

CITY OF

GREATER GEELONG

# TRANSFORMATION PROGRAM



JUNE 2018 QUARTER UPDATE

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# Executive summary

The Transformation Program was primarily developed to ensure that the 12 key recommendations and 25 secondary recommendations of the Commission of Inquiry report and actions out of the Halliday Report are carried out.

The organisation undertook an Employee Opinion Survey in 2016, as well as contracting three reviews by external parties for Finance, ICT and civic accommodation.

Each of the reviews completed has recommendations or actions which the organisation has committed to addressing. These have also provided core inputs to the Transformation Program and many of the actions or recommendations are inter-related or linked in some way.

## TRANSFORMATION PROGRAM

The Transformation Program was originally organised into four inter-related streams of Leadership, Governance, Management and Relationships.

It is now organised under eight focus areas, with a total of 28 projects and close to 100 sub-projects under these.

The focus areas are:

1. Governance
2. Strategy, Planning and Monitoring (incl. Leadership)
3. Culture and People Management (incl. Leadership)
4. Financial Management
5. Asset Management
6. Information management
7. Risk Management
8. Relationship & Reputational Management.

The objective is to enable transformation to the most efficient and effective organisation possible to fulfil its purpose of ***working together for a thriving community***.

Implementation of the program will occur progressively; with some initiatives able to be implemented relatively quickly, whereas others will take longer and in some instances more than two years.

## ERNST & YOUNG REVIEW

Ernst & Young (EY) was engaged by the Chief Executive Officer (CEO) at the request of the Administrators in October 2017 to provide an independent status update on the City of Greater Geelong's progress against recommendations set out in the:

- Commission of Inquiry report
- Supplementary reports commissioned by CoGG (EY review of Financial Position and Strategies and Deloitte ICT review)
- Halliday Stage 2 Culture Review.

Key observations by EY were:

- Transformation Program requires a high level of sustained focus, putting it back into business as usual poses a major risk in that it will become less of a priority
- Inadequate staff resourcing allocated to various transformation initiatives
- Many of the initiatives require a longer period of time, a sustained and continued effort required to see through transformation
- A lot of good work completed but it needs to continue, transformation is ongoing.

The next section provides a summarised update for each focus area.

## THE WAY FORWARD

The Transformation Program will continue to be managed and reported by the Coordinator Transformation, Program Integration and Development.

Transformation projects have also been included in the CEO's key performance indicators (KPIs) and cascaded down into each Directors' KPIs to be monitored regularly by the CEO.

As per the EY findings, Transformation is ongoing and it is anticipated that projects may continue to be added in consultation with the Executive Leadership Team (ELT) in the future as others are completed.

## JUNE 2018 QUARTER HIGHLIGHTS

The last quarter saw a number of achievements with the following a selection of the key highlights:

- ✓ Council Plan adopted and integrated with *A Clever and Creative Future* vision
- ✓ Successful Enterprise Agreement result with more than 91% of the employees who voted, voting 'yes' to the new Enterprise Agreement
- ✓ Council agreed in principle to the consolidation of its administrative functions to one location within Central Geelong. A Project Advisory Committee and an Internal Control Group have been established
- ✓ Adoption of the 2018-19 Budget (including Fees and Charges, Borrowing Program, Rating Strategy and financial statements for the four year Strategic Resource Plan)
- ✓ 2018-22 Council plan has influenced development of 2018-19 budget with funding allocated to 11 strategic priorities
- ✓ Social Infrastructure Plan community engagement plan developed and consultants appointed following procurement process. Social Infrastructure Plan governance strengthened with Project Control Group created
- ✓ 10 year Financial plan has been updated including 3 scenarios with detailed commentary and financial risks identified
- ✓ The asset attributes and rules actions within the Asset Management project have been completed
- ✓ A number of reviews and action plans completed including the Diversity Diagnostic Review, Diversity and Inclusion Action Plan and the Gender Pay Equity Review
- ✓ Developed a draft Monthly CEO Headline Report as an online dashboard using recently purchased Birst (business intelligence) software in conjunction with Digital Information and Technology team a Birst consultant
- ✓ The ICT (Information and Communications Technology) Steering Committee has been formed and now operating. Budget provision for years two and three of the Strategic Resource Plan has been identified and allocated for ICT projects
- ✓ Rationalisation of 290 operational risks into 35 enterprise risks
- ✓ Customer Focus Strategy including customer service charter (17 actions to be completed over three years) being delivered. Service improvement team has been established to ensure change is managed appropriately and effectively. The review of bill distribution and payment methods is also complete.

