

Armidale

Regional Council

ORDINARY MEETING OF COUNCIL

Held on

Wednesday, 26 October 2016
9am

at

Armidale Council Chambers

PRESENT: Administrator, Dr Ian Tiley.

IN ATTENDANCE: Mr Greg Meyers (Interim General Manager), Mr Ambrose Hallman (Acting Director Planning and Environment; and Community Development), Mr Keith Lockyer (Chief Financial and Information Officer), Mr Andre Kompler (Director Regional Services), Mr Rob Shaw (Director Regional Infrastructure), Mr Ralf Stoeckeler (Director of Engineering), Mrs Jessica Bower (Executive Officer), Mr Don Tydd (Executive Officer).

MINUTES

1. CIVIC PRAYER AND RECOGNITION OF TRADITIONAL OWNERS
ADVICE REGARDING TAPING OF MEETINGS

Special request: Presentation from Mr Roger Mailfert of painting by Mrs Lenore Mailfert of Autumn in Armidale to Armidale Regional Council.

2. CONFIRMATION OF PREVIOUS MINUTES

CONFIRMATION OF THE MINUTES OF THE ORDINARY COUNCIL MEETING HELD ON 5 OCTOBER 2016

169/16

RECOMMENDATION:

That the minutes be taken as read and be accepted as a true record of the Meeting.

The recommendation was ADOPTED.

CONFIRMATION OF THE MINUTES OF THE EXTRAORDINARY COUNCIL MEETING HELD ON 14 OCTOBER 2016

170/16

RECOMMENDATION:

That the minutes be taken as read and be accepted as a true record of the Meeting.

The recommendation was ADOPTED.

3. DECLARATIONS OF INTEREST

Mr Rob Shaw Director of Regional Infrastructure made declarations in relation to items 7.3.3 Tenderden Bridge Replacement Tender and item 10.3 Level 3 Bridge Inspection – Quotation Evaluation and Recommendation. The declarations are attached to these minutes.

4. HAVE YOUR SAY ON AN AGENDA ITEM

Dr Jim Maher spoke on item 7.3.1 A new Armidale Regional Council War Memorial Library.
Mr Steve Widders spoke on item 7.3.1 A new Armidale Regional Council War Memorial Library.
Ms Kaye Mill spoke on item 7.3.1 A new Armidale Regional Council War Memorial Library.
Mrs Maria Hitchcock spoke on item 7.3.1 A new Armidale Regional Council War Memorial Library.
Mr David Mills spoke on item 7.3.5 New England Rail Trail.

7.3.1 A new Armidale Regional Council War Memorial Library

Ref: AINT/2016/07789

171/16

RECOMMENDATION:

- a) That Council proceed to purchase 1/182 Rusden Street Armidale for a new Armidale War Memorial Library at the agreed price of \$2.4 million which includes in the contract of sale that Council has the first right of refusal to purchase Unit 2/182 Rusden Street should it become available.
- b) That the Administrator and Acting Interim General Manager be authorised to finalise the sale including signing and affixing Council Seal to all associated legal documents as required. That State Library of New South Wales be engaged to assist with detailed floor layout plans.
- c) That a Development Application be prepared for the change of use and associated works.
- d) That the Acting Interim General Manager be authorised to call tenders/quotations for the various components of the refurbishment, fitout and relocation with an expected expenditure of between \$850,000 and \$1.1 million in total.
- e) That an application be made to State Library of NSW for financial support with costs under part (d).
- f) That approaches be made to RSL NSW and the local branch for possible assistance towards fitout and/or items of remembrance and recognition.

The recommendation was ADOPTED.

5. DEPUTATIONS BY GROUPS/COMMUNITY ORGANISATIONS

Nil.

6. ADMINISTRATOR MINUTES

6.1 Organisational Structure Review

Ref: AINT/2016/07288

172/16

RECOMMENDATION:

- a) That council adopt the following recommendations (1-11):
 1. **Structural Principles**
That in adopting a new organisation structure for Armidale Regional Council the Council takes into consideration the following Structural Principles:
 - improved service delivery
 - improved turnaround/response times to customer requests
 - improved internal and external engagement
 - appropriate span of control of leaders
 - breaking down of silos to improve team work
 - improved processes and delivery of cost efficiencies

- financial sustainability
- accountability and responsibility for results
- a focus on strategic outcomes for the community
- career development opportunities for staff.

2. Roles and Responsibilities

That a focus on the critical functions of Strategy, Leadership, Culture and Performance be taken by the top staffing levels within the organisation and to enable that to happen the roles and responsibilities be clearly defined with specific accountabilities and these be captured in a new Executive Performance Management System.

3. Leadership Titles

That to facilitate the new accountabilities of senior staff the titles be changed to:

- Chief Executive Officer (from General Manager)
- Group Leader (from Director)
- Service Leader (from Manager)
- Program Leader (from Supervisor)

4. Organisation Structure

That based on the information and options presented in the Discussion Paper the consultation with staff and Unions be initiated under Clause 39 of the Staff Award with a view to Option 2 being adopted - 2 Group Leaders and 8 Service Leaders:

GROUP LEADER – ORGANISATION SERVICES (COO)

GROUP LEADER – SERVICE DELIVERY

SERVICE LEADERS

SERVICE LEADERS

ORGANISATION SERVICES

SERVICE DELIVERY

Finance/ CFO
Organisation Development
Governance and Integrated Planning
Community and Economic Development

Roads and Parks
Asset Planning and Design
Business Units
Environment, Assessment and
Compliance

5. Senior Staff Appointments

That the Council designate the Group Leader and Service Leader positions that meet Award requirements as "Senior Staff" under Section 332 of the Local Government Act and authorise the Administrator to engage appropriate consultant advice to assist in recruiting to the positions of Group Leaders.

6. Finalising the Structure

That the following process and timelines be followed for finalising the structure:

- October – immediately following the Council meeting on 26 October to adopt a new organisation structure, formally advise relevant parties including the Joint Consultative Committee, Unions and all staff, of the Council decision to make change.
- November – Extraordinary Council Meeting – consider any submissions on structure; adopt structure, and delegation to Administrator to appoint independent recruitment consultant for Group Leader positions.
- December – appointment to Chief Executive Officer Position and interviews for

Group Leader positions.

- **December/January – appointment to Group Leader positions.**
- **January/February – advertising and recruitment to third level Service Leader positions**
- **February/March – lateral transfer or internal recruitment to fourth level Program Leader positions.**
- **April/May – assignment of staff to the balance of the organisation structure.**

7. Staff Appointments

That where possible and appropriate, and in accordance with Section 360 of the *Local Government Act 1993*, action be taken to laterally transfer existing staff into roles where they meet Award requirements, or for an internal recruitment process to be undertaken in accordance with Section 348 where there are sufficient staff available to compete for the role, or for staff to be seconded into Project Teams to undertake specific investigations or project work in relation to merger transition projects.

8. Financial Savings

That the Chief Financial Officer monitor all financial consequences of organisation structure decisions and regularly report to the Administrator and CEO on financial savings made and financial projections of all decisions or proposed decisions as part of the Merger Transition Plan.

9. Service Gaps

That areas identified as needing increased focus or resourcing be addressed in finalising the organisation structure, including:

Community Engagement, Customer Service, Governance, Performance Planning and Reporting; Economic Development, Marketing, Communications, Media, including social media, Tourism, and Events.

10. Delegations

That once the organisation structure is finalised, the Chief Executive Officer undertake a review of delegations with the goal of delegating responsibilities to the lowest appropriate level in the structure.

11. Legislative Obligations

That the Council recognise its statutory obligations to staff members and ensure staff numbers at 12 May 2016 (the date of proclamation of the new Armidale Regional Council) are calculated and the requirements associated with those numbers are clearly understood by senior staff and the Administrator.

The recommendation was ADOPTED.

The Administrator tabled the discussion paper on the Organisational Structure for Armidale Regional Council from Blackadder and Associates.

7. REPORTS OF OFFICERS

7.1 OUR ENVIRONMENT

7.1.1 Planning Proposal No 10 to amend Armidale Dumaresq LEP 2012 Ref: AINT/2016/06488

173/16

RECOMMENDATION:

- a) That Planning Proposal No 10 to amend Armidale Dumaresq Local Environmental Plan 2012, which proposes to:
- rezone Lots 661 and 662 DP 755808, Lot 1 DP 1129031 and Lot 2 DP 1213220 at 48-72 Kurrawatha Avenue, Armidale, from R5 Large Lot Residential to part R2 Low Density Residential and part E4 Environmental Living, and
 - alter the lot size standard for Lots 661 and 662 DP 755808, Lot 2 DP 1213220 and part Lot 1 DP 1129031 to 4,000m²,
- be forwarded to the Department of Planning and Environment with a request for a Gateway Determination, in accordance with section 56 of the *Environmental Planning and Assessment Act 1979*.
- b) That a further report be provided to Council following public exhibition of Planning Proposal No 10 to amend Armidale Dumaresq Local Environmental Plan 2012.
- c) That the proponent be advised of Council's resolution.

