations, it does have a direct functional relationship between the General Manager and the*

*Council. An effective internal audit function should evaluate and monitor the adequacy and effectiveness of the internal control framework as a minimum.*

*Council does not have an internal audit plan, committee or framework.*

*Development Assessment Internal Audit Tool*

*Recent investigations by the Independent Commission Against Corruption (ICAC) have identified development assessment processes as a significant corruption risk for councils. The ICAC has designed a Development Assessment Internal Audit Tool to assist in the audit of a council's development assessment and determination processes. While the tool is not intended to provide a comprehensive analysis of organisational risks in this operational area it canvasses some of the risks identified in recent ICAC investigations. The tool focuses on compliance with key legislative provisions and on some procedural controls in this area.*

**Recommendation 8**

Council should form an audit committee and establish an internal audit framework as per the Division of Local Government's Internal Audit guidelines.

**Council's Response**

While Council has been reviewing options concerning Internal Audit Services this has not progressed far. Council will now look to establish an Audit Committee and to develop a framework based around the LG Internal Audit Guidelines.

**Recommendation 9**

*In carrying out risk assessments of its development assessment and determination processes, Council is encouraged to consider using Development Assessment Internal Audit Tool designed by the Independent Commission Against Corruption.*

**Council's Response**

Council will introduce a process using the Development Assessment Internal Audit Tool developed by the ICAC to manage its future assessment process.

### Risk Management

*Risk management is about the systematic identification, analysis, evaluation, control and monitoring of risks. Council reports that, due to the challenges surrounding the amalgamation, it has not been able to formalise a risk management plan that addresses all key business risks facing Council.*

#### **Recommendation 10**

Council should ensure that a risk management plan is finalised and implemented as soon as practicable.

#### **Council's Response**

A risk management plan will be developed.

### Fraud Control

Fraud is defined as “*dishonestly obtaining a benefit by deception or other means and includes both tangible and intangible benefits*” (Commonwealth Fraud Control Guidelines)

Core areas which present risks to Council include:

- information technology and information security;
- electronic commerce, electronic service delivery and the Internet;
- outsourced functions;
- grants and other payments or benefits programs;
- tendering processes, purchasing and contract management;
- services provided to the community;
- revenue collection;
- use of credit cards;
- travel allowance and other common allowances;
- salaries; and
- property and other physical assets including physical security.

Council adopted a *Fraud and Corruption Policy* in March 2009 to limit its “*exposure to fraudulent or corrupt activities of any kind, including for the benefit of Warrumbungle Shire Council*”.

**Recommendation 11**

*In accordance with Council’s Fraud and Corruption Policy, the Management Executive Team should ensure fraud risk assessments of the core areas of organisational risk and manage these in a manner which limits exposure to fraudulent and corrupt activities.*

**Council’s Response**

A Fraud and Corruption item will be included in the agenda of future Manex meetings. There will be an expectation that areas of fraud risk will be progressively monitored.

*Fuel Control*

*The Auditor’s Management Letter presented to Council for the 2008/09 financial year reported that there was a lack of fuel controls at depots. A meeting was held with the auditors in January 2010 to discuss how Council should implement improvements. It appears that little has happened to date.*

**Recommendation 12**

Council should review its fuel management system and modify it accordingly to safeguard Council assets.

**Council’s Response**

There have been concerns about the accuracy of the fuel management system. In addition to the twice yearly stock take of the stores system a monthly fuel store review is carried out. The results of the review have been reported to each



monthly meeting of Council since July 2010. The systems of purchasing, accounting for and distribution of fuels is being reviewed in concert with this closer scrutiny.

#### **1.4.6 Legislative compliance**

Circulars and other documents are monitored for changes to legislation and other regulatory obligations. These changes are documented and circulated to Managers and Directors. However, Council does not have a formal system to ensure that all updates or changes are captured and then complied with.

#### **Recommendation 13**

*Council should develop a system or process to ensure that its legislative and regulatory obligations are met.*

#### **Council's Response**

A system to monitor the distribution of advice on legislative changes will be looked at to formally track the current distribution of advice notices.

#### **1.4.7 Procurement, tendering and disposal practices**

##### Policies and procedures

*This is an area which is deficient and requires urgent attention. Council does not have documented policies, procedures and processes relating to the areas listed below.*

- *Engaging in and monitoring its purchasing and tendering.*
- *Monitoring contractor performance and acting upon unsatisfactory performance.*
- *Monitoring the disposal of its assets.*
- *Complaints by third parties about the procurement and disposal of assets.*
- *Regular risk assessment of practices in this area (no risk assessment has been undertaken in the last two (2) years).*

### **Recommendation 14**

Council should develop policies, procedures and processes relating to purchasing, tendering and the disposal of asset. Where relevant, these should be consistent with the Tendering Guidelines issued by the Division of Local Government.

#### **Council's Response**

A Procurement Policy is being developed – consultation within the organisation is completed. A draft should be available shortly for staff comment.

#### Purchase Orders

*Council uses a manual purchase ordering system (purchase order books). It was perceived that in some instances purchasing procedures were not followed. For example, on a few occasions invoices were received before the purchase order was raised.*

*The review team noted that Council currently has an electronic purchase order capability available within its overarching accounting system software (Practical). Using this capability may streamline procedures in this area and allow for better integration with Council's accounting framework. A further benefit for Council in using a computer based system would be the easy capture of accruals and commitments.*

### **Recommendation 15**

Council should consider integrating its manual purchase order system with its current accounting software package.

#### **Council's Response**

The intention is to move eventually to an electronic system however the concerns about management of stock items, particularly fuels, needs to be satisfied. There have been numerous reports to Council recently on the failures in accountability in managing fuel stocks. A strategy is in place to address this matter, after that we can look at electronic ordering systems.

### Statement of Business Ethics

A Statement of Business Ethics guides dealings between a council and its suppliers, contractors and consultants so that purchasing goods and services, joint ventures and the contracting out of activities are undertaken in an ethical manner. Simply stated it provides guidelines on what to expect from council and explains the mutual obligations, roles and constraints on all parties. These ethical standards are integral to good business practice.

Council does not have a statement of this nature.

### **Recommendation 16**

*Council should prepare a statement of business ethics which is integrated with its procurement and tendering policies, procedures and documentation. The statement should also be displayed on its website and distributed those it intends to do business with.*

### **Council's Response**

A report is to be submitted to the October Meeting of Council on articulating a set of Business Ethics. These will then be incorporated into Council's Procurement Policy.

### **1.4.8 Information Communication Technology (ICT) Strategic Plan**

An Information Communication Technology (ICT) Strategic Plan provides a context for the use of information communication technology to support and enhance Council's vision, mission, and objectives as set out in its Community Strategic Plan. Such technology is essential to carrying out most Council functions.

Warrumbungle Shire Council does not have an ICT strategic plan to sustain its current operations, cater for growth and achieve the future vision. Council's

current IT systems were described by a number of staff as out of date and in need of replacement. Also, Council does not have a common platform which can facilitate better integration across the organisation.

Communication between outlying council offices also poses challenges which could be better resolved by technology.

All employees were provided with internet access during 2008-2009. At the time of our site visit an intranet facility was not available. Through an intranet facility staff could access Council policies to assist them in providing accurate and effective customer service. It is an effective internal communication tool between staff and an efficient means of providing staff with access to human resource policies.