## PROJECT UPDATES

The following section contains updates on all projects within the Transformation Program.

The format is based on the Ernst & Young report.

Project leads have provided updates on all projects and this forms the basis of this report.

The Coordinator Transformation, Program Integration and Development and the Primary Municipal Monitor also interviewed relevant directors with the information collected also used to prepare this quarterly update.

The Transformation Program is reported to the Executive Leadership Team, Council and the Minister for Local Government on a quarterly basis.

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# Project updates

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## 1. GOVERNANCE

Project	Status	Planned end date
Return to elected council		Completed – ongoing training & PD
Decision making framework		Jun 2020
Policy framework		Dec 2018 - ongoing
Establish Governance & Legal Unit		Completed
Protected disclosure		Completed – training to be integrated into induction program
Council business processes		Aug 2018

### Primary Municipal Monitor's comments / issues

- Crucial to divest redundant and duplicated policy. Important to simplify policy and use plain English.
- Pleased to see Council Plan, Local Government Act, single source of truth, useability, compliance and council management ownership as guiding principles in the Decision Making Framework.
- Good to see improved process on presentation at Council Briefing sessions but need for management to be even more focused on strategic issues for Council.

### Chief Executive's comments

- Significant work has been undertaken to improve governance across the organisation with improvements to the quality and timeliness of reports a high priority during the next six months.
- Policy Review Committee will commence review of policy framework and then use this as a basis to set a timeframe and commence policy reviews.

### Highlights

- ✓ Policy Review Committee established
- ✓ Risk based prioritisation of policy reviews developed
- ✓ "Reporting Improper Conduct" brochure developed and circulated across the organisation and to customer service centres
- ✓ Decision making framework drafted for presentation to ELT
- ✓ New ELT meeting process including a meeting dedicated to Council Business
- ✓ New report cover sheet implemented to capture key information relevant to the report.

### Focus areas

- > Policy Review Framework development
- > New policy template
- > Commence review of policies
- > Review of delegations to commence
- > Protected Disclosure to be integrated into induction program
- > Governance operating framework
- > Forward agenda planning
- > Organisational training on report writing.

## 2. STRATEGY, PLANNING & MONITORING

Project	Status	Planned end date
30 year vision		Jun 2019 (implementation) - ongoing
Alignment of long term strategies with vision		Dec 2018
Business Improvement Framework		Jun 2019 (capability deployment) - Ongoing
Service Planning / Review		Dec 2018 (framework and implementation plan)
Business analytics / reporting		Jun 2019
Social Infrastructure Plan review		Apr 2019

### Highlights

- ✓ Council Plan adopted and integrated with *A Clever and Creative Future* vision
- ✓ *A Clever and Creative Future* vision partners meeting held to gain stakeholder support with implementation within the community
- ✓ Geelong's designation as Australia's first City of Design launched in May 2018
- ✓ Social Infrastructure Plan community engagement plan developed and consultants appointed following procurement process
- ✓ Social Infrastructure Plan governance strengthened with Project Control Group created
- ✓ Developed a draft Monthly CEO Headline Report as an online dashboard using recently purchased Birst (business intelligence) software in conjunction with Digital Information and Technology team a Birst consultant
- ✓ Ten business improvement projects are currently being supported throughout the organisation
- ✓ Service planning / review framework presented to ELT.

### Focus areas

- 'One Voice for Geelong' implementation
- Social Infrastructure Plan Strategy Development Officer to be appointed and community engagement (Part B) to commence
- Launch of Council Plan following adoption in late June, positioning it as what Council will do to deliver the first four years of the vision
- Service planning / review framework and schedule to be agreed
- Launch of the formal Lean Learning program with the Introduction to Lean Thinking sessions taking place every Tuesday for next 12 months with the aim to educate just over 800 staff.