The recommendation was ADOPTED.

7.2 OUR GOVERNANCE

7.2.1 Cash & Investments Report September 2016

Ref: AINT/2016/06745

174/16

RECOMMENDATION:

That the Cash & Investments report for Armidale Regional Council as at 30 September 2016 be received and noted.

The recommendation was ADOPTED.

7.2.2 Quarterly Water Adjustment Report

Ref: AINT/2016/07016

175/16

RECOMMENDATION:

That this report be noted and that total adjustments to water accounts contained within this report be noted as totalling \$12,868.95.

The recommendation was ADOPTED.

7.2.3 Union Picnic Day

Ref: AINT/2016/06438

176/16

RECOMMENDATION:

- a) That Council endorse the Union Picnic Day holiday to be held on Tuesday 1 November 2016.
- b) That non-union members are required to work on the Union Picnic Day holiday.
- c) That Council's administration offices in Armidale and Guyra remain open and where practical, community services facilities also remain open on the Union Picnic Day holiday.
- d) That the Armidale Library is closed for the Union Picnic Day holiday.

The recommendation was ADOPTED.

7.2.4 Review of Local Representation Advisory Committee Member Fees and Allowances

Ref: AINT/2016/07183

177/16

RECOMMENDATION:

- a) That the Armidale Regional Council Local Representation Advisory (LRAC) Committee members annual fee for 2016/17 be increased from \$8,540 (minimum) to \$18,840 (maximum);
- b) That the increase in the annual fee be backdated to 1 July 2016;
- c) That the committee members be reimbursed for travel expenses for Council related business, where approved by the Administrator, in accordance with Council's Payment of Expenses and Provision of Facilities to Councillors Policy; and
- d) That the travel allowance be introduced from 1 November 2016, given that the increase in the annual fee is to be applied retrospectively.

The recommendation was ADOPTED.

7.2.5 New Council Regional Brand Strategy

Ref: AINT/2016/07411

178/16

RECOMMENDATION:

- a) That having considered the expressions of interest received, Council appoint Kent Woodcock Creative Solutions to review Council's new Regional Brand Strategy.
- b) That all others who submitted expressions of interest be advised of Council's decision and thanked for their time, and effort in submitting their interest in working on the project.

The recommendation was ADOPTED.

7.2.6 Development of a Strategic Communications Plan

Ref: AINT/2016/07414

179/16

RECOMMENDATION:

That this report in reference to Armidale Regional Council's Communications Review be received and noted.

The recommendation was ADOPTED.

7.3 OUR INFRASTRUCTURE

7.3.2 Adoption of Guyra and Tingha Water and Sewer Asset Management Plans

Ref: AINT/2016/06473

180/16

RECOMMENDATION:

That the Guyra and Tingha Water Supply Asset Management Plan and Guyra and Tingha Sewerage System Asset Management Plans dated July 2016 be adopted.

The recommendation was ADOPTED.

The Administrator noted correspondence from the Hon Niall Blair MLC Minister for Lands and Water regarding the proposal for a pipeline from Malpas Dam to drought proof the region. The letter advised of the need for an Integrated Water Cycle Management Strategy for the new Armidale Regional Council area.

Mr Rob Shaw Director of Regional Infrastructure left the meeting at 10:07am.

7.3.3 Tenterden Bridge Replacement Tenders

Ref: AINT/2016/06651

181/16

RECOMMENDATION:

- a) That Council having considered the tender documentation, the outcome of the assessment analysis and referee checks, award the contract to Bridgebuild and Civil Pty Ltd for the contract price of \$649,000 including GST;**
- b) That the Interim General Manager be authorised to finalise the contract documentation;**
- c) That the unsuccessful tenderers be notified of Council's decision and thanked for their interest, time and effort in submitting a tender.**

The recommendation was ADOPTED.

Mr Rob Shaw Director of Regional Infrastructure re-joined the meeting at 10:08am.

7.3.4 Service Provision - Rural Fire Service - New England Fire Control Centre

Ref: AINT/2016/06895

182/16

RECOMMENDATION:

That the update on the future development plans for the New England Fire Control Centre at Armidale Regional Airport be noted.

The recommendation was ADOPTED.

7.3.5 New England Rail Trail

Ref: AINT/2016/07382

183/16

RECOMMENDATION:

That Armidale Regional Council provide in principle support for representations by the Guyra and District Chamber of Commerce to the NSW Minister for Transport and Infrastructure, the Honorable Andrew Constance MP, to close the New England Rail Line from Black Mountain to Ben Lomond for the establishment of the New England Rail Trail.

The recommendation was ADOPTED.

7.4 OUR PEOPLE

7.4.1 Community Small Grants Program 2016/2017 - Round 1

Ref: AINT/2016/07181

184/16

RECOMMENDATION:

(a) That Council approve funding under the 2015/16 Community Assistance Small Grants for the following organisations:

- **Helping Children & Families Inc. (Armidale Families Guide 2nd Edition \$500).**

The recommendation was ADOPTED.

7.4.2 Suicide Prevention Skills Workshop - fee waiver request for hire of Council Chambers

Ref: AINT/2016/07450

185/16

RECOMMENDATION:

That Council waive the \$100 hire charge for the Suicide Prevention Skills Workshop in Guyra.

The recommendation was ADOPTED.

8. COMMITTEE REPORTS

8.1 Traffic Advisory Committee - Minutes of the meeting held on 4 October 2016 *Ref: AINT/20.*

186/16

RECOMMENDATION:

- (a) That the Minutes of the Traffic Advisory Committee meeting held on 4 October 2016 be noted.

NERAM Bus Zone

- (b) That the existing NERAM Bus Zone be modified to accommodate a timed bus zone, a timed loading zone and a full-time disability parking zone as per the approved drawing Option Two.

2016 Day on the Green

- (c) That approval be granted for the 2016 Day on the Green event at Petersons Winery on Saturday 29 October 2016 in accordance with the submitted Special Event Transport Management Plan and additional conditions as required by Armidale Police.

Diocese of Armidale Feast of Christ the King event

- (d) That Dangar Street be temporary closed between Barney and Rusden Street including the Tingcombe Lane entrance off Faulkner Street, from 9.30am until 10.30am for the procession for the Diocese of Armidale Feast of Christ the King event on Sunday 20 November 2016.

Armidale Fun Run

- (e) That approval be granted for the Special Event Transport Management Plan for the Armidale Fun Run to be held on Sunday 7th November 2016.

Walk4BrainCancer

- (f) That the Walk4BrainCancer & Bike Ride event be approved with the condition that traffic Marshalls be placed at the Junction of White Street and Ollera Street (outbound) and Oban and Ollera Street (inbound) to control the cyclists / walkers to prevent traffic disruption whilst crossing Ollera Street.

Armidale Food Emporium (Coles Centre) request reduction in parking times

- (g) That the current three hour parking limit in the off-street parking area around the Coles Centre be reduced to two hours and that Council's approval is given to this request on the condition that the cost of changing sign plates be recovered from the applicant.

Disability Parking Rologas Fields Taylor Street.

- (h) That a Disability Parking space be installed for the newly renovated Rologas building & fields on the western side of Taylor Street, south of the current driveway.

Proposed Electronic Notice Board - Guyra

- (i) That a single sided electronic sign be placed on Council property at the north eastern corner of Bradley and Ollera Streets Guyra.

Kentucky & Kennedy Street Intersection concerns.

- (j) That cross road symbol signs be installed in Kentucky Street on each approach to Kennedy Street and full width holding lines be painted on the road pavement in Kennedy Street.

Multiple crash location - MR76 (Segment 4430)

- (k) That the RMS be requested to follow up on outstanding issues and requirements for MR76 (Segment 4430)

The recommendation was ADOPTED.

The Administrator noted in relation to the closure of Link Road that considerable correspondence had been received by Council in relation to the matter and Dr Tiley would welcome further discussion in relation to an alternative outcome.