Council's IT equipment is in need of replacement and the phone system is likely to require upgrading in the short term. Some software is not used to its optimal capability and other software will need to be upgraded to keep up with industry standards.

***Recommendation 17***

*Council should develop and implement an Information Communication Technology Strategic Plan which aligns with its Community Strategic Plan and all relevant operational plans. The plan should be reviewed and updated regularly to reflect the changing needs and emerging developments of technology, and Council's directions and business requirements.*

**Council's Response**

Council has completed a "request for a technology partner" – these are now being assessed with a recommendation to the October Council Meeting. Part of that engagement will be to develop an Information Technology Strategic Plan.

***Recommendations 18***

*Council should provide all staff with an intranet site as soon as practicable.*

**Council's Response**

Council is upgrading its web presence and as part of that development an intranet facility will be introduced. It is expected that this will come online during October 2010.

#### **1.4.9 Reporting to the Division**

Councils are required to submit their annual reports to the Minister of Local Government by 30 November each year. The annual report must include a State of the Environment (SoE) report or this can be submitted as a separate document.

In addition the annual report must include a statement on the Council's performance in relation to access and equity activities to meet residents' needs. Access and equity activities are any activities that aim to promote social justice and enhance community well-being.

Councils are required to submit a current social/community plan to the Division every five years to assist in the development of strategies and initiatives appropriate to the current and future needs of their local communities.

A copy of the Council's audited financial reports and the auditor's report must be sent to the Chief Executive (Local Government) and to the Australian Bureau of Statistics as soon as practicable after receiving the auditor's report (no later than 7 November). Councils must also include a complete copy of the audited financial report in their annual report.

The Division's publication "*Comparative Information on Local Government Councils*" provides comparative information on the performance of all local councils in NSW across a broad range of activities. This includes data on whether each council's reports were received by the Division in compliance with statutory deadlines.

A review of the annual data since the constitution of Warrumbungle Shire Council in 2004 reflects very poor performance in this area. Council has been consistently late in submitting its annual reports, State of the Environment Report and financial reports and therefore has not met its statutory obligations.

**Recommendation 19**

*Council should improve its systems and processes to ensure that it can meet its statutory reporting requirements on time.*

**Council's response**

A review is to be undertaken of how Council currently manages its statutory reporting requirements and a system introduced to monitor the adequacy of the process then formulated.



## **2. LAND USE PLANNING & 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.*

### **2.1 OVERVIEW**

*Warrumbungle Shire Council has a strong planning and regulatory framework together with a commitment by Council and staff to meet community expectations and work towards best practice principles.*

#### **2.1.1 Scope of the 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

#### **2.1.2 Overview of land use planning and regulatory practices**

*Council is currently focussing on setting the direction for strategic land use development consistent with the requirements of the Environmental Planning and Assessment Act 1979. During 2008/2009 146 development applications were approved and 72 complying development certificates were issued. A range of*

*achievements in the environmental health and regulatory services are reported on in Council's Annual Report 2008/2009.*

## **2.2 BETTER PRACTICE**

*The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

## **2.3 NOTEWORTHY PRACTICE**

### ***2.3.1 Regional State of the Environment Report***

Council has entered into a successful regional reporting framework in partnership with 16 nearby councils and the Central West Catchment Management Authority. A comprehensive Regional State of the Environment Report was produced for the period of 2008/2009.

The Greater Central West Region of NSW covers an area of approximately 154,000 km<sup>2</sup> which is home to an estimated 215,000 people. The local government areas include Bathurst, Blayney, Bourke, Brewarrina, Cabonne, Coonamble, Dubbo, Gilgandra, Lachlan, Mid-Western, Narromine, Oberon, Orange, Warren, Warrumbungle, Weddin and Wellington.

The report is well prepared, written and presented. It includes regional themes and indicators to assess air, biodiversity, land, waste, water and human settlement. The report also presents case studies of community action towards improving the local environment.

However, there is very limited information or comment on the impact of council activities on the environment. While the reporting provides information to the community, it is difficult to assess or determine strategic links between the management plan and the reporting.

## **2.4 AREAS REQUIRING FURTHER DEVELOPMENT**

### **2.4.1 Leadership**

*The position of Director of Environmental Services is currently vacant. The position is temporarily being filled by a contractor on a 2-3 day per week basis.*

*The management of land use planning and other regulatory services is a critical function.*

### **Recommendation 20**

*In reviewing its organisational structure, Council should ensure that the management of land use planning and other regulatory services is adequately resourced.*

#### **Council's Response**

From the Local Government Management Solutions Report there is recognition that an additional building certifier is required at Coonabarabran. This person would then be responsible for the regulatory services.

#### **Review Team Comment**

*The benefits of employing an extra building certifier are acknowledged. However, the review team wishes to stress the importance of maintaining stable full time leadership in the planning and regulatory services area.*

### **2.4.2 Strategic land use planning**

*During 2008/2009 Council completed its first Land Use Strategy. This sets the strategic development direction for the Shire for the next 15-20 years. This forms the basis for Council's single Local Environmental Plan (LEP) which is currently awaiting the Department of Planning's approval for the exhibition of its Growth Management Strategy.*

*Council is also amalgamating all of its Development Control Plans into one document to cover the whole Shire. Council reports that this work has progressed slowly due to uncertainty created by the introduction of the Department of Planning Code State Environmental Planning Policies (SEPPs).*

### **Recommendation 21**

Council should finalise its single Local Environmental Plan and single Development Control Plan as soon as practicable.



**Council's Response**

Council has recently appointed a new Consultant to conclude the preparation of its new LEP. The various DCP's will be included in this process.

**2.4.3 Development assessment**

*Council records all development applications (DA's) on the Lotus Notes/Bluepoint records management system. The Bluepoint system notes items of correspondence that are overdue, including DA's. Council currently does not provide for electronic lodgements of DA's.*

*While Council currently notifies adjoining owners as part of its routine assessment, it does not have a documented and publicly available notification policy. Council plans to include such a policy in the DCP consolidation process described above.*

**Recommendation 22**

Council should include a notification policy in its single Development Control Plan.

**Council's Response**

As part of the completion of the new LEP and DCP's there will be a clarification of the notifications requirements in that documentation.

**2.4.4 Stormwater Management Plan**

*Council's Stormwater Management Plan was last updated in 2001 for the former Coonabarabran Council. The plan has not been updated since both Coonabarabran and Coolah Councils merged.*

**Recommendation 23**

Council should update its Stormwater Management Plan to reflect the requirements of the entire Warrumbungle Shire.



### **Council's Response**

A review of the Stormwater Management Plan will be undertaken. Initially a scoping assessment will be done to determine the resources needed and that will be presented to Council for financial support.

### **2.4.5 Waste Management Strategy**

*Council's Waste Management Strategy is also based on the former Coonabarabran Shire Council's strategy.*

### **Recommendation 24**

Council should update its Waste Management Strategy to reflect the requirements of the entire Warrumbungle Shire.

### **Council's Response**

A detailed report on Council's waste management outcomes was submitted to the Council's July 2010 meeting. From this an ongoing assessment of the various delivery options and the provision of a consistent service will be undertaken and monitored. The report was widely reported on local radio and TV, an information leaflet was included with the 2010/11 rate notices and a special feature article included in all the newspapers serving the town of the shire.

