

Leeton Shire Council



RESOURCING STRATEGY

2017-2027



Long Term Financial Plan

Asset Management Plan

Workforce Plan

Adopted 28 June 2017—Resolution 17/028



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Long Term Financial Plan

2017-2027

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1.0 Integrated Planning and Reporting Framework

The Office of Local Government requires that Councils prepare a suite of documents to comply with the reporting requirement of the Integrated Planning and Reporting Framework.

The Long Term Financial Plan (LTFP) is part of the Resourcing Strategy which along with the Asset Management Plans and Workforce Management Plan provide details of how Council will achieve the outcomes identified in the Community Strategic Plan.



2.0 Executive Summary

The LTFP is a financial projection that indicates the expected operational and capital costs together with the method of funding those over the next 10 years based upon certain assumptions and estimates.

The LTFP is informed by Council's Community Strategic Plan together with the Asset Management Plans and Workforce Management Plan.

Leeton Shire Council has prepared the LTFP based upon 3 scenarios as follows:

Scenario 1 – Base Position in accord with the 2017/18 Operational Plan assumptions. The \$4.2M renewal of Leeton Pool is funded by a combination of a grant, reserves and a loan. The work to the pool is scheduled to commence in winter 2018.

Scenario 2 – Based upon the \$4.2M renewal of the Leeton Pool being fully funded from cash reserves and loans. Works for the pool would be rescheduled to commence in winter 2019 to allow Council to reapply for grant funding. The indexation of both costs and expenditure is also varied compared to Scenario 1 to indicate the sensitivity of Council's financial position to changing circumstances.

Scenario 3 – Based upon based upon all the same assumptions as Scenario 1 with the inclusion of a special rate variation of 5% (in addition the rate peg) in 2018/19, 2019/20 and 2020/21. This scenario enables Council to consider accelerating its asset renewal program.

While no additional projects have been specified at this time it enables Council to consider how much additional revenue would be generated and its effect on Councils long term financial sustainability.

The use of scenarios allows the impacts that different assumptions to be modelled to assess which is the best option that allows Council to achieve its objectives in a financially sustainable way.

3.0 Objectives of the LTFP

Some of the objectives of the plan are:

- Provide a link between the long term financial position and performance and the shorter term operating plan.
- Provide a range of planning scenarios that respond to the desires of the community.
- To provide services in an effective and cost efficient manner that will satisfy the identified needs of the community.
- Achieve and maintain a stable financial position and budget over the long term.
- Identify strategies and scenarios that support the sustainable provision of services identified by the community as outlined in the Community Strategic Plan.
- To employ sound financial and other management practices so as to optimise use of Council's resources and ensure that the recipients of Council's services receive value and contribute on an equitable basis.
- Provide a clear and transparent financial representation of Council's long term financial situation to the community.

4.0 Assumptions and Estimates Used in LTFP Scenarios

Item	Scenario 1 Base Case	Scenario 2	Scenario 3
Rates	2017/18 + 1.5% (rate peg) 2018/19 to 26/27 + 1.8% pa. (rate peg)	Same as Scenario 1	2017/18 + 1.5% (rate peg) 2018/19 to 20/21 + 6.8% pa. (rate peg + SRV) 2021/22 to 26/27 + 1.8% pa. (rate peg)
Other charges	2017/18 – refer to charges schedule 2018/19 to 26/27 + 2.0% pa.	Same as Scenario 1	Same as Scenario 1
Financial Assistance Grants (FAGs)	2017/18 to 26/27 + 2.0% pa.	2017/18 to 26/27 + 1.0% pa.	Same as Scenario 1
Salaries & wages	2017/18 + 2.8% 2018/19 to 26/27 + 2.0% pa.	2017/18 + 2.8% 2018/19 to 26/27 + 2.5% pa.	Same as Scenario 1
Other costs	2017/18 to 26/27 + 2.0% pa.	2017/18 to 26/27 + 1.5%/pa.	Same as Scenario 1
Productivity gains	2017/18 to 20/21 FFTF \$800k pa. 2021/22 to 26/27 \$250k pa.	Same as Scenario 1	Same as Scenario 1
Leeton Pool Renewal	Winter 2018 \$4.2 M total Reserves \$1.2 M Grants \$2 M Borrowings \$1 M	Winter 2019 \$4.2 M total Reserves \$2.2 M Grants \$ nil Borrowings \$2 M	Same as Scenario 1

The following factors have been considered when determining the assumptions:

- **Rates**

- Rate pegging is the percentage by which Council may increase the total income it will receive from rates. The rate peg is set each year by the Independent Pricing and Regulatory Tribunal (IPART).
- Council may apply to IPART for a special rate variation (SRV) to increase the total income it will receive from rates by an amount greater than the advised rate peg. Council would must consider what would be done with the additional revenue generated and undertake community consultation.
- Scenario 3 considers includes a SRV for the 2018/19, 2019/20 and 2020/21 years. The total increase in those years is :

$$1.8\% \text{ (rate peg)} + 5.0\% \text{ (SRV)} = 6.8\% \text{ total increase}$$

The other years in scenario 3 have only been increased by the amount of the expected rate peg.

- **Other Grants and Contributions**

- In 2017/18 Road to Recovery Grants for Local Roads are expected to be \$938,000.
- From 2018/19 this is expected to reduce back to the standard annual program allocation of \$469,000.
- The remaining years of the LTFP have been assumed to remain at \$469,000.

- **Financial Assistance Grants (FAGs)**

The FAGs were frozen by the Federal Government for a period of three years ending in 2016/17. It has been assumed that the Federal Government will resume indexation of the FAGS in 2017/18 onwards. The Federal Government is yet to confirm this.

- **Other Fees and Charges**

- Council will seek to ensure that where possible all fees and charges are set at a level that is sufficient to cover cost increases.
- The fees and charges for 2017/18 are explained in the Council's Revenue Policy and Schedule of Fees and Charges 2017/18.
- For the remaining years of the LTFP it has been assumed that the annual increase in other fees and charges will be 2% for all scenarios.

- **Investment Yield**

It has been assumed that an earning rate of 3% be used for all scenarios over the life of the plan. Whilst it is very difficult to forecast future interest rates due the high level of uncertainties impacting upon the figure it appears unlikely that investment rates will fall below that level in the short to medium term.

- **Salaries and Wages**

- The Local Government award expires in June 2017 and is currently being renegotiated.
- The increase in 2017/18 has been assumed to be 2.8% in line with the last annual increase provided by the current award.
- Scenario 1 assumes annual increases of 2.0% for the remaining period of the LTFP.
- Scenario 2 assumes annual increases of 2.5% for the remaining period of the LTFP.
- The Full Time Equivalents at Council are expected to remain at the budgeted level for 2017/18 of 133.7 over the life of the LTFP. This assumption applies to all scenarios.

- **Other Costs (Materials, Contracts and Other)**

- Includes a wide range of costs such as power, fuel, operating and maintenance, insurance and office expenses.
- The changes to individual expenditure items may vary, however an average increase has been applied to all other cost categories.
- Scenario 1 assumes that costs increase by 2.0% per annum.
- Scenario 2 assumes that costs increase by 1.5% per annum.

- **New Loans**

- Council's current loans include:
 - Leeton Multi Purposes Community Centre (expiry March 2022)
 - Petersham Road works (expiry August 2023)
 - No 1 Oval (expiry July 2024)
- It is proposed to borrow additional funds to undertake the Leeton Pool Renewal.
 - Scenario 1 assumes borrowing of \$1 M in 2018/19 for 20 years @ 4%.
 - Scenario 2 assumes borrowing of \$2 M in 2019/20 for 20 years @ 4.25%.

- **Depreciation**

- Depreciation has been included in the LTFP based on existing valuations and useful lives.
- Council undertook a special roads revaluation and was able to reduce the roads depreciation charge by approximately \$500,000 which contributed to the Fit for the Future savings achieved to date.
- Reviews of Council's water, sewerage and building assets is currently being undertaken. No change to the depreciation charges for these assets has been assumed at this time.

5.0 Fit for the Future Benchmarks (FFTF)

Each of the Council LTFP Scenarios have been benchmarked against the FFTF benchmarks.

Over the 10 year period of the LTFP, the number of benchmarks achieved by each scenario is as follows:

Scenario	Total Benchmarks Achieved
One – Base Case	47/70
Two – Leeton Pool Renewal (no grant)	42/70
Three – SRV	66/70

Benchmark	Scenario 1	Scenario 2	Scenario 3
Operating Performance Ratio	8/10	3/10	10/10
Own Source Revenue Data	10/10	10/10	10/10
Building & Asset Renewal Ratio	2/10	2/10	10/10
Infrastructure Backlog Ratio	0/10	0/10	9/10
Asset Maintenance Ratio	10/10	10/10	10/10
Debt Service Ratio	10/10	10/10	10/10
Operating Expense per Capita	7/10	7/10	7/10

6.0 Service Levels

The LTFP seeks to provide the resources to undertake the level of service required by the community and articulated through the Community Strategic Plan. There are a number of reviews being undertaken of Council services at the present time. The outcome and recommendations of those reviews are not fully known at the time this plan has been developed.

