



**SNOWY MONARO**  
REGIONAL COUNCIL

# **Late Report**

**Administrator Delegations Meeting  
25 November 2016**



**ADMINISTRATOR DELEGATIONS MEETING  
TO BE HELD IN HEAD OFFICE, 81 COMMISSIONER STREET, COOMA NSW 2630**

**ON FRIDAY 25 NOVEMBER 2016  
COMMENCING AT 9.00AM**

**LATE REPORT**

**9. CORPORATE BUSINESS - KEY DIRECTION 7. PROVIDING EFFECTIVE CIVIC  
LEADERSHIP AND CITIZEN PARTICIPATION**

- 9.1 Organisational Structure Project - Recommended Functional Structure - Request  
to Commence Consultation

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## 9.1 ORGANISATIONAL STRUCTURE PROJECT - RECOMMENDED FUNCTIONAL STRUCTURE - REQUEST TO COMMENCE CONSULTATION

Record No:

Responsible Officer:	Director Special Projects Office
Key Direction:	7. Providing Effective Civic Leadership and Citizen Participation
Delivery Plan Strategy:	DP7.1 Ensure that legislative obligations are met throughout all Council departments.
Operational Plan Action:	OP7.5 Achieve a stronger, more efficient Council through a successful merger.
Attachments:	<ol style="list-style-type: none"><li>1. Department of Premier and Cabinet (DPC) Phase One Roadmap - May 2016 <a href="#">↓</a></li><li>2. Organisation Structure Project - Scope <a href="#">↓</a></li><li>3. Organisation Structure Project - Authorisation <a href="#">↓</a></li><li>4. Organisation Structure Project - Timeline <a href="#">↓</a></li></ol>
Cost Centre	3130 – Merger Project
Project	Permanent Organisation Structure
Further Operational Plan Actions:	<p>7.3.1.1. Redefining new service levels, delivery methods and supporting structures</p> <p>7.3.1.2. Complete analysis and modelling to support preparation of the new resourcing strategy. (Workforce Plans)</p> <p>7.1.2.15. Adopt an organisational structure, including consultation with Consultative Committee.</p>

### EXECUTIVE SUMMARY

On 12 May 2016 the Governor General issued the Local Government (Council Amalgamations) Proclamation 2016 dissolving Bombala Council, Cooma-Monaro Shire Council and Snowy River Shire Council forming Snowy Monaro Regional Council.

The road map issued by Department of Premier and Cabinet directed a plan for the merger which included many transactional and strategic items. On 16 June 2016 an interim structure was put in place and since then work has commenced review of Council's current services and delivery methods before making recommendations on a permanent structure.

Specific actions in the adopted Snowy Monaro Regional Transition Plan relating to the organisational structure include:

- 7.1.2.15. *Adopt an organisational structure, including consultation with Consultative Committee.*
- 7.3.1.1. *Redefining new service levels, delivery methods and supporting structures*

After consultation with staff from the Department of Premier and Cabinet, a functional structure has been recommended and approved by the General Manager. This structure is now submitted to the Administrator for consideration and approval. Following approval, consultation will commence with the relevant stakeholders.

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The following officer's recommendation is submitted for Council's consideration.

#### **OFFICER'S RECOMMENDATION**

That Council

- A. Receive and note the report on the functional structure
- B. Adopt the functional structure and commence consultation with stakeholders

#### **BACKGROUND**

The Snowy Monaro Regional Council Transition Plan sets out the actions required to ensure a successful merger. Adopting a permanent structure that facilitates service delivery to our community across the region is a key project of the plan. The attached proposed functional structure impacts on tiers two and three of the organisational hierarchy, with an impact on approximately 40 staff across the former three councils into 16 positions that would make up the executive (Directors) and senior staff (Group Managers). It is planned that an external recruitment agency will be engaged to implement the advertising, recruitment and selection of applicants into these positions.

#### **QUADRUPLE BOTTOM LINE REPORTING**

##### **1. Social**

The adoption of a permanent functional organisation structure will achieve the following benefits for the various stakeholders:

- Clear reporting lines for directorates and functions
- Efficiencies in processes
- Cost efficiencies by reducing triplicated roles
- Increased certainty for 80 per cent of the organisation
- Simplifies customer enquiries

There is an expected value of 2% of current employment costs. It is noted that these are not expected until the cessation of the three year protection period. The main financial savings will be achieved by the reduction in Director and Manager positions held by the previous three councils.