### ***Review Team Comment***

*Council's progress in this area is to be commended. Ongoing consultation in terms of the various delivery items would ensure that the requirements of the Shire are considered.*

### **2.4.5 Companion Animals**

*Council employs two (2) Rangers who are responsible for enforcement activities across a range of areas including companion animals.*

#### Euthanasia rates

*It was noted that Euthanasia rates appear to be well above the NSW average (approximately 37% in 2007/2008). While euthanasia rates vary dramatically from region to region, Warrumbungle Shire Council's results are at the higher end of that range.*

2008/09 – 143 (81%)

2007/08 – 143 (71%)

2006/07 – 111 (81%)

Council advised that this discrepancy is largely due to the Shire having a high number of “pig dogs”. As the name would suggest a “pig dog” is used to assist hunters in the capture of wild boars or pigs. They come in all shapes and sizes and a variety of breeds.

Council advised that “pig dogs” are much less likely to be reclaimed from Council's pound. These dogs are usually not registered or micro chipped. It is perceived that the cost involved in reclaiming such a dog from the pound is more expensive than simply purchasing another dog suitable for the task.

As these dogs have been bred and/or trained for hunting or attack they are not considered suitable for re-housing and therefore are euthanised.

#### Dog attacks

The Division's Companion Animals Unit has provided information which indicates that it is unclear whether Council is reporting all incidents of dog attacks on the NSW Companion Animal Register as required under clause 33A of the *Companion Animals Regulation 2008*.

Clause 33A deals specifically with “*Dog attack information on the register*”. Information a council must enter on the Register in respect of a dog attack is set out at clause 33A (2)(a) - (e).

The entering of the dog attack incident as defined in clause 33A (4) must occur irrespective of whether the incident constitutes an offence under section 16 of the *Companion Animal Act 1998*.

It is acknowledged that dog attacks may occur within this Shire which may not ever be brought to the attention of Council. These incidents may include attacks on other animals or stock.

#### Companion Animals Fund

Councils are required to forward registration fees and all other fees collected under the *Companion Animals Act 1998* to the Division for payment into the Companion Animals Fund. There is provision for a portion of this amount to be returned to Council to meet expenditure incurred in the administration or execution of this Act. Council has not always been timely in making its payments into this fund.

#### **Recommendation 25**

Council should ensure that its Rangers are accurately reporting dog attacks on the Register as required under clause 33A of the Companion Animals Regulation 2008

#### **Council’s response**

A register has been kept and a review will be undertaken of its completeness and accuracy.

#### **Recommendation 26**

Council should forward all outstanding registration and other fees to the Division for inclusion in the Companion Animals Fund as a matter of priority. Future payments should be made in a timely manner.

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

All registration fees are paid as raised – a review will be undertaken of the accounting system backing the collection payment of dues to the DLG.

### **3. ASSET AND FINANCIAL MANAGEMENT**

#### **3.1 OVERVIEW**

*Under its charter, 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. The council is also the custodian and trustee of public assets and must effectively account for and manage these assets.*

##### **3.1.1 Scope of the 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*

##### **3.1.2 Overview of financial position**

*The Division of Local Government reviews the financial statements of all councils and county councils in New South Wales on an annual basis. The review of Warrumbungle Shire Council's financial statements as at 30 June 2009 highlighted some areas of concern. They include:*

- *Council has recorded operating losses before Capital Grants for the last three financial years.*

- *Council's unrestricted current ratio has declined over the last three financial years. The ratio of 1.36 for the 2008/09 financial year is below the industry benchmark of 2.0. The unrestricted current ratio measures the adequacy of working capital after excluding all restricted asset and liabilities.*
- *Council's outstanding rates and charges ratio remains relatively high.*

### **3.2 BETTER PRACTICE**

*The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

### **3.3 NOTEWORTHY PRACTICE**

The review team did not identify any practices of particular note or significance for the council/community.

### **3.4 AREAS REQUIRING FURTHER DEVELOPMENT**

#### **3.4.1 Quarterly financial reporting**

Under clause 203 of the *Local Government (General) Regulation 2005*, the responsible accounting officer of a council must prepare and submit to the council a budget review statement that shows, by reference to the estimate of income and expenditure set out in the management plan that the council has adopted for the relevant year, a revised estimate of the income and expenditure for that year.

Council's quarterly financial reviews are provided on time. The reports are usually between 45-60 pages and drill down into function/activity/responsibility categories of Council. The reports are very detailed and voluminous. There is no overall summary of the individual reports provided. As the information is not easy to read and comprehend this may prevent councillors from obtaining a clear appraisal of Council's financial position to guide their decision making.

As stated above, a consolidated report showing Council's income and expenditure is not provided. There are no projections as to Council's financial position for the year.

The Division has recently issued draft *Budget Review Statement Guidelines for NSW Local Government* to all councils for comment. These guidelines aim to provide assistance to councils for the presentation of financial information in a manner which is easier to understand by councillors thereby allowing more informed decision making in relation to council's finances and resources. While these guidelines are still a draft document, Council could use them as a guide to providing relevant financial information for councillors.

**Recommendation 27**

*The General Manager should ensure that financial information is presented to councillors in a format which is easily understood to enable informed decision making in relation to Council's financial position and resources. The new quarterly reporting guidelines which will become compulsory in 2011/12 should be adopted early by Council.*

**Council's response**

A review of the new quarterly reporting guidelines will be undertaken to include a complying set of reports to Council. This format will be submitted to the November Council Meeting to determine whether it meets the informational needs of Councillors.

**3.4.2 Budget Preparation**

Under the Act and the Regulation, the "Responsible Accounting Officer" is responsible for keeping Council's accounting records, including coordinating the preparation of Council's budget. However, this does not appear to be the case for Warrumbungle Shire Council. It was noted that the General Manager, Director of Corporate Services and the Finance Manager all had spreadsheets that were supposed to form the basis of the budget. It was reported that these spreadsheets did not always reconcile with each other. This had on occasion resulted in the provision of inaccurate information. Some staff also observed that there was no workshop to allow them to participate in the effective coordination and production of budgets.

**Recommendation 28**

*Council should appoint one officer to oversee the coordination and production of its annual budget. Under Council's current structure this would probably be the domain of the Director of Corporate Services.*

**Council's response**

The Director of Corporate Services will be the officer responsible for the development and coordination of the annual budget.

**3.4.3 Long-Term Financial Planning**

Council does not currently have a long-term financial plan, nor does it appear that it has the capability of producing one. The development of a long-term financial plan is a key input into the resourcing strategy that will form part of a Council's Integrated Planning and Reporting Framework. The development of a long-term financial plan is now a statutory requirement. Under integrated planning and reporting requirements, long-term financial plans must be for a minimum of 10 years. As a Group 3 Council, Warrumbungle Shire will need to implement its Integrated Planning and Reporting process in the 2012/13 financial year.

In the case of Warrumbungle Shire Council, the development of a Long-Term Financial Plan is not merely necessitated by the need to comply with new statutory requirements. Given Council's financial position, it is also imperative to its ongoing stability. The development of a long-term financial plan may assist the Council to identify and manage risks to its medium and long-term financial position. It can also be used to identify potential costs savings and develop alternative revenue streams.