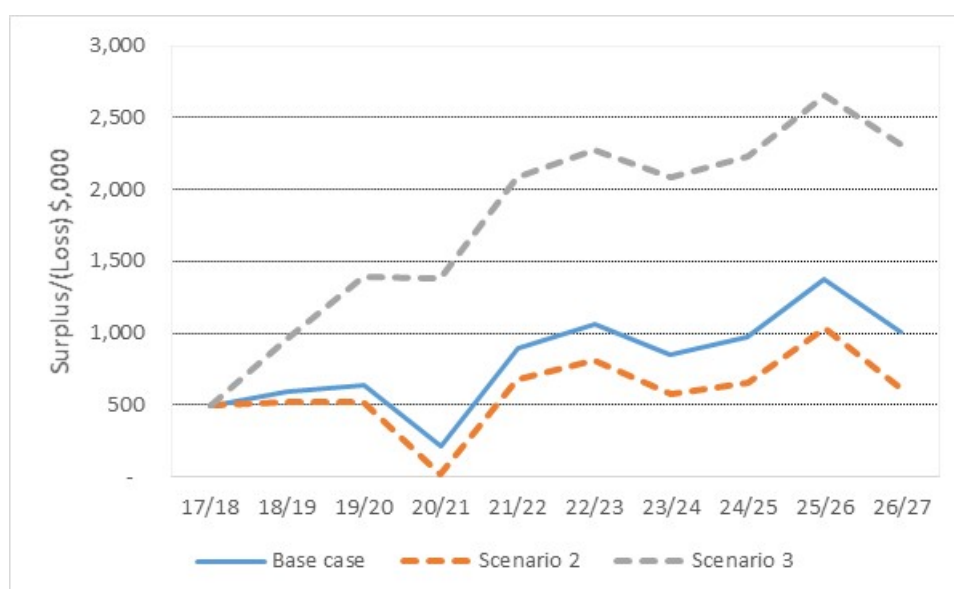
The resourcing strategy of which the LTFP is an integral part has been framed on the basis that service levels will not change significantly over the life of the plan. Any changes to the mix of services provided by Council will be determined through an extensive period of community engagement and consultation and will be articulated through the Community Strategic Plan. Financial Sustainability will require a combination of both revenue and expenditure responses and this LTFP looks at some options in that regard.

7.0 Sensitivity Analysis

The assumptions detailed in the previous section are Council's current informed estimate based upon a range of reliable sources. Council's LTFP covers a period of 10 years. While the early years of the plan are based upon Council's currently know activities, revenues and costs the later years of plan represent increasing levels of uncertainty. As a result Council has selected a range of scenarios that address the following:

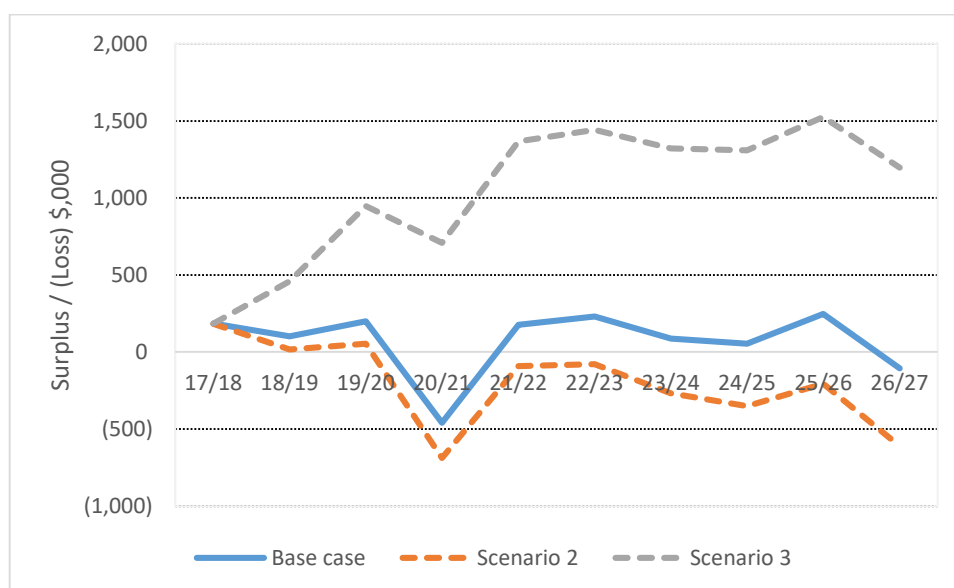
Scenario 1 (Base case)	Based upon known activities and current service levels where the annual increases in revenue is relatively close to the increase in costs. Leeton Pool Renewal – Council is currently waiting to be advised of a grant application to contribute to the renewal project.
Scenario 2 (No pool grant)	Based upon known activities and current service levels where the annual increases in costs are significantly higher than the assumed increases in revenue. Leeton Pool Renewal – assumes that the applicant for grant funding is unsuccessful and the project is fully funded by Council via reserve funds and borrowing. The project is delayed by one year to provide another opportunity to apply for funding.
Scenario 3 (SRV)	Based upon known activities and current service levels with a SRV to provide additional funding for Council's asset renewal program and FFTF targets.

7.1 Consolidated - Net Income



The consolidated income represents Council's net surplus or deficit for each year across the all funds (i.e. general fund, water fund and sewer fund).

7.2 General Fund - Net Income



The general fund is the source of providing surpluses for Council's asset renewal and expansion plans (excluding water and sewer fund works).

Scenario 2 indicates the case where the annual increases in costs are greater than the increases in revenue as allowed by the rate peg.

Scenario 3 indicates the case where a special rate variation has been applied to the 18/19, 19/20 and 20/21 years. This scenario enables Council to consider accelerating its asset renewal program. Scenario 3 generates an additional \$9.7 M in rates and charges revenue over the life of the plan compared to Scenario 1 (base case). As noted above a special rate variation would require Council to make application to IPART and undertake community consultation.

APPENDIX 1 – 10 YEAR CAPITAL WORKS PROGRAM

Leeton Shire Council Capital Works Program Scenario 1 - Base Case				Long Term Financial Plan										
				Delivery Program										
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10	
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
10230 - Corporate - Office Equipment														
Photocopier				20	-	-	-	20	-	-	-	-	20	-
Photocopier E&CS				-	11	-	-	-	11	-	-	-	-	11
Corporate Information System				28	29	30	31	32	33	34	35	36	37	
NBN Technology Upgrade				10	-	-	-	-	-	-	-	-	-	
CCTV Installation & Extension (Mountford Park/Rotary Skate Park)				24	-	-	-	-	-	-	-	-	-	
Replace Audiovisual Equipment Chambers				15	-	-	-	-	-	-	-	-	-	
GPS Total Station & Related Equipment				70	-	-	-	-	-	-	-	-	-	
Road Scan condition assessment				-	55	-	-	-	-	-	-	-	-	
Total				167	95	30	31	52	44	34	35	56	48	
10330 - Corporate - Buildings and Land														
Council Buildings renewals				62	64	66	68	70	72	74	76	78	80	
Admin Building renewal (carpet, painting etc)				-	100	-	-	-	-	-	-	-	-	
Admin Building renewal air con				100	-	-	-	-	-	-	-	-	-	
Admin Building roof access/walkways				15	-	-	-	-	-	-	-	-	-	
Total				177	164	66	68	70	72	74	76	78	80	
10430 - Corporate - Plant & Vehicle Replacement				-	-	-	-	-	-	-	-	-	-	
As per program				1,190	878	1,049	1,019	649	1,190	842	1,240	755	873	
Total				1,190	878	1,049	1,019	649	1,190	842	1,240	755	873	
Proceeds from sale				459	288	366	286	210	459	223	449	247	251	
11430 - Ranger Services														
Animal Control Assets				5	6	6	6	6	6	7	7	7	7	
Total				5	6	6	6	6	6	7	7	7	7	

Leeton Shire Council Capital Works Program Scenario 1 - Base Case				Long Term Financial Plan									
				Delivery Program									
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
13530 - Housing Rental Properties				-	-	-	-	-	-	-	-	-	-
Eventide Homes Renewal				-	30	-	35	-	40	-	45	-	50
Total				-	30	-	35	-	40	-	45	-	50
13730 - Public Toilets				-	-	-	-	-	-	-	-	-	-
Graham Park Toilet Upgrade				-	55	-	-	-	-	-	-	-	-
Total				-	55	-	-	-	-	-	-	-	-
14030 - Cemetery Facilities				-	-	-	-	-	-	-	-	-	-
Plinths & Cemetery Capital Works				36	37	38	39	40	41	42	43	44	45
Total				36	37	38	39	40	41	142	43	44	45
14630 - Parks & Horticulture				-	-	-	-	-	-	-	-	-	-
Roads & Nature Strip beautification				15	15	15	15	15	15	15	15	15	15
Pump Upgrades Parks				10	10	10	10	10	10	10	10	10	10
No 2 Oval Toilets				-	35	-	-	-	-	-	-	-	-
Hydration Stations				12	-	-	-	-	-	-	-	-	-
Playground Fencing Graham Park				16	-	-	-	-	-	-	-	-	-
Power Outlets Mountford Park				10	-	-	-	-	-	-	-	-	-
Skate Park Resurfacing				-	33	-	-	-	-	-	-	-	-
Water Bore Gogelderie Weir				25	-	-	-	-	-	-	-	-	-
Roller Derby Facility				90	-	-	-	-	-	-	-	-	-
Total				178	93	25	25	25	25	25	25	25	25
14730 - Recreation - Swimming Pools													
Leeton Pool Renewal Development				2,200	2,000	-	-	-	-	-	-	-	-
Total				2,200	2,000	-	-	-	-	-	-	-	-
15130 - Recreation - Sporting Grounds & Facilities				-	-	-	-	-	-	-	-	-	-
Yanco Sportsground Dressing Room Renewal				30	-	-	-	-	-	-	-	-	-
Golf Course Irrigation				500	-	-	-	-	-	-	-	-	-
Total				530	-	-	-	-	-	-	-	-	-
15230 - Recreation - Recreational Equipment													
Playground Renewals				44	45	46	47	48	49	50	51	52	53
Total				44	45	46	47	48	49	50	51	52	53
15530 - Recreation - Roxy Theatre													
Roxy Upgrade				70	70	70	-	-	-	-	-	-	-
Total				70	70	70	-	-	-	-	-	-	-
15630 - Historic Buildings													
Heritage Near Me (Lyric Landscapes & Lintels)				50	-	-	-	-	-	-	-	-	-
Total				50	-	-	-	-	-	-	-	-	-
15730 - Recreation - Library													
Library Book Purchases				38	38	39	40	41	41	42	43	44	44
Library Book Purchases - Donations				1	1	1	1	1	1	1	1	1	1
Total				38	39	40	40	41	42	43	43	44	45