8.2 Arts & Cultural Advisory Committee - Minutes of the meeting held on 5 October 2016

Ref: AINT/2016/06850

187/16

RECOMMENDATION:

That the Minutes of the Arts & Cultural Advisory Committee meeting held on 5 October 2016 be noted.

The recommendation was ADOPTED.

8.3 Community Safety Advisory Committee - Minutes of the meeting held on 11 October 2016

Ref: AINT/2016/07182

188/16

RECOMMENDATION:

That the Minutes of the Community Safety Advisory Committee meeting held on 11 October 2016 be noted.

The recommendation was ADOPTED.

9. PUBLIC FORUM

Ms Anne Geake spoke on the fencing of playgrounds and submitted a photograph of flooding in Dumaresq Creek.

The Administrator advised that the drowning of a toddler at Civic Park is a tragedy for the Armidale community and he would be appearing before the Coroner next Friday 4 November 2016 in relation to an inquest into the incident.

DECISIONS FROM CLOSED SESSION

189/16 **RECOMMENDATION:**

Members of the press and public be excluded from the meeting of the Closed Session and access to the correspondence and reports relating to the items considered during the course of the Closed Session be withheld. This action is taken in accordance with Section 10A(s) of the Local Government Act, 1993 as the items lists come within the following provisions:-

- 10.1 Jessie Street Car Park - Lot 1 Section 6 in DP 795233. (AINT/2016/03543) - *As this report deals with commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council (Section 10A (2)(d)(ii) of the Local Government Act 1993). Council closes this meeting in accordance with Council's Code of Meeting Practice, as consideration of this matter in open Council would be contrary to the public interest.*
- 10.2 Tingha Landfill - Review of Payment to Contractor. (AINT/2016/06463) - *As this report deals with commercial information of a confidential nature which, if disclosed, confers a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business (Section 10A(2)(c) of the Local Government Act 1993). Council closes the meeting, in accordance with Council's Code of Meeting Practice, as consideration of this matter in open Council would be contrary to the public interest.*
- 10.3 Level 3 Bridge Inspection – Quotation Evaluation and Recommendation.. (AINT/2016/06839) - *As this report deals with commercial information of a confidential nature that would, if disclosed, confer a commercial advantage on a competitor of the Council (Section 10A (2)(d)(ii) of the Local Government Act 1993). Council closes this meeting in accordance with Council's Code of Meeting Practice, as consideration of this matter in open Council would be contrary to the public interest.*

The recommendation was ADOPTED.

RESUMPTION OF MEETING

190/16 **RECOMMENDATION:**

That the decisions of Closed Session be noted as follows:-

The recommendation was ADOPTED.

10. CLOSED SESSION

10.1 Jessie Street Car Park - Lot 1 Section 6 in DP 795233

Ref: AINT/2016/03543

191/16

RECOMMENDATION:

That the Interim General Manager and Administrator be authorised to Sign and Seal any required documents to complete the purchase of part of Lot 1 Section 6 DP 795233.

The recommendation was ADOPTED.

10.2 Tingha Landfill - Review of Payment to Contractor

Ref: AINT/2016/06463

192/16

RECOMMENDATION:

a) That the Tingha Waste Depot contractor be paid an additional \$708 per month to compact and cover waste deposited in the cell on a weekly basis rather than the currently stipulated monthly basis with the first additional payment being made for the month of September 2016.

b) That the contract with Henry Brown be extended on a month to month basis for a maximum additional term of 12 months pending the review in waste management practices in the Armidale Regional Council area.

The recommendation was ADOPTED.

Mr Rob Shaw Director of Regional Infrastructure left the meeting at 10:18am.

10.3 Level 3 Bridge Inspection – Quotation Evaluation and Recommendation.*Ref: AINT/2016/06463*

193/16

RECOMMENDATION:

That the quotation of \$53,639.48 including GST from Wood Research & Development be accepted for the Level 3 Bridge Inspections, Testing & submission of individual detailed reports.

The recommendation was ADOPTED.

Mr Rob Shaw Director of Regional Infrastructure re-joined the meeting at 10:19am.

There being no further business the Administrator declared the meeting closed at 10:20am.



DECLARATION OF CONFLICT OF INTEREST FORM

To the Interim General Manager,

Given Names: ROB Surname: SHAW

Nature of Meeting: Ordinary
 (Please tick) Extraordinary
 Other (Please Specify).....

Date of Meeting: 26.10.2016

ITEM A - Report Item (see item B if the interest relates to environmental planning/zone control item)

Item No: 7.3.3 Page No: 48

Reason for the Interest: (TENDERDEN BRIDGE TENDERS)
I am a member of the Advisory Board of COASTAL WORKS
which is one of the tendering companies.

I have taken no part in the assessment of tenders or the
recommendation before Council

This conflict of interest has been identified as an:
 (Please tick appropriate boxes)

Actual conflict of interest *having a* Pecuniary Interest
 Perceived conflict of interest Non-pecuniary Interest
 Potential conflict of interest

ITEM B - Report Item (complete if the interest relates to environmental planning/zone control)

Item No: _____ Page No: _____

Pecuniary interest	
Address of land in which councillor or an associated person, company or body has a proprietary interest (the <i>identified land</i>) ¹	
Relationship of identified land to councillor [Tick one box.]	<input type="checkbox"/> Councillor has interest in the land (e.g. is owner or has other interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> Associated person of councillor has interest in the land. <input type="checkbox"/> Associated company or body of councillor has interest in the land.

Matter giving rise to pecuniary interest ²	
Nature of land that is subject to a change in zone/ planning control by proposed LEP (the subject land) ³ [Tick one box]	<input type="checkbox"/> The identified land. <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.
Current zone/planning control [Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]	
Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	
Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	

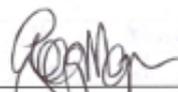
I hereby declare that the above details are correct to the best of my knowledge and I make this conflict declaration in good faith.



Signature

Date: 26/10/16.

I hereby declare that I have received and appropriately noted this conflict of interest declaration.



Signature (General Manager)

Date: 26/10/16.

IMPORTANT INFORMATION: This information is being collected for the purpose of making a special disclosure of pecuniary interests under sections 451 (4) and (5) of the *Local Government Act 1993*. You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints made about contraventions of these requirements may be referred by the Director-General to the Local Government Pecuniary Interest and Disciplinary Tribunal. This form must be completed by you before the commencement of the Council or Council committee meeting in respect of which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. This form is to be retained by the General Manager and included in full in the minutes of the meeting.

- Section 443 (1) of the *Local Government Act 1993* provides that you may have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative⁴ or because your business partner or employer has a pecuniary interest. You may also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.
- Section 442 of the *Local Government Act 1993* provides that a **pecuniary interest** is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter or if the interest is of a kind specified in section 448 of that Act (for example, an interest as an elector or as a ratepayer or person liable to pay a charge).
- A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in section 443 (1) (b) or (c) of the *Local Government Act 1993* has a proprietary interest—see section 448 (g) (ii) of the *Local Government Act 1993*.
- Relative** is defined by the *Local Government Act 1993* as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.

DECLARATION OF CONFLICT OF INTEREST FORM

To the Interim General Manager,

Given Names: ROB Surname: SHAW

Nature of Meeting: Ordinary
(Please tick) Extraordinary
 Other (Please Specify).....

Date of Meeting: 26/10/16

ITEM A - Report Item (see item B if the interest relates to environmental planning/zone control item)

Item No: 10.3 Page No: 7 of closed session

Reason for the Interest: (LEVEL 3 BRIDGE INSPECTION QUOTATIONS)
One of the tendering companies (Local Government Engineering Services P/L)
is the agency through which I am currently contracted to Armidale
Regional Council, but I have no financial interest in the company.
I have taken no part in the assessment of quotations or the
recommendation before Council.

This conflict of interest has been identified as an:
(Please tick appropriate boxes)

Actual conflict of interest Pecuniary Interest
Perceived conflict of interest *having a* Non-pecuniary Interest
Potential conflict of interest

ITEM B - Report Item (complete if the interest relates to environmental planning/zone control)

Item No: _____ Page No: _____

Pecuniary interest	
Address of land in which councillor or an associated person, company or body has a proprietary interest (the <i>identified land</i>) ¹	
Relationship of identified land to councillor [Tick one box.]	<input type="checkbox"/> Councillor has interest in the land (e.g. is owner or has other interest arising out of a mortgage, lease, trust, option or contract, or otherwise). <input type="checkbox"/> Associated person of councillor has interest in the land. <input type="checkbox"/> Associated company or body of councillor has interest in the land.

