1.2 ORGANISATIONAL STRUCTURE AND REVISED POLICY

Ward: (No Wards) (Organisational Planning & Development)

Disclosure of Interest: Nil

Authorised Officer: (Chief Executive Officer)

KEY ISSUES

- Consultation with affected staff on the proposed organisational structure has now been completed.
- The proposed new structure reduces the number of divisions within the organisation and the number of Executive Managers from five to four, reducing operating costs to the City.
- At this time, no changes to the proposed new structure are recommended as a result of consultation.
- The final organisational structure is put forward to the Council for endorsement.
- As a result of the changes to the organisational structure, and in response to the 18 January 2017 Council resolution, a review of Policy POL-C-093 has been undertaken and a revised policy is also put forward for Council consideration.

It is recommended that the Council endorses the proposed organisational structure and adopts revised policy POL-C-093 Organisational Structure and Designated Senior Employees.

BACKGROUND

At the Ordinary Council Meeting held 18 January 2017, the Council

1. Approved the proposed organisational structure (Attachment 1); and

2. Directed the CEO to conduct a review of Policy POL-C-093 Organisational Structure and submit the reviewed policy back to a future meeting of Council.
DETAILS

Organisational Structure

In January 2017, a proposal was put forward to Council to change the City's organisational structure (Attachment 1). This proposal reduces the number of divisions and the number of Executive Managers from five to four, reducing operating costs to the City. It also changes the placement of some business units.

This proposal was possible following the departure of the Executive Manager, Corporate Services - its design being to realign and consolidate the existing organisational structure.

Following approval from Council on the proposed organisational structure in January 2017, the Chief Executive Officer (CEO) has undertaken consultation with affected City of Swan employees.

Ten submissions were received from staff. Feedback was broadly supportive of the move from five to four divisions. Some alternative suggestions were received in relation to the placement of business units and services within business units. This feedback will be considered at a later date, once the new structure has been put into effect.

No changes are recommended to the proposed organisational structure as a result of consultation. It is recommended that the new structure take effect from Monday 3 April 2017.

Policy POL-C-093

In accordance with Council direction, Policy POL-C-093 has been reviewed and a number of changes are recommended, with a view to simplification of the existing Council policy (Attachment 2).

The purpose of the policy is two-fold:

1. to ensure that the Council is satisfied that an appropriate organisational structure exists; and

2. to designate those employees that the Council wishes to be kept informed about as 'senior employees'.

Proposed changes

<table>
<thead>
<tr>
<th>Organisational structure</th>
<th>Under the Local Government Act 1995 (the Act), the Council is to &quot;ensure that there is an appropriate structure for administering the local government&quot;.</th>
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<tbody>
<tr>
<td></td>
<td>The Council does this annually through approval of the Corporate Business Plan and the Annual Budget.</td>
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<td></td>
<td>The CEO is then responsible for appointment, employment, management supervision, direction and dismissal of employees to deliver the services, projects and infrastructure planned and budgeted for by the Council.</td>
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<td>The existing policy POL-C-093 has been revised to clarify that the CEO is responsible for the establishment of an organisational structure, but must keep the Council informed of any changes to this structure.</td>
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</table>
### Senior Employees

Under the Act, the Council may designate employees or persons belonging to a class of employee to be 'senior employees'.

This designation requires the CEO to keep the Council informed of any proposal to employ or dismiss an employee of this classification.

No changes have been made to the existing policy with regards to the designation of 'senior employees'. The policy continues to designate the CEO and the four Executive Managers as 'senior employees' for the purposes of the Act.

However, changes to the clauses have been made to simplify the policy and focus on the policy intent - which is to ensure that the Council is kept informed in relation to the employment or dismissal of those employees designated as 'senior employees'.

Further details, as provided in the Act, have been removed, but references to the relevant sections of the Act are still provided.

### Policy title

In recognition of the dual purpose of the policy, a title change to 'POL-C-093 Organisational Structure and Designated Senior Employees' is proposed.

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**CONSULTATION**

The CEO has consulted with affected staff on changes to the organisational structure. Comments received from staff have been reviewed and considered as part of the final Organisational Structure (*Attachment 1*).

**ATTACHMENTS**

Attachment 1: Organisational Structure (effective 3 April 2017)

Attachment 2: Policy Review - Organisational Structure

**STRATEGIC IMPLICATIONS**

Strategic Community Plan 2017-2022 - G2.1 Improve capability and capacity
STATUTORY IMPLICATIONS

*Local Government Act 1995*

Section 5.2 - Administration of local governments

Section 5.37 - Senior employees

Section 5.41 - Functions of CEO

FINANCIAL IMPLICATIONS

The reduction of the number of Executive Managers from five to four will reduce operating costs for the City.

VOTING REQUIREMENTS

Simple majority

RECOMMENDATION

That the Council resolves to:

1) Endorse the proposed organisational structure (*Attachment 1*).

2) Adopt revised policy POL-C-093 Organisational Structure and Designated Senior Employees (*Attachment 2*).

CARRIED
Policy Review

Council - 15 March 2017

Organisational Structure
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1. **OBJECTIVE**

To establish:

- the CEO’s role and responsibilities in relation to the City’s organisational structure; and
- those positions designated by Council as Senior Employees for the purposes of the *Local Government Act 1995* (the Act).