Productivity will increase with responsibilities being adequately issued across the organisation to contribute to a stronger, modern council that focuses on continuous improvement in service delivery

##### **2. Environmental**

There is minimal environmentally sustainable impacts from this project and is limited to carbon emissions through travel; and printing and stationery use for administration activities.

##### **3. Economic**

This project is funded through the merger fund. The budget for this project is as follows:

<i><b>Element</b></i>	<i><b>Budget \$*</b></i>
Salaries and wages of project team	113,750

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External recruitment agencies**	411,750
External executive coaching services***	52,500
External support and advice for redeployed staff	30,000
Legal advice	5,000
Voluntary redundancy payments	0
Room hire and ancillary costs	2,000
Travel and accommodation reimbursements	3,000
Contingency	61,800
<b>Total Budget</b>	<b>\$679,800</b>

\* excluding GST

\*\*15% total remuneration package: 4 Directors @180k; 15 managers @ \$135k

\*\*\*15 staff @ \$3,500 each

Given the projected cost of using external recruitment agencies, specifications will be developed and issued through the Local Government Procurement Panel contract: HR Temporary Placements & Associated Services (LGP808-2) to obtain competitive quotes to deliver this service.

#### 4. Civic Leadership

Phase 1 of the roadmap issued by the Department of Premier and Cabinet to all merged councils requires councils to implement an organisational structure. A review of this requirement was undertaken early in the merger as it was understood that where possible, a services review would first be completed which would inform any permanent structure.

The services review report is nearing completion and the functional structure proposed is linked to the outcomes of the baseline service review and proposes alignment of current services. Following approval by the Administrator, consultation with employees and unions will have an opportunity to have input to comment on the proposed functional structure.

It is noted that the organisational levels identified in the proposed functional structure are tier two (Directors) and tier three (Group Managers). The span of control recommended is based on the median ratio for NSW councils as documented in the PWC Local Government Effectiveness Survey 2015. The median of "other staff per manager" for a small council is 2.5:1, and a medium council sits at 3.5:1. Given that Snowy Monaro Regional Council (SMRC) would now be considered 'medium' size the recommended structure proposed is 4:1, with the exception of the Special Projects Office, which is a team of professional experts focused on overall organisational strategy.

Early in 2017 it is planned that scenario modelling will be undertaken to explore workforce numbers that support service delivery at agreed service levels. The Special Projects Office will provide more specific information to the General Manager on full time equivalent staff numbers required in the various functional directorates before the commencement of lateral transfers. Current position holders in tier two, three and four who are unsuccessful into the permanent Director and Group Manager structure will be offered redeployment options.

Protections in Section 354 of the Local Government Act ensure that no employees can be made forcibly redundant. As referred to in the previous paragraph the organisation structure project plan includes actions required to facilitate lateral transfer and redeployment opportunities for

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staff. There is no plan for offering voluntary redundancies, rather, where the position may no longer be required, the General Manager is committed to ensuring the affected staff member is provided with an alternative, meaningful and productive role within the organisation. In addition rural centre numbers and current staff conditions, including job locations are highly unlikely to change with the implementation of the permanent structure.

**Determination by Administrator**

Approved by Administrator in accordance with *Section 226 dot point one (1) of the Local Government Act*