### Principal Municipal Monitor's comments / issues

- ❑ Social Infrastructure Plan to focus on future socialisation of concepts (local, district and regional) within community and council such as multiple service hubs, asset utilisation by multiple clubs, groups, licenses/leases.
- ❑ Pleasing to see progress and developed thinking into integrated approach for 'One voice for Geelong'.
- ❑ Pleased to see that the ELT has adopted the 10 Year Financial Plan to drive the sustainability of all strategies. The ELT to identify the major long-term strategies such as Asset Management Plan, Settlement Strategy, Social Infrastructure Plan and Waste Management Plan that link between the vision and the annual organisational plan.
- ❑ Pleasing to see the ELT focus on commercial services with financial risk.
- ❑ Business analytics requires focused attention as knowledge base is spread out, not centralised.

### Chief Executive's comments

- ❑ A recent workshop held with staff representing several departments will lead to the development of a well-informed Community Engagement Plan for Parts B & C of the Social Infrastructure Plan Review.
- ❑ The linking of major long-term strategies to the 10 Year Financial Plan remains a priority.
- ❑ A framework and program for service planning / review will be finalised the next quarter
- ❑ The implementation of the Birst (business intelligence) software will allow us to now focus our attention and improve business analytics throughout the organisation.

### 3. CULTURE & PEOPLE MANAGEMENT

Project	Status	Planned end date
Internal leadership development		Dec 2018
Positive Duty / Culture program	Completed – Leadership Capability Framework, MyPLAN, Policy Review being implemented	
Workforce resource plan		Jun 2019
Mentoring, coaching and leadership (L&D)		Jun 2019 - ongoing
Civic accommodation		Dec 2018
Complaints Review Framework		Jul 2018

#### Highlights

- ✓ Successful Enterprise Agreement result with more than 91% of the employees who voted, voting 'yes' to the new EA
- ✓ Values Cross Functional Project Team has been established
- ✓ Three-year staffing forecast completed by departments
- ✓ Transition to retirement policy developed
- ✓ A number of reviews and action plans completed including the Diversity Diagnostic Review, Diversity and Inclusion Action Plan and the Gender Pay Equity Review
- ✓ MyPlan (performance review and development plan) and Learning Management System under construction
- ✓ Expression of Interest process for the Leadership Capability Framework closed
- ✓ Council agreed in principle to the consolidation of its administrative functions to one location within Central Geelong. A Project Advisory Committee and an Internal Control Group have been established.

#### Focus areas

- Civic Accommodation project community engagement

- Complete product development phase of the Complaints Review Framework (completed mid-July)
- Three key projects resulting from 2017 Employee Opinion Survey – Leadership Capability Framework; introduction of MyPLAN (performance review / development plan); Policy Review Committee
- 2018 Employee Opinion Survey launch
- Collate the three-year staffing forecasts to an organisational view
- Consider external consultancy to develop the workforce plan (Local Government Act requirement) which will allow it to be then supported in house post-development
- Deliver MyPLAN and Learning Management System and appoint provider for Leadership Capability Framework.

#### Principal Municipal Monitor's comments / issues

- ☐ Pleased to see internal communications in response to the 2017 Employee Opinion Survey in regard to the three corporate initiatives that have been launched: MyPLAN (a performance review / development plan); leadership capability framework; and policy review committee.
- ☐ Pleased to see the Director City Services set up the Gender Equity Leadership Group and the Director Community Life Chair of Values group and Chair of Family Violence Action Group (Prevention of Violence against Women and Children).

#### Chief Executive's comments

- ☐ Improvements highlighted in 2017 Employee Opinion Survey are being implemented with the launch of MyPLAN imminent and the leadership capability framework to be launched later this year. The 2018 Employee Opinion Survey will be launched in late July.
- ☐ It's great to see our senior leaders setting the example for the whole organisation in areas such as Gender Equity, Family Violence and other important issues for the community.