Matter giving rise to pecuniary interest ²	
Nature of land that is subject to a change in zone/ planning control by proposed LEP (the subject land) ³ [Tick one box]	<input type="checkbox"/> The identified land, <input type="checkbox"/> Land that adjoins or is adjacent to or is in proximity to the identified land.
Current zone/planning control [Insert name of current planning instrument and identify relevant zone/planning control applying to the subject land]	
Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	
Proposed change of zone/planning control [Insert name of proposed LEP and identify proposed change of zone/planning control applying to the subject land]	

I hereby declare that the above details are correct to the best of my knowledge and I make this conflict declaration in good faith.



Signature
 Date: 26/10/16..

I hereby declare that I have received and appropriately noted this conflict of interest declaration.



Signature (General Manager)
 Date: 26.10.16..

IMPORTANT INFORMATION: This information is being collected for the purpose of making a special disclosure of pecuniary interests under sections 451 (4) and (5) of the *Local Government Act 1993*. You must not make a special disclosure that you know or ought reasonably to know is false or misleading in a material particular. Complaints made about contraventions of these requirements may be referred by the Director-General to the Local Government Pecuniary Interest and Disciplinary Tribunal. This form must be completed by you before the commencement of the Council or Council committee meeting in respect of which the special disclosure is being made. The completed form must be tabled at the meeting. Everyone is entitled to inspect it. This form is to be retained by the General Manager and included in full in the minutes of the meeting.

- Section 443 (1) of the *Local Government Act 1993* provides that you may have a pecuniary interest in a matter because of the pecuniary interest of your spouse or your de facto partner or your relative⁴ or because your business partner or employer has a pecuniary interest. You may also have a pecuniary interest in a matter because you, your nominee, your business partner or your employer is a member of a company or other body that has a pecuniary interest in the matter.
- Section 442 of the *Local Government Act 1993* provides that a **pecuniary interest** is an interest that a person has in a matter because of a reasonable likelihood or expectation of appreciable financial gain or loss to the person. A person does not have a pecuniary interest in a matter if the interest is so remote or insignificant that it could not reasonably be regarded as likely to influence any decision the person might make in relation to the matter or if the interest is of a kind specified in section 448 of that Act (for example, an interest as an elector or as a ratepayer or person liable to pay a charge).
- A pecuniary interest may arise by way of a change of permissible use of land adjoining, adjacent to or in proximity to land in which a councillor or a person, company or body referred to in section 443 (1) (b) or (c) of the *Local Government Act 1993* has a proprietary interest—see section 448 (g) (ii) of the *Local Government Act 1993*.
- Relative** is defined by the *Local Government Act 1993* as meaning your, your spouse's or your de facto partner's parent, grandparent, brother, sister, uncle, aunt, nephew, niece, lineal descendant or adopted child and the spouse or de facto partner of any of those persons.



ORGANISATIONAL STRUCTURE

DISCUSSION PAPER

for

Armidale

Regional Council



October 2016

contact: Stephen Blackadder
m: 0412 255 149 **o:** 02 8765 1200
e: stephen@blackadderassoc.com.au

contact: Chris Rose
m: 0412 334 111
e: chris@crestperformance.com.au

a: PO Box 493 Concord NSW 2137
w: blackadderassoc.com.au

ABN 66 124 446 831



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01 Overview

We have considered an appropriate **organisation structure** for the new Armidale Regional Council as required by our brief. We believe adopting and filling the structure is urgent due to the need to provide certainty to staff about their future within the organisation as well as the future direction of the organisation.

We have witnessed first-hand a definite lack of energy and drive within the organisation and we attribute this largely to the lack of ownership of actions required to advance the new organisation. We have been impressed generally with the quality of staff within the organisation but they seem unwilling to commit to long term change when their future within the organisation is uncertain, at least in their view, despite the statutory protections.

After the Council adopts a new structure action should then be taken as quickly as possible to commence the process of recruiting all senior positions, ideally commencing with the General Manager position then cascading down from there.

We outline below three (3) structure options and a process for filling the senior positions.

We have also commented on what is required to **complete the structure for all staff** as well as considerations that need to be taken into account during that process.

02 Structure Principles

The most suitable structure for any organisation is a combination of many factors. It is necessary to look at the **long term outcomes** expected by the customers and the community, what is necessary to deliver works or services in the most **efficient and effective** manner and what will help motivate Councils workforce.

In making our recommendations we have had regard to the **outcomes and issues** set out in the **Community Strategic Plans** for the former Guyra and Armidale Dumaresq Councils, acknowledging a new CSP has yet to be developed for the new Regional Council area. It is also important that any structure have regard for the **Integrated Planning and Reporting Framework** which is to be the centre-piece of the new Local Government Act.

We observe that the two (2) significant issues to emerge from the past community strategic planning process are first, the need to **grow jobs** within the Region, particularly for **young people**, and in that regard to encourage and facilitate **private sector investment** in the region, and second, the need for an increased presence of the Council in **community services**.

When deciding on how to structure the organisation we have regard to the adage that **“Structure follows Strategy”**. That is, it is important for any organisation to know where it is going before it decides on the capacities and capabilities required of its staff to get there

In undertaking the analysis we have had regard to following **structural principles**. Any change in structure will need to achieve one or more of the following:

- **Improved service delivery**
- **Improved turnaround/response times to customer requests**
- **Improved internal and external engagement**



- **Appropriate span of control of leaders**
- **Breaking down of silos to improve team work**
- **Improved processes and delivery of cost efficiencies**
- **Financial sustainability**
- **Accountability and responsibility for results**
- **A focus on strategic outcomes for the community**
- **Career development opportunities for staff**

In our examination of the options we have in mind the need to “**right size**” the management levels **based on the above principles**. Any ultimate financial savings through the new structure can then be **reallocated** to service delivery and/or organisational development priorities. The right sizing also needs to ensure that clear **roles and responsibilities** can be assigned to staff to deliver well defined **outcomes**.

Whilst there are **statutory protections** applying to staff numbers the future Armidale Regional Council organisation structure will need to ensure staff numbers match the **services provided**, and also has regard for the most appropriate future **service delivery model**.

At the same time we need to ensure any **Service “gaps”** are accommodated in the new structure – those services which are under-performing or under-provided. We may not get this chance again to ensure the organisation delivers the **right services at the right level**. In this regard it has been brought to our attention that there are a number of areas which will need review, such as Revenue Generation (Grants), Community Engagement, Events, Customer Service, Community Services, Economic Development and Organisation Performance to name a few.

It is our view from our collective experience in local government, and having regard for contemporary leadership trends in the industry, that the General Manager should not have many direct reports. A large **span of control** of the General Manager means the General Manager’s important focus on the critical functions of **Strategy, Leadership, Culture and Performance** is taken away by the increased attention required to administrative functions. It also potentially denies staff their need for ongoing supervisor engagement, feedback and direction, as most often the General Managers diary is very full. The span of control will therefore be an important issue in the construction of a new organisation structure.

03 Titles in the Top Level Structure

In considering the structure, the Council should consider changing the title of General Manager to **Chief Executive Officer**. Such a change will allow a move away from the concept of management of things into the more contemporary role as a leader of people.

Under the Local Government Act the title of General Manager designates the position which leads the staff organisation and the title of Mayor designates the position which leads the Governing Body of the organisation and the community.

In the States of Victoria, Queensland and Western Australia, and the Northern Territory, the statutory titles are **Chief Executive Officer and Mayor** respectively. The only other State with the general manager title is Tasmania.



It is understood the staged changes to the **NSW Local Government Act** will bring in the title of Chief Executive Officer. Armidale should move now to do so. This will send a message that the Council expects the General Manager to operate more as a CEO, to lead staff, to advise the Council on strategy and resource allocation and to work more strategically in the interests of the organisation and regional community. This will be an important change to how the general manager position at Armidale is regarded.

There is no statutory bar to introducing this title. The CEO would still undertake the statutory duties of general manager but would simply operate under the new title. It is noted that many Councils have moved in this direction – Fairfield, the City of Sydney, Liverpool, Central Coast and Narrandera to name a few.

We will therefore propose in our final report that the position of General Manager at Armidale Regional Council be designated as Chief Executive Officer, to carry out the statutory duties of general manager under the Local Government Act and to lead the staff organisation, to advise the Council on its statutory functions and to work more strategically in the interests of the Council and community.

At second level in the Structure we believe the current title of Director should be changed to **Group Leader**. The Group Leader concept aligns well with the role proposed for the Chief Executive Officer and it will be expected the Group Leaders will support the Chief Executive Officer in giving far more attention to the vital functions of strategy, leadership, culture and performance, with the Service Leaders at the third level taking charge of service planning and delivery.

