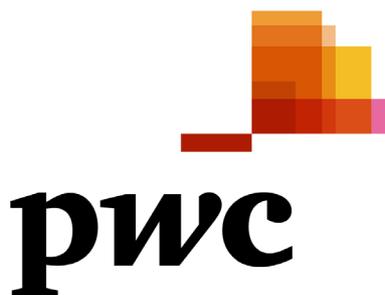


2019 NSW LOCAL GOVERNMENT EXCELLENCE AWARDS

PERFORMANCE EXCELLENCE

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City of Canada Bay Council Horizontal Service Review

Council identified in 2018 that its current operational model “Sustainable Assets Scenario” would result in a budget deficit for 7 out of the next 10 years. This model draws down on cash reserves to fund asset renewal and maintenance, whilst tackling the infrastructure backlog. These deficits will lead to a decline in council’s financial sustainability and impede the provision of services as operating income is directed towards asset maintenance and depreciation. Council was required to initiate immediate changes to the management of its budget deficits and adjust its planning framework to incorporate these proposed changes. Council’s leadership team explored business improvement opportunities with their “Horizontal Service Review” (HSR) project. This led to the adoption of the revised model “Sustainable Assets and Sustainable Services Scenario” which retains the underlying strategy relating to asset sustainability and incorporates a range of revenue growth opportunities and expenditure reduction alternatives. The revenue initiatives and expenditure savings from the Horizontal Service Review will significantly improve and deliver operating surpluses for 9 out of the next 10 years with a net value saving of \$35 million over this period of time. In the first 6 months since the Horizontal Service Review program was undertaken, \$400K+ were saved.

Clarence Valley Council Process Improvement Methodology (PIM)

Process Improvement Methodology (PIM) is the system Clarence Valley Council (CVC) has implemented to analyse and transform its outdated operational processes. PIM provides the support tools, assistance and inspiration to refine, improve and transform processes and therefore enhance business performance across the organisation. The key to delivering PIM across CVC has been the Business Improvement Team’s commitment to inclusive problem solving. Instead of process solutions implemented from the top down, the Business Improvement Team use PIM to empower staff to find and develop their own solutions to create better systems and processes. “This is great. Nobody has ever asked me how I would do it.” –CVC staff member, PIM DA process. PIM projects not only bring staff with a vast skill set of knowledge and experience together to develop quality solutions, but it creates an inclusive environment where all voices are heard, and the threat of change is reduced. PIM is benefiting council and the community because it’s streamlining CVC’s operations, reducing unnecessary red tape, illuminating unnecessary tasks, utilising technology, creating a more streamlined experience for customers and staff, creating a high performance team environment, and demonstrating the positive outcomes change can deliver to the operational performance of the organisation.

WINNER

Coffs Harbour City Council Responsible Leave Project

During 2018, equipped with the results of the Australasian Local Government Performance Excellence Survey to benchmark and measure progress, council set out to rectify the critical leave management issues identified through participation in the program. The core issues identified were:

- The percentage of their workforce with more than 8 weeks of accrued annual leave (11% in FY16 and 10% in FY17) and 12 weeks of accrued long service leave (31% in FY16 and 31% in FY17) were at or above the NSW survey population.
- The sick leave days taken (6.3 in FY16 and 6.9 in FY17) were at or above the NSW survey population median.

It was clear action was required across all leave types but there needed to be a strong focus on reducing unplanned leave. To achieve this council's leadership team drove the project Responsible Leave with strong support from the Executive team. The core enabling service was Organisation Development that oversaw all of the major initiatives. Over the twelve months a multifaceted approach was taken using their Enterprise Agreement provisions, rolling out leave management tools for people leaders and encouraging utilisation of health and wellbeing leave for planned health-related absences. The results have been striking with huge benefits to both council's bottom line and also to the community through stronger service provision and improved productivity:

- Sick leave days taken in 2018 shrunk by 1,640 compared to 2017.
- When using average employee wages this results in a \$446,000 productivity gain

VISION AND STRATEGIC THINKING

Council implemented a new set of Visions and Values for the organisation in 2016 and also a Target Operating Model to evaluate and drive change within the organisation. Project Responsible Leave was identified as a major cultural change project that would contribute to Council's vision for Coffs Harbour and our organisation. In every way it supports our vision of "committed to the pursuit of excellence" and values of collaboration, accountability, innovation, empowerment and customer centric.

