



SOUTHERN GRAMPIANS SHIRE COUNCIL

ORDINARY MEETING

13 April 2016

**SOUTHERN GRAMPIANS SHIRE COUNCIL
ORDINARY COUNCIL MEETING
TO BE HELD IN COUNCIL CHAMBERS, HAMILTON
WEDNESDAY 13 APRIL 2016 AT 5.30PM**

AGENDA

1. **ACKNOWLEDGEMENT OF COUNTRY**
2. **PRAYER**
3. **APOLOGIES**
4. **CONFIRMATION OF MINUTES**
Recommendation:
That the Minutes of the Ordinary Council Meeting held on 9 March 2016, as circulated be confirmed.
5. **DECLARATION OF INTERESTS**
By Councillors or Officers in respect of any item on the Agenda.
6. **QUESTIONS ON NOTICE**
Nil
7. **PUBLIC DEPUTATIONS**
7.1 Nil
8. **COUNCILLOR REPORTS** Page 5
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9. **MANAGEMENT REPORTS**
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10.2 Temporary Road Closures & Street Processions
10.3 Liquor Control Act Referrals
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11.1 Notice of Motion – Great South Coast Membership - Cr Paul Battista
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13.1 Hamilton Regional Livestock Exchange Development Stage 2 Tender Evaluation Report
13.2 Tender No. 03 / 16 Design and Construction Contracts for Bridge Design and Maintenance Works – Tender Evaluation Report
13.3 Tender No. 1104 / 15 - Provision of Road Stabilisation Services - Over Expenditure on Contracted Amount
14. **CLOSURE**

There are no Questions on Notice.

There are no Public Deputations.

MAYOR**8.1 CEO Review Process****Purpose of Report**

This report follows on from the recruitment process for a Chief Executive Officer (CEO) and a further report detailing the method and timing of a review process for the CEO.

As part of the recruitment and the contract of employment Council has a requirement to both set and then review Key Performance Indicators (KPI's) for the CEO.

This report seeks to establish the CEO Review Panel as detailed in the Contract of Employment consisting of the Mayor and 2 Councillors to finalise and then assess the KPI's and review process for the CEO Performance.

Process

As part of the CEO Recruitment Process Council endorsed a process to develop KPI's and to periodically review against those KPI's.

Council engaged McArthur Recruitment to assist in this process following on from the CEO Recruitment and McArthurs have had an initial meeting with the Mayor and CEO to draft out a program that will be further developed including a full Councillor Workshop, input into the KPI development and ultimate sign-off on a set of KPI's, measures against and review periods.

Broadly McArthurs will work with Council to develop a set of KPI's through a workshop with Councillors in the next 2-3 months and then work with the appointed panel to finalise and then discuss with the CEO with a view to finalising along with input from the agreed '100 day report' by the CEO to Council. This will form the KPI's and Council will then agree a timeline with the CEO to one formal review prior to Council Elections in November 2016.

Officer Declaration of Interest

Under section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible – Cr Peter Dark, Mayor

In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

Author – Cr Peter Dark, Mayor

In providing this advice as the Author, I have no disclosable interests in this report.

Recommendations

That Council appoint the Mayor, Cr _____ and Cr _____ to assist in the development of Key Performance Indicators and the Performance Review process for the Chief Executive Officer.

DIRECTOR SHIRE SERVICES**9.1 Mullagh Wills – 150 Year Commemoration of Historical Aboriginal Cricket Tour 1866****Summary**

To enable Council to formally recognise the 150-year commemoration of the 1866 Aboriginal cricket tour originating from Western Victoria culminating in the Boxing Day match at the Melbourne Cricket Ground (MCG) December 1866.

Background

On Sunday March 13 2016, the launch to celebrate of the 150th Anniversary of one of the most remarkable achievements in Australia's sporting and cultural history, took place at Harrow in Western Victoria.

The launch of the Mullagh Wills Foundation "Journey to the G" celebrates the achievements the 1866 Aboriginal Cricket Team which travelled from Western Victoria to the MCG in Melbourne to play against the Melbourne Cricket Club on Boxing Day 1866.

The March 13 launch was part of the annual Johnny Mullagh Championship weekend in Harrow, Western Victoria, and is the result of over two years planning and research in conjunction with the Melbourne Cricket Club.

The Mullagh Wills Foundation was established to recognise the tremendous achievements of the Aboriginal Cricket Team in the 1860s and named in honour of Johnny Mullagh, the star of the team, and Tom Wills the original coach of the team. Both Mullagh and Wills played in the team against the MCC on Boxing Day in 1866.

In 1868 the Aboriginal Cricket Team became the first Australian cricket team to play in England – the first Australian Test team of cricketers.

Council Plan

The Council Plan Objective No. 4 Help Communities Feel Dynamic and Resilient has outcome 4.3 An Inclusive and Diverse community.

Strategy 4.3.3 specifically states:

Continue to encourage the inclusion of members of all cultures including indigenous communities in the social and economic life of the Shire.

Policy /Strategy/ Legal/ Statutory

Council has a Community Inclusion Plan and Advisory Committee. While there is no Reconciliation policy as such, Council acknowledges the importance of the indigenous history by the reading of Welcome to Country at each Council meeting. This commemoration also links closely with the sporting and recreational policies of Council.

Social / Economic / Environmental

social implications of these commemorations are important. Given the significant sporting achievements in the lead up to the first aboriginal cricket team to tour England in 1868, and the origins of the team formation in Western Victoria, our region has cause to lead the commemoration and formal recognition of these events. As important, the message and promotion of reconciliation should be a lasting legacy of the commemorations.

9.1 Mullagh Wills – 150 Year Commemoration of Historical Aboriginal Cricket Tour 1866 (cont'd)**Financial / Risk Management**

The commemorations and the formal passing of motions recognising the historical event have no financial and risk implications on Council. The Southern Grampians Shire comprises a number of towns through which the aboriginal team travelled in their way to the MCG match in December 1866, with Council now in a position to formally recognise these sporting achievements.

Discussion

The Foundation seeks to celebrate the involvement of communities and recognise the incredible achievements of the Aboriginal Cricket Team 150 years ago, as well as helping to bring communities together.

The Foundation motto is 'reconciliation through sport'. This unique story from our history, particularly the involvement of Tom Wills as the original coach of the team, is a powerful example of recognition and reconciliation.

A highlight from the launch was the writing of the first message in the commemorative 'Message Book' which has been presented to the West Wimmera Shire Council.

Each municipality along the route, commencing with West Wimmera, has been invited to pass a formal motion of reconciliation and support of the Aboriginal Cricket Team and their achievements at a Council Meeting during 2016. The Message Book will be in each of the municipalities for up to three weeks and during this time schools, local sporting and community groups will be invited to include a message of reconciliation and support in the Message Book.

The delivery of the Message Book from Council to Council will be completed by the respective Mayors and Aboriginal community leaders at the following Councils between March and December 2016 before being presented to the Melbourne Cricket Club on Boxing Day at the MCG.

- West Wimmera Shire Council
- Southern Grampians Shire Council
- Ararat Rural City
- Corangamite Shire Council
- Pyrenees Shire Council
- Golden Plains Shire Council
- City of Ballarat
- Moorabool Shire Council
- Melton City Council
- Brimbank City Council
- City of Melbourne

The idea for these celebrations and the Foundation came about after Australia Day Ambassadors, Tony Cavanagh and Ian Coutts, participated in Australia Day activities in Harrow in 2012 and 2013. Both were inspired by the Harrow Discovery Centre, featuring the Johnny Mullagh Cricket Museum, and along with the story, wanted to ensure it became better known as an important part of Australia's history.

The Message Book is a great opportunity for all communities along the journey route to be involved and ensure this story is not only remembered but encourages everyone, in particular sporting organisations, to promote the message of reconciliation.

The launch of 'Journey to the G' on March 13 involved local Aboriginal community leaders and descendants of the 1866 Aboriginal Cricket Team, together with descendants of the pastoralists

9.1 Mullagh Wills – 150 Year Commemoration of Historical Aboriginal Cricket Tour 1866 (cont'd)

who taught the Aboriginals to play cricket. Guests from the Melbourne Cricket Club, Cricket Victoria, Councils and Federal and State Governments joined the Mullagh Wills Foundation Committee, the

Harrow First XI 1868 Committee, local community representatives and participants in the Johnny Mullagh Cricket match.

Council recognition and formal motion is a meaningful way that the Southern Grampians Shire Council can formally recognise the achievements of the aboriginal cricket tour of 1866 and subsequent tour of England in 1868. This commemoration also provides Council a means to celebrate our early sporting historical achievements and reinforces the powerful message of reconciliation through sport.

In conclusion, this report aims to recognise the launch of the Mullagh Wills Foundation "Journey to the G" in celebration of the 1866 Aboriginal Cricket Team which travelled from Western Victoria to Melbourne to play against the Melbourne Cricket Club at the MCG on Boxing Day 1866 and subsequent tour of England in 1868 and to provide Council the opportunity to reinforce the powerful message of reconciliation through sport;

Community Engagement

Council will need to encourage and invite local sporting and community groups to include a message of reconciliation and support in the Message Book. The Message Book will be in each of the municipalities for up to three weeks enabling these sporting and community bodies to make their contribution in the Message Book commemorating the 1866 journey to Melbourne via regional Victoria.

Communication of Decision

This decision will be broadly communicated through all possible media channels. Local sporting and recreational groups and clubs will be contacted directly to advise them of the opportunity to sign the Message Book.

Officer Declaration of Interest

Under section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible – Director Shire Services

In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

Author – Director Shire Services (using draft report provided by Mark Crouch)

In providing this advice as the Author, I have no disclosable interests in this report.

Recommendation

That Council;

1. Formally recognise the sporting achievements of Johnny Mullagh, Tom Wills and the aboriginal cricketers touring party of 1866, in their travels through regional Victoria culminating in the Boxing Day 1866 match between the aboriginal team and the Melbourne Cricket Club at the Melbourne Cricket Ground;

9.1 *Mullagh Wills – 150 Year Commemoration of Historical Aboriginal Cricket Tour 1866 (cont'd)*

2. Recognise the powerful message of reconciliation through sport that this significant sporting event provided in early colonial times, and the current day inspiration that the commemoration provides;
3. Encourages and promotes the opportunity for local sporting and community groups to leave their message of goodwill and reconciliation in the Message Book that will travel regional Victoria and be presented at the Boxing Day Test Match in December 2016;
4. Hand over the Mullagh Wills Message Book to the Ararat Rural City Council for their formal commemoration as part of the 'Journey to the G'.

9.2 Governance and Decision Making Discussion Paper

Attachment 1 - Governance and Decision Making Discussion Paper

Summary

A Governance and Decision Making Discussion Paper has been drafted to assist Southern Grampians Shire Council to improve its transparency and communication. The Paper provides an overview of local government, taking into account the recent amendments made by the Local Government Amendment (Improved Governance) Act 2015, good governance and decision making processes.

This report recommends the adoption of the recommendations in the Discussion Paper to improve Council's transparency and decision making.

Background

During his time at the Southern Grampians Shire Council the Interim Chief Executive Officer identified two key issues in relation to governance and decision making at the Southern Grampians Shire Council:

1. The lack of understanding of the roles and responsibilities of elected councillors and the administration; and
2. The importance of transparency in improving Council's image in the eyes of the public and improving the level of trust between Council and the community.

A Governance and Decision Making Discussion Paper (the Discussion Paper) was developed to explore these issues and make recommendations as to how Southern Grampians Shire Council can improve its communication and transparency, particularly in relation to its key decision making processes.

The Discussion Paper was written in two parts. Part 1 provides detailed background information as to the roles, responsibilities and relationships in local government. Importantly it details the recent changes to the Local Government Act 1989 in relation to the roles of the mayor and councillors. Part 2 looks at the current governance and decision making performance and processes at Southern Grampians Shire Council and makes recommendations as to how to improve the transparency and efficiency of these processes; how to improve communication between the administration and Council; and how to improve communication between the Council and the community to achieve governance excellence.

Council Plan

Outcome 1.1 - Soundly Based Decisions

Strategy 1.1.1 - Based decisions on the highest available level of professional advice and expertise.

Strategy 1.1.2 - Develop and enact policies, plans and strategies to ensure consistency in decision making

Policy/Strategy/Legal/Statutory

Information from the Southern Grampians Shire Council's Councillor Code of Conduct, the Local Government Act 1989 and the Local Government Amendment (Improved Governance) Act 2015 were included into the Discussion Paper.

9.2 Governance and Decision Making Discussion Paper (cont'd)**Social/Economic/Environmental**

The Discussion Paper was written to assess Council's performance in relation to governance and decision making and identify ways to improve the transparency and communication of its decision making and governance processes. One of the main aims of the recommendations in the Discussion Paper is to improve the relationship between Council and the community by ensuring as much information as possible is made available for the community.

Financial/Risk Management

The Discussion Paper seeks to improve governance and decision making at Southern Grampians Shire Council. This will in turn see a reduction of risks in relation to governance and decision making. There may be some financial benefits through increased efficiencies in relation to some of the processes mentioned in the Discussion Paper.

Discussion

The Discussion Paper collated the performance data of the Southern Grampians Shire Council in relation to governance and decision making and from that data four key issues were identified. The data that was included in the report was the results from the 2012 – 2015 Community Satisfaction Surveys, the Local Government Performance Reporting Framework 2014/2015 results, the issues raised in the Hamilton Regional Business Association Report by Neil Armstrong and Partners, the community feedback that was received as part of the Local Government Act review in 2015, the results from the 2014 Staff Satisfaction Survey and the CEO performance management.

In the data looked at there were 4 key issues identified:

- A lack of leadership and communication from the Council and senior management.
- A lack of understanding about the different roles and responsibilities in local government.
- A lack of transparency in council decision making.
- Unclear understanding about the level of performance management Council should be having over the organisations.

Section 3 of the Discussion Paper makes many recommendations to try and resolve some of these issues and improve the relationship between Council and the community.

The recommendations for improvement fall into the above four categories and are in relation to the following issues:

- Community Engagement
- Communication between the Administration and Council
- Communication with the Media and Public
- Councillor Code of Conduct
- CEO Performance Review
- Briefing Sessions
- Council Reports
- Section 89 – Confidential Council Reports
- Printing of Agendas
- Performance Management

The recommendations are listed in full in the Recommendation section of this report. The background information relevant to each recommendation has not been copied into the report due as it is available in the Discussion Paper.

9.2 Governance and Decision Making Discussion Paper (cont'd)

The Discussion Paper has been provided to Councillors and the contents and recommendations of the Paper discussed with Councillors at two Briefing Sessions. The discussions in relation to the recommendations in the Discussion Paper were very constructive. Following those discussions minor changes have been made to the recommendations in the Paper in relation to printing of papers, information being provided to Councillors, and Council Reports templates.

The suggestion to develop a template for Councillor Notices of Motions was raised during these discussions and has been added to the list of recommendations below. Developing a template for Notices of Motion would ensure consistency of information provided to the community. It was also suggested that a review be conducted of all Council's strategic plans to ensure they are up to date and determine how they should be reported on to Council and the community.

A few other suggestions were made by Councillors during the discussions at the Briefing Sessions which have not been included as recommendations in this report as they require further investigation and discussion.

Community Engagement

There is planned to be a significant positive impact on the community regarding its perception of Council. Engagement will be enhanced following the implementation of the recommendations in the Discussion Paper.

Communication of Decision

This decision will be communicated to all Council staff and the community.

Officer Declaration of Interest

Under section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible – Bronwyn Herbert, Director Shire Services

In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

Author – Megan Kruger, Governance Coordinator

In providing this advice as the Author, I have no disclosable interests in this report.

Recommendations

1. That all recommendations in the attached Governance and Decision Making Paper be adopted.
2. That an implementation plan be developed to ensure all recommendations be actioned as soon as practicable.

9.3 *Aged Care Reform Update*

Attachment 2 – Statement of Intent

Summary

The Municipal Association of Victoria (MAV) has been in negotiations with the Victorian and the Australian Governments to develop a draft Statement of Intent (SOI) for all three levels of government in the delivery of home and community care services for people aged over 65 years for the period 1 July 2016 to 30 June 2019. The draft SOI (**Attachment 1**) outlines structural and funding responsibilities for the three levels of government for the transition from the Victorian Government funded Home and Community Care (HACC) program to the Australian Government funded Commonwealth Home Support Programme (CHSP).

While many of the outcomes negotiated in the draft SOI represent maintenance of the benefits of some of the aspects of the current HACC system delivered by local government in Victoria, there are some concerning financial long term implications for local government when the transition to the CHSP is finalised on 30 June 2019. The current wording and resulting implications of the draft SOI would leave councils with an unfunded level of service, regardless of whether they would continue to deliver the service post the transition, potentially leaving existing clients without the ability to receive ongoing services.

In addition, the draft SOI positions local government with the financial responsibility for the long term underfunding by the Victorian Government of the HACC service during the three years of the transition. Historically, the Victorian Government has underfunded the service leaving councils to subsidise the service from ratepayer funds to ensure that the increasing ageing population has access to these critically important services, which enables them to live independently at home. The draft SOI clearly articulates that this underfunding gap must be met by local government. In the context of rate capping, this places councils in an untenable financial position, as councils will be less able to draw on ratepayer income to bridge the funding gap to provide services to older people in the next three financial years. Councils will need to consider options, which may include implementation of wait lists for prospective new clients during the three year transition to the CHSP, as a way of managing limited available resources due to the CHSP commencing in an underfunded environment. Southern Grampians Shire Council (SGSC) has utilised wait lists over the past 12 months for low needs clients when demand exceeded budgeted service levels. At this time, wait lists are not required, but are likely to be required again prior to 30 June 2019 as demand is likely to exceed the funding provided for the CHSP to Council.

This report provides a brief analysis of the SOI with specific reference to the key clauses in the document of interest to local government. Furthermore, this report recommends providing a formal response to the MAV, as the signatory representing local government, stating that councils will be unable to fund the gap for the service that has been created over a number of years by the Victorian Government.

Background

In 2015, councillors received a briefing regarding the Australian Government aged care reforms that have included analysis of potential impacts on the community aged care services provided by Council. The briefing also outlined some of the transitional arrangements of the HACC program to the CHSP including:

- Changes to funding targets (as a result of changes to unit price levels for home care, personal care and respite care). The unit price for these services was increased by the Victorian Government, with no additional funding available and as a result, the funding targets were lowered to reflect the new unit price.