Leeton Shire Council Capital Works Program Scenario 1 - Base Case				Long Term Financial Plan									
				Delivery Program									
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
16430 - Transport - Roads to Recovery													
Sealed Road Reconstruction				938	469	469	469	469	469	469	469	469	469
Total				938	469	469	469	469	469	469	469	469	469
16530- Transport - Urban Sealed Roads													
CBD Upgrade				500	-	-	-	-	-	-	-	-	-
Total				500	-	-	-	-	-	-	-	-	-
16530 - Transport - Resealing													
Reseal program				393	399	405	411	417	424	430	437	443	450
Total				393	399	405	411	417	424	430	437	443	450
16630- Transport - Sealed Roads Rehabilitation													
Future projects to be determined following reassessment of progra				278	282	286	290	295	299	304	308	313	318
Total				278	282	286	290	295	299	304	308	313	318
16730 - Transport - Gravel Road Resheeting													
Gravel Resheeting				515	705	716	727	738	749	760	771	783	795
Total				515	705	716	727	738	749	760	771	783	795
16930 - Transport - Regional Roads Repair													
Regional Roads (MR539) Repairs				179	182	185	187	190	193	196	199	202	205
Regional Roads Reseals				54	55	56	57	57	58	59	60	61	62
Total				233	237	240	244	248	251	255	259	263	267
17130- Transport - Traffic Facilities													
Intersection as recommended by LATC				20	21	21	21	22	22	22	23	23	23
Total				20	21	21	21	22	22	22	23	23	23
17130- Transport - Bus Shelters				-	-	-	-	-	-	-	-	-	-
Bus shelter construction				2	2	2	2	2	2	2	2	3	3
Total				2	2	2	2	2	2	2	2	3	3

Leeton Shire Council Capital Works Program Scenario 1 - Base Case				Long Term Financial Plan									
				Delivery Program									
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
17230- Transport - Stormwater Drainage													
General Urban Drainage				118	120	122	124	126	127	129	131	133	135
General Rural Drainage				19	19	20	20	20	21	21	21	22	22
Stormwater Levy projects to be determined				87	87	87	87	87	87	87	87	87	87
Total				224	226	228	231	233	235	237	239	242	244
17430 - Transport - Bicycle Facilities & Footpaths													
Footpath Reconstruction				70	71	72	73	74	75	76	77	79	80
New footpaths				8	9	9	9	9	9	9	9	9	10
Shared Cycleway (RMS)				120	120	-	-	-	-	-	-	-	-
Total				198	199	81	82	83	84	86	87	88	89
17830- Transport - Kerb and Gutter													
Various				123	125	127	129	131	133	135	137	139	141
Total				123	125	127	129	131	133	135	137	139	141
17630 - Transport - Parking Facilities													
Carpark Resealing				14	14	14	14	14	15	15	15	15	16
Carpark Rehabilitation				27	28	28	29	29	30	30	30	31	31
Total				41	42	42	43	44	44	45	45	46	47
18030 - Transport - Shoulder Widening													
Program TBA				68	64	60	61	62	63	64	65	66	67
Total				68	64	60	61	62	63	64	65	66	67
Total				8,220	6,283	4,048	4,021	3,674	4,285	4,025	4,408	3,938	4,137
Grant				3,154	1,766	709	713	717	720	724	728	732	736
Internal Restriction				2,774	1,057	1,059	1,029	659	1,200	952	1,250	765	883
External restriction				120	117	87	122	87	127	87	132	87	137
Loan				-	1,000	-	-	-	-	-	-	-	-
Funding Total				6,047	3,940	1,855	1,864	1,462	2,047	1,763	2,110	1,584	1,756
Net cost to Council Budget				2,173	2,344	2,193	2,157	2,211	2,237	2,262	2,298	2,354	2,382

Leeton Shire Council Capital Works Program Scenario 1 - Base Case				Long Term Financial Plan									
				Delivery Program									
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
13930 - Waste Management													
Landfill asset renewal				10	10	10	10	10	10	10	10	10	10
Purchase additional land for landfill expansion				-	100	-	-	-	-	-	-	-	-
Whitton Waste Transfer Station				330	-	-	-	-	-	-	-	-	-
Leachate Dam - Environmental Works 2017/18				100	-	-	-	-	-	-	-	-	-
Total				440	110	10	10	10	10	10	10	10	10
26030 - Water													
Water Meters				40	37	43	38	35	28	51	25	179	43
Automatic Meter Reading				50	-	-	-	-	-	-	-	-	-
Raw Water Mains Extensions				5	5	5	5	5	5	5	5	5	5
General Water Mains Extensions				10	10	10	10	10	10	10	10	10	10
Reservoir Repainting				600	-	-	-	-	-	-	-	-	-
Overhaul Major Pump Stations				20	21	22	23	24	25	26	27	28	29
Replace/Upgrade telemetry system				75	76	77	78	79	80	81	82	83	84
Manual Handling Equipment				5	-	-	-	-	-	-	-	-	-
Capital Renewal - Leeton WTP				30	-	-	-	-	-	-	-	-	5,607
Water Main Replacement				400	171	256	500	1,700	95	65	1,200	10	9
Total				1,235	320	413	654	1,853	243	238	1,349	315	5,787
37030 - Sewerage													
Overhaul Major Pump Stations				150	151	152	153	154	155	156	157	158	159
Pump Stations Electrical Upgrade				150	50	50	50	50	50	50	50	50	50
Capital Renewal Sewerage Treatment Plant - Leeton				20	20	20	20	20	20	20	20	20	20
Replace/Upgrade telemetry system				75	76	77	78	79	80	81	82	83	84
Mains Rehabilitation				200	-	615	-	652	-	690	-	710	-
Sewer Mains & Relocations				50	62	65	68	71	74	77	80	82	82
7021Sega Sewer Line CleanerSewer Line Cleaner				-	50	-	-	-	-	-	-	-	-
Wamoon Sewerage				1,400	1,400	-	-	-	-	-	-	-	-
Total				2,045	1,809	979	369	1,026	379	1,074	389	1,103	395

APPENDIX 2 – FINANCIAL MODELLING – SCENARIO 1 (BASE CASE)