We are proposing that the third level be re-titled **Service Leader** (currently Manager level) so that it further increases the focus on both Service Delivery and Leadership – the 2 key responsibilities at that level in our view. This leaves the title of Manager available for appropriate Fourth level positions if required.

In accordance with our brief, we have detailed a structure to fourth level, which we believe should be the **Program Leader** level. This is a critically important level as it is the level at which “the rubber hits the road” in terms of service delivery.

The structure we are recommending is therefore summarised as;

Chief Executive Officer > Group Leader > Service Leader > Program Leader > Team Leader

04 Structure Options

3 Options have been presented below for comment, all based on “Service Streams” rather than the traditional local government model of professions-based Departments – a 2 Stream option, a 2 Stream option with fewer third level positions and a 3 Stream option.

All options have a **Group Leader (currently Director)** as the Leader of the Stream - reporting directly to the Chief Executive Officer and as a member of what we recommend be known as the **Executive Leadership Team (ELT)**.

As indicated above the **Service Leaders** will report to the Group Leaders and it is vital that the Service Leaders be assigned **responsibility and accountability** for service planning and service delivery against the outcomes sought from future service reviews.

Whilst the Council does have an internal audit programme, in the next two (2) years a programme of **service reviews** should be conducted so that service standards and service levels can be established. Appropriate budget provisions will need to be made for those reviews.

The 3 draft options are outlined below:

Option 1 - 2 Streams, 15 Third Level Positions

This is a contemporary model increasingly in use in small to medium sized councils. The advantage is a clear separation of roles at the top of the organisation, to allow a focus on strategy, leadership, culture and performance and delegating to the third level service leaders the responsibility for service delivery. Whilst financial savings will be made from a reduced number of management staff – we note there is currently nineteen (19) managers at the third level in the organisation – under this option we propose 15 service leader positions.

GROUP LEADER – ORGANISATION SERVICES (COO)

SERVICE LEADERS

- Finance/ CFO*
- Organisation Development and Culture*
- Governance
- Information Management*
- Marketing and Economic Development
- Customer Services
- Planning and Performance
- Assets and Property

GROUP LEADER – SERVICE DELIVERY

SERVICE LEADERS

- Road Construction and Maintenance
- Road Planning and Design
- Water and Wastewater
- Parks and Recreation
- Community Services
- Business Services
- Environment, Assessment and Compliance

* “Business Partners” concept to be investigated in these areas

The overall result in Option 1 is a reduction in leaders by **seven (7)** – being a saving of one (1) general manager, two second level leaders and four (4) third level leaders. At an average remuneration cost of \$170,000 and overhead cost (including office space, equipment, staff support etc) of \$50,000 the estimated savings at the senior level would be **significant**.

That said, these savings would be offset by investing in additional remuneration to attract the right people to the senior positions in the structure, and providing greater capacity and capability in the Fourth level, Program Leaders. This is a critical level in the new structure, and we are proposing to enhance the focus on existing services in some areas (eg Customer Service, Councillor and Committee support, Regional Collaboration and Grants, Events, Media, Tourism, etc) as well as building a focus on new areas at that level (eg community engagement, organisation planning and performance etc).

Note that the functions under the leadership of the Service Leaders are outlined at Annexure 1.

Option 2 - 2 Streams, 8 Third Level Positions

In this Option the objective is to reduce the number of positions at third level to generate further financial savings, and to make the positions of significant size to ensure the service leaders are appointed with the **skills and abilities** to lead the service area and be **accountable** for results.

We are also proposing below that due to the significance in size and scope of the Service Leader roles in this option consideration should be given to classifying the positions as “senior staff” under the Local Government Act (see below for an outline of that process) and placed on performance based **contracts**.

GROUP LEADER – ORGANISATION SERVICES (COO)

GROUP LEADER – SERVICE DELIVERY

SERVICE LEADERS

SERVICE LEADERS

ORGANISATION SERVICES

SERVICE DELIVERY

Finance/ CFO*
 Organisation Development*
 Governance and Integrated Planning
 Community and Economic Development

Roads and Parks
 Asset Planning and Design
 Business Units
 Environment, Assessment and Compliance

* “Business Partners” concept to be investigated in these areas

The overall result in Option 2 is a reduction in leaders by **fourteen (14)** – being a saving of one (1) general manager, two second level leaders and eleven (11) third level leaders. At an average remuneration cost of \$160,000 and overhead cost of \$50,000 (reflecting an increased number of manager positions which would reduce the average) the estimated savings at the senior level would be **greater than Option 1**.

That said, savings would be offset by additional remuneration that may need to be paid to attract the right people to the positions in the structure, and further by our focus on building capacity and capability in the Fourth level Program Leaders. This is a critical level in the new structure, and we are proposing to enhance the focus on existing services in some areas (eg Customer Service, Councillor and Committee support, Regional Collaboration and Grants, Events, Media, Tourism, etc) as well as building a focus on new areas at that level (eg community engagement, organisation planning and performance etc).

Another issue relates to Business Units. We have placed Cemeteries and Aquatic Centres in the Roads and Parks area under Option 2 purely as an operational function. However, both have an important commercial function and the argument could be raised that they are better located under Business Units.

Because of the need to drive a return on investment they can also be provided by private enterprise. Putting them in as Business Units would provide a commercial focus on their operations for both staff and Council. That might mean making them more viable via initiatives such as Gyms in Aquatic Centres, or considering selling them if that ever became a viable option for the Council. That said, the final call on this is one for the Council.

Option 3 - 3 Streams, 15 Third Level Positions

The major change for Option 3 is to create a third Group Leader position with Service areas of Planning and Performance, Marketing and Economic Development, Assessment and Compliance, and Business Services relocated to the new stream. The rationale for this is to ensure the service leader functions are appropriately managed but at an additional cost above the other 2 options.



**GROUP LEADER
ORGANISATION SERVICES (COO)**

**GROUP LEADER
SERVICE DELIVERY**

**GROUP LEADER
STRATEGY AND SUSTAINABILITY**

SERVICE LEADERS

Finance/ CFO*
Organisation Development
and Culture*
Governance
Information Management*
Customer Services
Assets and Property

SERVICE LEADERS

Road Construction and
Maintenance
Road Planning and Design
Water and Wastewater
Parks and Recreation
Community Services

SERVICE LEADERS

Planning and Performance
Environment, Assessment and
Compliance
Marketing and Economic
Development
Business Services

* “Business Partners” concept to be investigated in these areas

The overall result in this option is a reduction in leaders by **six (6)** – being a saving of one (1) general manager, one (1) second level leader and four (4) third level leaders. At an average remuneration cost of \$165,000 and overhead cost of \$50,000 the estimated savings at the senior level would be **significant, but less than the savings in the other 2 options.**

That said, as with the other two (2) options these savings would be offset by additional remuneration that may need to be paid to attract the right people to the positions in the structure, and further by our focus on building the Fourth level, Program Leaders. This is a critical level in the new structure, and we are proposing to enhance the focus on existing services in some areas (eg Customer Service, Councillor and Committee support, Regional Collaboration and Grants, Events, Media, Tourism, etc) as well as building a focus on new areas at that level (eg community engagement, organisation planning and performance etc).

05 Allocation of Programs at the Fourth Level of the Organisation

We have given careful consideration to the **roles and functions** which also apply to the Fourth level of the organisation. Whilst we propose that the Council only adopt the organisation structure to Third level it is vital that all staff within the organisation be given some certainty about their future roles, and this outcome will be assisted by communicating the potential structure at Fourth level as part of the initial consultation.

Draft allocation of Programs (Fourth level) in the proposed structures for Options 2 and Options 1 and 3 above are attached in **Annexure 1** for consideration.

Through research, observations and many discussions with Manex, managers, staff and the Administrator, we have endeavoured to put a structure together down to Fourth level that adequately reflects a **contemporary structure focused on service delivery.**

In spite of this, we do not have, nor can we be expected to have, a detailed or thorough knowledge of the complex, extensive and diverse range of services and service delivery methods of the Council.

This knowledge is essential in **finalising the structure at Fourth level**, and then completing the structure for the rest of the organisation. We believe it essential that in adopting the high-level structure, a focus on **service delivery** at the Fourth level must be provided. This will enable all staff to see, at least at the Program/ Fourth level, where they fit in the new structure.



On that basis we invited the Interim General Manager and Directors to workshop the opportunities at Fourth level to identify the **most appropriate** mix of functions at that level. We are indebted to the senior staff for their advice and this information has been valuable in helping us finalise the functions at Fourth level.