***Recommendation 29***

*In order to achieve Council's implementation of the Integrated Planning and Reporting Framework due in 2012/2013, Council should commence work on developing a ten year long-term financial plan as a matter of priority.*

**Council's response**

Project teams consisting of across the organisation members have been established (June 2010), led by a member of Manex, to progress the three



components of IP&R framework's Resource Strategy. The Long-Term Financial Planning component is led by the Director of Corporate Services. Progress is provided to Manex on a monthly basis.

### **3.4.4 Asset Management**

#### Asset management planning

Asset management plans and strategies are also key inputs into the resourcing strategy that will form part of a Council's Integrated Planning and Reporting Framework. The development of an asset management plan and strategy is a statutory requirement. Asset management plans and strategies must be for a minimum timeframe of 10 years.

The asset management strategy must:

- Include an overarching Council endorsed policy.
- Identify assets that are critical to the Council's operations and outline risk management strategies for these assets.
- Include specific actions required to improve Council's asset management capability and projected resource requirements and timeframes.

Asset management plans must:

- Encompass all the assets under the Council's control.
- Identify asset service standards.
- Contain long-term projections of asset maintenance, rehabilitation and replacement costs.

Although Council has a complete list of its assets and has met all the requirements for "fair valuing of assets", it does not have an asset management

plan. Council's asset register is kept on a spreadsheet, and not in its current accounting software. This results in limited information about each of Council's asset, its location and condition.

The preparation of an Asset Management Plan would assist Council in the implementation of its Integrated Planning and Reporting process.

**Recommendations 30**

*Council should develop an asset management framework to ensure that it complies with statutory requirements.*

**Council's response**

Council does have an assets management framework but relies on a short term view of future needs. A review of the framework will be undertaken as part of the Integrated Planning and Report Strategy.

**Recommendations 31**

*Council should consider transferring its current asset register (spreadsheet) to the dedicated software program available in its accounting software.*

**Council's response**

All Council's assets have over the last three years been identified and valued. The spreadsheet data will be transferred to the current accounting software package.

*Asset maintenance*

There has been a persistent gap between the estimated cost to maintain Council's assets and actual expenditure over recent years. When queried about the gap, Council's responsible officer was unsure where the estimated cost to maintain Council's assets (in Special Schedule 7) came from.

Council has no overall maintenance policy for its assets. Expenditure is based on priorities, customer requests and scheduled maintenance and service on plant, vehicles and buildings.

As part of the development of its asset management framework and resourcing strategy, Council needs to ensure that adequate provision is made for expenditure on asset maintenance.

### **Recommendation 32**

*Council should develop and overall asset maintenance plan based on an accurate assessment of asset maintenance required.*

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

Provision of ongoing assets maintenance is included in the annual budget each year. However there is no long-term review of the adequacy of those provisions. Once the basic operational issues surrounding Council's budgeting process are addressed the issue of the level of funds linked to asset maintenance needs will be addressed.

#### **Review Team Comment**

*It is noted that all council assets have been identified and valued over the last three years. This would allow maintenance requirements to be determined toward the development of a longer term asset maintenance plan. Such a plan could more strategically inform Council's budget process.*

### **3.4.5 Land Assets**

*The Act imposes obligations on councils in regard to the management of council land that is classified as community land. This includes the requirement that councils have a plan of management for community land (s36 of the Act). The former Department of Local government issued a practice note, Practice Note 1 – Public Land Management to assist councils in the management of public land.*

*Council has substantial land holdings that are classified as community land. However, it does not have any plans of management for that land, as required under the Act.*

*Council does not deposit income generated from Crown reserves under Council's care and control into its trust fund, as required under section 411 of the Act and clause 204 of the Regulation.*

*It was also noted that three (3) Directors are responsible for different areas of community land. None have been supplied with an asset listing of the assets under their control. Council should consider consolidating responsibility for the control of Council land assets to one Division/section of Council to ensure that all statutory requirements are met.*

**Recommendation 33**

Council should develop plans of management for its land holdings that are classified as community land.

**Council's response**

Plans of Management are needed for the classified community land and will be developed by each division for that land under their control.

**Recommendation 34**

Council should ensure that income generated from Crown reserves under Council's care and control is deposited into its trust fund.

**Council's response**

A review will be undertaken on Council Crown reserve holdings and any income will be put into a trust fund for the ongoing care and management of the various reserves.

**Recommendations 35**

Council should consider giving one officer or Division responsibility for coordinating the management of community land under its care and control.

**Council's response**

The Environmental Services Division will be appointed as the manager of community land.

### **3.4.6 Rates and Annual Charges Outstanding**

*Council's are encouraged to keep their outstanding rates and annual charges less than a 10% benchmark. In 2006/07 Council's outstanding rates ratio was 15.18% and in 2007/08 it was 14.16%. While there has been an improvement in this area, the ratio still remains high (9.03% in 2009/2010). Council will need to continue its diligence in chasing up rate debts.*

### **3.4.7 Accounting Policy/Manual**

*Council does not have an accounting policy/manual to aid staff in day to day processing and running of the business.*

*This may represent a continuity risk. For instance, if employees in this area leave Council there will be a loss of corporate knowledge and a lack of guidelines to assist new employees to adequately perform their duties.*

### **Recommendation 36**

Council develop an accounting policy/manual as soon as practicable and make it readily available to all accounting staff.

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

An accounting policy manual is being developed and will be concluded by December 2010. That document will then form part of the corporate information data base and be available through the intranet.

## **4. COMMUNITY AND CONSULTATION**

### **4.1 OVERVIEW**

*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*
- *keeps the local community and State Government informed about its activities.*

#### **4.1.1 Scope of the 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*

#### **4.1.2 Overview of community and consultation practices**

*Council's performance in this area appears reasonably sound. Council successfully manages a range of local services to cater for the needs of all ages.*

## **4.2 BETTER PRACTICE**

### **4.2.1 Children's service provision**



Providing and advocating for a range of children's services appears to be one of Council's strengths. A key example is the leadership and innovation Council demonstrated in establishing *Yuluwirri Kids* – a new community based Preschool and Long Day Care Centre in 2009. When the ABC Early Learning Centre closed their operation at very short notice in late 2007, Coonabarabran was without a vital childcare service. Council very quickly coordinated a temporary community response. This response creatively drew upon existing resources such as utilising staff from other children's services and a local venue.

Council then negotiated funding in partnership with the Federal and State Governments for Council to acquire the ABC Learning Centre premises and create a new model for delivering community based care for children. A smooth transition to a fully operational centre occurred in January 2009.

This initiative was hailed as "*a country community at its best under crisis*" in Council's Annual Report 2008/2009. The efforts of the Council staff and community members have led to a very successful outcome.

#### **4.2.2 Community banking/customer service**

Council is the management auspice of the Westpac Instore in Dunedoo. As well as providing access to banking services, the agency also collects rates and provides other counter support relating to Council operations.

Council entered into a five (5) year contract with Westpac Bank which expires in July 2011. The agency operates according to the Westpac management schedule and it reportedly meets 100% of its operational targets. It has also received high scores for Mystery Shoppers and customer service surveys.

### **4.3 NOTEWORTHY PRACTICE**

#### **4.3.1 Community Infrastructure Projects**

Council received \$568,000 for community infrastructure projects. Following community input into the allocation of these funds 11 projects were determined.