9.3 *Aged Care Reform Update (cont'd)*

- The potential for financial implications on Southern Grampians Shire Council of the changes in the funded unit price for each of the three service types: home care, personal care and respite care.
- The Australian Government agreeing to continue to block-fund service providers during the transition period under the CHSP to ensure service levels remain stable, as per current HACC funding model, for a three year transition period.
- The Victorian Government agreeing to continue funding the under 65 year old cohort of current HACC clients only, that may not be eligible for the NDIS. It is still unclear what the funding and service agreement from the Victorian Government will contain.
- The introduction of the Australian Government My Aged Care (MAC) agency as a gateway for all new referrals into the aged care system nationally.
- The MAV would represent local government in negotiating a SOI (at that stage proposed as a tri-lateral agreement between all levels of government) with the Victorian and Australian Governments that defines the role and commitment of local government during the transition period, which would also serve to set the foundation for service provision beyond the transition period.

Council would be expected to sign new Service Level Agreements (SLA), with both the Victorian and Australian Governments, and officers will present these Agreements, highlighting any concerns, to councillors in future reports, once the information becomes available.

The development of a SOI is an important part of the reform process as it intended to define the role and commitment of each level of government to the HACC client group. However, as outlined in the next section of this report, the draft SOI has disappointingly passed the legacy of Victorian Government under funding to local government.

This report seeks a Council resolution to formally respond to the Municipal Association of Victoria (MAV) regarding the draft Statement of Intent (SOI) (**Attachment 1**) for the transition of the Home and Community Care (HACC) program to the Commonwealth Home Support Programme (CHSP), and to reaffirm that Council may need to introduce waiting lists for services to new, low needs clients as a way to manage demand for services beyond budgeted service levels.

Council Plan

The Southern Grampians Shire Council Plan's 2013-17 vision is to be Australian's most liveable provincial community. The key strategy in the enhance wellbeing and culture component of the Council Plan relating to coordinated and accessible services, is that Council will 'provide and support an integrated range of services for families, young people, the frail, aged and people with disabilities. In addition a priority of helping our communities feel dynamic and resilient is the 'continued implementation of the key actions of the Municipal Health and Wellbeing Plan and associated plans'.

Policy /Strategy/ Legal/ Statutory

Southern Grampians Health and Wellbeing Plan 2013-17 (SGSCHWP) was adopted in 2014, and has five key outcomes:

- Improve educational attainment and lifelong learning
- Improve mental health, reduce family violence and prevent harm from alcohol and other drugs
- Promote healthy eating and encourage regular physical activity
- Improve the sense of belonging and connection to communities, places and activities for all people in our Shire

9.3 Aged Care Reform Update (cont'd)

- Improve our community's fair access to services improving health and wellbeing

Improving the sense of belonging and connection includes a desire to 'build our capacity to engage disadvantaged groups and enable their full participation in community life'. In addition improving fair access to services has strategic objectives to 'explore, promote and advocate for innovative service delivery models that enable fair access to services' and well as 'ensuring community awareness of available services and options to support access'

The Health and Wellbeing plan is supported by the community inclusion (disability action) plan and positive ageing strategy that further describes Council's commitment to the above objectives.

The Australian Government policy, *Living Longer Living Better*, released in April 2012, is influencing the delivery, now and into the future, of Home and Community Care (HACC) services. In line with this policy, the Australian Government will assume responsibility for HACC programs for people over 65 years of age from 1 July 2016 with a transition date for Victoria confirmed as 30 June 2016.

Social / Economic / Environmental

For two decades, local government has increasingly subsidised HACC services due to the Victorian Government's underfunding of the program. The SOI states that local government will have a responsibility to maintain current service levels, despite the Victorian Government lowering the levels of services it funds by increasing the unit price but not allocating additional funding to maintain current service levels. This action formally shifts the responsibility of the current funding gap to councils. It further states that the local government subsidy is a contribution to service hours, rather than acknowledgement that the subsidy from local government has been a response to the underfunded environment to assist keeping people living safely and independently at home.

Rate capping presents a further complication for councils, as it limits the amount of available resources that councils can continue to allocate to service provision. To date, councils topped up service provision from ratepayer funds because of the increasing ageing population that want to continue to live at home, safely and independently.

The legacy of the Victorian Government underfunding HACC services will likely result in wait lists for new, low needs clients as Council resources are not able to meet increasing demand.

Financial / Risk Management

The Victorian Government has introduced new unit prices for each of the three service types - home care, personal care and respite care - which still do not cover the true cost of delivering the service. The service targets (service hours) have been reduced as a result of this new unit price; however, there is still a funding gap that local government is currently filling for existing clients. For the Southern Grampians Shire Council (SGSC), this gap equates to a forecast of \$487,994, including corporate overheads (15/16 Council Budget).

The full extent of the funding gap and therefore impact on the Council subsidy will be better understood when the new SLAs are presented to Council for the provision of services during the transition period. SGSC is yet to receive information regarding any details of what will and may not be funded under the new SLAs, and officers will consider any information that may change/impact the budget as it has been planned for the 2016/17 financial year and beyond.

Becoming a signatory to the SOI (via the MAV) as it currently exists in draft, may mean that councils are left with the responsibility for service delivery for any existing clients receiving services

9.3 *Aged Care Reform Update (cont'd)*

that are above the funded levels, post the transition period. It is important that officers ensure that all service areas are operating to the funded levels only, as the role of local government in service provision is that of a service provider and that any contribution to the service is as a result of inadequately funded programs/hours of service rather than as a provider and funder of additional hours of service.

It remains unclear whether Council will be left in the position of continuing to 'fund the gap' post the transition period, given that the funding represents existing SGSC clients receiving services. Essentially, the draft SOI commits local government to maintaining its current funding subsidy throughout the transition period, which means that if the SGSC fails to reduce service levels to match funding available at the end of the transition period, the SGSC will be expected to continue serving clients who are excess to funding provided under the CHSP. Council officers will continue to monitor this issue concerning funding and will provide information to councillors when new information becomes available.

Additionally, when demand exceeds budgeted service levels within the three year transitional period, wait lists will need to be implemented for low needs clients.

Discussion

The draft SOI highlights that as an aggregate, local government contributes \$158M per annum to aged and community services (Source: Victorian Grants Commission 2013/14). Although this statement may be correct, the language used throughout the document describes this council contribution as being the responsibility of local government rather than as a result of the Victorian Government inadequately funding the true cost to service providers of delivering services.

The cost to councils for delivering services to eligible residents has steadily grown over time as a result of inadequately funded unit prices, compounded by annual indexation rates that did not adequately reflect the cost of service delivery. Additionally, any annual growth funding received further contributed to the financial burden on councils to continue to provide services, as it was implemented using the same underfunded unit price formula.

This systemic underfunding has continued for over two decades, with local government gradually increasing its contribution, not as part of a formalised agreement, but more as a result of not wanting to leave elderly people and people with disabilities and their families without community supports. The result of this action however, is that local government, despite significant advocacy, has been left with a financial legacy provided by the Victorian Government due to their unwillingness to fund the real cost of HACC in the context of a rising demographic client group.

Southern Grampians Shire Council will contribute a forecast total of \$487,994 to the HACC program in the 2015/16 financial year, including corporate overheads.

In early 2015, local government was informed via a letter to the Chief Executive Officer that the Victorian Government, in acknowledging that the unit price of the three services was inadequately funded, increased the unit price to a more sustainable \$45.00 per hour (an increase of up to 43%). In doing so, the Victorian Government made it clear that no additional funding was to be made available to service providers, but rather that the funding targets would be adjusted to reflect the new unit price.

This 'notional' exercise decreased the number of hours of service that local government is expected to deliver. Councils, however, were delivering services to existing clients that were above the new revised (lowered) targets, and did not wish to cut services to existing clients, as they depend on HACC services to keep them living independently and safely at home. It appears through the draft SOI, that the Victorian Government believes that these "additional" hours of service are now a

9.3 Aged Care Reform Update (cont'd)

council responsibility, rather than acknowledging that the Victorian Government has underfunded these services.

The language used throughout the SOI refers to local government as a planner, developer, funder and deliverer of services to elderly and younger people with disabilities. Of particular concern to Council, is the reference that local government is a funder of services. Clause 44 of the document states:

“The parties acknowledge that, in order to support the key role of local government in providing basic in-home services, prices for domestic assistance, personal care and respite services were adjusted to a more sustainable level effective from 2014-15, enabling local government to transfer its contribution from service delivery costs to hours of service to improve transparency and clarity about service hours funded through HACC program and those funded by local government.”

Officers are of the view that this Clause should be removed from the SOI, as the contribution SGSC makes to the HACC program, is as a result of a shortfall in funding from the Victorian Government rather than any “additional” hours of service, despite the recent changes to the funding targets as a result of the increase in unit price.

Additionally, Clause 47 of the document states:

“To the best of individual council’s financial ability, local government will maintain their current service levels over the life of the agreement, consistent with their assessment of their community’s needs.”

Officers believe that this Clause positions local government into accepting funding responsibility for programs that have historically been underfunded by the Victorian Government and that the Victorian Government is absolving their responsibility for the funding gap prior to the handover to the Australian Government. This is further highlighted in Clause 15 which states:

“The role of local government is fundamental to the benefits of Victoria’s current HACC system. Local government has responsibility under the Local Government Act 1989 and subsequent amendments, to provide equitable and appropriate services and facilities for the community. Local government also has responsibilities to protect, improve and promote the public health and wellbeing of residents, under the Public Health and Wellbeing Act 2008.”

It is the opinion of officers that this Clause further suggests that local government is somehow legislated to be a funder and provider of services, and therefore should accept responsibility to fund the gap left by the Victorian Government. Neither Act specifies that local government should subsidise a shortfall in funding of another tier of government. Although the SOI is not legally binding, it does raise a question for local government of whether it will need to continue to fund the gap beyond the transition period (to 30 June 2019), keeping in mind that this funding represents existing clients receiving services. It is the officers' view that if the MAV signs this document it should be viewed as an agreement signed on the basis of good faith, integrity and a commitment to fulfilling the obligations within the draft SOI

Officers believe that the time for the re-introduction of wait lists is imminent, as councils in Victoria will have limited access to ratepayers’ income due to rate capping, and therefore councils will not have the financial means to allocate resources to support newly eligible residents. It is likely that demand for services in the next three year transition to the CHSP, due to the growth of the numbers of elderly people in the SGSC, may exceed budgeted services which will require the implementation of wait lists.

9.3 Aged Care Reform Update (cont'd)

Council officers will continue to review information and material released by both the Victorian and Australian Governments regarding the CHSP, and its impact on Council service provision.

Community Engagement / Communication of Decision

The consultation and communication for this report has included:

- Council officers who deliver and plan for services
- Other councils throughout Victoria
- Attendance and discussion at various consultation forums with the Victorian and Australian Governments and the Municipal Association of Victoria (MAV).

Officer Declaration of Interest

Under section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible –Bronwyn Herbert Director Shire Services

In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

Author – Nola McFarlane Manager Community and Leisure Services

In providing this advice as the Author, I have no disclosable interests in this report.

Recommendation

1. Council writes to the MAV as the representative of Victorian local governments, to request that the language contained within the SOI be changed to better reflect the role of local government as a service provider and not a funding body, that local government is not legislated to fund services as stated in the SOI, and to further request Clauses 44 and 47 be removed from the document. Furthermore, that Council rejects the notion that Victorian local government is responsible for the shortfall in funding for existing services that reflect the systemic underfunding of the HACC program.
2. Council advises the MAV that if the agreement remains in its current form, the MAV does not represent the interests of the Southern Grampians Shire Council in signing the agreement.
3. Council continues to implement a HACC demand management strategy to manage the reduction in funding, to prioritise service commencement for new clients who have high support needs and implement a wait list for less vulnerable and lower risk clients to commence home care services.

9.4 Financial Statements to 31 March 2016 – 2015/16 Budget**Attachment 3 - Financial Statements****Summary**

The Financial Report for the period 1 July 2015 to 31 March 2016 (copies attached) have been prepared to provide information regarding Council's current financial position.

The report includes an Income Statement, balance sheet and statement of cash flows. A narrative has also been prepared to explain variances between 2015/16 Budget and actual performance.

Background

Financial management is a core function of Council. Council annually prepares a Budget which is developed in line with the Council Plan. Throughout the year interim financial reports are presented to Council, with the final financial report being audited by the Victorian Auditor General's Office and incorporated in Council's Annual Report which is forwarded to the Minister for Local Government.

Council Plan

The financial report provides interim information on the financial progress of the achievement of the Annual Budget.

Financial sustainability and compliance with our annual budget are specifically identified as strategies within the Council Plan.

Policy/Strategy/Legal/Statutory

Section 138 of the Local Government Act 1989 requires that at least every three months, the CEO must ensure that a statement comparing the budgeted and actual revenue and expenditure for the financial year is presented to the Council at a Council meeting which is open to the public. Financial reports are generally prepared following the month ends of September, December, January, February, March, April & May. The June report forms part of Council's Annual Report.

Social/Economic/Environmental

The Annual Budget provides the funding for the Council to undertake its social, economic and environmental initiatives outlined in the 2013/2017 Council Plan. This report provides interim financial information on their progress.

Financial/Risk Management

Council is required to implement the principles of sound financial management detailed in Section 136 of the Local Government Act 1989 which states:

- 1) A Council must implement the principles of sound financial management.

9.4 Financial Statements to 31 March 2016 – 2015/16 Budget (cont'd)

- 2) The principles of sound financial management are that a Council must-
 - (a) manage financial risks faced by the Council prudently, having regard to economic circumstances;
 - (b) pursue spending and rating policies that are consistent with a reasonable degree of stability in the level of the rates burden;
 - (c) ensure that decisions are made and actions are taken having regard to their financial effects on future generations;
 - (d) ensure full, accurate and timely disclosure of financial information relating to the Council.

- 3) The risks referred to in subsection (2)(a) include risks relating to-
 - (a) the level of Council debt;
 - (b) the commercial or entrepreneurial activities of the Council;
 - (c) the management and maintenance of assets;
 - (d) the management of current and future liabilities;
 - (e) changes in the structure of the rates and charges base.

Discussion

The financial report includes an Income Statement, Balance Sheet, Statement of Cash Flows, Statement of Capital Work and Statement of Human Resources. A detailed narrative has also been prepared to explain variances between 2015/16 Budget, the anticipated forecast and actual performance.

Income Statement (Operating Statement)

Council is forecasting a minor operating deficit for the 2015/16 financial year. An operating surplus was originally budgeted however the impact of prepaid grant revenue in the 2014/15 year together with increased depreciation due to asset revaluations, reduced grant revenue and increased expenditure in the employee benefits area has reverted the surplus into a minor deficit.

Balance Sheet

The budgeted balance sheet is understated in net equity and Property, Plant & Equipment due to the late revaluation of infrastructure assets. This revaluation was done prior to the end of 2014/15, however after the 2015/16 budget had been prepared. All other balance sheet items are forecast to be close to their original estimates.

Statement of Cash flows

Cash balances are strong with \$14m of cash and investments held at the end of March. This means all commitments can be met with cash, as and when required. Opening cash was substantially more than anticipated due to early payment of grant funding and under expenditure of capital work. Even with the carry forward of capital works and some unexpected expenses, Council is still forecasting a strong end of year cash position.

Statement of Capital Works

Council budgeted \$13.4m of capital works. Additional Roads to Recovery funding of \$1.4m has also been received. \$1.4m of 2014/15 Capital works were incomplete and have been forecast for the current year. Several works project have now been deferred or are being reviewed (\$3.5m) resulting in a forecast program of \$12.7m for 2015/16.

Actual expenditure of \$8.9m has occurred (80% of the forecast amount).

9.4 Financial Statements to 31 March 2016 – 2015/16 Budget (cont'd)*Statement of Human Resources*

The breakup between operating and capital salaries is variable for a large proportion of Council's workforce (Infrastructure Services in particular). Expenditure for operations was increased due to additional works, resignations, recruitment expenses and other associated oncosts. Capital Expenditure was increased mainly due to additional works funding. Overall the spend was at 75% of the forecast at the end of March.

Communication

The financial report forms part of the Council meeting minutes and is available to the public.

Officer Declaration of Interest

Under section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible – Bronwyn Herbert, Director Shire Services.

In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

Author – Belinda Johnson, Manager Finance.

In providing this advice as the Author, I have no disclosable interests in this report.

Recommendation

That the financial report for the period 1 July 2015 to 31 March 2016 be received.

DIRECTOR SHIRE FUTURES**9.5 Planning Permit Application – TP/010/2016 – Flint Architects (Vic) Pty Ltd –
213 Gray St, Hamilton****Attachment 4: Planning Assessment Report TP/56/2015****Summary**

A planning permit application has been received by Council, proposing Works to Demolish the existing Building on the land, namely to demolish the George Hotel.

This report considers the application, discusses the various relevant policy and recommends to refuse the application on the grounds that:

1. The proposed demolition of the building known as the George Hotel, is inconsistent with the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
2. The proposed demolition would adversely affect the cultural significance of the locality, by the proposed removal of the Hotel's contribution to the character and scale of Gray Street and the Hamilton Central Business District.
3. The proposed demolition of the George Hotel is contrary to the objectives of the heritage overlay HO346 which pertains to the Hamilton Central Business District streetscape.
4. The application has not included any designs or proposal for any replacement building, or substantiated supporting documentation for consideration with, or to inform the proposed demolition of the existing building that might otherwise have made a positive contribution to the Heritage Overlay precinct.

Background

Please refer to the attached copy of the Planning Assessment Report TP/56/2015, Attachment 1.

Pursuant to clause 43.01-1 of the Southern Grampians Planning Scheme ("the Scheme") a planning permit is required to demolish or remove a building within the Heritage Overlay.

The Subject Land is 213 Gray Street, Hamilton; (Lot 1 on TP126442B, formerly known as Pt CA 14, Section 1, Township of Hamilton, Parish of Hamilton North)

A previous planning permit application for demolition (TP/68/2013) was submitted in 2013, similarly without any proposal(s) for the future use of the site. This planning permit application for demolition was refused by Council in February 2014 for the following reasons:

- The demolition would create a negative impact on the heritage streetscape along Gray Street.
- The demolition is contrary to the relevant overlay and policies in the Southern Grampians Planning Scheme
- The applicant has offered no supporting documentation for the demolition of the building

A subsequent application was lodged for the same purposes in 2015. Requests for further information were sent to the applicant who put the matter on hold because of other works being undertaken.

9.5 Planning Permit Application – TP/010/2016 – Flint Architects (Vic) Pty Ltd – 213 Gray St, Hamilton (cont'd)

The application was notified to the public after the RFI was responded to by the applicant in February 2016.

Council Plan 2013 - 2017

Objective 1. Leadership and Good Governance

Outcome 1.1 Soundly Based Decisions

- Strategy 1.1.1 - Base decisions on the highest available level of professional advice and expertise
- Strategy 1.1.2 - Develop and enact policies, plans and strategies to ensure consistency in decision making

Objective 2. Foster Population and Economic Growth

Outcome 2.1 Strong economic performance that supports population growth

- Strategy 2.1.1 - Understanding the complexity of our economy to anticipate and respond to future trends
- Strategy 2.1.5 - Support and encourage social and economic development in all our settlements

Outcome 2.2 Identifying and preparing for growth

- Strategy 2.2.1 - Implement the Planning Scheme Policy and strategies to ensure the orderly and sustainable development of the Shire

Policy /Strategy/ Legal/ Statutory

Pursuant to Clause 43.01-1 of the Heritage Overlay, a planning permit is required to demolish or remove a building.