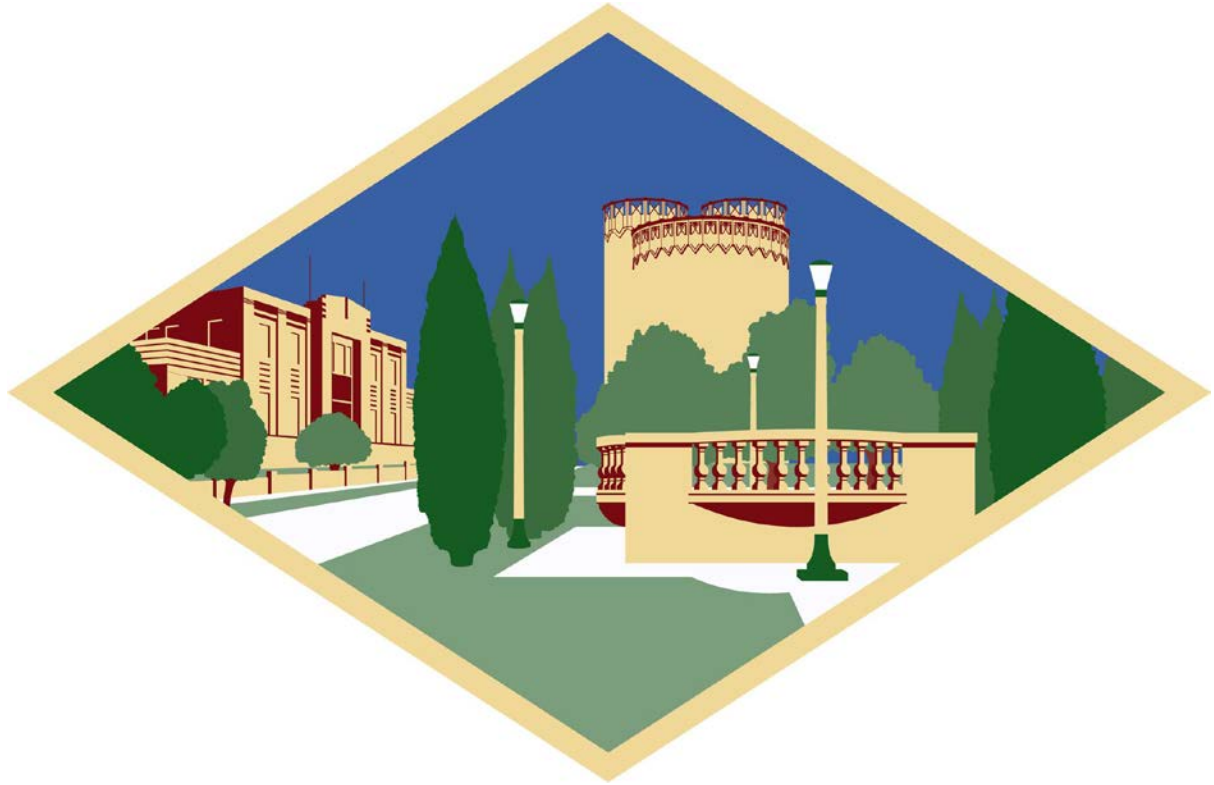
Leeton Shire Council				Long Term Financial Plan									
Budgeted Income Statement - Consolidated				Delivery Program									
Scenario 1 - Base Case				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income from continuing operations													
Rates & Annual Charges				12,239	12,460	12,685	12,900	13,118	13,340	13,566	13,796	14,030	14,268
User Fees & Charges				6,397	6,592	6,798	7,012	7,240	7,477	7,723	7,978	8,243	8,512
Interest & Investment Revenue				833	866	893	936	933	987	1,022	1,041	1,086	986
Grants and Contributions Operating				5,900	5,517	5,599	5,683	5,768	5,855	5,946	6,045	6,146	6,253
Grants and Contributions Capital				3,165	1,975	218	221	224	228	231	234	237	241
Other Income				588	618	609	620	650	642	653	685	677	689
Net gains from the disposal of assets				12	12	12	12	12	12	12	12	12	12
Total Income from continuing operations				29,134	28,040	26,814	27,384	27,945	28,541	29,153	29,791	30,431	30,961
Expenses from continuing operations													
Employee Costs				11,180	11,556	11,971	12,360	12,782	13,240	13,673	14,141	14,646	15,148
Borrowing Costs				110	116	120	102	84	64	49	41	36	34
Materials & Contracts				5,416	4,708	4,783	5,236	4,503	4,340	4,562	4,388	3,970	4,174
Depreciation & Amortisation				6,255	6,370	6,490	6,613	6,738	6,866	6,996	7,129	7,264	7,402
Other Expenses				2,513	2,719	2,590	2,639	2,721	2,740	2,788	2,881	2,898	2,959
Total Expenses from continuing operations				25,474	25,469	25,954	26,950	26,828	27,250	28,068	28,580	28,814	29,717
Operating Result from continuing operations				3,660	2,571	860	434	1,117	1,291	1,085	1,211	1,617	1,244
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				495	596	642	213	893	1,063	854	977	1,380	1,003

Leeton Shire Council				Long Term Financial Plan										
Budgeted Balance Sheet - Consolidated Scenario 1 - Base Case				Delivery Program										
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10	
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
ASSETS														
Current Assets														
Cash & cash Equivalents				2,947	5,231	6,844	8,463	7,793	7,365	7,323	7,027	6,988	4,761	
Investments				23,810	23,110	23,610	24,110	26,110	30,110	33,110	36,110	40,110	41,110	
Receivables				1,818	1,813	1,813	1,813	1,813	1,813	1,809	1,807	1,799	1,788	
Inventories				1,895	1,824	1,753	1,682	1,611	1,540	1,469	1,398	1,327	1,256	
Other				-	-	-	-	-	-	-	-	-	-	
Total current assets				30,470	31,978	34,020	36,068	37,327	40,828	43,711	46,342	50,224	48,915	
Non-current Assets														
Investments				2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	
Receivables				149	129	109	88	66	57	52	45	43	44	
Infrastructure, property, plant & equipment				222,202	225,879	226,340	226,417	228,013	227,645	227,877	228,621	228,707	233,681	
Total non-current Assets				224,851	228,508	228,949	229,005	230,579	230,202	230,429	231,166	231,250	236,225	
Total Assets				255,321	260,486	262,969	265,073	267,906	271,030	274,140	277,508	281,474	285,140	
LIABILITIES														
Current Liabilities														
Payables				1,689	1,686	1,683	1,680	1,677	1,674	1,671	1,668	1,665	1,662	
Borrowings				314	347	364	383	334	211	150	31	33	55	
Provisions				2,848	2,954	3,067	3,188	3,316	3,452	3,595	3,746	3,905	4,072	
Total Current Liabilities				4,851	4,987	5,114	5,251	5,327	5,337	5,416	5,445	5,603	5,789	
Non-current liabilities														
Payables				5	5	5	5	5	5	5	5	5	5	
Borrowings				1,616	2,257	1,881	1,486	1,140	917	755	712	667	600	
Provisions				127	132	137	142	147	152	157	162	167	172	
Total Non - Current Liabilities				1,748	2,394	2,023	1,633	1,292	1,074	917	879	839	777	
Total Liabilities				6,599	7,381	7,137	6,884	6,619	6,411	6,333	6,324	6,442	6,566	
Net assets				248,722	253,105	255,832	258,189	261,287	264,619	267,807	271,184	275,032	278,574	
EQUITY														
Retained Earnings				112,710	115,281	116,141	116,575	117,692	118,983	120,068	121,279	122,896	124,140	
Revaluation Reserves				136,012	137,824	139,691	141,614	143,595	145,636	147,739	149,905	152,136	154,434	
Council Equity Interest				248,722	253,105	255,832	258,189	261,287	264,619	267,807	271,184	275,032	278,574	
Total Equity				248,722	253,105	255,832	258,189	261,287	264,619	267,807	271,184	275,032	278,574	

Leeton Shire Council				Long Term Financial Plan									
Budgeted Cash Flow - Consolidated Scenario 1 - Base Case				Delivery Program									
				2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
				Estimate Operational Plan	Estimate Year 2	Estimate Year 3	Estimate Year 4	Estimate Year 5	Estimate Year 6	Estimate Year 7	Estimate Year 8	Estimate Year 9	Estimate Year 10
				\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flow from operating activities													
Receipts:													
Rates & Annual Charges				12,239	12,460	12,685	12,900	13,118	13,340	13,566	13,796	14,030	14,268
User Fees & Charges				6,407	6,597	6,798	7,013	7,241	7,464	7,723	7,982	8,246	8,520
Interest & Investment Revenue				833	866	893	936	933	987	1,022	1,041	1,086	986
Grants and Contributions				9,065	7,492	5,817	5,904	5,992	6,083	6,177	6,279	6,383	6,494
Other				588	618	609	620	650	642	653	685	677	689
Payments:				-	-	-	-	-	-	-	-	-	-
Employee Costs				(11,086)	(11,455)	(11,863)	(12,244)	(12,659)	(13,109)	(13,535)	(13,995)	(14,492)	(14,986)
Borrowing Costs				(110)	(116)	(120)	(102)	(84)	(64)	(49)	(41)	(36)	(34)
Materials & Contracts				(5,416)	(4,708)	(4,783)	(5,236)	(4,503)	(4,340)	(4,562)	(4,388)	(3,970)	(4,174)
Other				(2,513)	(2,719)	(2,590)	(2,639)	(2,721)	(2,740)	(2,788)	(2,881)	(2,898)	(2,959)
Net cash provided (or used) in operating activities				10,007	9,035	7,446	7,152	7,967	8,263	8,207	8,478	9,026	8,804
Cash Flow from investing activities													
Receipts:													
Sale of investments				1,400	700	(500)	(500)	(2,000)	(4,000)	(3,000)	(3,000)	(4,000)	(1,000)
Sale of real estate assets				90	90	90	90	90	90	90	90	90	90
Sale of infrastructure, property, plant and equipment				459	288	366	286	210	459	223	449	247	251
Deferred debtor receipts				110	25	25	25	26	27	14	10	12	7
Payments:													
Purchase of investments				-	-	-	-	-	-	-	-	-	-
Purchase of infrastructure, property, plant and equipment				(11,940)	(8,523)	(5,450)	(5,053)	(6,563)	(4,916)	(5,348)	(6,156)	(5,366)	(10,329)
Deferred debtor advances made				(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Net cash provided (or used) in investing activities				(9,886)	(7,425)	(5,474)	(5,157)	(8,242)	(8,345)	(8,026)	(8,612)	(9,022)	(10,986)
Cash Flow from financing activities													
Receipts:													
Borrowings and advances				-	1,000	-	-	-	-	-	-	-	-
other				-	-	-	-	-	-	-	-	-	-
Payments:													
Borrowings and advances				(296)	(326)	(359)	(376)	(395)	(346)	(223)	(162)	(43)	(45)
other				-	-	-	-	-	-	-	-	-	-
Net cash provided (or used) in financing activities				(296)	674	(359)	(376)	(395)	(346)	(223)	(162)	(43)	(45)
Net increase/(decrease) in cash & cash equivalents				(175)	2,284	1,613	1,619	(670)	(428)	(42)	(296)	(39)	(2,227)
Cash & cash equivalents at beginning of period				3,122	2,947	5,231	6,844	8,463	7,793	7,365	7,323	7,027	6,988
Cash & cash equivalents at end of period				2,947	5,231	6,844	8,463	7,793	7,365	7,323	7,027	6,988	4,761
plus Investments on hand - end of year				26,310	25,610	26,110	26,610	28,610	32,610	35,610	38,610	42,610	43,610
Total Cash, Cash Equivalents & Investments				29,257	30,841	32,954	35,073	36,403	39,975	42,933	45,637	49,598	48,371