These improvements included the refurbishment of Coonabarabran Town Hall, mainstreet beautification in Dunedoo, swimming pools improvements, and enhancements to parks and reserves.

While Council staff provided the project management and financial control of these projects, many involved local organising committees contributing volunteer labour and input into the employment of sub contractors.

#### **4.3.2 Other innovative community projects**

During 2008-2009 Council's Development Coordinators were successfully in obtaining a total of \$270,000 in grants for various community projects. Of note was a \$5,000 grant to establish the Coolah Men's Shed. This is an innovative way of encouraging social interaction and health benefits among older men in the community. Council facilitates and supports a number of these sheds throughout the Shire.

### **4.4 AREAS REQUIRING FURTHER DEVELOPMENT**

#### **4.4.1 Social and Community Planning**

*The Warrumbungle Shire Council Community Social/Cultural Plan 2008 demonstrates a good understanding of the purpose of social planning and a focus on implementing social justice principles for the community. The plan is well developed and well structured. It is comprehensive and includes a solid demographic profile. The needs assessment comprise the mandatory target groups, as well as issues-based planning and locality-based planning.*

*However, the review of the plan has identified that the Social Plan linkages with the Management Plan and Annual Report could be stronger. Progress toward the strategies contained the social/cultural plan is not currently monitored and reported on. Stronger links to the Management Plan would facilitate improved implementation, monitoring and reporting on the outcomes of the social/cultural plan.*

### **Recommendation 37**

Council should better align its Community Social/Cultural Plan with its Management Plan and Annual Report.

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

Council is undertaking a review of budget format and will align that review with the Management Plan and Annual Report. The new Community Service Plan will be included in the future developments for both the Management Plan and Annual Report.

### **4.4.2 Customer Service**

*Council does not have a set of specific customer service standards in place against which to measure its performance. Council should develop a guarantee of service to set customer service standards so that the community can assess Council's performance. These should be linked to Council's complaints handling policies and processes.*

### **Recommendation 38**

Council should develop customer service standards and turnaround times as part of a Guarantee of Service linked to complaints handling policies and processes.

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

Council does have standards established for the management of correspondence replies within the delegation issued to staff. But there is no single document drawing together customer service standards for the organisation. A Guarantee of Service Statement will be developed covering the expectations of interactions with both internal and external customers.

## **5. WORKFORCE RELATIONS**

### **5.1 OVERVIEW**

*Council is required to conduct itself as a responsible employer in accordance with a number of legislative responsibilities.*

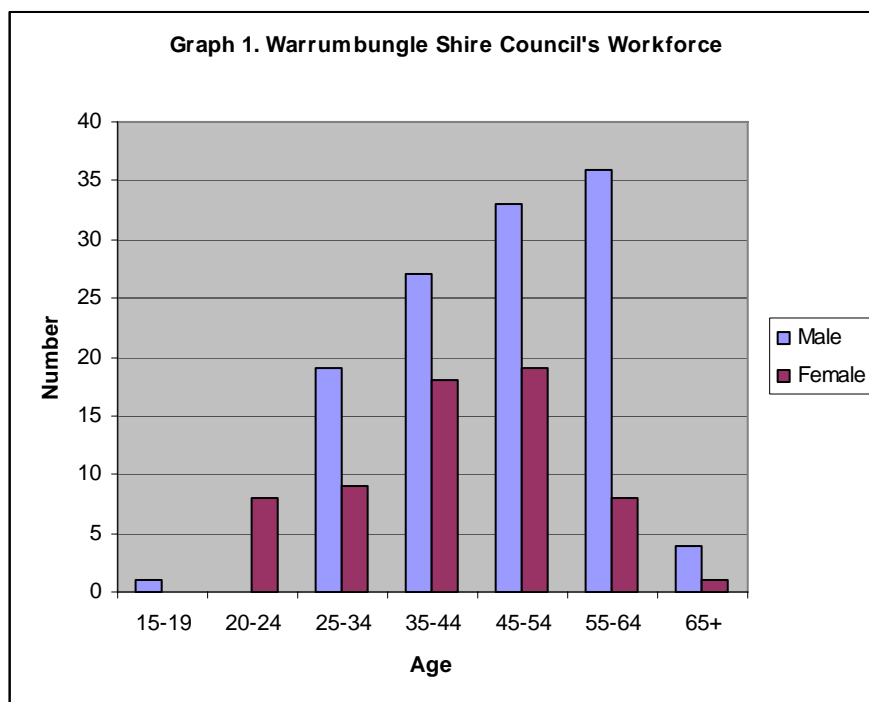
#### **5.1.1 Scope of review**

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*

#### **5.1.2 Warrumbungle Shire Council's workforce**

*Council currently employs 184 full-time equivalent staff. The age and gender profile of these staff is displayed in graph 1.*



*Council's workforce is somewhat diverse as follows:*

- *9% of its employees identify as being of Aboriginal and Torres Strait Islander origin*
- *1% are of culturally and linguistically diverse origins*
- *1% of its employees have physical impairments*
- *34% are female*
- *27% of its workforce is aged 55 years and over. Five (5) staff are aged 65 years and over.*

Section 218CA of the Act applies to Warrumbungle Shire Council. This section creates an obligation for a transferee council whose local government area is created or increased as a result of an amalgamation of a rural area of a former council (Coolah Shire), to ensure the maintenance of regular staff numbers in that rural area.

In particular, section 218CA (2) states:

*The transferee council must ensure that the number of regular staff of the council employed at the rural centre was, as far as is reasonably practicable, maintained at not less than the same level of regular staff as were employed by the previous*

*council at the centre immediately before the amalgamation or alteration of boundaries took effect.*

These employment protection provisions apply to include permanent casual staff as well as full-time permanent staff.

*Council is split into 4 divisions: Technical Services; Environmental Services; Corporate Services and Community Services. Each is overseen by a Director. Council also has a Tourism/Economic Development Team, which reports directly to the General Manager.*

*The General Manager is the only employee of Council designated as senior staff under the Act.*

*The management of its workforce represents one of the key challenges confronting the Council. The key issues faced by Council in this regard include:*

- *The need to comply with section 218CA.*
- *Some longstanding unfilled vacancies.*
- *Limited capacity to compete for suitably skilled and experienced staff in the local employment market.*
- *Resentment by some sections of employees who are resisting the merger of the former Coonabarabran and Coolah Shires.*
- *A perceived lack of communication/direction from some members of the Management Executive Team.*
- *A perceived lack of direction for the Shire.*

*Overall, the review team observed staff to be enthusiastic, dedicated and skilled in their areas of expertise.*

## **5.2 BETTER PRACTICE**

*The review team did not identify any practices beyond or above minimum compliance requirements and good practice indicators.*

## **5.3 NOTEWORTHY PRACTICE**

### **5.3.1 Staff Climate Survey**

*Council does not undertake periodic employee attitude surveys. However, a staff climate survey was administered in December 2009 by Management Solutions as part of the organisation review.*

*Council's staff newsletter distributed in April 2010 reported that 69% of staff members responded to the survey. The newsletter states that "the results are taken to represent reasonably accurate picture of the organisation's overall climate." Positive findings included:*

- *Overall staff satisfaction*
- *Relationships with immediate supervisors*
- *Awareness of performance targets*
- *Customer service*
- *Views on occupational health and safety practices at Council*
- *Most staff believe their jobs to be challenging and able to make use of their skills*
- *General satisfaction with their workspace and tools*