In assessing the application, the Council as Planning Authority must consider the following:

Built Environment and Heritage – Heritage - Clause 15.03-1 (Heritage Conservation)

Built Environment – Clause 21.05-1 – Objectives - To enhance the presentation of streetscapes, main streets, and entrances

Heritage – Clause 21.05-2 – Objectives – To protect and enhance places of Aboriginal, natural and cultural heritage significance

Vision statement, integrated objectives, and municipal framework – Clause 21.01-5 – Objective - Protect and promote the cultural and environmental heritage of the Shire

Shopfronts and Verandahs – Clause 21.05-3 – Objective – To protect and enhance the historic character and unique appearance of shopfronts and verandahs in individual buildings, streetscapes and areas

Local Areas – Clause 21.10-1 – Hamilton – Built Environment and Heritage

Clause 43.01 Heritage Overlay applies to this application. The relevant purpose of the Heritage Overlay is:

9.5 Planning Permit Application – TP/010/2016 – Flint Architects (Vic) Pty Ltd – 213 Gray St, Hamilton (cont'd)

- To implement the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies.
- To conserve and enhance heritage places of natural or cultural significance.
- To conserve and enhance those elements which contribute to the significance of heritage places.

Social / Economic / Environmental

The proposal will have negative social impacts on the township of Hamilton if this site were to be cleared and no development was undertaken to replace this building. A piece of Hamilton history would be lost and the attractive character of Hamilton's retail precinct will be diminished by the gaping hole it will leave.

The construction and use of a new building could be economically positive to this end of Hamilton's CBD but the applicant has not submitted any alternative proposal other than demolition.

Financial / Risk Management

Potential Financial and other Risks involved in the statutory assessment of Planning Permit Applications under the Planning & Environment Act 1987 are managed and mitigated, by the following measures:

- Assessment is undertaken by suitably qualified and experienced staff, as recognised by the Planning List of VCAT;
- Applications are referred to suitably qualified and experienced officers and consultants, for specialist advice, to inform the assessment made by the delegate or Council;

Discussion

Please refer to the attached copy of the Planning Assessment Report TP/56/2015 (attachment 1).

A key element of the officer's recommendation as indicated in the assessment report is that:

"The George Hotel is located within heritage overlay HO346 which pertains to the Hamilton Central Business District. The building itself is not an individually listed building of significance under the heritage overlay. However, the building still plays an important part in the Gray Street streetscape and the history of the Hamilton Township. This heritage precinct examines the streetscape element of heritage significance, in this instance the building's facade.

Within a heritage area or precinct, the main objective is to ensure conservation of elements that contribute to the area's significance. The George Hotel is still a dominant building within the streetscape and in the culture and history of the Hamilton Township".

As the application is for the demolition of the entire building without any proposal for retention or redevelopment of this area, the application does not fit within with the purpose of this overlay, which is for the retention, conservation, and enhancement of the elements which contribute to the significance of the heritage place.

In this instance, the significance of the heritage place is the streetscape along Gray Street, even though the façade has been altered from the original 1938 Seabrook and Fildes façade, Council's heritage adviser states that the section fronting Gray Street makes substantial contribution to the character and scale of Gray Street.

9.5 Planning Permit Application – TP/010/2016 – Flint Architects (Vic) Pty Ltd – 213 Gray St, Hamilton (cont'd)**Community Engagement**

Community consultation and engagement, was undertaken in accordance with Section 52 and Section 55 of the Planning & Environment Act 1987

Communication of Decision

Communication of a Decision must be accordance with the following Sections of the Planning & Environment Act 1987: Ss 58, 60, 63[to the Applicant], 67, 68, 70, 76A [to Referral Authorities], 83A [to any Objectors].

Officer Declaration of Interest

Under section 80c of the Local Government Act 1989 officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible – Michael McCarthy, Director Shire Futures

In providing this advice as the Officer Responsible, I have no disclosable interests in this report.

Author of this Council Report – Mark Marziale, Acting Manager, Planning.

In providing this advice as the Author, I have no disclosable interests in this report.

Author of the Planning Assessment Report TP/56/2015 – Michelle Keen, Senior Planner.

In providing this advice as the Author, I have no disclosable interests in this report.

Recommendation

That Council as the responsible authority having considered all matters which the Planning and Environment Act 1987 requires it to consider, issue a *Notice of Refusal to Grant a Permit* in respect of the land known and described as 213 Gray Street, Hamilton; (Lot 1 on TP126442B; formerly known as Pt CA 14, Section 1, Township of Hamilton, Parish of Hamilton North), for the demolition of existing building for the following reasons:

- 1 The proposed demolition of the building known as the George Hotel, is inconsistent with the State Planning Policy Framework and the Local Planning Policy Framework, including the Municipal Strategic Statement and local planning policies and particularly the relevant Heritage overlay HO 346.
- 2 The proposed demolition would adversely affect the cultural significance of the locality, by the proposed removal of the Hotel's contribution to the character and scale of Gray Street and the Hamilton Central Business District streetscape.
3. The proposed demolition of the George Hotel is contrary to the objectives of the heritage overlay HO346 which pertains to the Hamilton Central Business District.
4. The application has not included any designs or proposal for any replacement building, or related supporting documentation for consideration with, or to inform the proposed demolition of the existing building that might otherwise have made a positive contribution to the Heritage Overlay precinct.

10.1 ASSEMBLY OF COUNCILLORS RECORD

10.2 TEMPORARY ROAD CLOSURES AND STREET PROCESSIONS

10.3 LIQUOR CONTROL ACT REFERRALS

10.4 TENDERS ACCEPTED BY THE CHIEF EXECUTIVE OFFICER UNDER DELEGATED
AUTHORITY

10.5 PLANNING REPORT

10.6 BUILDING SERVICES REPORT

10.1 ASSEMBLY OF COUNCILLORS RECORD

In accordance with the Local Government Act 1989 the following Assembly of Councillors records are attached:

- Councillor Briefing Session – 30 March 2016
- Council Meeting – 9 March 2016

10.2 TEMPORARY ROAD CLOSURES AND STREET PROCESSIONS

There following applications were received during the past month for the temporary closure of roads and streets and/or the conduct of street processions:

- Balmoral Lions Club Easter Market - temporary closure of Glendinning Street Balmoral between Stirling and Fairbairn Streets on 26 March between 8.00am and 2pm.
- Coleraine RSL - temporary closure of Whyte Street Coleraine between Winter and Henty Streets on 25 April, 2016 between 6.00am and 7.30am and also between 9.30am and 11.30am.
- Hamilton RSL - temporary closure of Gray Street, commencing at Kennedy Street at 9.45am turning left into Brown Street to Lonsdale Street, finishing at the Cenotaph at 11am on Monday 25 April, 2016.
- Balmoral RSL - temporary closure of Glendinning Street, Balmoral between 10.00am and 12.00pm on Monday 25 April, 2016.
- Mr Johnny Lovett – street procession in Gray Street, Hamilton, commencing at the corner of Gray and Thompson Streets on Wednesday 16 March at 10.00am to commemorate the 100 year anniversary of Indigenous men enrolling in World War 1.
- Walk of Witness - street procession on 25 March, from 10.00am for the Walk of Witness procession.
- Hamilton Performing Arts Centre - temporary closure of Gray Street, Hamilton, between Tosca Brown's and the old Fire Station on Sunday 24 Paril from 10.00am to 10.00pm for the Ansett AFlight event.

10.3 LIQUOR CONTROL ACT REFERRALS

During the past month, there were no applications referred to Liquor Licensing Victoria for the grant, variation or transfer of licences, permits and/or extended hours permits for comment.

10.4 TENDERS ACCEPTED BY THE CHIEF EXECUTIVE OFFICER UNDER DELEGATED AUTHORITY

There were no tenders accepted by the Chief Executive Officer under delegated authority for the month of March 2016.

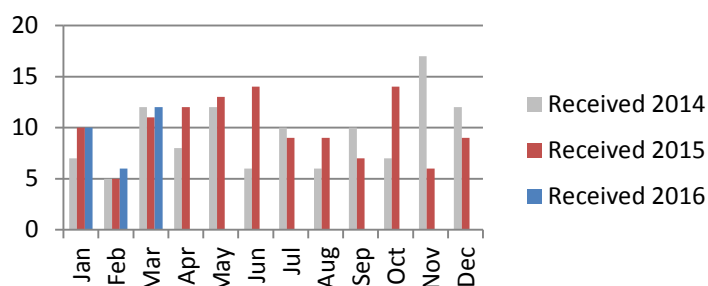
10.5 Planning Report

Delegated Planning Permits

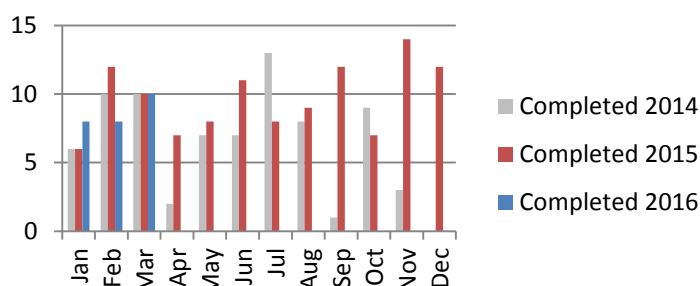
The following delegated decisions were made and planning permits issued for March, 2016.

| Description | Location | Date of Decision | Decision within Statutory time? |
|--|----------------------------------|------------------|---------------------------------|
| Building and Works to establish a 24 hour, 7 day a week gym service | 43 Cox Street HAMILTON | 4/03/2016 | Yes |
| Removal of Native Vegetation (2 River Red gums and buildings and works to construct a dwelling, carport and garage | 25 Macarthur Street DUNKELD | 4/03/2016 | Yes |
| Seven (7) lot subdivision on 8 titles | 271 Bulart Road BULART | 4/03/2016 | No |
| Proposed two (2) lot subdivision of two (2) existing Titles | 111 Bell Street PENSHURST | 9/03/2016 | No |
| Buildings and Works for the construction of a new garage and shed to be used for the storage of domestic items, associated with the dwelling | 110 Jennings Road HAMILTON | 4/03/2016 | Yes |
| Buildings and Works for the construction of a garage | 23-27 Woodburn Street DUNKELD | 15/03/2016 | Yes |
| Buildings and Works for the construction of an open sided carport for use as storage of vehicles and two shipping containers to be used as storage | 14 Bell Street BALMORAL | 31/03/2016 | Yes |
| Buildings and Works for 2 x bay extension to existing machinery shed | 97 Fairburn Street DUNKELD | 18/03/2016 | Yes |
| To erect aluminium business identification signage 900 x 600 cm | 23-27 Woodburn Street DUNKELD | 15/03/2016 | Yes |

New Planning Applications Received



New Planning Applications Completed



10.6 Building Services Report

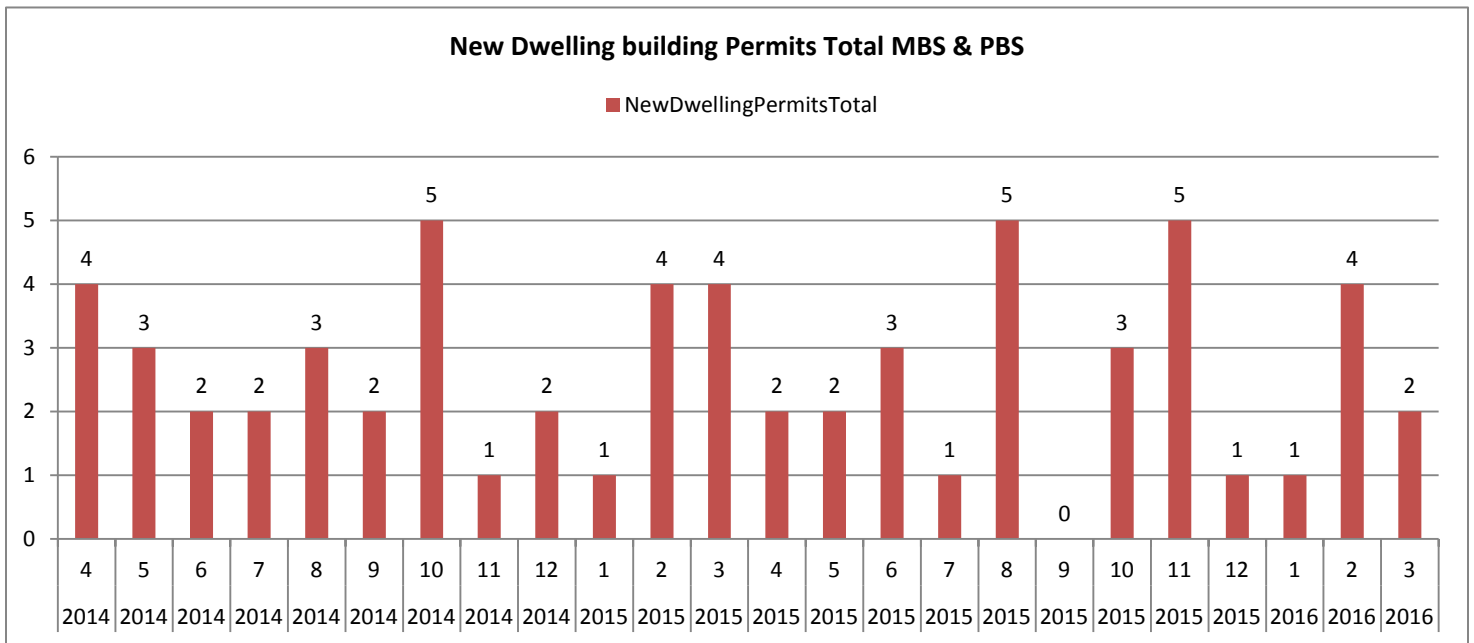
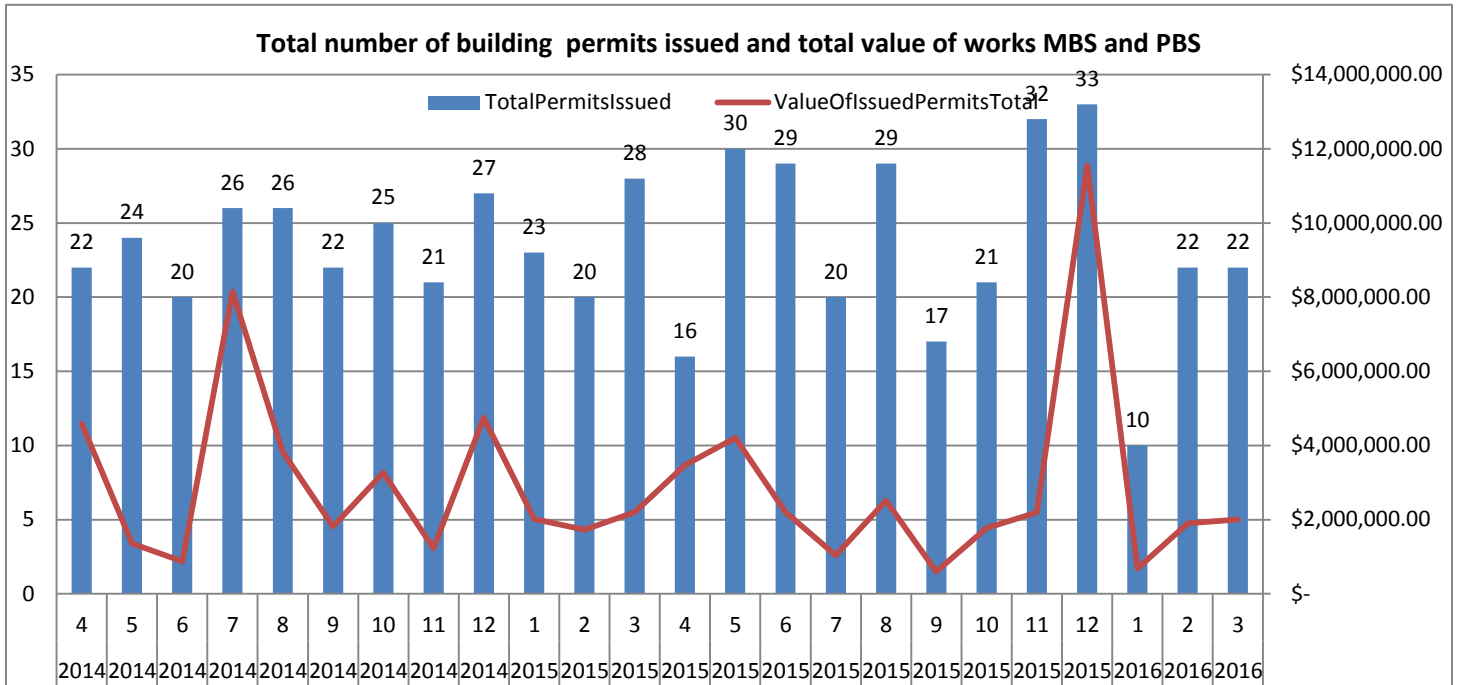
The below graphs provide trend data relating to Building Permits over the last 2 years (by value and number of permits) and the number of new dwelling permits.

The total value of 11 Permits issued by the Municipal Building Surveyor for February, 2016 was \$1,693,135.

The total value of 11 Permits issued by Private Building Surveyors for March, 2016 was: \$315,067.

Total value of Building works for March, 2016 = \$2,008,202.

The Municipal Building Surveyor also issues building permits outside Southern Grampians Shire. Since June 2015, 14 permits have been issued with a total value of building works of \$2,378, 320. Eleven permits have been issued in Glenelg Shire and 3 permits have been issued in Ararat Rural City.



Recommendation

That items 10.1 to 10.6 as listed above be received.

Cr Paul Battista has given notice of intention to move the following motion:

Motion

"That Southern Grampians shire ceases membership with the Great South Coast Group effective from the date of this meeting."

"The Mayor advise in writing of Councils decision to the current Chair Councillor Colin Ryan."

Background

The Great South Coast has been involved in advocacy issues for the Southern Grampians Shire Council and we thank them for their work but now must look at different Regional models to move forward our Advocacy aligned to the Port of Portland and Henty Hwy.

Council Plan:

As part of Good Governance, Council needs to review its memberships and performance these groups from time to time.

Financial Risk:

With other councils removing their membership, Southern Grampians Shire Council will need to pay higher subscriptions and risks financial burden of liability for the executive.

Councillors Delegates Reports for March 2016.

Recommendation:

That the following items be considered in Closed Council as it deals with matters specified in Section 89 (2) (d) of the Local Government Act 1989.