APPENDIX 3 – Fit for the Future Benchmarks – Scenario 1 (Base Case)

Leeton Shire Council											
Fit for the Future Benchmarks											
Scenario 1 - Base Case											
		Long Term Financial Plan									
		Delivery Program									
		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
		2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Benchmarks (General Fund Only)	Benchmark										
Operating Performance Ratio	Greater or equal to zero	0.010	0.005	0.010	(0.023)	0.009	0.011	0.004	0.003	0.011	(0.005)
Own Source Revenue Data	Greater than 60%	62%	67%	71%	71%	71%	71%	71%	71%	71%	71%
Building and Asset Renewal Expenditure Ratio	Greater than 100%	137%	114%	70%	71%	71%	71%	71%	71%	71%	72%
Infrastructure Backlog Ratio	Less than 2%	2.6%	2.6%	2.6%	2.7%	2.7%	2.8%	2.8%	2.8%	2.9%	2.9%
Asset Maintenance Ratio	Greater Than 100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Debt Service Ratio	Greater than 0 and less than 20%	2.5%	2.7%	2.8%	2.8%	2.8%	2.4%	1.7%	1.0%	0.4%	0.4%
Real Operating Expenditure per Capita	Declining over time	\$ 1,592	\$ 1,552	\$ 1,533	\$ 1,576	\$ 1,519	\$ 1,505	\$ 1,508	\$ 1,504	\$ 1,482	\$ 1,499



Asset Management Plan

2017-2027

Document Control

<i>Version</i>	<i>Date</i>	<i>Revision Details</i>
1.0	16/12/2015	Version 1
1.1	28/02/2017	Annual revision, revised to refer to new CSP

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Introduction

The purpose of the Asset Management Plan is to provide a framework for the various management practices for all of Councils infrastructure and building assets. In depth information specific to each asset group (such as roads) can be found within the Detailed Asset Management Plan for the respective group.

Council's Asset Management Goals

Council's key goal in managing its assets is to meet the required level of service, as defined by the community, for all asset classes. In order to achieve this, Council will utilise the asset management elements detailed below. The sub-components of each element also build the content of this Asset Management Plan.

- Manage Council's risks arising from the control of our Assets.
 - Through **risk assessment** frameworks,
 - Through **planned maintenance** activities, and
 - Through **asbestos registers and management plans**.
- Recognise the full potential of all assets through assessment of suitability, functionality, service levels, scale, etc.
 - Through **condition assessment** techniques,
 - Through implementing **intervention levels**, and
 - Through public consultation on **service levels**.
- Take a lifecycle approach to all assets.
 - Through utilising lifecycle costing techniques including valuation processes that recognise accurate **residual life** (using current replacement costs) as well as accurate **maintenance, renewal, operational, acquisition and disposal costs**.
 - Through structured **renewal planning**,
 - Through balanced **maintenance planning**, and
 - Through detailed **acquisition/disposal planning**.
- Develop detailed Asset Management Plans as a "one-stop-shop" for all information specific to an asset class.
 - Such detailed plans will complement this summary document by fleshing out the specifics pertaining to each asset group.

It should be noted that this Asset Management Plan is considered a living document. As such, iterations of the plan will not need to wait for a newly developed Asset Management Strategy. Thus, some identified strategy items (such as maintenance planning) may be deferred in this iteration of the plan, however, will be addressed throughout the life of the overarching strategy.

What does Council Provide?

Council has a significant portfolio of Assets under its care and control. These assets form an integral part of providing services to the wider community of Leeton Shire Council. A significant proportion of Council's assets have been in existence for many years. These assets have originated from a combination of Council construction, community donations, as well as from development activity within the area. As these assets near the end of their useful life the cost of their renewal is a continuing financial challenge for Council.

Council's asset base has been divided into 8 major asset groups being:

- Buildings/Structures
- Road and Traffic Facilities
- Footpaths and Cycleways

- Water Services
- Sewer Services
- Parks, Gardens and Recreational Facilities
- Golf Course
- Drainage

How Much Does Council Provide?

Asset Group	Assets	Quantity
Buildings <i>66 Sites</i>	Amenities/Toilets Council Offices/Administration Centres Libraries Museums Non Specialised Buildings Other Buildings Other Structures Public Halls/Theatre Sewer Buildings Specialised Buildings Water Buildings Works Depot	21 Buildings 4 Buildings 1 Building 8 Buildings 9 Buildings 37 Buildings 99 Structures 9 Buildings 8 Buildings 53 Buildings 18 Buildings 11 Buildings
Parks and Recreation Facilities <i>98 Sites</i>	BBQ's Benches Bike Racks Bins Bollards Flag/Banner Poles Goal Posts/Rings Grandstands Lights Playground Equipment Signage & Plaques Statues Water Stations (i.e. Taps & Bubblers)	12 157 13 139 22 21 33 12 94 76 53 6 14
Golf Course <i>1 Site</i>	Ball Washers Benches Bins Sand Bucket Stands Sand Stations Signage and Plaques Water Stations (i.e. Taps and Bubblers)	4 16 18 3 20 38 9
Roads	Sealed Roads Gravel Roads Other Roads	407 km 225 km 266 km
Drainage	Drainage Pipes Kerb Pump Stations	42.0 km 112 km 13
Footpaths	Footpaths Cycleway	22.3km 17.4km
Water Services	Water Mains Water Meters	193 km 4215

Sewer Services	Gravity Lines Pressure	74 km 26 km
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Table 1 - Council's Asset Base

Asset Management and the Community Strategic Plan

Throughout the development of Leeton Shire Council's Community Strategic Plan, Asset Management was highlighted as an important facet of Council's operations. In the past, the Community indicated that Council's priority efforts should be to:

"Plan effectively for new infrastructure needs, remove duplication, as well as ensure appropriate and efficient maintenance and management practices of public infrastructure so as to ensure use to effective full potential"

"Undertake road maintenance and development effectively across the entire Shire with due consideration to current and future traffic flows and needs"

"Provide and maintain infrastructure options that encourage physical activity and support/enhance community life in a variety of ways that are well maintained and applicable to our needs"

"Adopt effective building and planning strategies and management practices that reflect an awareness of current environmental considerations in line with sound building practises and future development potential"

"Provide premier standard facilities and areas for the community to access and enjoy an interesting variation of activities including physical, scholarly, and passive recreation"

The purpose of this Asset Management Plan – and subsequent Detailed Asset Management Plans – is to enable the satisfaction of these Community priorities in an efficient and cost effective manner.



Asset Service Provision

This section relates to the services provided by Council's infrastructure and buildings asset base. Highlighted within are the current levels of service, the desired levels as well as any future demand issues to be considered.

Current Levels of Service

Council characterises service levels in line with the International Infrastructure Management Manual (IIMM). That is, levels of service can be considered in two parts; community levels of service and technical levels of service.

Community Levels of Service

Community levels of service relate to how the service is received by the end user(s). It considers the availability of a service, the quality received, the quantity provided, as well as the reliability and responsiveness of the supply.

Council continues to gather comprehensive condition data for its asset base. Condition assessments are conducted at the segment/component level. Figure 1 details the condition inspection results for Council's sealed road network (sealed surface):

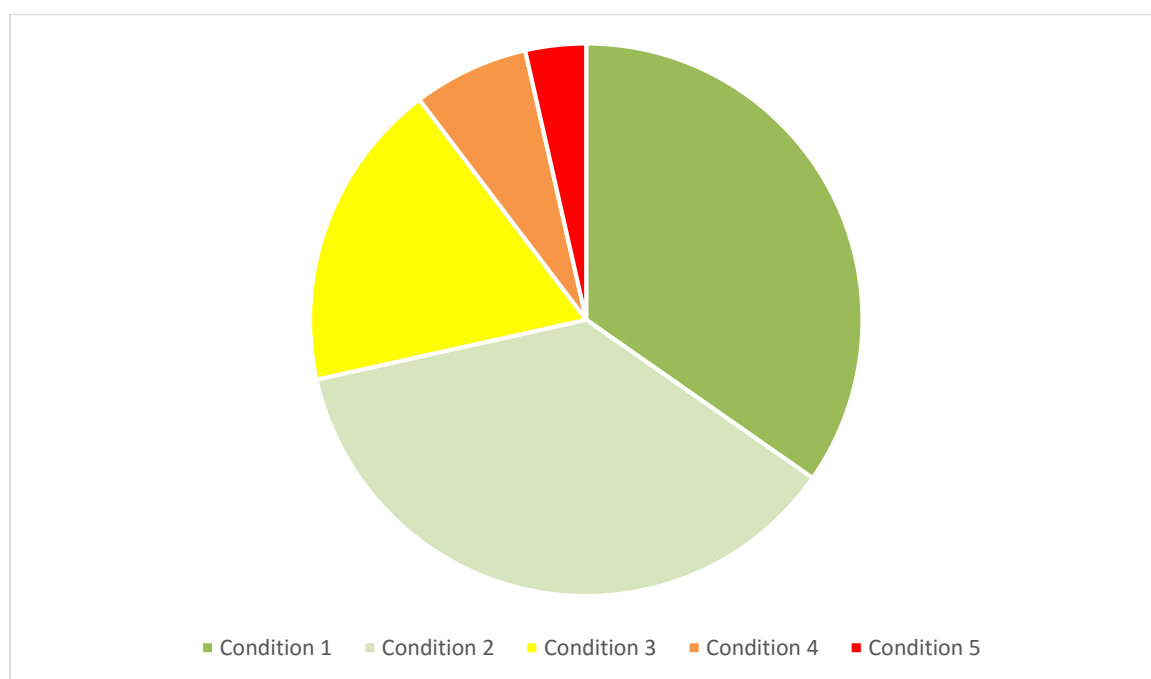


Figure 1 - Sealed Road Condition Profile

Technical Levels of Service

Supporting these community levels of service are Council's technical service level indicators. These include the design specifications of an asset, existing or introduced design and/or operational regulations, or any risks associated with the service.