*Some of the challenges/concerns included:*

- *Perceptions regarding the performance of some Management Executive Team members, particularly related to communication practices*
- *Perceptions around the recruitment and promotion of staff.*

*Management Solutions have included the detailed findings and recommendations in their review report. They suggest a further climate survey in 12-24 months to measure the impact of the changes. This would also assist in the development of Council's workforce management strategy.*

## **5.4 AREAS REQUIRING FURTHER DEVELOPMENT**

### **5.4.1 Workforce Management Strategy**

*As part of the Integrated Planning and Reporting Framework, councils are required to develop a Workforce Management Strategy to address the human*

*resource requirements of the council's delivery program. The Workforce Management Strategy must be for a minimum timeframe of four (4) years.*

*While Council does not currently have such a strategy, it has commenced drafting a Human Resources Strategic Plan to detail the key practices and resources needed to achieve the organisation's vision and strategic goals. In order to ensure that this plan is consistent with the requirements of the Integrated Planning and Reporting Framework, Council is encouraged to consult the Guidelines and Manual developed to support the Framework.*

*Also, the Division is developing a web-based resource on workforce planning to assist councils, which will be included on the Integrated Planning and Reporting website at [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au). Councils may also wish to consider the NSW Government's publication: Workforce Planning: A Guide, which can be found on the NSW Department of Premier and Cabinet's website at [www.dpc.nsw.gov.au](http://www.dpc.nsw.gov.au).*

### **Recommendation 39**

Council should develop its workforce management strategy in conjunction with developing its Integrated Planning and Reporting Framework.

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

Project teams consisting of across the organisation members have been established (June 2010), led by a member of Manex, to progress the three components of IP&R Framework's Resource Strategy. The Workforce Management Strategy component is being led by the Director of Community Services. Progress is provided to Manex on a monthly basis.

#### **5.4.2 Organisation review.**

*The recent organisation review canvasses a range of human resources issues and makes recommendations.*



#### **Recommendation 40**

Council should consider adopting and implementing the recommendations responding to Human Resources issues contained in the Warrumbungle Shire Council Organisation Review February 2010 and if necessary, implement additional strategies to address the concerns raised in the climate survey.

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

Council at its July 2010 Meeting accepted the Local Government Management Solutions Report. A briefing report of the recommendations is being presented to the October 2010 Council Meeting. From that an action plan will be developed to consider each recommendation in detail and then create a phase in action plan for those recommendations.

#### **5.4.3 Employee access to relevant policies and procedures**

*Council has a well presented Welcome to Warrumbungle Shire Council kit which is given to all new staff. The Kit includes a comprehensive range of information including an occupational health and safety handbook, an employee handbook and a staff policy manual.*

*As mentioned earlier, Council does not have an Intranet site. Such a facility would provide all employees with easy access to Council's workforce policies and procedures. It would also allow for more efficient updating of the information as changes in policies and procedures occur.*

#### **Recommendation 41**

Council should consider the introduction of an intranet facility for all staff and make all relevant human resources policies and procedures available for their ongoing reference.

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

A report was submitted to the 11<sup>th</sup> March 2010 Council meeting to engage a specialist Contractor to undertake an audit of Council's IT network and systems and prepare tender documents and at least commence work on a 5 to 10 year Information Technology Strategic Plan. An intranet facility will be launched at the Council's October 2010 Meeting.

#### **5.4.4 Human resources software**

*Council's Human Resources data (annual leave, sick leave, long services leave etc) are recorded on a spreadsheet not on a dedicated software program. Greater efficiencies and less room for human error could be achieved by purchasing a program more specifically tailored to this area.*

#### **Recommendation 42**

Council should consider purchasing a dedicated Human resources software program to more efficiently manage its human resources functions and requirements.

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

From the Workforce Management Strategy development to date it has been recognised that a dedicated Human Resources Software Program is needed. The resources for this need have to be referred to Council for additional resource funding.

#### **5.4.5 Occupational Health and Safety**

The *Occupational Health and Safety Act 2000* and *Occupational Health and Safety Regulation 2001*, require both employers and employees to work to stringent safety requirements. Council is required to develop written safe work procedures.

*The review did not involve a comprehensive audit of Council's occupational health and safety (OH&S) practices. However, the following observations were made:*

- *As mentioned all new staff are given an Occupational Health and Safety Handbook as part of a Welcome Kit.*
- *Council has not adopted an overarching management plan or system to guide and regulate this area.*
- *Staff raised issues in relation to occupational health and safety practices as part of the recent climate survey and organisation review.*

#### **Recommendation 43**

Council should develop and adopt an Occupational Health and Safety Management Plan/System to guide this area and ensure that it meets its legislative requirements.

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

Development of an OH&S Management Plan will be partnered with StateCover and will be completed by March 2011. The Plan will then be presented to Council's April 2011 Ordinary Meeting for endorsement.

#### **5.4.6 Succession Plan**

*Council's workforce is ageing with 27% of its employees aged 55 years and over. Five (5) employees are aged 65 years and over. Council does not have a formally documented succession plan.*

#### **Recommendation 44**

Council should develop and document a succession plan as part of its Workforce Management Strategy.

**Council's response**

The issue of succession planning within Council's workforce is acknowledged. From the Workforce Management Strategy succession planning is a critical component outcome of developing the strategy.

**5.4.7 Exit Interviews**

Employee exit interviews are an important part of human resource management and the monitoring of employee retention and satisfaction. Avoidable losses can result from employee job dissatisfaction, poor management practices, the lack of advancement opportunity, and sometimes, personal harassment by or conflict with a co-worker or manager. The unnecessary loss of talented staff is a significant cost to Council.

Information gained from exit interviews, if consistent over time, may provide valuable pointers for developing and reviewing Council's human resource management policy. It may also help to clarify possible concerns with the culture of the organisation. The data can be gathered in a structured way by using either a questionnaire or interview, or perhaps both.

Currently, Warrumbungle Shire Council does not conduct exit interviews with employees who leave the organisation.

**Recommendation 45**

Council should consider conducting exit interviews with all staff who are leaving its employ.

**Council's response**

Exit interviews have been held but these have been ad hoc and not universal. Exit interviews are now being held by the Team Leader Human Resources. A more structured process is to be developed using both interview and questionnaire techniques. All exit interviews will be forwarded to the General

Manager who will determine an organisation strategic issue that can then be actioned by the Division as required.