- 13.1 *Hamilton Regional Livestock Exchange Development Stage 2 Tender Evaluation Report***
- 13.2 *Tender No. 03 / 16 Design and Construction Contracts for Bridge Design and Maintenance Works – Tender Evaluation Report***
- 13.3 *Tender no. 1104 / 15 - Provision of Road Stabilisation Services - Over Expenditure on Contracted Amount***

This concludes the business of the meeting.

2016

Governance and Decision Making



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Purpose

This Paper has been written to address two issues in relation to governance and decision making at Southern Grampians Shire Council:

Issue 1 – The understanding of the roles and responsibilities of elected councillors and the employed administration.

Issue 2 – The importance of transparency in improving Council's image in the eyes of the public and improving the level of trust between Council and the community.

Part 1 of this Paper provides background information as to the roles, responsibilities and relationships in local government. Importantly it details the recent changes to the Local Government Act 1989 in relation to the roles of the mayor and councillors.

Part 2 of this Paper looks at the current governance and decision making performance and processes at Council and makes recommendations as to how to improve the transparency and efficiency of these processes; and how to improve communication between the administration and Council; and Council and the community to achieve governance excellence.

Part 1 Overview of Local Government

Section 1 – Introduction to Local Government

In Australia there are three levels of government – local, state and federal. Local Government is the lowest tier of government and provides a wide range of services to the community and maintains considerable public infrastructure, spending around \$7.12 billion in Victoria annually.¹

“Victorian local governments are established under the provisions of the Local Government Act 1989. Each local government consists of the elected members (councillors) who form the council and council officers (the administration) who are paid employees.”²

Purpose of Local Government

Section 3A of the Local Government Act (“the Act”) defines the purpose of local government as providing a system for the peace, order and good government of their municipalities.³“Essentially each council makes its own decisions based on its collective beliefs, the advice it receives, various financial considerations, legislative powers and so on. If a council restricts its activities to ‘roads, rates and rubbish’ and its various statutory obligations, it’s the result of a series of political decisions rather than a legal determination which is based on the Act. And whatever decisions a council makes in this regard are ultimately reflected in the Council Plan and other key strategic documents.”⁴

Objectives of a Council

Sections 3C, 3D, 3E and 3F of the Act outline the objectives, role, functions and powers of a council.

Section 3C(1) of the Act states that “the primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions.”⁵ Section 3C(2) goes into further detail by providing additional objectives which a council must have regard to in achieving the best outcomes for the community. These additional objectives are:

- a) “to promote the social, economic and environmental viability and sustainability of the municipal district;
- b) to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- c) to improve the overall quality of life of people in the local community;
- d) to promote appropriate business and employment opportunities;

- e) to ensure that services and facilities provided by the Council are accessible and equitable;
- f) to ensure the equitable imposition of rates and charges;
- g) to ensure transparency and accountability in Council decision making.”⁶

Role of a Council

Section 3D(1) of the Act states that “[a] Council is elected to provide leadership for the good governance of the municipal district and the local community.”⁷ Section 3D(2) outlines the role of a council which includes:

- a) “acting as a representative government by taking into account the diverse needs of the local community in decision making;
- b) providing leadership by establishing strategic objectives and monitoring their achievement;
- c) maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;
- d) advocating the interests of the local community to other communities and governments;
- e) acting as a responsible partner in government by taking into account the needs of other communities;
- f) fostering community cohesion and encouraging active participation in civic life.”⁸

Functions of a Council

Section 3E(1) outlines the functions of a Council which include:

- a) “advocating and promoting proposals which are in the best interests of the local community;
- b) planning for and providing services and facilities for the local community;
- c) providing and maintaining community infrastructure in the municipal district;
- d) undertaking strategic and land use planning for the municipal district;
- e) raising revenue to enable the Council to perform its functions;
- f) making and enforcing local laws;
- g) exercising, performing and discharging the duties, functions and powers of Councils under this Act and other Acts;
- h) any other function relating to the peace, order and good government of the municipal district.”⁹

Powers of Councils

Section 3F provides further guidance on the above sections in relation to the power of councils. Subject to any limitations or restrictions contained in the Act and any other Acts a council has the power to do all things necessary to achieve its objectives and perform its functions.¹⁰

What Does Local Government Do?

Councils achieve the performance of their objectives, role, and functions of a council in various ways including:

- **“Planning & monitoring**

Local governments set the overall direction for their municipalities through long-term planning. Examples include council plans, financial plans, municipal strategic statements and other strategic plans. Setting the vision, and then ensuring that it is achieved, is one of the most important roles of local government.

- **Service delivery**

Local government is responsible for managing and delivering a range of quality services to their communities, such as public health and recreational facilities, local road maintenance, and public libraries.

- **Lawmaking & enforcement**

Local governments legislate and make decisions in areas over which they have legislative authority. Local laws are not allowed to replicate or be inconsistent with state and federal laws or the operative planning scheme.

The laws made by local governments are called local laws and cover issues such as the activities permitted on public land, animal management, and use of infrastructure.

Local governments are also responsible for enforcing local laws and other legislation over which they have authority.

- **Policy development**

The activities of local governments are guided by policies. Developing and implementing these policies are key functions.

- **Representation**

Councils often represent their local community on matters of concern to those constituents.

- **Advocacy**

Local governments have a role in advocating on behalf of their constituencies to state and federal levels of government, statutory authorities and other sectors.”¹¹

“Council’s main responsibilities are to set the overall directions and goals for the municipality and then monitor their implementation and success. The tools for setting these directions and goals are the major strategic plans. These include the council plan, the strategic resources plan, the municipal strategic statement and the municipal public health plan.”¹²

In fulfilling its objectives, role, and functions a council should focus on high level strategic decisions rather than operational decisions. “For example, council should set the policies and priorities for road maintenance rather than spend time on discussing what materials should be used on a specific road.

At any given time, councillors need to understand which function their council is performing. This will change depending on whether council is setting the vision, developing policy, preparing the budget or managing the Chief Executive Officer's performance.

Each of these functions requires different skills and different forms of leadership. Recognising and articulating this can help council in various ways. It can ensure that council has the appropriate skills and support readily available. It may help to increase the confidence of both the council and its administration, as well as reduce misunderstandings.”¹³

Section 2 - Roles and Responsibilities

Mayor

Section 73 states that the mayor takes precedence at all municipal proceedings within the municipality,¹⁴ the mayor must chair all meetings of the council (when present),¹⁵ and the mayor has a casting vote when required.¹⁶

Section 73AA of the Act was introduced in 2015 and states that the functions of the mayor include:

- a) "providing guidance to Councillors about what is expected of a Councillor including in relation to the role of a Councillor under section 65, and the observation of the Councillor conduct principles and the Councillor Code of Conduct by Councillors under sections 76B, 76BA and 76C; and
- b) acting as the principal spokesperson for the Council; and
- c) supporting good working relations between Councillors; and
- d) carrying out the civic and ceremonial duties of the office of Mayor."¹⁷

"Clearly articulating the functions of mayor in the Act, ensures both councillors and the community know what is required of the person elected to this position. ... Explicitly stating the mayor is to provide guidance to councillors allows the mayor to play an important role in establishing and promoting appropriate standards of conduct. In the past many mayors have been asked to provide guidance to individual councillors about their role. Sometimes other councillors have refused to recognise the mayor as playing this role, especially when conflicts have arisen."¹⁸

"Mayors have also been asked to provide advice to councillors about their conduct or behaviour. This may involve behaviour towards other councillors or it may involve conduct towards members of the public. Ambiguity associated with acceptable behaviour should be removed by all councillors signing a councillor code of conduct agreed by the council."¹⁹

Spokesperson for Council

Section 73AA states that the functions of a mayor include acting as the principle spokesperson for the council²⁰. They "have a leadership role in liaising with important stakeholders from the community, business and other tiers of government to promote the interests of the council and their local community. In doing so mayors should reflect the views of the council not individual views. Their responsibility is to articulate council policies and positions fairly and accurately."²¹

Good Working Relationships

“Good governance relies on good working relations between councillors.

The mayor, by virtue of the position, is expected to foster positive relationships between councillors. He or she is also in a position to encourage cooperation among councillors and promote unity. This does not mean that councillors cannot have different opinions or engage in political debate. However, personal abuse, bullying and intimidating behaviour are not acceptable and the mayor is now given the responsibility to be alert to these issues and to address them.

Differences of opinion should not prevent the orderly conduct of council business. Nor should they spill over into the public domain in a way that reflects on the capacity of council to govern on behalf of the community.

Promoting good relations between councillors before contentious issues arise increases the likelihood that these issues can be dealt with robustly but without becoming divisive in a way that damages the reputation of the council.

Civic and ceremonial duties

The mayor is expected to undertake civic and ceremonial duties during their term of the office. These duties are extensive and diverse and they differ from council to council.

However, all councils require the mayor to represent council at important civic functions in the municipality. These functions include celebrating significant occasions such as Australia Day and ANZAC Day. Mayors are also required to officiate at other local municipal events such as citizenship ceremonies and the presentation of council awards such as local Citizen of the Year.

On such occasions the mayor is expected to fulfil the requirements of the role diligently and responsibly. In doing so the mayor should not expect special privileges but should rather represent the Council in a respectful and dignified manner.”²²

Chairing Meetings

“The way in which the mayor chairs council meetings makes a significant contribution to good governance. A well-run meeting that is inclusive and has high standards of governance relies on the mayor’s approach to being chair. Mayors should have a good knowledge of meeting procedures and their council’s meetings local law.

Effective chairing also ensures that all councillors have the opportunity to be heard. While not every councillor can get his or her way on an issue, they are more likely to accept a decision if they feel that they have been included in the process. More often than not, this means that even controversial and difficult decisions are more ‘stickable’.

If the mayor takes sides in a council meeting and actively suppresses minority views, this will give dissenters the ammunition not only to attack the outcome, but also the process. The mayor should ensure that all councillors have had the opportunity to express their views, even if their proposals are defeated.

Group facilitation concepts such as participation, communication, involvement, consensus, mutual respect and listening are all important in promoting the success of the councillor group."²³

Councillors

Legislative Requirements

"Councillors have a number of different roles that must incorporate the interests of the whole municipality and those of their constituents. They play a vital leadership role in creating and implementing their community's vision, strategic direction and values."²⁴

The role of a councillor is defined in section 65 of the Act. It describes the role of a councillor as follows:

- a) "to participate in the decision-making of the Council; and
- b) to represent the local community in that decision-making; and
- c) to contribute to the strategic direction of the Council through the development and review of key strategic documents of the Council, including the Council Plan."²⁵

It also details what a councillor must do in performing this role. A councillor must:

- a) "consider the diversity of interests and needs of the local community; and
- b) observe principles of good governance and act with integrity; and
- c) provide civic leadership in relation to the exercise of the various functions and responsibilities of the Council under this Act and other Acts; and
- d) participate in the responsible allocation of the resources of Council through the annual budget; and
- e) facilitate effective communication between the Council and the community."²⁶

Section 65(3) also prohibits councillors from performing of any functions which are functions of the Chief Executive Officer under section 94A of the Act.²⁷ "This means that councillors are not responsible for implementing council actions. They also have no authority to give directions to council staff. This is to facilitate effective administration and to avoid staff being subject to conflicting directions. Clear lines of managerial authority are critical. This is not to say councillors cannot express their views about administrative matters or implementation – but rather that they must do so through the CEO."²⁸

"Defining the role of a councillor is intended to strengthen the Local Government Charter so that councillors have an understanding of what is expected of the council as a whole and what is expected of them as an individual member of the council. ... Defining the role will also provide more clarity for the public about what a councillor is expected to do."²⁹

Sections 76B and 76C of the Act outline the principles of Councillor Conduct.

Councillors must:

- Act with integrity³⁰;
- Impartially exercise their responsibilities in the interest of the local community³¹;
- Not improperly seek to confer an advantage or disadvantage on any person³²;
- Avoid conflict between their public duties and personal interests and obligations³³;
- Act honestly and avoid statements or actions that will, or are likely to, mislead or deceive³⁴;
- Treat all persons with respect and have regard to the opinions, beliefs, rights and responsibilities of all people³⁵;
- Exercise reasonable care and diligence and submit to lawful scrutiny³⁶;
- "Endeavour to ensure that public resources are used prudently and solely in the public interest"³⁷;
- Act lawfully and in accordance with the trust placed in them as an elected representative³⁸;
- Support and promote these principles by leadership and example³⁹; and
- Disclose any conflict of interest they have under the Act and cannot be in the room when the matter is discussed or voted on.⁴⁰

Councillors must not:

- Misuse their position to gain, or attempt to gain, an advantage for themselves or for anyone else or to cause, or attempt to cause, a detriment to the Council or another person;⁴¹
- Improperly direct and influence, or seek to direct or influence, a member of Council staff in the exercise or performance of any power, duty or function; or⁴²
- Release any information that the councillor knows, or should reasonably know is confidential.⁴³

Representing the Community

"The democratic process results in people with a wide range of views and from different sections of the community, being elected as councillors. In the electoral process candidates will take different positions on particular matters of interest in the community. However, once elected, all councillors have an overriding duty to act in the interests of the local community as a whole. ... Representing the local community in decision making requires councillors to weigh and balance all relevant factors without bias or prejudgement. They also need to take into account a range of diverse views and bring an open mind when making administrative law decisions that affect the rights and interests of others. Such decisions are subject to review and challenge ... and must be made in accordance with the requirements of

the relevant legislation. They must in all circumstances comply with the requirements of natural justice.”⁴⁴

Leadership

“Being elected provides councillors with the opportunity to serve as leaders in their community.

This means councillors must be prepared to attend and participate in community meetings and forums, listen to community needs and propose ideas and solutions to community concerns.

It also means attending events aimed at celebrating important community milestones as well as being there for the community in adversity. These occasions provide an opportunity for councillors to facilitate understanding of and community support for council’s strategic goals and objectives.

Effective communication between the council and the community

As elected representatives, councillors are expected to listen to and understand the views of people in the municipality. Councillors need to be available to their constituents - both individuals and community groups. This consultation should include both airing of community concerns and sharing public information about council activities and perspectives on issues.

Being accessible takes many forms. Regular ‘listening posts’, responding to calls from constituents, attending community meetings and taking back the views of the community to council are all a part of this role. It is vital that councillors are available to all members of the local community, not simply sectional interests.

Effective communication allows councillors to ensure that community views and needs are addressed in all strategic documents. It also means that members of the community are given the opportunity to inform council policy directions and initiatives.”⁴⁵

Relationships between Councillors

“Relationships between councillors are ideally characterised by mutual respect and an acknowledgement that they are all doing complex and important work.

Because of the nature of a councillor’s role, they all have individual agendas and issues on which they would like to pursue during their term. Despite their differences of opinion, councillors need to work together as members of the council to achieve the best outcomes for the municipality.

Good governance and the capacity for councillors to get things done depend on the quality of the relationships between them. ... All councillors have their individual agendas and issues on which they wish to make an impact. They cannot rely on an institutionalised majority (that is the government) to get their issues up. So they need to be able to persuade sufficient numbers of their colleagues to support them and this depends significantly on having good ongoing relationships with each other.

The structure of council – consisting of a relatively small group of independently elected councillors – is an environment in which good relationships, mutual respect and a constructive appreciation of differences are required for good decision making and the capacity of councillors to deliver on their various election platforms.

Managing Conflict Well

Given the way local government operates, it is inevitable that there will sometimes be conflict. However, from a good governance perspective, it's the way that conflict is addressed that's significant. The role of the mayor is particularly important during these times, as is the ability for councillors to appreciate the dynamics that are at play. Good, robust debate is part of local government, but the focus should always be on the issues, not the personalities.

When it comes to behaviour in the council chamber, councillors should model good constructive relationships and show personal respect for one another at all times. Understanding the key elements of good conduct and having solid processes in place to manage behaviour is also important for good governance."⁴⁶

Relationship between Councillors and the CEO

"The council is responsible for employing and formally managing the performance of the CEO. As such, the CEO is formally accountable to council and therefore to the councillors.

During their terms, it is very likely that councils will either have to appoint a CEO or make a decision about renewing the CEO's contract. And all councils will have to manage their CEO's performance. This gives councillors considerable power and can put substantial pressure on those who haven't necessarily had experience managing complex and high-level employment relationships.

Successful employment relationships are based on good recruitment processes, shared expectations and good performance management processes. If these have been well articulated and managed, the decision to renew a contract should be straightforward.

All relationships and particularly those between the CEO and councillors will be tested when a new council is elected and has to work with a CEO appointed by a previous council. There is sometimes a temptation for a council to want to appoint its own CEO. It shouldn't matter, however, which council made the appointment. Good communication and performance management will ensure the CEO has a clear idea of councillors' expectations and how they

can and should be met. And that then is the CEO's responsibility. ... The CEO is the only officer directly accountable to council and it is the only position that is appointed by councillors. As such, councillors are accountable for setting the CEO's performance plan and monitoring performance. Most commonly this focuses on the CEO's annual performance assessment.

In the past, problems have occurred when expectations have not been clearly articulated at the beginning of a CEO's term. When this happens councillors may then feel that the CEO has not delivered what was expected and this can in turn lead to problems in the relationship.

As much time should be put into setting goals and expectations of the CEO as is usually put into the annual review of performance. If expectations are communicated and agreed, they're more likely to be met. Ongoing communication and feedback between the CEO and the council will help to ensure these problems don't occur."⁴⁷

"While the formal relationship is very important, it is equally important for councillors and the CEO to create positive working relationships. They are generally in regular contact to share information, discuss issues and manage problems. As with the relationship between the mayor and CEO, there needs to be trust between both. And this trust should be based on good communication and an understanding of each others' roles and functions."⁴⁸

Chief Executive Officer

The Chief Executive Officer ("CEO") has many functions under section 94A of the Act:

1. "A Chief Executive Officer is responsible for:
 - a) establishing and maintaining an appropriate organisational structure for the Council;
 - b) ensuring that the decisions of the Council are implemented without undue delay;
 - c) the day to day management of the Council's operations in accordance with the Council Plan;
 - ca) developing, adopting and disseminating a code of conduct for Council staff;
 - d) providing timely advice to the Council;
 - da) ensuring that the Council receives timely and reliable advice about its legal obligations under this Act and any other Act;
 - db) supporting the Mayor in the performance of the Mayor's role as Mayor;
 - e) carrying out the Council's responsibilities as a deemed employer with respect to Councillors, as deemed workers, which arise under or with respect to the Accident Compensation Act 1985 or the Workplace Injury Rehabilitation and Compensation Act 2013 ; and
 - f) performing any other function or duty of the Chief Executive Officer specified in this Act or any other Act.
2. The Chief Executive Officer may appoint as many members of Council staff as are required to enable the functions of the Council under this Act or any other Act to be carried out and to enable the Chief Executive Officer to carry out her or his functions.
3. The Chief Executive Officer is responsible for appointing, directing, managing and dismissing Council staff and for all other issues that relate to Council staff.
- 3A The Chief Executive Officer is responsible for managing interactions between Council staff and Councillors including by ensuring that appropriate policies, practices and protocols are in place defining appropriate arrangements for interaction between Council staff and Councillors."⁴⁹

Section 94A was amended in 2015 to include section 94A(1)(da), 94A(db), 94A(f) and 94A(3A). "The expansion of the role of CEO also includes responsibility for managing interactions between councillors and staff. This means the CEO is responsible for developing, implementing and enforcing policies and protocols to manage interactions between councillors and staff.