## 4. FINANCIAL MANAGEMENT

Project	Status	Planned end date
Strategic financial review		Jun 2019
<i>Financial Management Framework &amp; Policy</i>	Completed	
<i>Fees &amp; Charges Framework</i>		Jun 2019
<i>Borrowing Policy</i>	Completed	
<i>Long term financial plan</i>		Jun 2019

### Highlights

- ✓ Adoption of the 2018-19 Budget (including Fees and Charges, Borrowing Program, Rating Strategy and financial statements for the four year Strategic Resource Plan)
- ✓ 2018-22 Council plan has influenced development of 2018-19 budget with funding allocated to 11 strategic priorities
- ✓ Efficiency targets introduced in the budget with Sup. Labour and consulting costs, and non-capital program funding reduced
- ✓ Support provided to business units to understand the Fees & charges framework and decision making matrix
- ✓ 10 year Financial plan has been updated including 3 scenarios with detailed commentary and financial risks identified
- ✓ Monthly Financial update provided to councillors via CEO headline report
- ✓ March Financial management report format presented to council and Audit & Risk committee with no further changes required. Report will adapt each quarter to provide required insights.

### Focus areas

- > Long term financial plan software investigation
- > Proactive review of Non capital projects with project managers prior to year end
- > Briefing to Managers / Co-ordinators Financial year end processes
- > Review of business support accounting model for provision of strategic support (i.e. Developer contributions plan)
- > Review of funding options as part of Civic Accommodation project.

### Principal Municipal Monitor's comments / issues

- Focus required on the importance of the systems / inputs that populate the 10 Year Financial Plan in achieving an accurate financial forecast.
- Policy work required in regard to funding options for capital projects and debt management.

### Chief Executive's comments

- The 10-year plan is in place and updated as per latest budget. Long-term strategies will further inform this important financial forecasting model. This will further inform funding models for future capital renewal and upgrades and debt management.

## 5. ASSET MANAGEMENT

Project	Status	Planned end date
Asset Management Review		Dec 2019
<i>Review property and asset management</i>		Dec 2018
<i>Asset Management Working Group</i>	Completed - meeting schedule set	
<i>Establish Steering Committee</i>	Completed - Mar 2018	
<i>Set project plan / recommendations</i>		Dec 2018
<i>Implement plan / recommendations</i>		Dec 2019

### Highlights

- ✓ Asset Management Steering Committee has been established and Governance Framework approved
- ✓ Project plan has been set with 19 tasks allocated to project leads with five completed and a further nine projects underway
- ✓ Developing 'awareness' and 'desire' from the key stakeholders
- ✓ Land, Infrastructure and Building Asset subcommittee meetings held
- ✓ Asset attributes and rules project completed.

### Focus areas

- Project lead replacement
- Continue data cleansing task
- Define roles and responsibilities (asset owner, maintainer, service manager and asset data manager)
- Move to a fully inclusive asset management operating model
- Renewal gap for key asset categories to be identified
- Maintenance management system improvements (tablet technology)
- Improved leasing processes that clearly outline maintenance obligations for the tenant/licensee and council
- Review levels of service for assets
- Asset sale opportunities.

### Principal Municipal Monitor's comments / issues

- Needs more focused attention. This is a key long-term strategy which underpins Council's financial sustainability or lack of it.
- Renewal gap for key asset categories to be determined.
- Integration of condition audits across all classes of assets (e.g. parks, open space and recreation assets, buildings, road infrastructure).

### Chief Executive's comments

- The focus on asset management and better utilisation of assets across the organisation is a major priority. The process for replacing the project lead will commence next quarter. The program of actions together improved resourcing and the review of the Social Infrastructure Plan which will help ensure we have assets that meet community and Council needs.

## 6. INFORMATION MANAGEMENT

Project	Status	Planned end date
ICT strategic review / implementation		Jun 2022 (ICT Strategy timeline)
<i>ICT review of systems and processes</i>	Completed	
<i>ICT Strategy development</i>	Completed	
<i>Implementation of recommendations from ICT Strategy &amp; review</i>		Jun 2022

### Highlights

- ✓ The ICT (Information and Communications Technology) Steering Committee has been formed and now operating
- ✓ Budget provision for years two and three of the Strategic Resource Plan has been identified and allocated
- ✓ ELT have adopted the implementation strategy and identified priorities for year one.