## PART IV. 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"> <li>• High</li> <li>• Medium</li> <li>• Low</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation</li> <li>• Compliance with statutory requirements</li> <li>• Fraud/corruption</li> <li>• Financial</li> <li>• Legal liability</li> <li>• OH&amp;S</li> </ul>

## PART V. ACTION PLAN

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

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
1. Council should, as a matter of priority, determine a shared vision and mission to underpin its strategic directions, operations and delivery of services to the communities of the Warrumbungle Shire.	High	Council has engaged an independent consultant to assist it in developing a vision and mission statement. Workshops were held on the 6 <sup>th</sup> and 27 <sup>th</sup> September. A draft will be prepared and returned to Council for agreement. That a draft will be work shopped with operational staff and will be honed to reflect their ideals for the organisation. A finalised vision and mission will then be endorsed by Council.	November 2010 Draft adopted by Council  End February 2011 finalised version adopted by Council	General Manager	1 <sup>st</sup> March 2011 final vision adopted by Council
2. The General Manager, in consultation with the Management Executive Team and Council, should adopt a clear and collaborative approach to establishing the new planning and reporting framework within Council. This approach should be communicated to all council employees and the community.	High	Council has been accepted into Group 3 of Councils to meet the delivery date of July 2012. Workshops held in March for Councillors and Senior Staff as well as Managers. Project teams established to progress the operational aspects of IP&R.	October 2010 report to MANEX Monthly Communications strategy in place	Manex Members  General Manager	End of each quarter to Council on progress
3. Council should give due consideration to adopting the findings and recommendations contained in the Warrumbungle Shire Council Organisation Review Report, Local Government Management Solutions, February 2010.	High	Local Government Management Solutions Report accepted by Council in July. A briefing report will go to the October Council meeting.	Briefing Report to Council  Strategy Adopted	General Manager  Council	Report presented to Council  Vision adopted by Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
<p>4. <i>The General Manager should:</i></p> <p>a. <i>Review the agenda and operation of ManEx and Project Control Group meetings to facilitate more strategic decision making and the monitoring of priority projects.</i></p> <p>b. <i>Consider introducing a regular meeting forum for middle managers to foster improvement communication and facilitate effective project management. Mechanisms to link this forum with the ManEx Group should also be implemented.</i></p>	High	<p>a. Manex dealing with operational issues. Agenda process has had minor changes however, further changes will be developed.</p> <p>b. Middle Management meetings to be considered by Manex. Improvements in communications and management of programmes will be looked at.</p>	<p>Immediately</p> <p>Commence 1<sup>st</sup> December 2010</p>	<p>General Manager</p> <p>General Manager</p>	<p>Agenda Changed</p> <p>To be presented to 3<sup>rd</sup> November MANEX Meeting</p>
<p>5. <i>Council should develop corporate values linked to its vision and mission to foster a more cohesive and outcomes focussed organisation.</i></p>	High	<p>Facilitator engaged to assist in the development of a vision and mission for Council and as part of that a statement of values. Input from general staff will be sought and this will encompass the corporate values.</p>	<p>By October 2010 Council Meeting</p>	<p>General Manager</p>	<p>Draft completed and returned to Councillors to be adopted at November 2010 meeting</p>
<p>6. <i>Council should consider, when appropriate, resolving itself into the "committee of the whole" under section 373 of the Act to overcome the limits, set by clause 250 on the number and duration of speeches.</i></p>	Medium	<p>Councils Code of Meeting Practice to be reviewed to establish a process of when to resolve into a "committee of the whole".</p>	<p>By November 2010 Council Meeting</p>	<p>General Manager</p>	<p>Decision by council at November meeting</p>



RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
7. The General Manager should further review the Delegations Register and determine a means for clearly communicating the delegated authority to each staff member concerned. This could include incorporating these delegated authorities into their position description.	<i>Medium</i>	Staff delegations reviewed and formalised in February 2010. Manex reviewed the Delegations to ensure the operational needs of the Directors are met.	By 1 <sup>st</sup> September 2010	General Manager	Review done and completed
8. Council should form an audit committee and establish an internal audit framework as per the Division of Local Government's Internal Audit guidelines.	<i>High</i>	Council will establish an Audit committee and develop a framework based around the LG Internal Audit Guidelines.	Discussion with OROC under way	General Manager	End of each quarter to Council on progress
9. In carrying out risk assessments of its development assessment and determination processes, Council is encouraged to consider using Development Assessment Internal Audit Tool designed by the Independent Commission Against Corruption.	<i>High</i>	Council will introduce a process using the Development Assessment Internal Audit tool developed by ICAC to manage its future assessment process.	February 2010 Council Meeting	Director of Environmental Services	Report to be prepared for Council
10. Council should ensure that a risk management plan is finalised and implemented as soon as practicable.	<i>High</i>	A risk management plan will be developed.	Draft prepared by January 2010	General Manager	End of each quarter to Council
11. In accordance with Council's Fraud and Corruption Policy, the Management Executive Team should ensure fraud risk assessments of the core areas of organisational risk and manage these in a manner which limits exposure to fraudulent and corrupt activities.	<i>Medium</i>	Fraud and Corruption item to be included in the agenda of Manex Meetings. Areas of fraud risk will be progressively monitored.	3 <sup>rd</sup> November 2010	General Manager	Draft Policy being developed however may need to await Vision. Mission and Values to be determined. Regular item on MANEX Agenda

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
12. Council should review its fuel management system and modify it accordingly to safeguard Council assets.	<i>High</i>	A monthly fuel store review will be carried out. Reports will go the monthly Council meetings. The systems of purchasing, accounting for and distribution of fuels is being reviewed in concert with this closer scrutiny.	Monthly reports done and to Council	Director of Corporate Services	Reports done since August 2010
13. Council should develop a system or process to ensure that its legislative and regulatory obligations are met.	<i>High</i>	A monitoring system will be looked at to formally track the distribution of advice notices.	Immediately and ongoing	Director of Corporate Services	Formal review end of each quarter
14. Council should develop policies, procedures and processes relating to purchasing, tendering and the disposal of asset. Where relevant, these should be consistent with the Tendering Guidelines issued by the Division of Local Government.	<i>High</i>	A Procurement Policy is being developed – consultation within the organisation is completed. A draft is to be available for staff comment.	To November Council Meeting	General Manager	Adopted by council at November Meeting
15. Council should consider integrating its manual purchase order system with its current accounting software package.	<i>Medium</i>	An electronic ordering system to be integrated with its accounting software after a strategy has been developed for the management of stock items.	Review done by February 2011	Director of Corporate Services	By March 2011
16. Council should prepare a statement of business ethics which is integrated with its procurement and tendering policies, procedures and documentation. The statement should also be displayed on its website and distributed those it intends to do business with.	<i>Medium</i>	Statement of Business Ethics Policy to be submitted to the Council meeting in October. To be then incorporated into the Procurement Policy.	To October Council Meeting	General Manager	Adopted