Relationship between CEO and Mayor

The CEO in practice also supports the mayor to achieve a complete understanding of the full range of functions expected of them. However, in some instances other councillors have questioned why the CEO should treat the mayor differently. The Act now makes clear this is an expectation which lies squarely within the functions and responsibilities of the CEO. An

example of such additional support may involve the CEO providing advice on the mayor's role at functions such as citizenship ceremonies, as well as at official meetings with other organisations where the mayor represents a council."⁵⁰

"Both the mayor and CEO should ideally share information that helps each other to do their jobs. Through discussion, they should gain a clear understanding about which kind of information is important, as well as what each needs to know from the other.

Setting up regular meetings, in addition to those which occur around specific issues or when problems arise, will enhance planning and communication. Following the 'no surprises' principle is also a good idea. Because the mayor and CEO are in a position to brief each other, neither should be surprised by information or issues that are raised in other forums.

Clarifying each other's roles

Both the mayor and CEO need to understand and respect the other's role. The mayor may spend a considerable length of time in the council offices each week so it's important for both to have a clear understanding of their different roles. And this should be an ongoing discussion.

The power differential between each role needs to be acknowledged. While the mayor has status and is the leader of the council and councillors, the position has no direct authority outside the council chamber. The CEO, on the other hand, has direct authority under Section 94 (A) of the Local Government Act 1989. It can be frustrating for the mayor and councillors that they can't just 'fix' some problems that come to their attention, while the CEO has this capacity.

A good relationship between the two roles will recognise that the mayor's position is one of 'first among equals' – that is, the mayor is one of the democratically elected councillors who has slightly more responsibility or power during their term, but once the term is over will become one of those equals again. While building the relationship with the new mayor, the CEO is in a position to support the former mayor in their transition back to the role of councillor.

Keeping an outward focus

The mayor and CEO should ensure that their relationship is outwardly, rather than inwardly, focussed. Together they can promote good communication and information sharing, not only between each other, but also to and between the council and the administration. The focus should be to keep councillors and the administration in the loop rather than hanging on to information and using it to strengthen their own positions."⁵¹

Administration

"The primary role of the administration is to support the council. This includes implementing council's goals and strategies, managing the delivery of municipal services, and providing advice and support. Unlike other areas of local government, the role of the council administration is not set out in the Local Government Act 1989."⁵²

"Councillors rely on the administration (which is the equivalent of the state and federal public service) for support, advice and assistance with the day-to-day activities of council. They also need help dealing with concerns raised by constituents. This is quite different to what happens at state and federal levels where support structures for parliamentarians and the government are separated. On the one hand electoral officers and other staff deal with specific constituent issues. On the other, the public service manages the activities of governments as a whole, regardless of political affiliations. ... By contrast, at the local government level, the main role of the administration is to support the council as a whole, however there will be demands on council officers to provide councillors with support relating to their constituents. For example, a resident may contact their councillor about problems with the road outside their property. The councillor will then turn to the administration for help resolving this matter."⁵³

"Some council officers also have statutory obligations that don't fall under the Local Government Act. Legislation such as the Public Health and Wellbeing Act 2008 and the Building Act 1993 mean that certain activities carried out by the administration may not be directly accountable to council and are therefore not necessarily subject to overall council direction."⁵⁴

Council and Administration Relationship

"This is one of the most complex relationships in local government, and is critical to achieving good governance. ... Both the administration and the council need to believe that it's only possible to become a high-achieving municipality with a 'good council' and a 'good administration'.

Because the relationship between council and the administration is complex and fragile, it requires commitment from both sides to make it work. It also requires the tenacity and will to work through the more complex and difficult issues, as well as the many smaller or even trivial matters which can and do arise."⁵⁵

The elected body and the administration must have a clear and sophisticated understanding of their different roles, and the fact that these operate within a hierarchy.

The administration is accountable to the CEO, who in turn, is accountable to the council. While the functions of the administration, which should be based on mutual respect and cooperation, complement the work of the council, it is not a partnership of equals.

A good understanding of the different roles in local government will contribute to good governance. The council's role is firstly to develop the vision and then come up with the strategies and policies to achieve it. The administration's role is to advise the council, implement council decisions and to oversee service delivery.

It helps if the administration recognises the complex political environments in which elected members operate and acknowledge that the whole system is based on democratic governance. Councillors similarly need to understand that it is a highly complex task to prepare information and provide quality advice on a very wide range of issues."⁵⁶

"It is the natural inclination for both the council and the administration to fill any gaps which the other side leaves in the performance of its functions. This can lead to role confusion and stress. For example, if councillors don't believe the administration has a good system in place for recording and addressing residents' complaints, they will raise residents' complaints at council meetings rather than focussing on more strategic matters. If the administration believes there is an inadequate policy framework to deal with an issue, it will try to create one by delivering services and addressing issues in a particular way. Neither approach is ideal. It is far more desirable for each to perform their functions properly in the first place.

While the elected body and the administration have different roles, this doesn't mean that they don't have a legitimate interest in each other's role. The elected body will be interested in the organisational structure and how effectively it can implement the council's policies. While the Local Government Act 1989 clearly states that the organisational structure is the CEO's responsibility, if the CEO does not properly consult the elected body before implementing or changing a structure, the council is likely to find some way of expressing its opinions. And most of these will not promote good governance.

Similarly, if the administration is not properly involved in policy or strategy development (for example, if proposed new policies are tabled without notice by council at council meetings), the administration will look for ways to have an impact. Apart from the new policies not having the benefit of professional input from the administration, there is likely to be confusion and delays in implementing the policy. ... Finding ways to ensure that both the administration and the council are able to legitimately discuss issues, and seek information from each other is important for good governance.

There needs to be ongoing discussion between both areas about the functions of local government and how it works. This is particularly important for the administration's senior management."⁵⁷

"Many councils debate whether individual councillors and staff should have direct contact or whether all contact should be through the CEO and directors. Any decision should take the following into account.

Councillors need to understand that:

- Accountable advice needs to go through an organisational process which usually involves approval by a director or the CEO. Speaking directly to lower-level staff may result in councillors not being fully informed or receiving advice that hasn't been formally endorsed by the administration.
- Staff are not accountable to them individually, and that it is illegal in most situations for a councillor to try and direct council staff.
- They are classified as employers under the Occupational Health and Safety Act 2004 and, as such, can be liable for staff Workcover claims.

Council officers need to understand that:

- They are not accountable to individual councillors and are not required to take direction from them. They are accountable to the whole council, through the management structure.
- They should not provide advice to councillors unless it has been approved by the senior management or CEO.

Some councils can be successful in channelling all communications between council and the administration through the CEO or directors. However this can be impractical and can lead to resentment and misunderstandings. Councillors also generally don't like to be told that they can't talk to staff.

An alternative approach is to develop appropriate protocols to guide interactions and communication can help both sides understand how they can assist each other and where there may be potential problems. Providing training and support for staff how to manage direct communication with councillors is a more positive approach than simply telling councillors that they aren't allowed to talk to certain people."⁵⁸

Part 2 Governance & Decision Making

Section 1 – Governance

“Governance is the process by which decisions are taken and implemented; the process by which organisations go about achieving their goals and producing their outputs and the process by which organisations are directed, controlled and held to account. It encompasses authority, accountability, stewardship, leadership, values and culture within the organization.”⁵⁹

There are two elements of governance:

- Corporate Governance; and
- Good Governance.

Corporate Governance consists of the set of processes, customs, policies, laws and institutions affecting the way people direct, administer or control an organization.

Good Governance is not about making the ‘best’ decisions but about using the best possible processes for making decisions. At Southern Grampians Shire Council Good Governance includes:

- Knowing and observing our legal obligations;
- Knowing how what we do in our jobs fits into Council’s strategic vision and Council Plan objectives;
- Having the right policies and procedures in place to guide how we do things;
- Knowing the roles and powers associated with our jobs; and
- Having clear levels of accountability and responsibility.

There are seven characteristics of Good Governance⁶⁰.

1. Good governance is accountable

Accountability is a fundamental requirement of good governance. Local government has an obligation to report, explain and be answerable for the consequences of decisions it has made on behalf of the community it represents.

2. Good governance is transparent

People should be able to follow and understand the decision-making process. This means that they will be able to clearly see how and why a decision was made – what information, advice and consultation council considered, and which legislative requirements (when relevant) council followed.

3. Good governance follows the rule of law

This means that decisions are consistent with relevant legislation or common law and are within the powers of council. In the case of Victorian local government, relevant legislation includes the Local Government Act 1989 and other legislation such as the Public Health and Wellbeing Act 2008, and the Equal Opportunity Act 2010.

4. Good governance is responsive

Local government should always try to serve the needs of the entire community while balancing competing interests in a timely, appropriate and responsive manner.

5. Good governance is equitable and inclusive

A community's wellbeing results from all of its members feeling their interests have been considered by council in the decision-making process. This means that all groups, particularly the most vulnerable, should have opportunities to participate in the process.

6. Good governance is effective and efficient

Local government should implement decisions and follow processes that make the best use of the available people, resources and time to ensure the best possible results for their community.

7. Good governance is participatory

Anyone affected by or interested in a decision should have the opportunity to participate in the process for making that decision. This can happen in several ways – community members may be provided with information, asked for their opinion, given the opportunity to make recommendations or, in some cases, be part of the actual decision-making process.

"Excellence in governance occurs when it is underpinned by accountability, integrity and openness. It involves a focus on clarity of roles and responsibilities, robust systems which support both internal and external accountability and public access to decision-making and information."⁶¹

Benefits of Good Governance

Promotes and Encourages Confidence

"People are more likely to have confidence in their local government if decisions are made in a transparent and accountable way. This helps people feel that local government will act in the community's overall interest, regardless of differing opinions.

It also encourages local governments to remember that they are acting on behalf of their community and helps them to understand the importance of having open and ethical processes which adhere to the law and stand up to scrutiny."⁶²

“Government and public services that are accountable, open and act with integrity, will earn the confidence of the public. The capacity of governments to meet the needs of their communities has come under pressure in the last two decades, because of general trends towards globalization, small government and pressures to cut taxes. This has in turn affected the attitudes people have towards their governments, with a level of cynicism being apparent. This trend needs to be reversed. Governments need to demonstrate that they are working in the interest of their stakeholders and should encourage participation and engagement. People need to feel confident that government has an ethical base for its activities.”⁶³

“Elected members and council officers will feel better about their involvement in local government when good governance is practised.

Councillors will be more confident that they are across the issues, that they can trust the advice they are given, that their views will be respected even if everyone doesn't agree with them, and that the council chamber is a safe place for debate and decision making.

Officers will feel more confident in providing frank and fearless advice which is acknowledged and respected by councillors.

Leads to better decisions

Decisions that are informed by good information and data, by stakeholder views, and by open and honest debate will generally reflect the broad interests of the community.

This does not assume that everyone will think each decision is the right one. But members of the community are more likely to accept the outcomes if the process has been good, even if they don't agree with the decision. They will also be less tempted to continue fighting or attempting to overturn the decision. So even the most difficult and controversial decisions are more likely to stick.

Helps local government meet its legislative responsibilities

If decision-making is open and able to be followed by observers, it is more likely that local governments will comply with the relevant legal requirements. They will also be less likely to take shortcuts or bend the rules.

Supports ethical decision making

Good governance creates an environment where elected members and council officers ask themselves 'what is the right thing to do?' when making decisions.

Making choices and having to account for them in an open and transparent way encourages honest consideration of the choices facing those in the governance process. This is the case

even when differing moral frameworks between individuals means that the answer to 'what is the right thing to do' is not always the same."⁶⁴

"It affects the quality of outputs

Excellence in governance results in better planning, decisions, and implementation. In turn, better outcomes are achieved. A governance culture that emphasizes openness, integrity and accountability is more likely to know what is in the best interest of its stakeholders and to 'get it right' more often.

It is a value-adding activity

An organization that practices excellence in governance is more likely to be productive, efficient and effective. It will feature good advice to decision-makers, more productive and engaged staff and better use of resources. Excellence in governance will lead to better results.

Excellence in governance will also improve the capacity of an organization to reform itself. An organisation which is open to new ideas, prepared to innovate and is truly in touch with the needs and expectations of its stakeholders is more likely to be able to take advantage of new opportunities and ideas."⁶⁵

Achieving Excellence in Governance

"There are four key principles to achieve excellence"⁶⁶:

- Principle 1 – Culture and Vision
- Principle 2 – Roles and Relationships
- Principle 3 – Decision-making and Management
- Principle 4- Accountability.

Principle 1 - Culture and Vision

"Organisational culture includes the written and unwritten rules that shape and reflect the way an organisation operates. It incorporates the shared values and beliefs that enable members of an organization to understand their place in the organization, its norms and how it operates."⁶⁷

An organisation seeking excellence in governance should have the following elements in its organisational culture:

- Support for frankness, honesty and questioning
- Innovation
- Effective management structures and practices
- Good communication

- Learning and feedback
- Ethical behaviour and codes of ethics and codes of conduct
- Effective induction programs⁶⁸

“Councillors should debate and determine issues openly and honestly. Staff members should be encouraged to provide frank and fearless advice to senior management. Senior management should provide similar advice to council and councillors.”⁶⁹

“If people are to have faith in those who govern and participate in the governance process, they must have trust that governments are acting for the common good. They need to believe that governance is characterised by honesty and integrity and that those in government will behave accordingly. These characteristics are in turn supported and affirmed by transparency in governance processes.”⁷⁰

“Codes of ethics and conduct must be owned and lived to be effective and meaningful. ... Once the codes are in place, leaders, whether councillors or staff, should be models of adhering to them in both practice and spirit.”⁷¹

A positive culture is important because:

- “It results in better decision making.
- High calibre people will want to work for such an organisation and stand for Council.
- Problems will be anticipated and averted.
- Innovation and creative thinking will be encouraged.
- Ethical and conduct issues will be recognised and addressed.”⁷²

Principle 2 - Roles and Relationships

Cooperation between the various elements in local government is very important. This cooperation needs to be, in part, based on an understanding and acceptance of their different roles. ... Councillors are responsible for strategy and policy, while administrations are responsible for advice, implementation and operations. This is a very valid role differential and is essential for local governments to govern effectively.”⁷³

“While each part of local government has its own role, each may also have a legitimate interest in the roles of another part. ... If either group does not have a legitimate means of providing input into important decisions which are the responsibility of the other, it will find other means of having a say. For example, councillors may go to the press and express their views on the management structure. This is very likely to be damaging to the council.”⁷⁴

Principle 3 - Decision Making and Management

“Effective decision making processes increase the likelihood that the decisions themselves will be in the best interests of the entire municipality. Good processes will also mean that the

decisions will be owned and that councillors, even though they are on the losing side of an issue, should not be able to find fault with the way in which the decision was made."⁷⁵

There are five stages in the decision making process⁷⁶:

- Agenda setting

"In the first stage of the decision making process council must determine which issues will be considered during the year or term. While some issues will be considered for statutory reasons, many others end up on the agenda because they are either council policies and priorities or issues that individual councillors have put forward for discussion. ... The processes for developing the council plan, annual plan and the annual budget are how councils anticipate the future, set directions and priorities, and determine what will and won't be done."⁷⁷

- Information gathering

"The second stage of the decision-making process involves compiling and preparing information for the councillors. This information will help councillors make an informed decision about each of the issues that have been put forward for consideration."⁷⁸ The main way this information is presented to Council is through a Council Report.

- Opinion formation

"The third stage of the decision-making process gives councillors the opportunity to form their opinions on the proposals before them. This stage allows them to debate the issues effectively in the council meeting as part of the decision making process. A key part of this stage is the council briefing."⁷⁹

- Decision making

"The fourth stage of the process is when councillors finally make the decision. This happens at formal council meetings as defined by the *Local Government Act 1989*."⁸⁰
"As it is impractical for every issue to go to a full council meeting, councils delegate many matters to special committees and council officers. This allows a council to use its formal meetings to deal with the most important and strategic decisions. The council cannot direct its delegate to make a decision in a particular way."⁸¹

- Implementation

"The final stage of the decision-making process is what occurs after the actual decision is made. There are two key elements to this stage. The first is working out how the administration will provide reports to council on the implementation of the decision. The second is telling constituents about the decision."⁸²

Planning and Governance

"Planning can be one of the most important and challenging area for councillors. Strategic land use planning is a vital part of how a municipality will develop now and into the future. Statutory planning decisions are complex and often controversial. They demand high levels of knowledge and understanding about the processes, the statutory requirements and the different roles that a councillor has to play."⁸³

"Councillors, sitting as council (or a council planning committee with delegated powers), are members of the Responsible Authority charged with making decisions in individual applications. These decisions are made according to the planning scheme and other relevant local policies. While there's scope for interpretation, the decisions are administrative (in judicial terminology) because they are based on a legislative framework. Councillors' individual opinions about a proposed development are only relevant in that they may impact on their interpretation of the legislation. Councillors must base their decisions on the legislative framework. This is also the basis for review of a council decision by the Victorian Civil Administration Tribunal.

Members of the community may lobby councilors about individual planning applications. These community members often expect their elected representative to act according to their wishes at all stages of the application process. Councillors may be in a position to ensure that the decision makers are aware of their constituents' views. However, their statutory obligations as members of the Responsible Authority, sometimes mean that they cannot act on these views. Community members may not understand that councillors are not always able to vote in favour of the constituents' position. They also may not understand that when a decision is inconsistent with the local planning requirements, it can be overturned by VCAT if the applicant appeals. Both of these situations can have negative political consequences for the councillor.

Councillors may become involved in the planning consultation process prior to the council making a decision on an application. The consultation process usually looks for common ground between the applicant and objectors. Ideally the process will result in a mutually acceptable proposal which can then go to council for approval and, if not, at least a narrowing of the points of difference.

In these circumstances, councillors (who often chair as well as participate in consultation meetings) are playing a mediating role, which is quite different to the roles of representative and decision maker.

It is therefore important that councillors understand what role they are playing when they participate in different stages of the planning process. While they're only required to

participate in the decision-making stage, if they do become involved in other stages of the process, they must be very clear about the role they are playing.

Their representative role means that there will be considerable pressure on them to engage with their constituents over applications which have generated local interest. Depending on the protocols that have been established between fellow councillors and the council administration, they are able to choose whether they attend, observe, participate in or chair consultation meetings. However they also need to be aware of the changing roles and how this might appear to their constituents.