We have shown in Annexure 1 the Programs to be included under each Service Leader. The Council can now adopt the final structure to Third level for consultation, noting the proposed functions under the Fourth level structure.

06 Option 1, 2, 3 or Other

We believe all Options deliver an appropriate structure against the parameters detailed in this report.

Option 1 will deliver financial savings over Option 3 (one less Group Leader) and Option 2 will deliver even further savings.

The ultimate success of any of these Options will depend on the **leadership and discipline** required of the Chief Executive Officer to ensure the Group Leaders take on more of a **strategic focus**, and the Service Leaders are held accountable for **service delivery**.

In our view a 3 or 4 Group Leader structure **will not** deliver the savings or the leadership focus required. They may encourage the Group Leaders to be far more involved in operations, and this may not deliver the time required for the Group Leaders to give their majority attention to **strategy, leadership, culture and performance**.

A 2 Group Leader structure will mean a **higher level of responsibility and accountability** for the Service Leaders. This is a highly desirable outcome, with third level leaders being expected to deliver a higher level of performance against their service delivery requirements. In turn, this will ensure the Group Leaders can devote more time to their strategy, leadership, culture and performance responsibilities. This will be backed up by a **performance management system** which drives performance against adopted outcomes. This appears to be lacking at the present time.

It will also mean the **larger service roles** will require a higher remuneration to attract suitably experienced candidates. In some of the service areas it would be unlikely that one candidate will have significant experience in all associated Programs, but the expectation is that these skills will be recruited into the Fourth level positions. It is also the expectation under this structure that Third level service leader positions will be focused on **service planning, service management, service delivery and service review**. At the present time we observe there is a disconnected system of performance management and accountability. This needs to be addressed urgently.

We also propose a **“Business Partner” concept** for the Finance, Organisational Development and Information Management Service areas, wherein a staff member in each of those areas would be allocated to assisting particular Service Areas for which they would be the point of contact – a one stop shop type concept. We have explored this with some staff and there is support. We would be happy to elaborate on this concept if required.



07 Finalising the Structure - Process

It will be important that after the **Council adopts a new organisation structure to third level**, action will need to be taken to **recruit to the new positions**.

The Council will need to decide whether to **recruit to the position of Chief Executive Officer or leave that to the new Council**. The policy position of the Office of Local Government, as confirmed by the CEO Tim Hurst is for the Administrator of the new Councils to appoint the new general manager so that the necessary leadership and culture actions can be taken before the new Council commences in September 2017.

In parallel with the recruitment process for the Chief Executive Officer, action should commence to recruit to the Group Leader roles. This will minimise the time taken to fill the senior roles, and still have the new Chief Executive Officer involved in Group Leader interviews.

As soon as the CEO and GL roles have been filled, action can be taken to **recruit to the third level Service Leader roles**.

Whilst the Fourth level of the organisation is now outlined in Annexure One, the new ELT when formed will review and action a process to **finalise the structure at fourth level Program level and fill positions at that level**. It is expected that Service Leaders will have a key role to play in this.

The ELT needs to then agree a process to **finalise a whole of organisation structure** and a process for filling all positions in the structure. It is expected that Service Leaders and Program Leaders will have a key role to play in this. It is further proposed that **an inclusive “bottom up” process be actioned that enables all staff to have a say on potential structure at those levels**.

In making appointments to positions at the Fourth level every effort should be made to **laterally transfer existing staff** into comparable positions under Award arrangements, and in some other situations where competition is required for Award roles the positions be first **advertised internally** where a pool of suitable candidates is expected, and then externally where the position cannot be filled internally. Council has a **Workforce Management Procedure** that should be used in the finalisation of the structure.

The preferred structure for the top 3 levels should be adopted for consultation under Award requirements. Some extracts from **Clause 39 of the Local Government State Award** are outlined below:

“Where the employer has made a definite decision to introduce major changes in production, program, organisation structure or technology that are likely to have significant effects on employees, the employer shall notify the employee(s) who may be affected by the proposed changes and the union(s) to which they belong.

Where a proposed change in organisation structure is likely to have significant effects on employees and/or result in a reduction in the size of the employer’s workforce, the employer shall notify the union(s) whose members may be adversely affected by the proposed change at least twenty-eight (28) days before the change is implemented.

The employer shall discuss with the employee(s) affected and the union(s) to which they belong, inter alia, the introduction of the changes referred to in sub-clauses (i)(a) and (b) of this clause, what affects the changes are likely to have on the employee(s) and measures to avert or mitigate the adverse changes on the employee(s) and shall give prompt consideration to matters raised by the employee(s) and/or their union in relation to the changes and may reconsider its original decision.



The discussion shall commence as early as practicable after a definite decision has been made by the employer to make the changes referred to in subclause (i)(a) and (b) of this clause.

For the purposes of the discussion, the employer shall provide to the employee(s) concerned and the union to which they belong, all relevant information about the changes including the nature of the changes proposed, the expected effects of the changes on the employee(s) and any other matters likely to affect the employee(s).

In the report to Council the methodology and timelines need to be detailed so the staff have a clear understanding of what is ahead. **This information should then also be contained in the consultation communication to all staff and stakeholders regarding the structure.**

08 Senior Staff Appointments

Section 332 of the Local Government Act provides:

332 Determination of structure

(1) A council must, after consulting the general manager, determine the following:

- (a) the senior staff positions within the organisation structure of the council,*
- (b) the roles and reporting lines (for other senior staff) of holders of senior staff positions,*
- (c) the resources to be allocated towards the employment of staff.*

(1A) The general manager must, after consulting the council, determine the positions (other than the senior staff positions) within the organisation structure of the council.

(1B) The positions within the organisation structure of the council are to be determined so as to give effect to the priorities set out in the strategic plans (including the community strategic plan) and delivery program of the council.

(2) A council may not determine a position to be a senior staff position unless:

- (a) the responsibilities, skills and accountabilities of the position are generally equivalent to those applicable to the Executive Band of the Local Government (State) Award, and*
- (b) the total remuneration package payable with respect to the position is equal to or greater than the minimum remuneration package (within the meaning of Part 3B of the [Statutory and Other Offices Remuneration Act 1975](#)) payable with respect to senior executives whose positions are graded Band 1 under the [Government Sector Employment Act 2013](#).*

(3) For the purposes of subsection (2) (b), the total remuneration package payable with respect to a position within a council's organisation structure includes:

- (a) the total value of the salary component of the package, and*
- (b) the total amount payable by the council by way of the employer's contribution to any superannuation scheme to which the holder of the position may be a contributor, and*
- (c) the total value of any non-cash benefits for which the holder of the position may elect under the package, and*
- (d) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits.*



As indicated above the Council is required to adopt positions within the organisation which will be classified as **“senior staff”**. Under the Act a position cannot be so classified unless it has a total remuneration package at the minimum level applying under the State Executive Service Level 1 contracts – currently at \$178,850 (this includes salary, superannuation contributions made by the Council and the private use value of any benefits provided to the senior staff member – such as a motor vehicle).

The structural options detailed above are numerically lean, and we have the capability to develop a total remuneration package range for positions at the first (CEO), second (Group Leader) and third (Service Leader) levels to make the positions attractive to high performing leaders. Increased remuneration at those levels will **reduce the savings** available from a reduced number of senior positions, but those savings will still be considerable. The Council will then have the opportunity to invest those savings into **capital programs, service improvements or organisation priorities**.

09 Performance Based Contracts

We strongly favour the use of **fixed term performance based contracts of employment for senior staff – Group Leaders and Service Leaders**, underpinned by an **Executive Performance Management Scheme**.

It should be noted that the Local Government Act requires the General Manager (CEO) position be recruited competitively under a performance based term contract (1 to 5 years). It is highly desirable that the **competitive recruitment, term contract, and performance management requirements** be modelled at the Second level (Group Leader) and Third level (Service Leader).

Our expectation is at the Third level the **scope of the role and the extent of responsibilities** of the Service Leaders will bring them into the definition of senior staff. It is important that the same employment arrangements apply to senior staff to help build a “peer” group commitment.

The classification of Third level positions as senior staff will require the competitive recruitment to the Service Leader roles, and their placement on fixed term performance based contracts



It should be noted that the Council cannot **laterally transfer** internal staff into senior staff classified positions as those positions need to be competitively recruited. Based on our general assessment of staff capacities and capabilities over the last three (3) months we are confident some Armidale staff will have the potential to compete for and succeed in positions based on merit principles.