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
17. Council should develop and implement an Information Communication Technology Strategic Plan which aligns with its Community Strategic Plan and all relevant operational plans. The plan should be reviewed and updated regularly to reflect the changing needs and emerging developments of technology, and Council's directions and business requirements.	High	Recommendation to October meeting for a technology partner. Information Technology Strategic Plan will be developed from that engagement.	To October Council Meeting	Director of Corporate Services	Adopted
18. Council should provide all staff with an intranet site as soon as practicable	High	Intranet facility to be introduced. Expected to be online by October.	By 1 <sup>st</sup> November 2010	Director of Corporate Services	Report to Council on how it is working - January 2011
19. Council should improve its systems and processes to ensure that it can meet its statutory reporting requirements on time.	High	Review of processes to be undertaken and system introduced to monitor the adequacy of the process then formulated.	By December 2010	Director of Corporate Services	Statements completed, annual Report to be lodged by middle of November
20. In reviewing its organisational structure, Council should ensure that the management of land use planning and other regulatory services is adequately resourced.	High	An additional building certifier to be recruited for Coonabarabran.	November 2010 Meeting	Council	Special Meeting to be held in November
21. Council should finalise its single Local Environmental Plan and single Development Control Plan as soon as practicable.	Medium	Plans to be concluded by new Consultant, including DCP's.	October 2010 Council Meeting	Director of Environmental Services	Monthly reports of progress to Council
22. Council should include a notification policy in its single Development Control Plan.	Medium	Notification requirements to be included in the LEP and DCP's.	October 2010 Council Meeting	Director of Environmental Services	Monthly reports of progress to Council
23. Council should update its Stormwater Management Plan to reflect the requirements of the entire Warrumbungle Shire.	Medium	Review of Storm Water Management Plan to be undertaken. Scoping assessment will be done to determine the resources needed then presented to Council for financial support.	March 2011	Director of Technical Services	End of each quarter to Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
24. Council should update its Waste Management Strategy to reflect the requirements of the entire Warrumbungle Shire.	<i>Medium</i>	Ongoing assessment of the Waste Management System is being undertaken and monitored. Wide advertising has taken place.	In time for Budget 2011	General Manager	Reports already done; monitoring in place.
25. Council should ensure that its Rangers are accurately reporting dog attacks on the Register as required under clause 33A of the Companion Animals Regulation 2008	<i>Low</i>	A review of current registers will be undertaken.	1 <sup>st</sup> October 2010	Director of Environmental Services	Completed
26. Council should forward all outstanding registration and other fees to the Division for inclusion in the Companion Animals Fund as a matter of priority. Future payments should be made in a timely manner.	<i>High</i>	A review of the accounting system backing the collection of payments will be undertaken.	1 <sup>st</sup> October 2010	Director of Corporate Services	Fees as raised and required to be paid have been paid
27. The General Manager should ensure that financial information is presented to councillors in a format which is easily understood to enable informed decision making in relation to Council's financial position and resources.	<i>High</i>	A review of the new quarterly reporting guidelines will be undertaken and will include a complying set of reports to Council. New Format to be submitted to the ordinary November Council meeting.	To be done by November Council Meeting	General Manager	Amended format to November Council Meeting
28. Council should appoint one officer to oversee the coordination and production of its annual budget. Under Council's current structure this would probably be the domain of the Director of Corporate Services.	<i>High</i>	The Director of Corporate Services to be the responsible for the development and coordination of the annual budget.	1 <sup>st</sup> October 2010	General Manager	Action completed
29. Council should develop a long-term financial plan.	<i>High</i>	Project Teams established to progress the components of the IP&R Framework. Long-Term Financial Plan component to be lead by the DCS. Progress is provided to Manex on a monthly basis.	1 <sup>st</sup> October 2010	Director of Corporate Services	Regular item on MANEX Agenda

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
30. Council should develop an asset management framework to ensure that it complies with statutory requirements.	<i>High</i>	A review of the framework to be undertaken as part of the IP&R.	1 <sup>st</sup> October 2010	Director of Environmental services	Regular item on MANEX Agenda
31. Council should consider transferring its current asset register (spreadsheet) to the dedicated software program available in its accounting software.	<i>Medium</i>	Spreadsheet data will be transferred to the current accounting software package.	March 2011	Director of Corporate Services	Reported to Council April 2011
32. Council needs to ensure that adequate provision is made for expenditure on asset maintenance.	<i>High</i>	Provision of ongoing assets maintenance is included in the annual budget. Operational issues to be addressed and funds linked to asset maintenance.	October 2010	General Manager to oversee	At the end of each quarter to Council
33. Council should develop plans of management for its land holdings that are classified as community land.	<i>High</i>	Management Plan to be developed by each Division for land under its control.	By December 2010	Director of Environmental Services	At the end of each quarter to Council
34. Council should ensure that income generated from Crown reserves under Council's care and control is deposited into its trust fund.	<i>High</i>	A review will be undertaken on Council Crown reserve holdings and any income will be put into a trust.	By February 2011	Director of Corporate Services	At the end of each quarter to Council
35. Council should consider giving one officer or Division responsibility for coordinating the management of community land under its care and control.	<i>High</i>	The Environmental Services Division will be appointed as the manager of community land.	1 <sup>st</sup> October 2010	General Manager	Appointment completed
36. Council develop an accounting policy/manual as soon as practicable and make it readily available to all staff.	<i>Med/High</i>	An accounting policy/manual is being developed and will be concluded by December 2010. This will form part of the corporate information data base and be available for staff through the intranet.	January 2011	Director of Corporate Services	Draft partly completed

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
37. Council should better align its Community Social/Cultural Plan with its Management Plan and Annual Report.	<i>Medium</i>	A review of the budget format will be undertaken and that will align with the Management Plan and Annual Report. A new Community Service Plan will be included in the future developments for both the Management Plan and Annual Report.	By March 2011	Director of Corporate Services  Director of Community Services	At the end of each quarter to Council
38. Council should develop customer service standards and turnaround times as part of a Guarantee of Service linked to complaints handling policies and processes.	<i>Medium</i>	A Guarantee of Service Statement will be developed covering the expectations of interactions with both internal and external customers.	November 2011 council Meeting	General Manager	Draft developed but must await development of Vision, Mission and Values as these are a necessary adjunct to a guarantee of service
39. Council should finalise and adopt a workforce management strategy to address the human resource requirements arising from its Community Strategic Plan.	<i>High</i>	Project Teams have been established to progress the three components of the IP&R Framework's Resource Strategy.	Commenced by October 2010	General Manager	At the end of each quarter to Council
40. Council should consider adopting and implementing the recommendations responding to Human Resources issues contained in the Warrumbungle Shire Council Organisation Review February 2010 and if necessary, implement additional strategies to address the concerns raised in the climate survey.	<i>High</i>	An action plan is being developed to consider each of the recommendations in the Local Government Management Solutions Report.	By December 2010	General Manager	At the end of each quarter to Council
41. Council should consider the introduction of an intranet facility for all staff and make all relevant human resources policies and procedures available for their ongoing reference.	<i>High</i>	An intranet facility is being launched in October at the ordinary Council meeting.	By 1 <sup>st</sup> November 2010	Director of Corporate Services	Report to Council on how it is working January 2011
42. Council should consider purchasing a dedicated Human resources software program to more efficiently manage its human resources functions and requirements.	<i>Medium</i>	A Human Resources Software Package is needed and the resources have been referred to Council for additional funding.	January 2011	MANEX	At the end of each quarter to Council

RECOMMENDATION	PRIORITY	ACTION PROPOSED	TIME FRAME	RESPONSIBILITY	PROGRESS REPORT
43. Council should develop and adopt an Occupational Health and Safety Management Plan/System to guide this area and ensure that it meets its legislative requirements	<i>High</i>	An OH&S Management Plan will be completed by March 2011. The plan will then be presented to the April council meeting for endorsement.	By April 2011	Team Leader Human Resources	At the end of each quarter to Council
44. Council should develop and document a succession plan.	<i>Med/High</i>	The issue of succession planning within Council's workforce is acknowledged. From the Workforce Management Strategy succession planning is a critical component outcome of developing the strategy.	January 2011	MANEX	At the end of each quarter to Council
45. Council should consider conducting exit interviews with all staff members leaving its employ.	<i>Medium</i>	Exit Interviews to be held by the HR Team Leader. A more structured process is to be developed using both the interview and questionnaire techniques.	October 2010	Team Leader Human Resources	January 2010 follow up report on implementation