Councillors should communicate with their constituents and other stakeholders about the requirements of these different roles. A useful approach for councillors can be to:

- explain what their role will be in the early stages of the process
- listen to the views of constituents
- consider the views of the applicant and objectors
- be mindful of those who, for whatever reason, have chosen not to make a representation on the planning application.

As the application proceeds to a decision, councillors move from what is essentially a listening and possibly mediating role, to focussing on the legislation and the rules that determine what can be legitimately considered in determining the application.

When participants and stakeholders understand how and why a councillor's role can change at different stages, the decision-making processes are more transparent and accountable."⁸⁴

Principle 4 - Accountability

"Excellence in governance is based on the premise that those who are involved in governance, both councillors and officers, are held to account for what they do. Accountability means holding the councillors and management of a local government responsible for its performance. The public trust placed in the public sector and in its councillors to act in the public interest can be justified in the manner in which their duties have been performed."⁸⁵

"Council decisions can involve complex financial and legal issues and some decisions may be controversial in the municipality or to sections of the community. It is important that each councillor actively participates in making decisions of council, including in setting strategic directions through the council plan. This also involves ensuring that they are informed and understand the issues involved in each decision made."⁸⁶

Performance Management

"The council is accountable for monitoring performance in the achievement of its strategic direction, goals and financial outcomes."⁸⁷

"A reporting system must be in place to provide the council with the necessary information to enable it to assess performance against the plan. It should be systematic and regular process that allows the Council to take action to rectify any issues that arise. Through this process, councils can properly address their accountability to their community."⁸⁸

"Key elements of a performance management system are"⁸⁹:

- Clearly established goals or objectives
- Standards and measures
- A process by which the performance is assessed
- A process by which agreed action arising from performance assessment is reported

"An important expression of a local government's accountability to its stakeholders is the extent to which it makes itself aware of stakeholders' opinions on matters that affect them."⁹⁰

"The decisions which have to be made by local governments are complex and it is unlikely that a decision will meet the approval of all stakeholders. However, if all stakeholders feel that consultation has been adequate, there is less scope for disagreement after the decision has been made."⁹¹

"Accountability does not mean that councils are required to follow the majority opinion which emerges from the consultation process. Their accountability to their community is achieved by making themselves aware of the opinions of stakeholders before a decision is made."⁹²

Section 2 – Current Council Performance

Performance Data

Community Satisfaction Surveys⁹³

The results of the 2015 Community Satisfaction Survey show that satisfaction with governance and decision making at Council has decreased. The satisfaction rates were low in 2012, increased in 2013 and 2014 but have decreased again in 2015.

| Performance Measures | 2012 | 2013 | 2014 | 2015 |
|----------------------------|------|------|------|------|
| Community Consultation | 48 | 55 | 57 | 50 |
| Advocacy | 49 | 53 | 57 | 49 |
| Making Community Decisions | - | - | 52 | 44 |
| Informing the Community | 54 | 60 | 61 | 54 |

Local Government Performance Reporting Framework 2014/2015⁹⁴

There is no trend data available with the 2015 results of the Local Government Performance Reporting Framework (LGPRF) as it is the first year that these indicators have been reported on. However the data is comparable across similar councils (large rural shire) and all Victorian Councils.

Southern Grampians Shire Council has a significantly higher amount of Council Reports which are heard in closed council as opposed to both similar councils and all councils. Council also performs lower than both similar councils and all councils in relation to the performance measures from the 2015 Community Satisfaction Survey in relation to community consultation and making community decisions.

| Indicators | Southern Grampians | Similar Councils | All Councils |
|---|--------------------|------------------|--------------|
| Council decisions made at Meetings closed to the public | 31% | 13.81% | 12.28% |
| Community Satisfaction with community consultation and engagement | 50 | 53 | 56 |
| Community Satisfaction with council decisions | 44 | 51 | 55 |

Hamilton Regional Business Association Report

In 2015 the Hamilton Regional Business Association (HRBA) hired Neil Armstrong & Partners to conduct a Review into improving the relationship between Southern Grampians Shire Council and the business community in Hamilton.

Those who were interviewed as part of this Review were critical of the performance of Council. They raised the following issues⁹⁵:

- The Council lacks leadership at the elected level.
- The current Councillors are a divided group.
- The administration has too much power.
- The Council produces many reports on how best to move forward, but nothing ever gets done.
- The CEO is not very accessible.
- Public works and infrastructure are a mess.
- The Council wastes money and rarely achieves anything worthwhile.
- There are too many staff employed.

Although these comments are based on verbal interviews and were not all supported by factual evidence they are still important insight into how the Council is perceived by its community⁹⁶.

The authors of the Review also noted that the relationship between the business community and Council "could be best described as average."⁹⁷ They also noted that the business community understands little about the role of local government and its legislative and regulatory requirements.⁹⁸

The Review suggests that the relationship between the business community and Council could be improved by the development of a communications strategy and a "debunking of myths and rumours."⁹⁹

The Review also found that there are many unrealistic expectations about local government. "The predominant view expressed by quite a number of people at interview was that Council's performance was poor and they were not in touch with community needs."¹⁰⁰

Community Feedback - Local Government Act Review 2015

In 2015 Council prepared a submission in response to the Discussion Paper on the review of the Local Government Act 1989.

Southern Grampians Shire Council welcomed community feedback in relation to the review of the Act. This feedback was sought in a number of ways:

- A media release was published by the local newspaper in Hamilton, Victoria inviting submissions from the community;
- Several challenging questions were published on Council's Facebook page and the online forum Our Say to generate discussion;
- Postcards which included details of the review and submission process were handed out to the community, available at local businesses and Council's offices.

The following feedback was received:

- Facebook, and other forms of social media, should be utilised more by Council as a communication tool. Relying on the local newspaper and council website is no longer sufficient.
- The community would like to see more 'good news stories' from across the region and more promotion of the great opportunities available.
- Councillors should be available via email and phone for the community to discuss concerns with councillors.
- Frustration as to the lack of community representation on the current Council. Also comments about the current time and format of Council Meetings which makes it hard for a number of people in the municipality to nominate to be a councillor. People in full time employment without flexible employment conditions would not be able to attend the current briefing and meeting times.
- Frustration about the limited contact, particularly face to face, between the councilors and the community. Although it was acknowledged that councilors attend civic functions, more informal contact was sought.
- Confusion and lack of information as to the maintenance of VicRoads owned roads.
- Transparency is essential for the community to trust the Council.
- More partnerships between Council and the community to generate and action ideas to grow our community.
- A column in the Spectator detailing the decisions made at Council Meetings would help to spread that information to more of the community and would discourage rumours.
- Improve transparency by holding more public forums.
- Transparency involves little, or no closed council meetings.

Staff Satisfaction Survey 2014

| Most Important Factors | Mean* | Highest Performing Factors | Mean* | Lowest Performing Factors | Mean* | Largest Gaps between Importance and Performance | Mean* |
|--|-------|---|-------|---|-------|---|-------|
| Providing a safe work environment | 6.51 | I am treated fairly by my manager | 5.38 | Providing incentives and rewards | 3.04 | Valuing employees at Southern Grampians Council | 3.02 |
| Balancing work and life demands | 6.48 | Providing a safe work environment | 5.37 | Valuing employees at Southern Grampians Council | 3.45 | Keeping skilled employees | 2.86 |
| I am treated fairly by my manager | 6.47 | Health and safety being a top priority when I am performing my job responsibilities | 5.36 | Trust among people in Southern Grampians Council | 3.52 | Providing incentives and rewards | 2.83 |
| Valuing employees at Southern Grampians Council | 6.47 | It is easy for me to talk with my manager when things go wrong | 5.28 | Demonstration of leadership by the CEO and Directors | 3.57 | Trust among people in Southern Grampians Council | 2.71 |
| Working as a team in my work area | 6.46 | My immediate supervisor showing interest in the health and safety of the employees in my area | 5.28 | Keeping skilled employees | 3.59 | Demonstration of leadership by the CEO and Directors | 2.65 |
| Keeping skilled employees | 6.44 | My manager demonstrates commitment to quality service | 5.14 | Change led by the CEO and Directors | 3.62 | Cooperating across work areas | 2.52 |
| Providing for the health and wellbeing of employees | 6.40 | Access to technology e.g. Intranet, Email, Internet | 5.08 | Being internationally and nationally recognized | 3.62 | Change led by the CEO and Directors | 2.40 |
| It is easy for me to talk with my manager when things go wrong | 6.40 | Friendliness of Council staff | 4.96 | Cooperating across work areas | 3.63 | Having the resources to achieve my work area's goals | 2.33 |
| Being satisfied in my job | 6.39 | I feel comfortable to voice my suggestions and opinions to my manager/supervisor | 4.90 | Understanding why Southern Grampians Council makes changes | 3.69 | Being listened to by the CEO and Directors | 2.23 |
| Having the person to whom I report listen and respond to me | 6.33 | Producing or delivering quality products and services in my work area | 4.88 | Being listened to by the CEO and Directors | 3.71 | Encouraging innovation | 2.16 |

*This score is on a scale of 1 to 7.

The above summary of results of the 2014 Staff Satisfaction Survey highlight some areas of dissatisfaction staff had with the organization.

Included in the lowest performing factors are:

- Trust among people at Southern Grampians Shire Council;
- Demonstration of leadership by the CEO and Directors;
- Change led by the CEO and Directors; and
- Being listened to by the CEO and Directors.

These factors are also some of the factors with the largest gap between importance and performance.

The results of the 2014 Staff Satisfaction survey highlighted that leadership, communication and transparency were concerns among staff. The next Staff Satisfaction Survey will take place in early 2016.

CEO Performance Management

In 2015 there was an investigation into the management expertise and practices of Council's CEO. This investigation, and the allegations raised within, was not expected by Council and no sign of this had been detected through Council's current performance management process with the CEO.

Summary of Issues

The above data, community feedback and perceptions point to a need for improvement in the four principles of governance excellence.

Principle 1 - Culture and Vision

Key Issues – Leadership and Communication

- The community perceives that the administration has too much power.
- Improve transparency by holding more public forums.
- Low satisfaction with community engagement.
- Low satisfaction with advocacy.
- Low satisfaction with the Council informing the community.
- Public works and infrastructure are a mess.
- The Council wastes money and rarely achieves anything worthwhile.
- Facebook, and other social media, should be utilised more.
- Confusion and lack of information as to the maintenance of VicRoads owned roads.
- Low satisfaction from staff with the leadership demonstrated by the CEO and Directors.

Principle 2 - Roles and Relationships

Key Issue – Lack of understanding about Roles in local government

- Councillors should be more accessible.
- There are too many staff employed by Council.
- Inadequate performance management of CEO.

Principle 3 - Decision-making and Management

Key Issue - Transparency

- Too many Council Reports being decided upon in closed council.
- The community perceives that the administration has too much power.
- Improve transparency by holding more public forums.
- Low satisfaction with the level of trust among staff at Council.

Principle 4 - Accountability

Key Issue – Performance Management

- The community perceives that many reports are produced but are not followed through.
- The Council produces many reports on how best to move forward, but never gets anything done.

Section 3 – Current Processes & Recommendations

Principle 1 – Culture and Vision

Key Issue – Leadership and Communication

Community Engagement

The findings in the 2015 Community Satisfaction Survey, the feedback provided through the Review coordinated by HRBA and the feedback from the community in relation to the Local Government Act Review highlight that the community is not satisfied with the engagement and communication between Council and the community.

A Strategic Communications Group was formed in late 2015. This Group will be developing a strategic plan for communications and community engagement and reviewing the effectiveness of communication methods.

The software system, Interplan, in which we maintain our data for reporting on the Council Plan will be utilized more in the future to maintain the data for all of Council's reporting. Interplan has a public interface which can integrate with Council's website. This would allow the public to access Council's reporting information at any time, without having to wait for this information to be made publically available.

During the community consultation in relation to the Local Government Act Review a suggestion was received that Council publish a monthly column in the Hamilton Spectator which detailed the resolutions of Council made at its monthly Meeting. Such a column could be utilized to communicate other information to the community as well. This information could also be published on Council's website and facebook page. This would increase the awareness of Council's decisions and in turn increase transparency.

Recommendations

1. That the Strategic Communications Group update Council's Community Engagement Policy and Guidelines which were last updated in 2010.
2. That the Strategic Communications Group review the effectiveness of different methods of communicating with the community and develop a strategy for Council to improve its communication.
3. That the Strategic Communications Group review the information that Council is currently communicating to the community and ascertain whether the correct

information is being communicated, and if not, what needs to be communicated to the public. As part of this review research be done into whether publishing the resolution made at Council Meeting, other than just in the Meeting Minutes, would be a beneficial way to communicate this information to the public.

4. That research be conducted as to whether the public interface of Interplan would be a beneficial communication tool for Council to include on its public website.

Communication between the Administration and Council

There is currently no regular communication between the Administration and Council outside of the Briefing Sessions and Council Meetings.

To improve the communication between the Administration and the Council it is proposed that a review be conducted of the information that is currently provided to Council and what, if any, additional information is required.

One option is that a regular bulletin be introduced. This bulletin will allow Councillors to receive information more regularly. This bulletin will not only improve communication and information sharing but will also make the Council Briefings and Meetings more efficient.

There is a lot of content that could be included in a regular bulletin. Some information that could be removed from the briefings, meetings and current all Councillors emails could include:

- The Items for Information currently in the Council Meeting Agenda;
 - Temporary Road Closures and Street Processions;
 - Liquor Control Act Referrals;
 - Tenders Accepted by the Chief Executive Officer under Delegated Authority;
 - Planning Report;
 - Building Services Report.
- Service Plans;
- Training opportunities;
- Human Resource Information;
- Changes to legislation;
- Project updates;
- Grants and funding.

The Items for Information, as they currently are in the Council Meeting Agenda, do not add any value to either the reporting from the Administration to Council, or the communication between Council and the community.

Adding in a list of 'Temporary Road Closures and Street Processions' after the events have occurred does not provide Council or the community with valuable information and creates more work for the Administration.

Liquor Control Act Referrals, the Planning Report and the Building Report should not be reported to Council as an Item for Information tucked away in the back of the Council Meeting Agenda. If it is required that this information be reported to Council then it should be done so quarterly through a detailed Council Report.

The 'Tenders Accepted by the Chief Executive Officer under Delegated Authority' information could be replaced with a list of all tenders that have been accepted, by any staff or the Council, so that Council can have a full picture of all the tenders entered into by the organization. This should be done through the regular bulletin to Council. It would also be beneficial to make this information available to the public. This could be done through making the regular bulletin to Council public, or publishing this information on the Procurement section of Council's website.

Reporting on the Assemblies of Councillors at Council Meetings is a legislative requirement. This would become a regular Council Report, rather than a note in the Items for Information section and an attachment. This would ensure greater communication to the public of the Assemblies of Councillors.

Recommendations

1. That a regular bulletin be introduced to improve communication and information sharing between the Administration and Councillors. The bulletin will be trialed for 6 months to see if it is beneficial and providing the right information to Councillors.
2. That the Items for Information currently in the Council Meeting Agenda being:
 - a. Temporary Road Closures and Street Processions;
 - b. Liquor Control Act Referrals;
 - c. Tenders Accepted by the Chief Executive Officer under Delegated Authority;
 - d. Planning Report; and
 - e. Building Services Report.

be removed from the Council Meeting Agenda and either included in the regular bulletin or a detailed Council Report instead.

Communication with the Media and Public

"A unique feature of local government is that all decisions are taken in the name of the whole council. Councillors are bound by the council decision, regardless of whether they were in favour of it or not. This is how councillors' accountability to the council works.

The councillors' role means that they are also accountable to their constituents who may have voted for them on the basis of a pledge to achieve a particular outcome. When a council decision contradicts a promise made by a councillor during an election, they need to be able to indicate to their constituents that they did not agree with the decision.

If this needs to be done, it should be done in such a way that it doesn't undermine the council decision. The councillor should focus on the content of the decision rather than resorting to inflammatory statements which can be both destructive and undermining. For example, stating that 'the council has done X, even though I support Y' is preferable to saying 'the council has done X because they don't care about the community'."¹⁰¹

When a community is presented mixed messages from its elected representatives it undermines the Council's decision making processes. One consistent message should be given to the community informing them of the decision that was made and how it was made. When several messages are communicated in relation to a decision the community can get confused and lack confidence about the decision making processes.

Council's Councillor Code of Conduct section 10 outlines the requirement for communication between Councillors, the community and the media. The section is detailed below:

10. Communication

As representatives of the community, we have a primary responsibility to be responsive to community views and to adequately communicate the attitudes and decisions of Council.

We will endeavour to ensure that the messages communicated through the media are clear and consistent, and positively portray the Council as a decisive and responsible governing body.

10.1 The Mayor will provide official comment to the media on behalf of Council where the matter is of a political, controversial or sensitive nature. This includes:

10.1.1 State-wide political issues affecting Local Government

- 10.1.2 Contentious local issues that impact the community that do not relate directly to the business of Council but to the representation of the community
- 10.1.3 Issues pertaining to policy and Council decisions
- 10.1.4 Issues relating to the strategic direction of the Council.
- 10.1.5 The Mayor may nominate a Councillor Delegate or another councillor to make official comment on behalf of the Council, where appropriate.
- 10.2 The CEO is the official spokesperson for all operational matters pertaining to the Southern Grampians Shire Council as an organisation including:
 - 10.2.1 Staffing and structure of the organisation
 - 10.2.2 Corporate issues relating to service provision or the day-to-day business of Council.
 - 10.2.3 The CEO may nominate a Council officer spokesperson if appropriate.
- 10.3 As individual councillors we are entitled to express independent views through the media, however we will make it clear that any unofficial comment is a personal view, and does not represent the position of the Council as a whole.

Recommendation

1. To help improve the transparency of decision making and ensure one consistent message is communicated to the community, the Mayor continue to provide official comment to the media on behalf of Council where the matter is of a political, controversial or sensitive nature.

Councillor Code of Conduct

In 2015 section 3(1) of the Act was amended to include new definitions in relation to Councillor conduct.

“These reforms create a hierarchy for management of councillor conduct issues, with:

- councils dealing with breaches of councillor conduct codes
- Panels dealing with the majority of cases
- VCAT dealing with exceptional cases.”¹⁰²

These new definitions and responsible authority are detailed below:

| Degree of Seriousness | Definition | Responsible Authority |
|--|--|-----------------------|
| Conduct inconsistent with standards Council has set itself | Breaches of Councillor Codes of Conduct | Council |
| Misconduct | Failing to comply with a council’s internal resolution procedure, including failure to abide by any decision of council in relation to a breach of the code and repeated breaches of councillor conduct principles | Panel |
| Serious Misconduct | Failing to comply with panel processes, bullying, improperly directing staff, releasing confidential information and repeated misconduct | Panel |
| Gross Misconduct | Behaviour that demonstrates a lack of character to be a councillor | VCAT |

“Bullying which is a form of serious misconduct is defined as repeated unreasonable behaviour that creates a risk to the health and safety of another councillor or a member of council staff. This is consistent with the definition of bullying used in the Fair Work Act 2009 and by WorkSafe.