Better service provision could be guaranteed with a change to our poor leave statistics. The project aimed to be innovative in the methods used: we would focus on strong collaboration with staff and the empowerment of people leaders. The results for customers should be visible with more customer-centric approaches and the optimisation of current resources. Council was also aware that all change must be led because a change in how a council delivers its services needs people to change the way they think about their jobs and the way they behave. This type of cultural change within an organisation is often complex and glacially slow. This project made sure that there was both carrot and stick approaches to drive results as quickly as possible.

There was a clear case for change, a burning platform provided by that data from the survey, that challenged the organisation to deliver services in a more effective and efficient manner. Our participation in the survey supported what anecdotally we thought were issues with leave management and specifically high levels of sick leave taken.

A project of this type and size (large stakeholder numbers, all staff are impacted, a high risk of failure) meant that we needed to adapt to circumstances and anticipate problems. An approach of pushing down and driving information up was key to success, particularly in the way we communicated changes around performance.

Communication and inclusion was a high priority for staff at all levels. This project needed to be driven from leaders at all levels within the organisation. To make this possible people leaders were empowered to discuss the changes with their staff by being provided clear and concise information. They were also encouraged to bring feedback from their team meetings back to the project team. Council was also able to utilise the legislated consultative committee as a sounding board for the project's approach and use their feedback about the best way to get



information to

staff so everyone was on the same page. This helped us catch issues before they were insurmountable. Cultural change projects often fall at the last hurdle because of perceptions, not reality.

We also need to facilitate and influence change, yet again employee representatives helped to be voices on the ground to test the staff's willingness and confidence in the processes. As part of Council's normal continuous improvement methodology we used the Plan Do Study Act cycle to check how we were travelling and what changes needed to be made to our approach.

ACHIEVEMENT OF RESULTS

In 2018, unplanned absences reduced by 22%, down 1,640 days from the 2017 calendar year. When using average employee wages this results in a \$150,000 productivity gain for indoor staff and \$296,000 productivity gain for operational staff. This is productive time returned to the community to complete projects. The cost of providing the sick leave incentive to qualified staff was \$290,000.

The impact of our focus on leave management is also evident with Long Service and Annual Leave balances. Results from the FY18 survey show both leave types trending in a downward direction at 2% and 1% decreases respectively. We anticipate that reducing these leave balances types will require a longer timeline and constant vigilance. Our approach is both about managing annual leave balances greater than 8 weeks and long service leave balances greater than 12 weeks as well as ensuring new staff to the organisation don't fall into the same patterns of accruing leave. Leave management conversations between staff and their managers are encouraged during performance planning discussions.

We have seen an increased level of employee engagement, as reflected in the results of our recent staff engagement survey and those results in part, reflect the opportunities now available to our staffing body as a result of this project. Although early days in our talent management journey it is expected that overlaying the talent management framework with the individual performance planning process will deliver increased opportunities for high potential staff as well as increased levels of discretionary effort from an increasingly engaged workforce.

In addition to the financial benefits of implementing leave management initiatives, Council has seen other non-fiscal impacts that have had a positive impact on the organisation's ability to be sustainable into the future. The focus on the reduction of unplanned leave and increased usage of planned leave has:

- enabled Council to continue to meet project deliverable while reducing the need to utilise labour hire or contract work out
- increased efficiency through taking of LSL and AL resulting in employees that are refreshed, efficient and engaged
- a focus on succession planning, knowledge transfer and transition to retirement for mature workers
- a reduction in the requirement for higher duties for operational staff due to the improved attendance at work which has reduced the significant financial impost of paying higher duties.

The results achieved through the project will continue to be realised in coming years as the leave liability of the organisation is reduced and our workforce leverages the available leave options and opportunities for career growth.

BUSINESS PERFORMANCE

During the negotiation of the Coffs Harbour City Council Enterprise Agreement, clauses were included to enable Council to influence organisational performance by changing the leave landscape. We looked broadly beyond our sector to seek best practice approaches rather than being just focused on the local government sector. These clauses included:

- a no evidence clause, meaning staff can access personal leave without requiring medical certificates unless the leader suspects a pattern of misuse exists
- the creation of a sick leave incentive. This is paid to staff who are under a threshold amount of personal leave, with the amount payable dependent on overall organisation usage



- the implementation of flexible working arrangements.

These provisions have started to change employee perceptions that personal leave is an additional entitlement to be used for planned leave rather than its intended use which is an “insurance policy” used for protecting the employee in the unfortunate event that they are unfit to attend work.

Flexible work has also provided staff with an opportunity to alter their work hours to enable them to attend appointments and other occasions during work time.

We were mindful that change of this nature needs to be managed and monitored. In support of the provisions, we have rolled out a comprehensive monthly reporting program and a leave management toolkit to ensure leaders have the information required to manage their team leave. Reporting is used by leaders to identify and address any pattern of unplanned leave.