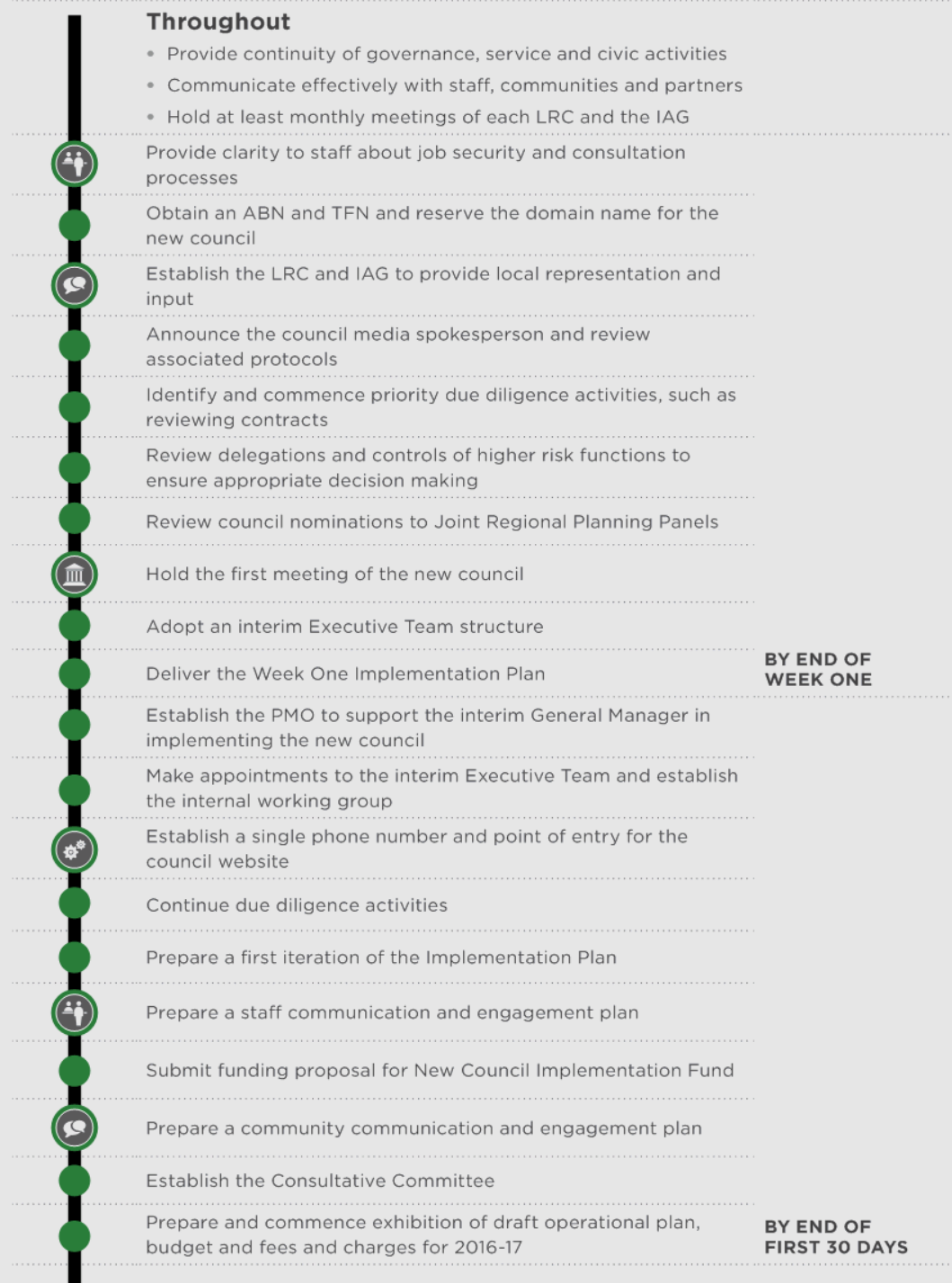
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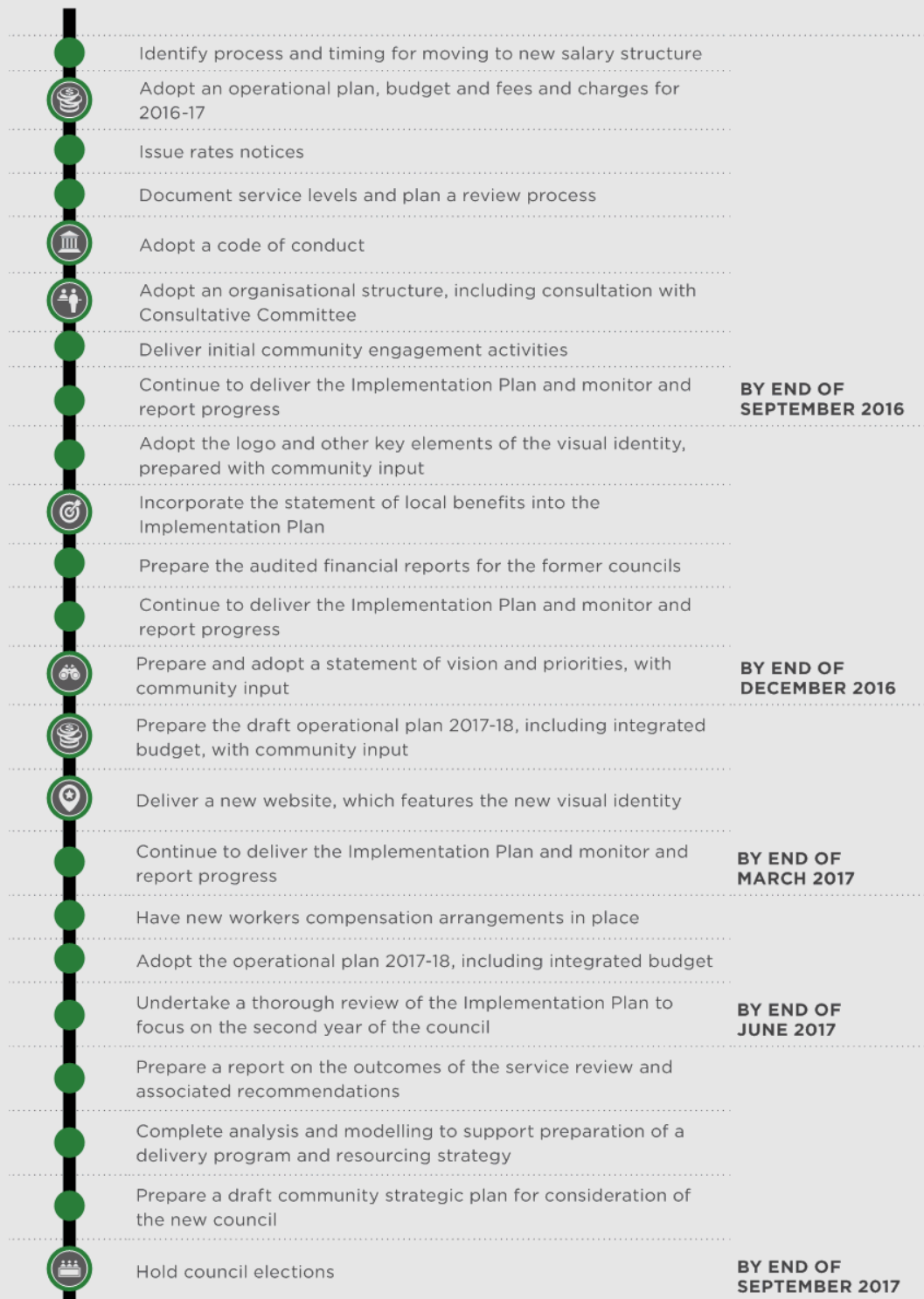
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## 1.4 ROADMAP FOR PHASE 1