The new hierarchy for management of councillor conduct issues is designed to:

- reinforce the responsibility and authority of councils to manage breaches of agreed conduct through a mandatory internal resolution procedure
- only escalate management of misconduct and serious misconduct to panels when councils cannot resolve the matter internally
- give panels greater powers to manage and resolve misconduct and serious misconduct
- retain the capacity to manage gross misconduct through VCAT.”¹⁰³

Supporting Council Management of Councillor Behaviour

"Until now, councils have had little capacity to manage and resolve issues arising from poor conduct by individual councillors. Councils now have a clear role in doing so through establishing and creating a compliance mechanism to achieve adherence to their own code of conduct. The Act now provides for an independent arbitration process, mechanisms for resolution and sanctions which councils can apply to address any failure to meet code standards."¹⁰⁴

Section 63 of the Act was proclaimed on 1 March 2016 to add the additional requirement that a person is not capable of being a Councillor until the person has read the Councillor Code of Conduct and made a declaration that they will abide by it.¹⁰⁵

"A council must review and make any necessary amendments to their councillor code of conduct within four months after these new requirements in the Act come into effect and within four months after a general election. This must be done by calling a special meeting solely for the purpose of reviewing the councillor code of conduct.

The councillor code of conduct is no longer required to include councillor conduct principles. This is because the principles are in the Act and as such councillors are already required to adhere to them.

Within one month of any amendment being made to a councillor code of conduct, all councillors must make a declaration stating that they will abide by the revised councillor code of conduct. Again this declaration must be signed and witnessed by the CEO."¹⁰⁶

Internal resolution procedure

"Councils are now required to have in place an internal resolution procedure to address conduct that is in breach of the councillor code of conduct. The internal resolution processes must make clear how allegations of breaches of the code of conduct are to be handled. This gives councils significantly greater authority to shape and enforce acceptable standards of conduct by their councillors. ...

It is critical that when allegations of poor conduct are levelled against a councillor that these are fairly tested. Accordingly, the internal resolution procedure must include an independent arbiter who is able to consider alleged violations of the code of conduct and make final determinations on them fairly and without bias. Persons subject to allegations must be given an opportunity to be heard. Decisions by the arbiter must be supported by written reasons."¹⁰⁷

Sanctions for breaches of the code

Section 81AB was proclaimed on 1 March 2016 and will allow Councils to impose sanctions if it is found a Councillor has contravened the Councillor Code of Conduct.

“These must be voted on by council as a whole and they may include:

- Requiring an apology.
- Suspension from up to two council meetings.
- Direction that they not attend or chair an advisory or special committee for up to two months.
- Direction that they be removed from a position where they represent council for up to two months. These sanctions are aimed at ensuring councillors know the consequences of their actions in breaching the standards of behaviour that they, as councillors, have adopted. The sanction framework is designed to assist councils assume responsibility for resolving behavioural and conduct issues occurring within the council.”¹⁰⁸

Recommendation

1. That Council update its Councillor Code of Conduct by no later than 30 June 2016.

Principle 2 - Roles and Relationships

Key Issue - Lack of understanding about Roles in local government

CEO Performance Review

One complexity that arises in the relationship between the Administration and the Council is the responsibility of the Council to appoint the CEO and regularly review their performance. The CEO is responsible for supporting the Council in their decision making, implementing Council decisions and the day-to-day management of the organization¹⁰⁹. As the Council employs the CEO, the CEO is also accountable to Council for the performance of the organization, which is reflect or his or her management performance.

"Setting goals and expectations for the CEO is very important: if they are communicated and agreed upon, they are more likely to be met. Ongoing communication and feedback between the CEO and the council will assist this process."¹¹⁰

The Council is responsible for conducting annual performance reviews of the CEO. These reviews should inform Council of any issues in a timely manner so that the CEO's performance can be improved. The expectations of the CEO and the Key Performance Indicators (KPI's) should be developed in a clear and measurable way, communicated to the CEO and agreed upon. This will help to ensure problems do not occur, or if they do, they are clear and can be quickly remedied.

Many councils engage external expertise to assist, not only with appointing the CEO and developing the initial KPI's, but with the annual review process¹¹¹. This assists councils is objectively and effectually reviewing the performance of the CEO, developing new KPI's and discussing any issues.

Another beneficial review practice is that of 360 performance reviews. A 360 performance review includes feedback on an employee, not just from their manager, but from their subordinates, peers and includes a self-evaluation. This can provide an employer with valuable insight into the management and leadership skills of employees.

Recommendations

1. That Council consider engaging external expertise to assist with the Annual Review and development of new KPI's for its CEO.
2. That Council ensure that the Annual Review of the CEO is objective, inclusive and meaningful, with detailed information collected in relation to the performance against KPI's.
3. That Council utilize 360 performance reviews for its CEO to ensure appropriate performance and identify concerns before they become major issues.

Principle 3 - Decision Making and Management

Key Issue - Transparency

Briefing Sessions

"Briefings are information sessions involving councillors and senior officers in the administration. These sessions ensure that councillors are well informed and in the best possible position to debate the issues effectively once they're at a council meeting. Briefings can happen at various stages in the process leading up to the council meeting.

Briefings help councillors determine whether they have enough information and advice to help them form an opinion about the matters in question. These meetings are generally held in private so that councillors are able to openly question council officers about the information they have been given, seek further information and float ideas.

Briefings should not feature debates and councillors taking a collective position on issues. The appropriate place for this to occur is in the council meeting. In briefing sessions there is generally a one-way information flow from the administration to councilors who will ask questions and identify information shortfalls. Some councils have their Chief Executive Officers chairing briefings so that every councillor has the opportunity to identify and meet their information requirements."¹¹²

Southern Grampians Shire Council current conducts briefing sessions on the last Wednesday of the month. These briefing sessions are an average of 6 hours and 10 minutes each. Additional briefing sessions are held the day of the Council Meetings for an average of 3.5 hours.

Previously Council had been utilizing its briefings to work through the draft Council Meeting agenda in detail. In these sessions Councillors were able to fully discuss all key issues in relation to the Council Report's and form a consensus position on these issues. There was then often little or no debate at the Council Meeting as the Councillors had already discussed the matter.

The problem with this approach is that "when a council uses briefings to discuss key issues and reach consensus, the decision-making process is no longer open and transparent."¹¹³ As discussed above briefings should be used to provide Councillors with information on issues, not for the Councillors to debate the issues. If debate is not occurring in the Council Meetings then the decision making process is not open and transparent.

"How to tackle this situation:

- Councillors and the administration should understand and agree on the role of briefings in the decision-making process.
- The administration should provide information to councillors in briefings.
- Councillors should ask questions in briefings to satisfy themselves that they have sufficient information to form an opinion on the issues in question.
- Councils might consider whether the Chief Executive Officer should chair the briefings so that every councilor has the opportunity to clarify information and ask questions."¹¹⁴

Recommendations

1. To continue the process of not bringing Council Reports to briefings and instead having the relevant officer outline the key issues to Councillors. Questions for clarification or requests seeking more information, so that a fully informed decision can be made, are welcome from the Councillors but discussions about whether an item will be supported or not will be prohibited. Having all debate in the Chambers ensures transparency of the decisions, and decision making processes, of Council.
2. Have the CEO chair the Briefing Sessions instead of the Mayor. This removes the responsibility of chairing the meeting from the Mayor and allows them to be more involved in presentation and discussions. The CEO then has the responsibility of ensuring that no debate has taken place and that Councillors have been provided with enough information to make an informed decision at the next Council Meeting.
3. That the timeframes in the Briefing Agenda be realistic and adhered to. Currently some presentations later in the day when the briefing is behind schedule can be rushed. Councillors are not able to be fully informed about an issue if they have not had appropriate time to hear a presentation and ask questions. It is also unfair on presenters if they are rushed or delayed. They can feel that their issues are not as important or valued as others and may question the decision making processes of Council and the ultimate decision in relation to their issue.
4. That all material be available for Councillors no later than the Friday before the Briefing Session or Council Meeting to allow sufficient time for Councillors to peruse the documents.
5. A review be undertaken about what information Councillors need to be provided to make informed decisions. This will include a review of the items on the Briefing

Agenda, Council Agenda, the Council Report format and the introduction of a weekly bulletin to Councillors. Some of these issues are discussed at other places in this Paper.

Council Reports

“The council report is the way of providing councillors with advice and information. These are prepared by the council administration and should contain relevant data, issues and options which help councillors to consider the matter at hand and make a decision. The report should be well written, clear and concise.

The advice contained in the reports needs to be well researched and accurate. It should provide factual information and include policy, financial and other implications, as well as state which consultative processes have occurred or are planned for the future.

The advice shouldn't be biased or deliberately oriented to the political views of the council officers who are writing the report or the councillors who are reading it. It should nonetheless be mindful of the political environment in which the council is operating and recognise that many council decisions have political implications.”¹¹⁵

The 'Good Governance Guide' developed by Local Government Victoria recommends the following headings as best practice. ¹¹⁶While individual local governments should structure their reports to best serve their specific needs, it is useful to include the following elements:

- Author
- Purpose
- Policy implications
- Background
- Issues
- Financial and resources implications
- Internal/external consultation
- Options
- Conclusion

Recommendations

1. To improve the transparency of Council's decision making Council Reports need to be clear and concise. They also need to have relevant headings and contain standard information to ensure like decisions are made with like information.

The current headings contained in the Council Report should be reviewed. There is some overlap and confusion in relation to what information is required and where it should be reported. A draft Council Report – Decision Making template has been prepared and is available at Appendix 1 of this Paper. A draft Council Report –

Performance Reporting template has been developed and is available at Appendix 2 of this Paper.

The draft template contains not only recommendations in relation to what the headings of the Report should be but detailed prompts for staff to ensure the same information is included in every Report that goes to a Council Meeting. It also contains the research that was done to ascertain what headings are required.

A limit on the number of pages is also needed. Where additional information is required outside this limit it can be included as an attachment, but the report should be concise and written as a stand-alone document. It is suggested that the limit of Council Reports should be 4 pages. Having clear and concise Council Reports increases the likelihood of the community reading and absorbing the information in the Report. With more information provided and absorbed by the community, Council's decisions can be more fully understood.

2. To further improve Council's decision making Council Report summaries should be written so that they are stand-alone sections of the Report which are the only section of the Report read out in the Council Meeting. Reading only the summary of the Council Report would provide time efficiencies in Council Meetings. This would allow the focus of the meeting to be on the debate, not the contents of the Report.
3. The process in relation to the drafting of reports needs to be re-communicated to staff and those time frames enforced by the Chief Executive Officer. This allows the Council Meetings Agenda to be produced as soon as practicable and made available to the public promptly. The community can then access the Agenda online and attend the Council Meeting if interested.
4. In order to improve the communication between the community and the Councillors as to what delegated meetings, training and functions have been attended by Councillors each month this information should be detailed in a Council Report, rather than reported verbally at Council Meetings. This would allow Councillors to provide detailed information about all of their official activities, not just those that relate to their delegated committees to the community and streamline the Council Meeting Agenda. Paper and Minutes do not reflect discussion.
5. A template for Councillors to report on their activities needs to be developed before this change can be implemented.
6. A template be developed for Councillor Notices of Motion.

Section 89 - Confidential Council Reports

"Council meetings are open to the public. There are, however, certain circumstances which are described in Section 89 (2) of the Act, when a council meeting may be closed. This should be avoided when possible to preserve transparency and accountability – the key aspects of good governance.

Meetings should be conducted in a way that clearly reinforces the reason why they are open to the public. That is, council meetings allow the public to be informed and, where appropriate, involved in the government of their community."¹¹⁷

Section 89(2) of the Act states that¹¹⁸:

2. A Council or special committee may resolve that the meeting be closed to members of the public if the meeting is discussing any of the following—
 - a) personnel matters;
 - b) the personal hardship of any resident or ratepayer;
 - c) industrial matters;
 - d) contractual matters;
 - e) proposed developments;
 - f) legal advice;
 - g) matters affecting the security of Council property;
 - h) any other matter which the Council or special committee considers would prejudice the Council or any person;
 - i) a resolution to close the meeting to members of the public.

The majority of Reports that Council currently deals with in closed council are Reports in relation to Tenders. This means that the public does not have a chance to hear any debate in relation to these Reports. By not communicating the information upon which a decision is based on Council's decision making process is unclear to the public and unsuccessful tenderers. It also makes it difficult to give appropriate feedback to unsuccessful tenderers, as the evaluation of tenders is confidential.

Reports in relation to the CEO employment contract and any annual reviews should also be public. This ensures that the Council is accountable to the community for the financial and performance implications of the CEO's performance.

There are also issues in relation to having the Minutes of tenders confidential. Section 93 of the Act states that Minutes of a Council Meeting must¹¹⁹:

- a) contain details of the proceedings and resolutions made;
- b) be clearly expressed;
- c) be self-explanatory;
- d) in relation to resolutions recorded in the minutes, incorporate relevant reports or a summary of the relevant reports considered in the decision making process.

Currently Council is not complying with section 93(6)(d) as the Minutes do not contain information in relation to any tender reports. They merely contain the name of the Report and that it was considered in closed council.

It is inappropriate to make a Report confidential under section 89(2) of the Act because it is more convenient, may save embarrassment to the Council, or contains bad news. All matters should be debated in open council where possible. Section 89(2) of the Act should only be utilized where the subject of the Report would be genuinely prejudiced if the Report was made public.

Recommendations

1. That Council aim to have no Council Reports heard in closed council. The preference would be that all Council Reports are written in such a way that they can be included in the public Agenda. If required additional information could be provided to Councillors in a confidential attachment, and/or the matter can be discussed in closed council but move back into open council before making a decision. Having as many Reports as possible public will increase the transparency of Council's decision making process as the community has access to the Council Report and Minutes. This in turn will build public trust in Council's decision making processes.
2. To assist recommendation 1 guidelines need to be developed in relation to whether a Report can be presented to Council as a confidential item. Council's practice should be to make a Report public unless it can be shown that confidentiality is absolutely necessary.
3. All Reports in relation to Tenders should be dealt with in open council. This would improve community and contractor confidence in Council's decision making and allow Council to easily communicate the results of Tenders through the Council Meeting Minutes.

Before this change could be made the Council's Tendering Conditions would need to be altered to communicate to tenderers which information in their tender submission would be made public.

If information is required in order to make a fully informed decision in relation to a tender which would prejudice a tenderer if it was made public this information could be provided to Councillors in a confidential attachment, with the bulk of the information relating to price and evaluation in the public report.

Printing of Agendas

Currently copies of Council Briefing and Meeting Agendas, including all attachments, are being provided to Councillors and staff in hard copy. This is not only a huge cost to the organization, but it is not an environmentally responsible practice. It is also a risk to Council if confidential documents are accessed by the community.

There are many advantages of accessing Agenda and documents on electronic devices rather than printing hard copies such as¹²⁰:

- Cost savings in relation to the printing and recycling of papers;
- Environmental considerations attached to the diminished use of paper;
- Improved security:
 - If an electronic device is lost, so long as it is password-protected, the documents are less able to be accessed by unauthorised third parties, whereas hard copy documents can be left in a place where they can be read by any person who finds them.
 - If appropriate software is installed, sensitive material held on a tablet can be remotely deleted, whereas Council has no control over whether hard copies are destroyed or stored appropriately.
- Ability to update papers subsequent to their issue and version control;
- Improved record keeping;
- Ease of searching past documents;
- Ease of access when travelling.

Recommendation

1. That a transition program be developed to reduce the printing of Council Briefing and Meetings Agendas and attachments. This program will be developed in consultation with individual Councillors to ensure they maintain hard copy access to the documents they require.

Principle 4 - Accountability

Key Issue - Performance Management

The role between Council and the Administration is often separated into strategic v operational. However, the relationship is much more complex than that. The Council is responsible for setting the direction of the Council, which directly influences the day-to day operations of the organsition. Council is responsible for developing and adopting:

- A Council Plan¹²¹;
- A Strategic Resource Plan¹²²; and
- A Long Term Financial Plan.

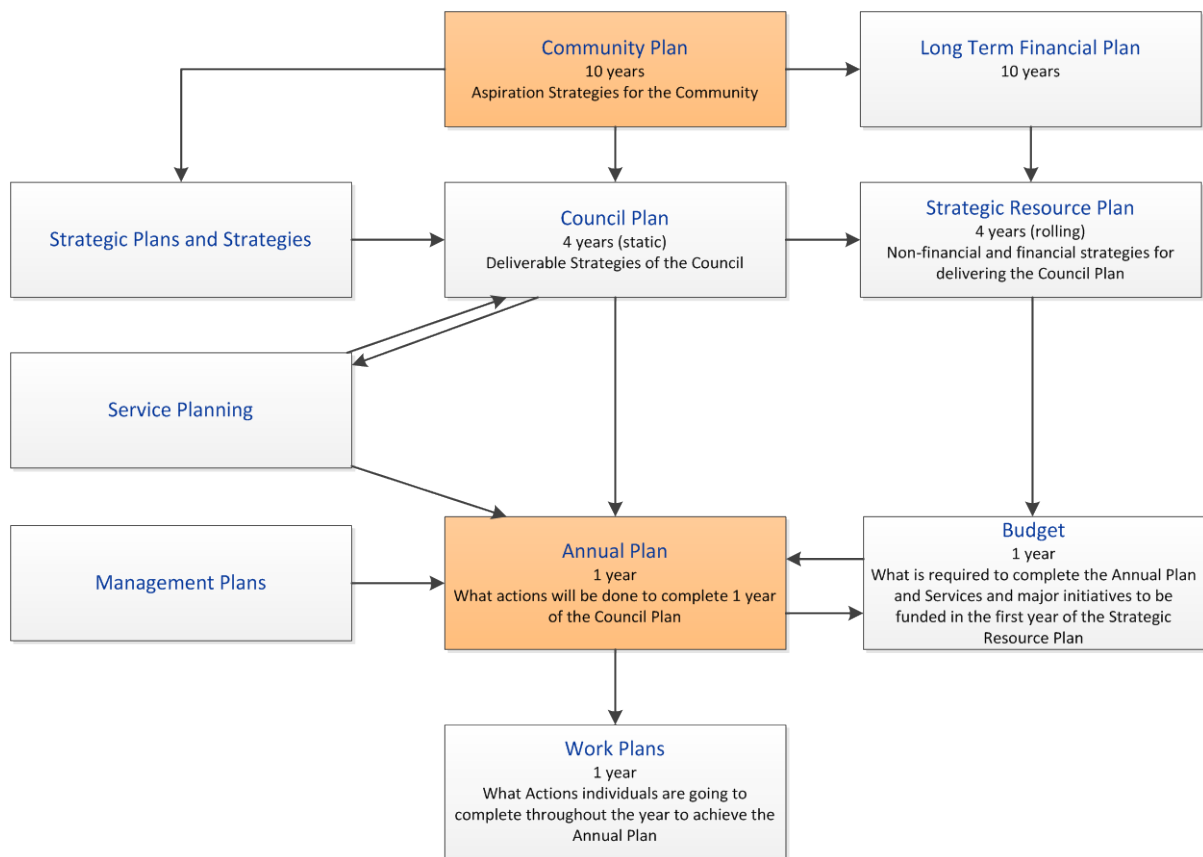
Practically this means Council must also consider what services it plans to deliver, the level of those services and what resources will be allocated to each service.