### Focus areas

- > Longer term implementation plan to be considered for the 12 recommendations (and 58 related activities) of the ICT Strategy.

### Principal Municipal Monitor's comments / issues

- Good to see that issues raised last quarter have been progressed and budget provision for the implementation of the strategy has been identified.

### Chief Executive's comments

- Council's spend on ICT is planned to be 3.19% of total turnover in the 2018/19 budget. Budget for years two and three of the Strategic Resource Plan have also been allocated.

## 7. RISK MANAGEMENT

Project	Status	Planned end date
Enterprise Risk Review		Dec 2018
<i>Appoint Senior Enterprise Risk Advisor</i>	Completed	
<i>Risk audit, establish strategic risks</i>	Completed	
<i>Establish Enterprise Risk Matrix</i>	Completed	
<i>Develop Enterprise Risk Framework and implementation</i>		Dec 2018
<i>Resourcing and structure</i>		Jul 2018

### Primary Municipal Monitor's comments / issues

- Excellent progress with greater clarity between Audit and Risk Committee focus and management role.

### Chief Executive's comments

- Progress continues to be made in relation to the strategic risks and the framework. The rationalisation of 290 operational risks into 35 enterprise risks is a significant achievement.

### Highlights

- ✓ All strategic risks have been identified and workshops facilitated with 11 working groups chaired by an Executive Leadership Team member and endorsed at the May 2018 Audit and Risk Committee meeting
- ✓ Rationalisation of 290 operational risks into 35 enterprise risks.

### Focus areas

- > Implement risk management training and awareness for key staff
- > Operational risk workshops to be facilitated with senior managers
- > Develop inter-agency risk management process
- > Procure and deploy an online risk management system
- > Update the risk strategy and action plan.

## 8. RELATIONSHIP & REPUTATIONAL MANAGEMENT

Project	Status	Planned end date
Media and Communications		Jun 2019 - Ongoing
Corporate Affairs review		Jun 2019
Stakeholder matrix		Jun 2019
Community Engagement Strategy		Jun 2021 - Ongoing
Customer Service Strategy		Oct 2020
Issues Management		Dec 2018 - Ongoing

### Highlights

- ✓ Corporate affairs report and recommendations reviewed with an action plan to be set
- ✓ Issues management revised procedure and debrief template completed and recycling issue now moved to business as usual
- ✓ Stakeholder tier definitions have been established and primary stakeholders identified and mapping of internal contacts commenced
- ✓ Revised engagement tools and templates currently under development
- ✓ Customer Focus Strategy including customer service charter (17 actions to be completed over three years) being delivered. Service improvement team has been established to ensure change is managed appropriately and effectively. The review of bill distribution and payment methods is also complete.

### Focus areas

- Appointment of internal communications officer and commence the Implementation of the internal communications plan
- Finalise Issues Management procedure and debrief template following feedback
- Continue the implementation of the Customer Focus Strategy actions
- Commence deliberative engagement program and establish champions throughout the organisation
- Corporate affairs action plan to be set
- Primary stakeholder sign-off by ELT and identification of secondary stakeholders to commence. Review of internal contacts to be undertaken also.

### Principal Municipal Monitor's comments / issues

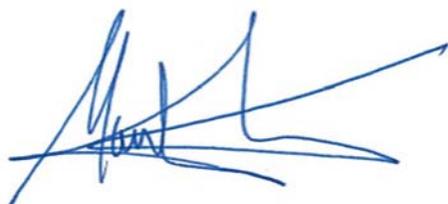
- ☐ Directors to meet regularly with key stakeholders individually (not just as a group) to build strong relationships.

### Chief Executive's comments

- ☐ Monitor's comments are noted. Key focus will be on the establishment of key stakeholder relationships both from an individual and as a group at ELT level.
- ☐ The appointment of an internal communications officer will provide for a major improvement in our ongoing communications to our staff.

# Report sign-off

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**Mr Martin Cutter**  
Chief Executive Officer  
City of Greater Geelong

31 July 2018  
Date:



**Ms Jude Munro AO**  
Primary Municipal Monitor  
City of Greater Geelong

31 July 2018  
Date:



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