A Roadmap for Phase 1 of the implementation process is provided below. It shows important actions required at different stages of the implementation process, aligned to the 10 key results.







Snowy Monaro Regional Council  
Project Plan: Organisational Structure  
Prepared by: Iliada Bolton



<b>Project Scope</b>	
<b>IPR Framework</b> <i>If this project is specifically outlined in the Community Strategic Plan, Delivery Program or Operational Plan please provide details</i>	<p>Objective (CSP): Providing Effective Civic Leadership and Citizen Participation</p> <p>Strategy (CSP): Governance systems reflect Council's accountability to the community</p> <p>Priority (DP): Council conducts business in an open and democratic manner that values and respects the community</p> <p>Action (OP): Achieve a stronger, more efficient Council through a successful merger</p> <p>IP: Redefining new service levels, delivery methods and supporting structures</p>
<b>Problem/opportunity</b> <i>Is there anything that could prevent this project from being successful? Are there opportunities that will be realised by this project?</i>	<ul style="list-style-type: none"> <li>Complete understanding of the project by the organisation and the links between transition activities and transformation of the entity</li> <li>Consideration of voluntary redundancies</li> <li>Appointments to permanent structure will provide the organisation with clarity and certainty of the hierarchy, reporting lines, roles and responsibilities</li> <li>Opportunity to embed the new organisations vision and values</li> </ul>
<b>Specification</b> <i>What are the guiding standards, legislation or quality controls must be met?</i>	<ul style="list-style-type: none"> <li>Local Government Act</li> <li>Local Government Proclamation</li> <li>Local Government Award</li> <li>Industrial Relations Act</li> </ul>
<b>Conflicts of Interest</b>	
<i>Conflicts of interest (real or perceived)</i>	<ul style="list-style-type: none"> <li>Employees in the project may be candidates during the recruitment process</li> </ul>
<i>Memberships of or associations with organisations, companies or other bodies with an interest (or perceived interest) in the project</i>	<ul style="list-style-type: none"> <li>Project team members are members of Local Government Professionals who provide industry advice and partner with PWC for benchmarking</li> </ul>
<i>Financial (pecuniary) interests</i>	<ul style="list-style-type: none"> <li>Nil</li> </ul>
<b>Contractual arrangements</b> <i>Agreements, tender documents, contracts</i>	<ul style="list-style-type: none"> <li>CAMMS Group Software solutions – Workforce Planning and HR Data warehouse</li> <li>External recruitment agency</li> </ul>