As detailed above "council is accountable for monitoring performance in the achievement of its strategic direction, goals and financial outcomes."¹²³

"Key elements of a performance management system are¹²⁴:

- Clearly established goals or objectives
- Standards and measures
- A process by which the performance is assessed
- A process by which agreed action arising from performance assessment is reported

Recent discussions have taken place in relation to Council's planning and reporting architecture. Although all Plans which were legislative requirements are in place, there were gaps in this architecture. Council's planning and reporting architecture is detailed below. The two Plans highlighted in orange are currently missing from this architecture.



An Annual Plan details what strategies and objectives of the Council Plan will be delivered in a financial year. An Annual Plan can go into more detail than a Council Plan and outline in a specific and measurable way what an organisation plans to achieve in a financial year. An Annual Plan captures more information than an Annual Budget by capturing any goals or objectives of an organisation which are not reflected in the budget, such as projects which are being completed in house.

Development of an Annual Plan for 15/16 has commenced. This Plan is very simple and was designed to capture the major initiatives of the organisation which are not captured in the 15/16 Annual Budget. A more detailed Annual Plan, with measurable goals and objectives, is currently being developed for the 16/17 financial year and will be presented to Council along with the draft budget.

Currently a report is presented to Council once a quarter at its Briefing Session in relation to the organisation's performance against its Council Plan. Once the 16/17 Annual Plan is finalised reports will be presented to Council once a quarter, through a public Council Report, against its Annual Plan instead. Reporting against the Council Plan will occur annually through the Annual Report. This will allow Council to receive more relevant and measurable

information about how the organisation is performing. This in turn allows Council an opportunity to raise concerns about performance in a timely manner.

Further to the Council Plan quarterly report, Financial Reports are presented to Council through the Council Meetings once a quarter for the first six months of the year, and then each month thereafter. A Detailed Capital Works Report is also presented to Council once a month in a Briefing Session.

Recommendations

1. That an Annual Plan be developed for each financial year which details the major projects to be undertaken by each service in that financial year including all items, not just those that are funded through the budget. This Plan will detail to both Council and the Community what priorities in the Council Plan are to be achieved in each financial year in a clear and measurable way.
2. Reports on the performance of the organization in relation to the Annual Plan will be presented to Council quarterly through a public Council Report. This reporting on the Annual Plan will replace the current reporting on the Council Plan. The Council Plan will be reported on annually through the Annual Report.
3. The Financial Reports will no longer be presented at Briefing Sessions. They will continue to be presented to Council through a public Council Report once a quarter for the first six months of the year, and then each month thereafter.
4. The Detailed Capital Works Report continue to be reported to Council Briefings once a month but also be reported through a public Council Report once a quarter.
5. That a review of the information contained in the Annual Plan, Financial and Capital Works Reports be undertaken to:
 - a. ensure that the information being provided to Council is sufficient;
 - b. how this information can best be communicated to the community;
 - c. what additional information is required by Council to ensure organisational performance.
6. That a review be undertaken of all Council's strategic plans to determine whether the plans are up to date and relevant and to determine how best these plans can be reported on to Council and the community.

7. All reports to Council in relation to performance management should be made publically available, through the Council Meeting process, so that the organization's performance, and Council's direction as to improving the performance if required, is open and transparent.

Appendix A

Council Report Template – Decision Making

GENERAL NOTES:

- **This template is not to be used for Procurement Reports – there is a template specifically for Procurement Reports which is available on the Procurement section of the Intranet.**
- Council Reports must be written in a neutral manner. They must contain facts only and should not be emotional or biased.
- When writing a report that deals with specific people, although their names can be mentioned, it is important to focus on the facts of the issue, not the people involved.
- Council Reports must be limited to 4 pages (not including any attachments).
- Font must be Arial size 11.
- Reports must be proof read with spelling and grammar correct before report is submitted for inclusion in the Agenda.
- Final Reports must be provided to the CEO's EA by no later than 5pm on the Wednesday before the Council Meeting. Any late Reports will not be included in the Agenda.

COUNCIL REPORT TEMPLATE:

NAME OF REPORT

Directorate: Shire ..., ***Name of Director***

Author: ***Name and Position***

Executive Summary

An executive summary is a section of a document that summarises the longer report in such a way that readers can rapidly become acquainted with a large body of material without having to read it all. It usually contains a brief statement of the problem or proposal covered in the major document(s), background information, concise analysis and main conclusions.

The Summary is the only section of the Council Report which is read out loud at the Council Meeting. It should be concise and sum up the issues and recommendations detailed in the report.

Conclude this section with the recommendations that are being made in the Report. The recommendations can be worded more informally in the Summary than in the Recommendation section of the Report.

Discussion

This section should answer the following questions and provide all the necessary information necessary for Council to adopt the recommendations.

- *How did the issue come to the attention of the organisation?*
- *What is the issue?*
- *What options are available?*
- *What is being recommended and why?*
- *What are the social and economic benefits/disadvantages to this recommendation?*

Financial and Resource Implications

- *What are the costs involved with the development of this Report? Monetary costs and resource implications.*
- *Will there be any legal or other specialist costs arising out of adoption of the recommendation? E.g. valuer or surveyor costs.*
- *Are there any financial risks in relation to recommendations made in this report?*
- *Has money been allocated in the budget to fund this project? Is there external funding?*
- *What is the resource implication if the recommendations in this report are adopted?*

Legislation, Council Plan and Policy Impacts

Relevant section of the Local Government Act 1989 should always be included. Any other Acts which are provided the power to make the decision or guidance as to how a decision is made must be included.

Relevant policies should be included where the process of this report going to Council is detailed in it, or the information in the policy forms the basis of the recommendation of this report.

Risk Management

What are the benefits/risks to:

- *The community?*
- *The parties involved?*
- *What other risks are there?*
- *Can any of the risks be mitigated? How?*

Environmental and Sustainability Considerations

Details need to be provided, where applicable, of any environmental and sustainability considerations. Will the adoption of the recommendations provided additional protections to the environment? Increase Council's sustainability? Reduce the utilisation of natural resources?

Community Consultation and Communication

This section should include any proposed community consultation or details of consultation that has already been completed.

If public notice is required, or has been completed in accordance with s 223 of the Local Government Act this should be noted.

Details of how the resolution of Council will be communicated after the Council Meeting need to be explained. How will this decision be communicated to:

- *The affected parties?*
- *The community?*
- *A government departments or Ministers?*

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

Recommendation

What do you need Council to resolve upon in order to progress to the next step in what you are trying to achieve? Be as detailed and as specific as possible.

If this is one report is a series of reports on the same issue note that a further report will come back to Council and when (specific date not required, but when in the process e.g. after public submission have been received.)

If you need a contract signed and sealed by Council this must be included in the recommendation. The seal cannot be applied unless Council has resolved to do so.

RESEARCH

Ballarat City Council

Report Heading

Division: *(Directorate)*

Director:

Author/Position:

1. Recommendation
2. Executive Summary
3. Rationale
4. Legislation, Council Plan, Strategies and Policy Impacts
5. Reporting and Compliance Statements
 - a. Human Rights
 - b. Social/Cultural
 - c. Environmental Sustainability
 - d. Economic
 - e. Financial/Resources
 - f. Implementation/Marketing
 - g. Evaluation and Review
6. Consultation
7. Officer's Declarations of Interest

Council Officers affirm that no direct or indirect interests need to be declared in relation to the matter of the Report.
8. Reference Documents
9. Attachments

Warrnambool City Council

Report Heading

1. Purpose
2. Executive Summary
3. Recommendations
4. Background
5. Issue
6. Community Impact/Consultation
7. Financial Impact
8. Environmental/Risk Impact
9. Next Steps

Glenelg Shire Council

Report Heading

Group Manager:

Author:

1. Executive Shire Summary
2. Background
3. Report
 - a. Council Plan Linkage and Policy Context
 - b. Legislative and Legal Considerations
 - c. Consultation and/or communication processes implemented or proposed
 - d. Risk Management
 - e. Resource Implications
 - f. Charter of Human Rights and Responsibilities
 - g. Sustainability and Environmental Considerations
 - h. Budget Implications
4. Conclusion
5. Officer Recommendation

Corangamite Shire Council

Report Heading

Author:

File No:

Previous Council Reference:

1. Declaration
Chief Executive Officer – Andrew Mason

In providing this advice to Council as the Chief Executive Officer, I have no interests to disclose in this report.

Author - Brooke Love

In providing this advice to Council as the Acting Director Works and Services, I have no interests to disclose in this report.

2. Summary
3. Introduction
4. Issues
5. Policy and Legislative Context
6. Internal/External Consultation
7. Financial and Resource Implications
8. Options
9. Conclusion
10. Recommendation

Darebin City Council

Report Heading

Author:

Reviewed By:

1. Summary
2. Consultation
3. Recommendation
4. Introduction and Background
5. Issues and Discussion
6. Policy Implications
 - a. Environmental Sustainability
 - b. Human Rights, Equity and Inclusion
 - c. Economic Development
7. Financial and Resource Implications
8. Conclusion
9. Future Actions
10. Disclosure of Interests

The Local Government Act 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

11. Related Documents

Appendix B

Council Report Template – Performance Reporting

GENERAL NOTES

- **This template is not to be used for Procurement Reports – there is a template specifically for Procurement Reports which is available on the Procurement section of the Intranet.**
- Council Reports must be written in a neutral manner. They must contain facts only and should not be emotional or biased.
- When writing a report that deals with specific people, although their names can be mentioned, it is important to focus on the facts of the issue, not the people involved.
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- Font must be Arial size 11.
- Reports must be proof read with spelling and grammar correct before report is submitted for inclusion in the Agenda.
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COUNCIL REPORT TEMPLATE

NAME OF REPORT

Directorate: Shire ..., *Name of Director*

Author: *Name and Position*

Executive Summary

An executive summary is a section of a document that summarises the longer report in such a way that readers can rapidly become acquainted with a large body of material without having to read it all. It usually contains a brief statement of the problem or proposal covered in the major document(s), background information, concise analysis and main conclusions.

The Summary is the only section of the Council Report which is read out loud at the Council Meeting. It should be concise and sum up the issues and recommendations detailed in the report.

Discussion

This section should detail the reporting that is coming before Council.

What is being reported on?

What is the data?

Are there any issues?

Are there any additional financial or risk matters the Councillors need to be aware of?

Legislation and Policies

Under what legislation is this reporting conducted? If not specific legislation is it in relation to a legislated requirement? E.g. The Detailed Capital Works Report would be related to the Council Plan and budget. Those sections of the Local Government Act 1989 should be included.

Is there a policy related to this reporting?

Disclosure of Interests

All Council Officers involved in the development and advice provided in this Report affirm that no direct or indirect interests need to be declared in relation to any matters in this Report.

Recommendation

*For performance reporting the recommendation will generally be "That the *report name* be received".*

If there are additional recommendations required in relation to improving performance they should also be detailed.

Endnotes

¹ Independent Broad-based Anti-corruption Commission, *A Review of Integrity Frameworks in Six Victorian Councils*, 2015, page 3, <<http://www.ibac.vic.gov.au/publications-and-resources>>

² Municipal Association of Victoria, Victorian Local Governance Association, Local Government Victoria and Local Government Professionals, *Good Governance Guide*, page 11, <www.goodgovernanceguide.org.au>

³ *Local Government Act 1989*, section 3A.

⁴ Above n 2, page 13.

⁵ *Local Government Act 1989*, section 3C(1).

⁶ *Local Government Act 1989*, section 3C(2).

⁷ *Local Government Act 1989*, section 3D(1).

⁸ *Local Government Act 1989*, section 3D(2)

⁹ *Local Government Act 1989*, section 3E(1).

¹⁰ *Local Government Act 1989*, section 3F(1).

¹¹ Above n 4, page 13.

¹² *Ibid*, page 20.

¹³ *Ibid*.

¹⁴ *Local Government Act 1989*, section 73(1).

¹⁵ *Local Government Act 1989*, section 73(2).

¹⁶ *Local Government Act 1989*, section 90(1)(e).

¹⁷ *Local Government Act 1989*, section 73AA.

¹⁸ Department of Environment, Land, Water and Planning, *Reforms Arising from the Local Government Amendment (Improved Governance) Act 2015*, page 10, <<http://www.delwp.vic.gov.au/local-government/strengthening-councils>>

¹⁹ *Ibid*.

²⁰ *Local Government Act 1989*, section 73AA.

²¹ Above n 19, page 11.

²² *Ibid*.

²³ Above n 13, page 18.

²⁴ *Ibid*, page 22.

²⁵ *Local Government Act 1989*, section 65(1).

²⁶ *Local Government Act 1989*, section 65(2).

²⁷ *Local Government Act 1989*, section 65(3).

²⁸ Above n 22, page 9.

²⁹ *Ibid*, page 7.

³⁰ *Local Government Act 1989*, section 76B(a).

³¹ *Local Government Act 1989*, section 76B(b).

³² *Local Government Act 1989*, section 76B(c).

³³ *Local Government Act 1989*, section 76BA(a).

³⁴ *Local Government Act 1989*, section 76BA(b).

³⁵ *Local Government Act 1989*, section 76BA(c).

³⁶ *Local Government Act 1989*, section 76BA(d).

³⁷ *Local Government Act 1989*, section 76BA(e).

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- ³⁸ *Local Government Act 1989*, section 76BA(f).
- ³⁹ *Local Government Act 1989*, section 76BA(g).
- ⁴⁰ *Local Government Act 1989*, section 77A and 79.
- ⁴¹ *Local Government Act 1989*, section 76D(1).
- ⁴² *Local Government Act 1989*, section 76E(1).
- ⁴³ *Local Government Act 1989*, section 77(1).
- ⁴⁴ Above n 29, page 8.
- ⁴⁵ *Ibid*, page 9.
- ⁴⁶ Above n 24, page 30.
- ⁴⁷ *Ibid*, page 31.
- ⁴⁸ *Ibid*.
- ⁴⁹ *Local Government Act 1989*, section 94A.
- ⁵⁰ Above n 45, page 11.
- ⁵¹ Above n 48, page 29.
- ⁵² *Ibid*, page 25.
- ⁵³ *Ibid*.
- ⁵⁴ *Ibid*.
- ⁵⁵ *Ibid*, page 32.
- ⁵⁶ *Ibid*.
- ⁵⁷ *Ibid*, page 33.
- ⁵⁸ *Ibid*.
- ⁵⁹ CPA Australia, *Excellence in Governance for Local Government*, 2005, page 4.
- ⁶⁰ Above n 58, page 7.
- ⁶¹ Above n 59.
- ⁶² Above n 60, page 9.
- ⁶³ Above n 61, page 5.
- ⁶⁴ Above n 62, page 10.
- ⁶⁵ Above n 63, page 5.
- ⁶⁶ *Ibid*, page 3.
- ⁶⁷ *Ibid*, page 6.
- ⁶⁸ *Ibid*, page 8.
- ⁶⁹ *Ibid*, page 6.
- ⁷⁰ *Ibid*, page 7.
- ⁷¹ *Ibid*.
- ⁷² *Ibid*, page 8
- ⁷³ *Ibid*, page 10.
- ⁷⁴ *Ibid*.
- ⁷⁵ *Ibid*, page 14.
- ⁷⁶ *Ibid*.
- ⁷⁷ Above n 64, page 42.
- ⁷⁸ *Ibid*, page 43.
- ⁷⁹ *Ibid*, page 47.
- ⁸⁰ *Ibid*, page 49.
- ⁸¹ *Ibid*, page 36.
- ⁸² *Ibid*, page 52.
- ⁸³ *Ibid*, page 77.

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- ⁸⁴ Ibid, page 78.
- ⁸⁵ Above n 76, page 21.
- ⁸⁶ Above n 50, page 7.
- ⁸⁷ Above n 85, page 22.
- ⁸⁸ Ibid.
- ⁸⁹ Ibid, page 23.
- ⁹⁰ Ibid, page 25.
- ⁹¹ Ibid.
- ⁹² Ibid.
- ⁹³ All data taken from the 2015 Community Satisfaction Survey conducted on behalf of Southern Grampians Shire Council by JWS Research.
- ⁹⁴ All data taken from the results of the 2014/2015 Local Government Performance Reporting Framework as published on www.knowyourcouncil.vic.gov.au
- ⁹⁵ Neil Armstrong & Partners, *Southern Grampians Review 2015*, November 2015, page 8.
- ⁹⁶ Ibid.
- ⁹⁷ Ibid, 10.
- ⁹⁸ Ibid.
- ⁹⁹ Ibid.
- ¹⁰⁰ Ibid, 11.
- ¹⁰¹ Above n 82, page 52.
- ¹⁰² Above n 86, page 12.
- ¹⁰³ Ibid.
- ¹⁰⁴ Ibid, page 16.
- ¹⁰⁵ *Local Government Act 1989*, section 63(1)(b).
- ¹⁰⁶ Above n 104, page 16.
- ¹⁰⁷ Ibid, page 17.
- ¹⁰⁸ Ibid.
- ¹⁰⁹ *Local Government Act 1989*, section 94A.
- ¹¹⁰ Above n 92, page 23.
- ¹¹¹ Ibid.
- ¹¹² Above n 101, page 47.
- ¹¹³ Ibid, page 92.
- ¹¹⁴ Ibid.
- ¹¹⁵ Ibid, page 43.
- ¹¹⁶ Ibid, page 45.
- ¹¹⁷ Ibid, page 49.
- ¹¹⁸ *Local Government Act 1989*, section 89(2).
- ¹¹⁹ *Local Government Act 1989*, section 93(6).
- ¹²⁰ Governance Institute of Australia, *Good Governance Guide: Issues to consider in the use of tablets for accessing board papers*, <
https://www.governanceinstitute.com.au/media/365618/ggg_issues-consider-use-tablets_boardroom_papers.pdf>
- ¹²¹ *Local Government Act 1989*, section 125.
- ¹²² *Local Government Act 1989*, section 125 and 126.
- ¹²³ Above n 111, page 22.
- ¹²⁴ Ibid, page 23.