Council's responsible asset officers currently conduct maintenance inspections across Council's infrastructure assets also. A combination of paper forms and Asset Edge's "Reflect" is utilised to log these inspections. These inspections, among other things, give an indication of the technical levels of service being provided by an asset.

Technical service level details are discussed further throughout this Asset Management Plan. Community service levels and technical service levels are also discussed throughout the respective detailed asset management plans.

Desired Levels of Service

At present, indications of desired levels of service are obtained from various sources including residents' feedback to Councillors and staff, service requests and correspondence. Council has not yet quantified desired levels of service. Council is determined to continue to provide services at current levels until further quantifiable information is gathered. Council will address community consultation (in consultation with Australian Centre for Excellence for Local Government's (ACELG) paper – "Service Delivery Reviews in Australian Local Government") throughout the life of the Delivery Program.

Service Level Impacts External to Council

Legislative Requirements

Council provides its services to the community in a regulatory environment. There are a number of legislative requirements including Australian and State legislation and regulation. The following list details some, but not all, of these requirements:

Local Government Act

Sets out the role, purpose, responsibilities and powers of local governments including the preparation of a long term financial plan and asset management plan for sustainable service delivery.

Work Health and Safety Act

Provides for a balanced and nationally consistent framework to secure the health and safety of workers and workplaces by protecting workers and other persons against harm to their health, safety and welfare through the elimination or minimisation of risks arising from work or from specified types of substances or plant.

NSW Roads Act

Sets out the rights of members of the public to access and pass along public roads. Confers certain functions onto the RMS and other road authorities. Regulates the carrying out of various activities on public roads.

Building Code of Australia

Details the minimum standard to which buildings and other structures must adhere to across NSW and Australia. The Building Code of Australia considers fire safety, access and egress, building services, health and amenity, and energy efficiency of buildings.

Water Management Act

The object of this Act is the sustainable and integrated management of the State's water for the benefit of both present and future generations.

Protection of the Environment and Operations Act

Sets out to protect, restore and enhance the quality of the environment in NSW. This legislation extends to ecologically sustainable development, pollution prevention, elimination of harmful wastes, etc.

Public Health Act

Relates to the maintenance of proper standards of health for the public. Council operations must be carried out in a manner that protects public health.

AS 4685.2004: Playground Equipment

Sets the standard for general safety requirements for playground equipment.

Future Demand on Services

Leeton Shire population has remained fairly static for over 20 years at around 11,202 (2016).

The population structure is fairly unique in that it is artificially increased in the secondary school ages, by the two large boarding schools, then suffers a major fall in the post-secondary school age group due to the bulk of these leaving after Years 11 and 12, and the natural loss of local students of a similar age, going on to tertiary education elsewhere or work in other centres.

The population is now tending to also increase artificially in the retired age bracket due to the establishment of, and the enlarging of another, aged care facility.

This unique “hour glass” structure means increased demand for assets, both sporting and social, to satisfy these groups, such as sporting fields and facilities, and footpaths for those needing assistance.

Demand Management

As mentioned above, Council’s population has been relatively stable over the last 20 years. The key demands are thus demographic based and heavily skewed towards secondary school ages and the retired age. Demand Management practices at Leeton Shire Council include non-asset solutions such as insuring against risks and managing failures, as well as ad hoc demand management of single assets or asset groups such as footpaths or recreation facilities.

An example of Council’s single asset demand management practices lies in the review of Council’s heavy vehicle routes. With the increase in vehicle size (both weight and length), the potential demand on local roads is currently being reviewed. Council has liaised with key stakeholders in the area to determine whether our current road hierarchy is suitable for the capacity of vehicles desiring use.

Water use on local parks and reserves has been another demand identified within Leeton Shire Council. The most recent management practice implemented is the installation of computerised irrigation systems linked to a central control base. This means that over time, all irrigation systems across the Shire will be able to be controlled from a single station and their use finitely modified to suit conditions. This will result in a more efficient use of water.



Lifecycle Management

This section relates to the overall lifecycle management of Council's assets from initial acquisition, throughout maintenance and renewals periods, to its final disposal if required. Ongoing assessment practices such as condition and hazard assessments are also developed within this section.

Asset Register Data

Council's Asset Registers are the primary key to all of Council's Asset Management Practices. As such, the information contained within is vitally important and its accuracy is paramount. Australian Accounting Standards (AAS) require Local Government to identify, value, and record all of their assets. A common problem inherent to this requirement has been within identifying what assets Council 'actually' controls or owns. This is especially true for land and building assets. It is for this reason that Council is constantly reviewing its various registers for existence and accuracy.

The primary information contained within an asset register includes:

- Asset Class (footpaths, roads, etc.)
- Asset Group (shared cycleway, footpath, etc.)
- Asset Type (Floor finish, ceiling lining, etc.)
- Asset Description (South West of the bridge, etc.)
- Capitalisation Date (Date of Construction or Last Major Renewal)
- Useful Life
- Residual Life
- Current Replacement Cost
- Condition
- Special Schedule 7 Category
- Note 9 Category

Ancillary data contained within Asset Registers is seemingly endless and very much depends on the class of the asset; however, this generally includes:

- Any associated risk profiles pertaining to the asset,
- Supplementary (and often legislative) information such as the presence of Asbestos,
- Intervention levels,
- Renewal Indicators, and
- Maintenance schedules.

As mentioned above, gathering this information is a constant process of review and data capture. Council utilises, among other means, a GPS unit to assist in the capture of asset data in the field. The handheld unit can be calibrated to capture all different types of attributes depending on the particular asset being captured.

Current capture programs include:

- Water services mapping – a complete recapture of all of Council's water hydrants, stop valves, meters, pumps, sewer manholes, and pump stations is nearing completion (currently in QA phase). The information gathered will assist across many fields including valuation processes, maintenance/renewal planning, as well as providing location advice to the public and developers on Council's underground assets. The water service capture has almost finished.

- Tree mapping (Parks and Gardens) – Council is embarking on a comprehensive capture program of all street and park trees. This information will be very useful in managing associated risk as well as providing a means of better planning future plantings.
- Drainage Infrastructure – Council’s Asset Registers will benefit greatly from the flood study and planned flood mitigation strategy. This study has produced data relating to our drainage infrastructure. Such updates are being incorporated into our registers and Asset Management Practices.

Condition Assessments

Council is continually reviewing the condition profiles of its entire asset base. Whilst specific details pertaining to the makeup of an asset class’s condition profile will be found in the respective detailed Asset Management Plan, this section outlines the general structure of Council’s condition assessment process. At present, condition assessments have been completed on Council’s sealed and gravel road networks, footpaths, cycleways, park assets, playgrounds, and major building assets.

Condition Assessment Frameworks

Council has adopted the IIMM core condition assessment approach with a 1-5 rating system as detailed in Table 2. Associated with each condition rating is an example photograph (to give the assessor some subjectivity across reinspections) as well as 5 or 6 key focal points to establish the condition rating. An example of such points, as relevant to Council’s sealed road network, is also shown in italics in Table 2.

Condition	Description
1.	<p>Very Good Condition</p> <p>Seal</p> <p><i>No potholes</i> <i>No edge defects</i> <i>No cracking</i> <i>No stripping</i> <i>No bleeding</i></p> <p>Base</p> <p><i>No shoves</i> <i>No water ponding</i> <i>No rutting</i></p>
2.	<p>Minor Defects Only</p> <p>Seal</p> <p><i>Potholes not apparent (small holes may exist)</i> <i>Edge defects starting</i> <i>Cracking not apparent</i> <i>No stripping</i> <i>No bleeding</i></p> <p>Base</p> <p><i>Minor shoves commencing</i> <i>Water ponding on edges</i> <i>No rutting</i></p>
3.	<p>Maintenance Required</p> <p>Seal</p> <p><i>Potholes in isolation</i> <i>Edge defects (not in lane)</i> <i>Cracking apparent</i> <i>Stripping commencing</i> <i>Bleeding in isolation</i></p> <p>Base</p> <p><i>Individual shoves apparent</i> <i>Water ponding in isolation</i> <i>Runs of minor rutting (<100mm one wheel path)</i></p>
4.	<p>Requires Renewal</p> <p>Seal</p> <p><i>Potholes becoming regular</i></p> <p>Base</p> <p><i>Shoves becoming regular</i></p>

	<i>Edge defects (approaching lane)</i> <i>Cracking noticeable paths)</i> <i>Stripping regular</i> <i>Bleeding regular/common</i>	<i>Water ponding regular</i> <i>Runs of minor rutting (<100mm both wheel</i>
5.	Asset Unserviceable Seal <i>Potholes more often than not</i> <i>Edge defects well into lane</i> <i>Cracking often</i> <i>Stripping often</i> <i>Bleeding evident throughout segment</i>	Base <i>Shoves very regular</i> <i>Water ponding very regularly</i> <i>Runs of minor rutting (>100mm)</i>

Table 2 - Condition Profiles

Intervention Levels

The above-mentioned condition assessment framework has enabled Council to set a benchmark for all assets to ideally achieve. This benchmark is set at Condition 3 until further quantifiable information is returned from community consultation processes. It should also be noted that the condition of an asset alone does not indicate the ultimate need for renewal. The Renewal Planning section of this Asset Management Plan describes how a multi-faceted approach is taken towards renewal planning at Leeton Shire Council.