2. **POLICY STATEMENT**

2.1 **Organisational Structure**

(Refer Section 5.2 of the *Local Government Act 1995*)

a) The CEO shall be responsible for the preparation of an appropriate organisational structure for administering the City.

b) The CEO shall keep the Council informed of changes to the organisational structure.

c) If the Council is not satisfied that an appropriate organisational structure exists, the Council shall, by resolution direct the CEO to establish a structure in accordance with any advice provided by the Council.

2.2 **Senior Employees**

(Refer Section 5.37 of the *Local Government Act 1995*)

a) The following positions are designated as 'Senior Employees' for the purposes of the Act:

   i. Chief Executive Officer
   ii. Executive Manager Stakeholder Relations
   iii. Executive Manager Operations
   iv. Executive Manager Community Wellbeing
   v. Executive Manager Planning and Development

b) The CEO is to inform the Council of any proposal to employ or dismiss a Senior Employee.
**Document Control**

### Document Approvals:

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<tr>
<th>Version #</th>
<th>Council Adoption</th>
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<tr>
<td>1.</td>
<td>OCM 06/07/2005 - new policy, to provide the CEO with Council’s guidelines for the administration of the City’s Organisational Structure.</td>
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<td>6.</td>
<td>OCM 17/12/2014 - adopted revised policy.</td>
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<tr>
<td>7.</td>
<td>OCM 16/12/2015 - adopted reviewed policy, with no amendments.</td>
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### Document Responsibilities:

- **Custodian:** Manager Organisational Planning & Development
- **Custodian Unit:** Organisational Planning and Development

### Document Management:

- **Risk Rating:** 2
- **Review Frequency:** Triennial
- **Next Review:** 2020
- **ECM Ref:** 1355552

### Compliance Requirements:

- **Legislation:** Local Government Act 1995, s.5.2, s.5.36, s.5.37, s.5.38, s.5.39, s.5.41
- **Relevant Industrial Awards and Agreements**

### Industry:

- **Organisational:** Organisational Restructure Maintenance Process, Business Unit Restructure Process

### Strategic Community Plan:

- **G1.1 Provide accountable and transparent leadership**
1 Objective
Establish the responsibilities of Council and the Chief Executive Officer (CEO) in determining the organisational structure for administering the City, including the management of functional responsibilities and the allocation and management resources within that structure.

2 Policy Statement

2.1 Determination of Organisational Structure
In accordance with the Local Government Act 1995 s.5.2, Council determines that the organisational structure of the City of Swan shall be:

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COUNCIL

CHIEF EXECUTIVE OFFICER

STAKEHOLDER RELATIONS  PLANNING & DEVELOPMENT  OPERATIONS  COMMUNITY WELL-BEING  CORPORATE
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2.1.1 Determination of Organisational Sub-Structure
In order to ensure the efficient, effective and orderly administration of the City the CEO shall determine the operational responsibilities of each of the five Divisions and the subsequent sub-structure Business Units within the respective Divisions to fulfil these responsibilities.

The CEO shall also determine the sub-structure of each Business Unit, including the number of full-time equivalent positions required to ensure the efficient and effective delivery of operational outcomes.

Determinations by the CEO regarding Organisational Sub-structure shall occur only within the annual budget allocations as determined by the Council.

2.1.2 Council’s Satisfaction with Organisational Structure
If the Council is not satisfied that an appropriate structure exists, the Council shall, by resolution direct the CEO to establish a structure in accordance with any advice provided by Council.
2.2 Senior Employees

a) The position of ‘Executive Manager’ is determined to be a ‘Senior Employee’ for the purposes of the operation of Local Government Act 1995 s.5.37(1).

b) Appointment of a person to a Senior Employee position on a temporary or acting basis is in accordance with Local Government Act 1995 s.5.39(1a).

c) The CEO is responsible for fulfilling the City’s obligations in the management of Senior Employees as follows:

   i. Provide a recommendation to the Council to employ, dismiss, or create a new Senior Employee position [refer Local Government Act 1995 s.5.37(2)];

   ii. Review the performance of each senior employee on an annual basis [refer Local Government Act 1995 s.5.38];

   iii. Periodically, review contract entitlements and make adjustments to ensure the contract 'status quo' is maintained and aligned to City of Swan employee entitlements. However, where variation relative to each entitlement is greater than 10%, the proposed variation must be endorsed by Council; and,

   iv. Make determinations to exercise contract renewal options.

2.3 Staffing Resources within the Organisational Structure

In determining the Organisational Sub-structure in accordance with cl.2.1.1 above, the CEO has authority, to:

a) Create new positions, other than Senior Employees [refer Local Government Act 1995 s.5.37(2)];

b) Determine the functions of new and existing positions;

c) Determine the remuneration of new and existing positions;

d) Undertake the annual performance appraisals of all staff [refer Local Government Act 1995 s.5.38]; and,

e) Terminate existing positions, including determinations on staff redundancy if required.
### Governance References

<table>
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<tr>
<th>Compliance</th>
<th>Statutory Compliance</th>
<th>Industry Compliance</th>
<th>Organisational Compliance</th>
<th>Decision Maker</th>
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<td>Local Government Act 1995, s.5.2, s.5.36, s.5.37, s.5.38, s.5.39, s.5.41</td>
<td>Nil.</td>
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### Policy Administration

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