10 Salary Systems

The Council should engage a consultant with relevant expertise to evaluate positions in the new structure, excepting the CEO and Group Leader roles as we believe we have the required expertise and knowledge to recommend an appropriate salary range for these senior positions. Consideration of a salary system is not part of our expertise.

Evaluation of the Program Leader at Fourth level and all other staff is proposed as there is a great diversity in job size and responsibilities at those levels.

This evaluation should be based on both job value and market forces, including comparison with like Councils. In our view this work should include a 4 or 5 pay-point option so those staff who perform at a high level under Councils Performance Management Scheme can be recognised and rewarded.

We have been advised by the Staff Consultative Committee and some staff of the concern that the current salary system for all Award based employees needs review, particularly in regards to staff being at **the maximum level** in their grade. It was put to us that this results in a low level of motivation as there are no incentives to gain additional qualifications or to work hard and achieve a pay increase. We believe this to be common to some other councils based on our knowledge of salary systems, the multi-skilled nature of the Award and its competency based structure. **The CEO or IGM should investigate this and make appropriate determinations.**

11 Other Consideration

We received mixed views on **resourcing levels**, which was not unexpected – some said they had enough resources, some said they needed more. The issue needs to be resolved by the new ELT **against service levels**, whilst recognising the importance of seeking costs savings, as well as the need to create new positions (as detailed elsewhere in this report).

Lack of administration support throughout the organisation should be addressed. This is particularly relevant for the Mayor, Councillors, Chief Executive Officer, and Group Leaders, but it is also a deficiency across the organisation in the current structure. This is a **working at level** issue, wherein Council is paying a much higher hourly rate than it needs to for administrative tasks performed by senior staff. It also results in significant lost productivity, and often diminished job satisfaction for those staff paid at higher levels.

The Council can implement a strong focus on the **use of trainees** for administrative roles, and in so doing create jobs for youth in Armidale.

During our work a number of other areas have been identified as **needing increased focus/ resourcing**. Whilst we have been able to address some of these at third and fourth levels in what we have presented above, they also need to be front of mind in finalising the structure. They include:

Community Engagement
Customer service



Governance
Performance Planning and Reporting
Economic Development
Marketing
Communications
Media, including social media
Tourism
Events
Design office

A **Project Management Office** in the General Managers Office was considered, but ultimately we believe the need for this can be accommodated satisfactorily in the Organisation Planning and Performance Program that has been proposed.

Once the structure is finalised, a **review of delegations** should be undertaken with the goal of delegating responsibilities to the lowest appropriate level in the structure.

An Executive Manager concept in some areas may need to be further evaluated eg Business Units?

In finalising the structure, Council should consider the merit of offering **Voluntary Redundancies**. If this is supported, parameters will need to be agreed around how this would be offered.

12 Roles and Responsibilities of Senior Staff

In considering roles and responsibilities for members of the Executive Leadership Team and for Service Leaders, both **vertical and horizontal** responsibilities must be considered – vertical responsibilities for service delivery and horizontal responsibilities for contribution to the Leadership and Management of the Organisation.

The Chief Executive Officer

Is responsible for:

- strategy, leadership, performance setting, performance review and performance reporting for the organisation
- ensuring the efficient and effective operations of the Executive Leadership Team against its terms of reference (see draft attached), focused on organisation strategy, leadership, culture and performance.
- performance setting, feedback and review of all members of the Executive Leadership Team
- providing the necessary leadership to build the required culture throughout the organisation.
- being the interface between the organisation and the elected Council.

Group Leader (Second Level)

Is responsible for:

- making a strategic contribution to the operations of the Executive Leadership Team, as evaluated against the terms of reference for the ELT, as well as ensuring the technical and service expertise required from their areas of responsibility are delivered.
- overseeing the performance setting, feedback and performance review of their Service Leaders, consistent with the community strategic plan and annual organisation priorities.
- providing the necessary leadership to build the required culture throughout their stream of services.



Service Leader (Third level)

Is responsible for:

- the service delivery of programs in their area of responsibility.
- their contribution to the management of Council (the top 3 levels).
- providing the necessary leadership to build the required culture throughout their Service area.

Program Leader (Fourth level)

Is responsible for:

- the delivery of service in their program.
- building the required culture in their program.

Team Leader (below Fourth level)

Is responsible for:

- overseeing the performance of members of their team, and for developing the required culture in their team (note – the Team Leader title is preferred to supervisor).

13 Where to from here?

Step 1 – Council to determine the Organisation structure at the top 3 levels – Option 1, Option 2, Option 3 or other. Council should also note the potential structure at fourth level to give some clarity on where existing staff would be allocated in the proposed structure.

Step 2 – IGM and CFO to determine and report on savings in position numbers and employee costs associated with the decision in Step 1 and continue to monitor and report on savings as part of the Merger Transition Plan.

Step 3 – An appropriate communication to all staff to be prepared and distributed, detailing process and timelines to complete the whole of organisation structure. We can assist with this if requested to do so – after release of the organisation structure discussion paper.

Step 4 - Fill the executive positions in the Structure – first the Chief Executive Officer, then the Group Leaders and then the Service Leaders.

Step 5 - Finalise appropriate Fourth level structure (Programs) and fill the positions.

NOTE: Having regard for the structural issues involved the Joint Consultative Committee and Unions would be consulted, along with all staff, as part of step 3 above and in accordance with Clause 39 of the Award.



14 Potential Timelines

Council decision making

October – Extraordinary Council meeting to adopt structure at the first 3 levels for consultation, and note potential structure at Fourth level to give some clarity on where existing staff would be allocated in the proposed structure. At this meeting, if the Council wishes to proceed to recruit to the position of Chief Executive Officer, then the Council would also resolve to advertise the Chief Executive Officer position, and delegate to the Administrator power to appoint an independent recruitment consultant to assist in the recruitment process.

October – immediately following the Extraordinary Council meeting, formally advise relevant parties – Joint Consultative Committee, Unions and all staff.

November – Extraordinary Council Meeting – consider any submissions on structure, adopt structure, delegation to Administrator to appoint independent recruitment consultant for Group Leader positions.

December – appointment of the Chief Executive Officer and interviews for Group Leader positions

December/January – appointment to Group Leader positions.

January/February – advertising and recruitment to third level Service Leader positions

February/March – lateral transfer or internal recruitment to fourth level Program Leader positions

April/May – assignment of staff to the balance of organisation structure.

15 Decisions to be taken from the Organisation Structure Review

The Discussion Paper has identified a range of issues and findings and there are a number of recommendations which we make to ensure nothing is missed. They are:

Recommendation 1 – Structural Principles

That in adopting a new organisation structure for Armidale Regional Council the Council take into consideration the following Structural Principles:

- Improved service delivery
- Improved turnaround/response times to customer requests
- Improved internal and external engagement
- Appropriate span of control of leaders
- Breaking down of silos to improve team work
- Improved processes and delivery of cost efficiencies
- Financial sustainability
- Accountability and responsibility for results
- A focus on strategic outcomes for the community
- Career development opportunities for staff



Recommendation 2 – Roles and Responsibilities

That a focus on the critical functions of **Strategy, Leadership, Culture and Performance** be taken by the top staffing levels within the organisation and to enable that to happen the roles and responsibilities be clearly defined with specific accountabilities and these be captured in a new Executive Performance Management System.

Recommendation 3 – Leadership Titles

That to facilitate the new accountabilities of senior staff the titles be changed to:

- Chief Executive Officer (from General Manager)
- Group Leader (from Director)
- Service Leader (from Manager)
- Program Leader (from Supervisor)

Recommendation 4 – Organisation Structure

That based on the information and Options presented in this report, the Council determine its preferred structure.

Recommendation 5 – Council Meeting

That an Extraordinary Council meeting be held to adopt an Organisation Structure at the first 3 levels for consultation, and note the potential structure at Fourth level to give some clarity as to where existing staff would be allocated in the proposed structure. Further, that if the Council wishes to proceed to recruit to the position of Chief Executive Officer then at this meeting the Council also resolve to advertise the Chief Executive Officer position, and delegate to the Administrator power to appoint a recruitment consultant to assist in recruiting the Chief Executive Officer position. Council should also delegate authority to the Administrator to engage a consultant to undertake a job classification review for level 4 in the new structure, and other positions below Fourth level.

Recommendation 6 – Senior Staff Appointments

That the Council designate the Group Leader and Service Leader positions that meet Award requirements as “Senior Staff” under Section 332 of the Local Government Act and authorise the Administrator to engage appropriate consultant advice to assist in recruiting to the positions of Group Leader and Service Leader.