Risk Management

Council is currently revising its hazard based and uncertainty based risk management practices and implementing a standard framework across all asset types. This framework will go to form part of the respective detailed Asset Management Plans. A summary of the hazard based framework Council will be utilising across all of its asset classes is detailed below.

Hazard Based Risk Management Framework

Council is utilising a standard template (developed in house in 2010) for the management of hazard based risks. The general framework contained within the template is shown below and will be expedited across all asset classes (that are not presently done) over the coming year. At present, the framework is active for footpaths, bike paths, kerb and gutter, the road network, parks, playgrounds, and buildings. The framework is also in development for Parks and Gardens. These existing policies will be reviewed and brought under the respective detailed Asset Management Plans. The framework is as follows:

- Asset Network – A description of the asset class covered by the plan.
- Asset hierarchy – A breakdown of the entire asset class (or sub class) into a hierarchical structure based on risk exposure. For example, a footpath near a school is given a higher hierarchy than a footpath alongside a highway.
- Inspection to Maintenance Flowchart – A typical flowchart describing how assets within the scope of the plan move from hazard inspection through to repair. This includes details of where inspections are logged, and how follow up works are logged back to the original inspection.

- Inspection Types – A description of the type of hazard based inspections currently or proposed to be carried out on the asset class.
- Inspection Program – details the frequency of hazard based inspections based upon the hierarchy of the asset.
- Hazard Defect Ratings – details the various defect indicators for an asset and attributes a weighting to that particular indicator
- Defect Response Times – converts the above weightings into required response times for defect repair (if required).
- Generic Risk Control measures – details the measures implemented to mitigate Council’s exposure to risk in day to day operations. This section may provide reference to any “Uncertainty Based” risk management practices that pertain to the asset class.
- Responsibilities – Outlines the overall responsibilities associated with the various inspection and follow up procedures outlined within the framework.

Uncertainty Based Risk Management

In conjunction with the above hazard based risk, Council is also aware of the great risks associated with the unknown. These risks can arise during times when Council’s resources are already stretched thin such as during floods, fires, storms, and even health pandemics. Council is currently reviewing any and all uncertainty based risk management procedures in place with a view of streamlining and centralising the process via a similar framework.

Renewal Planning

A significant component of good asset management is the planned periodic replacement of assets (or their sub components) to return the asset’s service potential. Renewal planning made up 65% of Council’s Capital Expenditure budget in 2015/16 (down from 87% in 2014/15). It is for this reason that renewal planning is identified as a priority in terms of implementing smarter Renewal Planning processes.

There are four (4) main predecessors to robust renewal planning practices – in the manner that will be adopted at Leeton Shire Council – they are:

- Asset Register data such as age, useful life, size, quantity, and replacement cost.
- Condition profiles
- Hazard profiles
- Intensity of use or occupation

These indicators are utilised alongside other asset specific factors to create a renewal score matrix. For example, sealed roads will see a weighted matrix between the Condition, adequacy of width, status for heavy vehicles and busses, speed limit, defect count, age, Traffic Movements, Hierarchy, and 12-month accomplishment history.

Through the “detailed Asset Management Plans”, all of these factors are assigned a particular weighting. This matrix then runs over the entire asset base to develop an interim prioritised renewal works program. This interim works program will then be further refined by follow up inspection and the final renewal program will be set.

Operation and Maintenance Planning

Council considers maintenance work in line with the IIMM definition to include reactive and planned maintenance work activities.

Council currently utilises Asset Edge's 'Reflect' software to act as its Maintenance Management System for roads, footpaths, kerb and gutter, and buildings. Defects are logged as per the Hazard Based Risk Assessment framework and works accomplished are logged back to that defect. The mapped base interface gives Council a clear picture of where maintenance money is being spent throughout the Shire. 'Reflect' (or a similar system) is being rolled out across Parks and Recreation assets at present and will potentially go across other asset classes as their Hazard Based Risk Assessment frameworks come online.

Data from 'Reflect' will be monitored and more rigorous maintenance and operational planning strategies will be developed in future iterations of this Asset Management Plan.

Acquisition/Disposal Planning

New works are those works that create a new asset that did not previously exist, or works which upgrade or improve an existing asset beyond its existing capacity. They may result from growth, social or environmental needs. Assets may also be acquired at no cost to the Council from land development.

Disposal includes any activity associated with disposal of a decommissioned asset including sale, demolition or relocation. Assets will in future be identified for possible decommissioning and disposal according to the disposal plan. Assets highlighted by a disposal plan will be further reinvestigated to determine the required levels of service to see what options are available for alternate service delivery, if any.

Council has identified Acquisition and Disposal planning as a matter that will be further developed in future iterations of this Asset Management Plan.

Financial Planning

Future Asset Management Plans will identify the estimated maintenance and capital expenditures required to provide an agreed level of service to the community over a 20 year period for input into a 10 year financial plan and funding plan to provide the service in a sustainable manner. This may be compared to existing or planned expenditures in the 20 year period to identify any gap. In a core Asset Management Plan, a gap is generally due to increasing asset renewals. Until such time however, Council has adopted a fixed amount prioritisation methodology for asset renewal and maintenance funding. That is, appropriating funds based on historical trends rather than identified service level requirements.

As soon as adequate service level data is gathered, the fixed amount prioritisation method will be reviewed and a whole of Council asset prioritisation process will begin.

Valuation Systems and Residual Value

It is important to note that valuations (mentioned within this Asset Management Plan and other Council Statements) are bound by Australian Accounting Standard Methodologies and without

constant reassessment and review of depreciable amounts, can give a skewed view of the actual liability Council may carry.



Plan Actions & Improvements

This section highlights and details items from this Asset Management Plan that Council has identified as requiring action or improvement over the life of this iteration.

Critical Asset Risk Assessment Review

The first major action to occur under this Asset Management Plan is called up by its overarching Asset Management Strategy – Critical Asset Risk Assessment Review. Council is currently undergoing a review of its risk assessment strategies with regards to Assets that are classified as “Critical” by the Asset Management Strategy.

Asset Data Capture

Projects as detailed within this Plan.

Detailed Asset Management Plans

As mentioned throughout this Asset Management Plan, Council will continue to implement various Detailed Plans for the management of specific Asset Classes. These Detailed Plans follow a certain template such that the uniformity of assessment capabilities is not lost across the asset classes. In addition to this, a template will ensure that Council wide asset planning can take place in due course. Currently, detailed plans are complete for footpaths, and close to complete for roads, parks, playgrounds and buildings (including the ROXY theatre)

Service Level Reviews

Council aims to conduct service levels reviews for all assets as per its Asset Management Strategy. These reviews will be completed once suitable data is collated in house to answer the majority of questions that may arise during such a process. Council will consult other Council's or organisations that may have conducted such reviews. Examples of these sources include ACELG's paper on Service Level Reviews.

Continued Condition Assessments

Council will continue to monitor the condition profiles of all asset classes in a structured and planned manner. Such inspections will be arranged and/or executed by Council's responsible asset managers with advice and guidance from the GIS/Assets Co-ordinator. Responsible asset managers will also undertake risk based assessments as per schedules in relevant asset management plans.

Implementation of an Asset Management System

Council has acquired an Asset Management System (AMS) through a joint procurement effort with Narrandera Shire Council. Council aims to have the AMS in use from 1 July 2017.

Matters postponed to future Asset Management Plans

The following matters will be reviewed and assessed in future iterations of this Asset Management Plan:

- Operational and Maintenance Planning
- Acquisition/Disposal Planning
- Council wide (not asset class based) renewal/maintenance funding

Appendix 1 – AMP to CSP linkages

The following matters are shown in the Community Strategic Plan to be of high value to Leeton Shire's residents and are reflected in the goals of this and all subordinate AMPs:

CSP and Council's General Asset Management Practices

- "Residents feel that it is important that any new subdivisions meet the standards we expect for residential areas in Leeton." – *A Community that Enjoys Good Housing*
- "Having an attractive and fresh CBD... is important because it makes us feel proud of our towns... Having a clean, neat and tidy CBD is important..." – *A Community that Enjoys a Vibrant Town Centre*
- "We believe open, honest and responsible decision making will benefit the Shire and is one of the highest needs for our future success." – *A Community that has Politicians Who Listen and Act*
- "We expect our leaders to give serious consideration to how their decisions will affect us before making any moves. This means that they... keep the long term future in mind." – *A Community that has Politicians Who Listen and Act*
- "We want to be undertaking scenario planning... to anticipate change and adapt prior." – *A Community that is Always on the Front Foot*

CSP and Council's Buildings/Structures

- "Our main street features a glorious selection of art deco buildings... The most well-known of these is the Roxy Community Theatre. As a community we... look forward to the refurbishment project." – *A Community that Values its Heritage*