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<b>Business value</b> <i>Consider monetary and productivity benefits</i>	<ul style="list-style-type: none"><li>▪ There is an expected value of 2% of current employment costs. These are not expected until the cessation of the three year protection period. The main financial savings will be achieved by the reduction in Director and Manager numbers held by the previous three councils</li><li>▪ Productivity will increase with responsibilities being adequately issued across the organisation to contribute to a stronger, modern council that focuses on continuous improvement in service delivery</li></ul>
<b>Approvals</b> <i>What approval is required for this project to proceed?</i>	<ul style="list-style-type: none"><li>▪ Administrator must approve the functional structure which identifies senior staff level of the organisation (tier 1 and 2)</li><li>▪ General Manager must approve all levels under the senior staff (3 down to front-line)</li><li>▪ General Manager to approve all communication issued to stakeholders</li></ul>

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<b>Project Authorisation</b>				
<b>Project Title</b>	Organisational Structure - Permanent			
<b>Project manager</b>	Iliada Bolton			
<b>Project timeline</b>	Planned start date:	02/11/2016	Planned end date	30/06/2017
<b>Total Budget incl. GST</b>	\$748,000			
<b>Project objectives</b>	<ul style="list-style-type: none"> <li>▪ Develop organisational structure with GM</li> <li>▪ Have permanent organisational structure (tier 1 and 2) approved by Administrator</li> <li>▪ Consult with unions and staff on organisational structure by function</li> <li>▪ Identify resourcing requirements for each service area identified in the service review</li> <li>▪ Provide options for resourcing service areas</li> <li>▪ Recruitment and appointment of directors</li> <li>▪ Recruitment and appointment of group managers</li> <li>▪ Lateral transfer of operational, technical and professional staff where possible</li> <li>▪ Utilise voluntary redundancies to reduce number of staff on a case-by-case basis</li> </ul>			
<b>Project deliverables</b>	<ul style="list-style-type: none"> <li>▪ Permanent appointments into approved organisational structure</li> <li>▪ Deliver a minimum of \$1.1M savings in salary costs by 30 June 2018</li> <li>▪ Commencement of thorough service level analysis and resource assessment for all identified key service areas by May 2019</li> </ul>			
<b>Project assumptions/constraints</b>	<ul style="list-style-type: none"> <li>▪ Council appetite for change</li> <li>▪ Recruitment will be effective</li> <li>▪ Structure linked to services review and external report recommendations</li> <li>▪ Agreed scenario that will be used for organisational structure</li> <li>▪ Remuneration commensurate with industry</li> <li>▪ Industrial relations</li> <li>▪ Local Government Act</li> <li>▪ Local Government Award</li> <li>▪ Consultation could take longer than expected</li> <li>▪ Remuneration</li> </ul>			



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Project Authorisation				
Major phases	Consultation	Recruitment and Appointment	Service review output link	Scenario modelling of resource allocation
Key deliverables in each phase	Engagement with stakeholders	Advertising Interview Selection Appointment	Recommendations of service review Recommendations of external reviews	Organisational structure options Report to endorse preferred structure
Milestones and proposed dates	17 January 2017	28 February 2017	31 March 2017	28 February 2017
Detailed information prepared	<input type="checkbox"/> Risk management plan <input type="checkbox"/> Work breakdown <input type="checkbox"/> Quality management plan		<input type="checkbox"/> Communication plan <input type="checkbox"/> Procurement plan <input type="checkbox"/> Scope review plan	
Recommendation	That this project plan be accepted and approved by the Administrator, Mr Dean Lynch and General Manager, Mr Joseph Vescio for notification to Unions and Staff on 23 November 2016			
Decision				
Project Manager  Signature Name	Iliada Bolton			
Project Sponsor  Signature Name	Special Projects Office			



Proposed Stages of Organisational

Task	Nov 2016	Dec 2016	Jan 2017	Feb 2017	Mar 2017	Apr 2017
Organisational structure project planning						
Preparation of key documents (includes capability framework and job design)						
Consult on functional structure						
Service review outcomes inform structure options						
Develop new salary system and link to structure						
Consider functional structure resource options						
Phase 1 - Recruitment and Appointment – Directors						
Phase 2 - Recruitment and Appointment – Group Managers						
Phase 3 - Recruitment and Appointment – Senior Officers						