People leaders also receive reports showing staff annual and long service leave balances to ensure Council’s leave liability does not continue to increase further over time.

In addition to the requirement to control our leave balances in order to contribute to the financial and operational sustainability of the organisation, the survey also highlights the need for a greater emphasis on developing our internal talent. The age profile of our workforce combined with our significant annual and LSL balances increased the imperative for our organisation to design a formal talent management framework in order to identify future talent and succession planning options.

Influencing and driving leadership behaviour change is a significant component of the new talent management framework – transitioning from an organisation that historically promotes based on technical excellence to a workplace focused on identifying leadership potential and providing pathways and development opportunities.

Taking a planned and structured approach to leave has many positive outcomes for teams and the community we serve. It can lead to our teams being more engaged and work ready without having to scramble to cover absences or delaying jobs and staff are taking leave to ensure they remain rested and fit for work.

While the solutions implemented have been developed to address our specific needs it is clear from the benchmarking data that the issues are industry-wide. These innovative solutions are transferable to others in local government but for them to be effective it requires a whole of leadership focus. Organisations should not underestimate the challenges that will need to be overcome in order to successfully implement the changes.

WORKING RELATIONSHIPS

This project has touched all staff at Coffs Harbour City Council and impacted greatly the way they perform, how that performance is measured and how it is rewarded.

The Coffs Harbour Council Enterprise Agreement which underpinned many of the actions had a comprehensive negotiation process which included Senior Leadership and relevant unions. A thorough consultation process took place with Council staff, giving them the opportunity to help shape the Enterprise Agreement. They were also included in the Council Enterprise Agreement Team. It was discussed during negotiations that a focus area for Council was the reduction of unplanned absences and as such clauses were negotiated to enable this to be achieved.

The establishment and delivery of regular reporting has involved using solutions delivered through our technology service provider for Human Resources and Payroll (Technology One) and collaborative working relationships between Council’s Business Systems and Organisational Development teams. Regular performance conversations were mandated between staff and their managers to ensure that staff could achieve their objectives while taking a planned approach to their leave for the 12 months ahead.

The development of the talent management framework will require engagement and collaboration with all members of the Senior Leadership group; it is a significant paradigm shift in relation to how we identify, plan for and implement pathways for identified talent within our organisation. Through taking an active approach to leave management, Council is able to provide opportunities for identified talent in a systematic and planned way.

2019 NSW LOCAL GOVERNMENT EXCELLENCE AWARDS

SERVICE DELIVERY INITIATIVE

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POPULATION OVER 60,000

Central Coast Council

1Coast Domestic Waste Service - Get It Sorted Central Coast

Whilst undergoing significant organisational change following the amalgamation of two former Councils in 2016, Central Coast Council swiftly set out to transform the delivery of its domestic waste management services from separate contracts and service specifications to the delivery of a new single aligned service. After a robust process, Cleanaway Australia Pty Ltd (Cleanaway) was successfully appointed. In 2018, Central Coast Council in conjunction with its waste collection contractor, Cleanaway implemented the project under the 1Coast branding. The project has since met its objectives of delivering safe, reliable, cost effective and environmentally responsible waste services, adapting to changes in industry standards, responding to technological advances and reflecting community expectations. These results were largely achieved as a result of the commitment and dedication of the waste management staff from the two former Councils that had been brought together by the amalgamation to create Central Coast Council in pursuit of the common goal of excellence in service delivery. Central Coast Council and Cleanaway have recently celebrated the first anniversary of their partnership. This working relationship is an excellent example of good governance and partnerships in achieving high level customer experience, value for money and excellence in service delivery.

City of Canada Bay Council

Emerging Technology Programs in the Makerspace Classroom at The Learning Space

In January 2017 City of Canada Bay opened their newest library service, The Learning Space at The Connection in Rhodes. This library service does not include the traditional collection of physical books and resources, instead the focus is on a deep understanding of the local community, and a strong commitment to delivering resources electronically, and building communities of practice through innovative customer service and programs. The heart of this journey has been an exploration of how they support the learning and creative needs of their community, through developing and implementing a “whole of community” approach to programs that build community, engagement, and social innovation. The focus on emerging technology programs at The Learning Space was informed by the available demographic data and extensive consultation with the community in Rhodes. After a year of operation, their emerging technology and makerspace programs were running regularly with great success but did not have a dedicated home. In 2018 they were able to create a hands-on makerspace classroom for their programs from entirely within the regular operating budget, through thoughtful and creative uses of space and resources. Program areas include 3D printing, robotics, coding, electronics, video and sound production, augmented reality and virtual reality.