Recommendation 7 – Finalising the Structure

That the following process and timelines as detailed in this report be followed for finalising the structure:

October – immediately following the Extraordinary Council meeting to adopt a new organisation structure, formally advise relevant parties – Joint Consultative Committee, Unions and all staff.

November – Extraordinary Council Meeting – consider any submissions on structure, adopt structure, delegation to Administrator to appoint independent recruitment consultant for Group Leader positions.

December – appointment to Chief Executive Officer position and interviews for Group Leader positions



December/January – appointment to Group Leader positions.

January/February – advertising and recruitment to third level Service Leader positions

February/March – lateral transfer or internal recruitment to fourth level Program Leader positions

April/May – assignment of staff to the balance of organisation structure

Recommendation 8 – Staff Appointments

That where possible and appropriate, and in accordance with Section 360 of the Local Government Act, action be taken to laterally transfer existing staff into roles where they meet Award requirements, or for an internal recruitment process to be undertaken in accordance with Section 348 where there are sufficient staff available to compete for the role, or for staff to be seconded into Project Teams to undertake specific investigations or project work in relation to merger transition projects.

Recommendation 9 – Staff Salary System

That it be noted the Chief Executive Officer once appointed will review the need and urgency for a review of the current award based salary system building into the review an ability to ensure skills and competencies are recognised as well as incentives to encourage performance in the role.

Recommendation 10 – Financial Savings

That the Chief Financial Officer monitor all financial consequences of organisation structure decisions and regularly report to the Administrator and CEO on financial savings made and financial projections of all decisions or proposed decisions as part of the Merger Transition Plan.

Recommendation 11 – Administration Support Services

That the lack of administration support throughout the organisation be addressed, including for the Mayor, Councillors, Chief Executive Officer, and Group Leaders, in order to reduce the cost of senior staff undertaking their own support which results in significant lost productivity, and often diminished job satisfaction, and further that a strong focus on the use of trainees for administrative roles be considered to create opportunities for youth employment.

Recommendation 12 – Business Partner Model

That a “Business Partner” model be considered in the Finance, Organisational Development and Information Management Service areas, wherein a multi skilled staff member in each of those areas would be allocated to assisting particular Service Areas for which they would be the point of contact – a one stop shop type concept.

Recommendation 13 – Service Gaps

That areas identified as needing increased focus/ resourcing be addressed in finalising the organisation structure, including:

Community Engagement, Customer Service, Governance, Performance Planning and Reporting;
Economic Development, Marketing, Communications, Media, including social media, Tourism, and Events



Recommendation 14 – Delegations

That once the organisation structure is finalised, a review of delegations be undertaken with the goal of delegating responsibilities to the lowest appropriate level in the structure.

Recommendation 15 – Legislative Obligations

That the Council recognise its statutory obligations to staff members and ensure staff numbers at 12 May 2016 (the date of proclamation of the new Armidale Regional Council) are calculated and the requirements associated with those numbers are clearly understood by senior staff and the Administrator.

A handwritten signature in black ink, appearing to read 'Stephen Blackadder'. The signature is fluid and cursive.

Stephen Blackadder, Managing Director





Annexure 1 – Key Programs in Service Areas for Option 2 – 8 Positions at 3rd Level

Finance/ CFO*

Financial Planning and Budgeting
Financial Accounting and Systems
Engineering Financial Management
Procurement, Contracts and Property
Information Management (IT and Records)

Organisation Development and Culture*

Organisation Development and Culture
Workplace Health and Safety (including Workers Comp)
Employee Services

Governance and Integrated Planning

Councillor and Committee Support
Regional Collaboration and Grants
Policy, Ethics, Audit, Risk and Legal
Organisation Planning and Performance
Integrated Planning, Reporting and Community Engagement

Community and Economic Development

Customer Service operations
Customer Service performance and improvement
Community Services (Cultural, Youth, Aged, Aboriginal, HSS)
Economic Development
Marketing (including Tourism, Events, Visitors Centre and Museums)
Media and Communications

Roads and Parks

Road Construction
Road Maintenance
Parks, Sport & Recreation Management (incl Cemeteries, Aquatic Centres)



Asset Planning and Design

Planning and Design (Roads, Parks, Water, Sewer, Waste, property)

Asset Management

Council Property and Facilities – maintenance, acquisition and disposal (including Insurances, but not Workers Comp) – includes Showgrounds, Council Chambers, Community Halls, leased property, etc

Environment, Assessment and Compliance

Strategic Land Use Planning (Including Community Strategic Plan)

Environment and Sustainability

DA

Compliance

Animals, Weeds and Pests

Building Services

Business Services

Water and Wastewater

Waste Management

Plant Fleet

Airport

Saleyards,

Preschool and Aged Care

* “Business Partners” concept to be investigated in these areas



Annexure 2 – Key Programs in Service Areas for Option 1 and 3 – 15 Positions at 3rd Level

Finance/ CFO*

Financial Planning and Budgeting
Financial Accounting and Systems
Engineering Financial Management
Procurement

Organisation Development and Culture*

Organisation Development and Culture
Workplace Health and Safety (including Workers Comp)
Employee Services

Governance

Councillor and Committee Support
Regional Collaboration and Grants
Policy and Ethics Management
Audit, Risk and Legal

Information Management*

Systems Management
Systems Planning and Development
Records Management

Marketing and Economic Development

Marketing (including Tourism and Visitors Centre, Graphic Design)
Events
Media and Communications
Economic Development



Customer Services

Customer Service operations

Customer Service performance and improvement

Planning and Performance

Strategic Planning (including Community Strategic Plan)

Organisation Planning and Performance

Community Engagement

Assets and Property

Asset Management

Council Property and Facilities (including Insurances, but not Workers Comp) – Showgrounds, Council Chambers, Community Halls etc

Property acquisition and disposal

Road Construction and Maintenance

Road Construction

Road Maintenance

Road Planning and Design

Road Planning

Road Design

Water and Wastewater

Water and Wastewater Construction

Water Maintenance

Wastewater Operations

Parks and Recreation

Parks Planning and Design

Parks Operations (incl Construction and Maintenance)



Community Services

Libraries and Cultural Services (including Museum)

Community Services – Youth, Aged, Aboriginal Development Officer, HACC

Sport and Recreation

Business Services

Waste Management

Plant Fleet

Airport

Saleyards, Cemeteries, Aquatic centres

Preschool and Aged Care

Environment, Assessment and Compliance

DA

Environment and Sustainability

Compliance

Animals, Weeds and Pests

Building services

* “Business Partners” concept to be investigated in these areas



Annexure 3 – Executive Leadership Team – Draft Terms of Reference

EXTRACT FROM DRAFT TERMS OF REFERENCE FOR PROPOSED EXECUTIVE LEADERSHIP TEAM (ELT) (Note: draft only, not yet considered by General Manager)

1. Purpose

The primary objective of the Executive Leadership Team (ELT) is focussed on Strategy, Leadership and Performance - for the Armidale Region and for the Council Organisation.

2. Responsibilities

In undertaking this role, the following responsibilities are highlighted:

The ELT leads the implementation of the vision and strategic direction as set out in the Armidale Region Community Strategic Plan.

The ELT oversees the development and delivery of supporting strategies and plans in accordance with corporate guidelines (prior to submission to Council where required).

The ELT sets and communicates annual Organisational Priorities.

The ELT oversees the delivery of strategic priorities and service delivery as set out in the annual Operational Plan (OPP).

ELT members set the 'tone' for the culture of the Organisation by setting clear expectations on how members of the organisation align their behaviours with adopted corporate values and take the lead individually and collectively as members of ELT in living the desired culture and values.

The ELT sets performance expectations for the Organisation to ensure the effective implementation and delivery of Council's Community Strategic Plan and organisational Priorities.

The GM, in consultation with ELT colleagues, delivers a quarterly Performance Progress Report to Council that comprises progress against the annual Operational Plan, details of financial performance, performance against an agreed suite of KPI's, highlights for the quarter and key issues looking ahead.

The ELT establishes Cross-Organisation Coordination Teams (COCTs) around key service delivery areas (e.g. growth management, asset management, ICT etc) where collaboration, cooperation and decision-making across branches is required. Progress and annual reports detailing achievement of key deliverables for the previous period and setting updated key deliverables for the following period are presented to the ELT in accordance with corporate guidelines for COCTs.

The ELT monitors and manages the operational aspects of the business, including finance, resourcing, safety, staffing and projects.

There is a commitment to becoming a High Performance Team by all ELT members.