CSP and Council's Road and Traffic Facilities

- "We also want to be safe on the roads and that includes... that the roads and streets are in good condition..." – *A Community that is Safe to Live in and Move About*
- "Parents are comfortable with their children aged over 10 years crossing busy streets to school..." – *A Community that is Safe to Live in and Move About*
- "People needing to use disabled car spots enjoy knowing one will be available to them." – *A Community that is Safe to Live in and Move About*
- "We want residents to enjoy the River all year round thanks to good access roads and improved visitor infrastructure including seating and interpretive signage." – *A Community that Enjoys our Natural Environment*
- "We like that every residential property in the Shire can be reached by at least an all-weather gravel road." – *A Community that has Good Road, Rail and Air Transport*

- “Generally speaking we think our roads are acceptable... However, some of us think that our roads should be of a better standard to be safe and improve freight transport, and would be willing to pay more to make this happen.” – *A Community that has Good Road, Rail and Air Transport*
- “Freight is predicted to double by 2031 and local businesses feel that it is important to upgrade the road network if the Shire wants to make the most of this opportunity.” – *A Community that has Good Road, Rail and Air Transport*
- “We want motorists to feel comfortable that roads are better equipped to handle various weather conditions and maintained to a higher standard.” – *A Community that has Good Road, Rail and Air Transport*
- “We want rural road users to be pleased that upgrades to gravel roads have significantly improved their daily transport needs.” – *A Community that has Good Road, Rail and Air Transport*
- “Having beautiful and well-maintained signs that are up-to-date gives us a sense of pride and belonging... we prefer roadways that are neat and tidy too.” – *A Community that Enjoys Attractive Towns and Parks*

CSP and Council’s Footpaths and Bike Tracks

- “We enjoy our walkways and bike paths as they keep use separate from traffic... The shared path from Yanco to South Leeton is a wonderful asset... However in some areas paths are of a low standard or don’t connect well enough and in other areas there are no footpaths at all.” – *A Community that is Safe to Live in and Move About*
- “People... head safely to the shops or schools or doctors... on wide, well linked footpaths.” – *A Community that is Safe to Live in and Move About*

CSP and Council’s Water Services

- “Having access to clean, safe drinking water... is one of our community’s highest priorities.” – *A Community that has Reliable Water and Wastewater Services in Towns*
- “We want water conservation efforts that have led to better efficiency results...” – *A Community that has Reliable Water and Wastewater Services in Towns*
- “We want to feel comfortable knowing that we have a backup water supply.” – *A Community that has Reliable Water and Wastewater Services in Towns*

CSP and Council’s Sewer Services

- “Having a modern and well maintained sewerage system... is one of our highest priorities.” – *A Community that has Reliable Water and Wastewater Services in Towns*
- “We want to feel confident that Fivebough Wetlands is continued to be supplied with treated wastewater that supports habitat and wildlife.” – *A Community that has Reliable Water and Wastewater Services in Towns*
- “We want residents in areas in need of sewer to be delighted that they have the latest modern systems.” – *A Community that has Reliable Water and Wastewater Services in Towns*

CSP and Council's Parks, Gardens and Recreational Facilities

- “Some of our sports venues are really good but others need to be improved. Our Shire sporting ovals are generally at capacity.” – *A Community that Participates in Sports and Active Leisure*
- “We want great pride to be taken to ensure our sporting venues are kept to a good standard and they meet our needs.” – *A Community that Participates in Sports and Active Leisure*
- “We want residents to be proud that Leeton’s entrance roundabouts always have flowers in full bloom during special community events and key holiday periods.” – *A Community that Enjoys a Vibrant Town Centre*
- “Having parks and pretty streets lined with beautiful trees makes us feel good... We want to be sure that new areas of development keep up this standard.” – *A Community that Enjoys Attractive Towns and Parks*
- “Our street gardens often receive positive comments which is why it is important to keep them updated and looking nice – we love it when they are in full show during important times of the year.” – *A Community that Enjoys Attractive Towns and Parks*
- “We believe that every community... should have access to quality, safe play parks with exciting play equipment, access to drinking water, good seating and surfaces... instead of building more parks we would rather the existing parks be upgraded and pedestrian access be improved.” – *A Community that Enjoys Attractive Towns and Parks*
- “We want to be delighted that our public spaces are well designed and maintained...” – *A Community that Enjoys Attractive Towns and Parks*
- “Families enjoy a fair distribution of well-equipped and serviceable playgrounds across the Shire.” – *A Community that Enjoys Attractive Towns and Parks*

CSP and Council's Drainage Infrastructure

- “In 2012 we suffered major flooding and we want to be sure that everything that can be done will be done to prevent this from happening again.” – *A Community that is Safe to Live in and Move About*
- “In times of heavy rain water can be left standing too long which is not ideal.” – *A Community that Enjoys Attractive Towns and Parks*

LEETON SHIRE COUNCIL



WORKFORCE PLAN

2017 – 2021

Leeton Shire Council

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Adopted 28 June 2017 – Resolution 17/028

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Adopted: _____ Next Review Date: June 2022

1. ABOUT THE WORKFORCE PLAN

Leeton Shire Council recognises that its staff are its greatest asset.

The Workforce Plan identifies and provides a strategic framework to guide Council's people management strategies over the next four years (2017 – 2021). It seeks to ensure Leeton Shire Council has the right people in the right place at the right time to build a strong, interconnected and sustainable organisation that is capable of achieving Council's adopted Delivery Program 2017-2021.

The Workforce Plan focuses on developing:

- ✓ People who are skilled, innovative, responsive, collaborative, adaptable and customer service orientated
- ✓ Leaders and managers who are capable, strategic and respected
- ✓ A workforce culture that supports integrity, collaboration, accountability, continuous improvement and high performance.

This Workforce Plan was developed by examining our workforce profile and consulting with managers and senior staff. Key areas to address include workforce supply and demand, the need for increasing strategic leadership, and the development of current management capabilities and the development of workforce talent.

2. ABOUT THE WORKFORCE MISSION AND VALUES

In 2015 Leeton Shire Council staff adopted a shared mission and values:

The Staff's mission is:

To be proudly trusted by the Councillors and the Community to deliver for them the very best outcomes in the most effective manner whilst enjoying a harmonious workplace that values and rewards its workforce for service excellence.

The Staff's Values are:

Trust, Respect, Integrity, Collaboration, Communication, Innovation

These values aim to develop staff as **leaders** in their own right, whilst enjoying a sense of **wellbeing and safety** in an environment that shows and receives **loyalty**.



3. WORKFORCE CHALLENGES

External

- Rising community expectations in a constrained financial environment
- Rapid change and increasing complexity locally, regionally, nationally and internationally

- Skills shortages

Internal

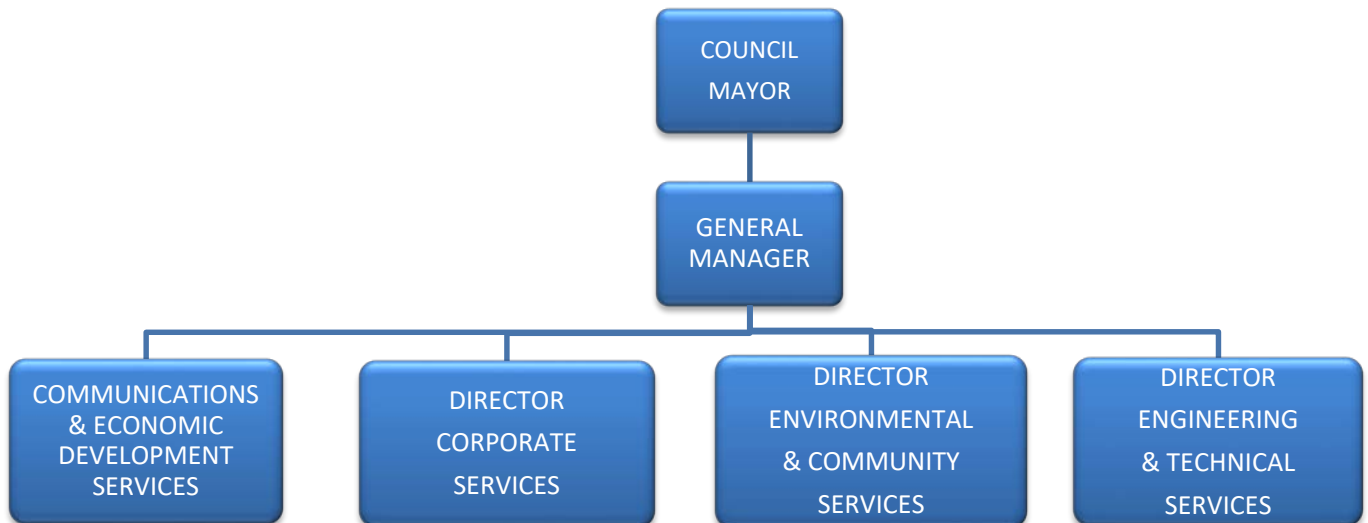
- Ageing workforce
- Capacity and capability
- Leadership
- Resilience in an environment of change
- Clarity of roles and responsibilities

4. ORGANISATIONAL REVIEW

In early 2017 the General Manager embarked on an organisational review.

4.1 Organisation Structure 2012 - 2016

Leeton Shire Council's structure had been divided into the following areas of responsibility: General Manager, Corporate Services, Environmental and Community Services, Engineering and Technical Services.



Corporate Communications	Finance	Environmental Health and Building Services	Engineering Services
Economic Development	Human Resources	Planning and Development Service	Water and Waste Water
Tourism	Council Support	Library Services	Design and Construction
Events	Records	Parks and Recreation	Roads and Infrastructure
	Administration	Community Services	Engineering Secretarial Services
	IT Services	Environmental Secretarial Services	GIS Services
	Executive Services	Waste Management	
	Work Health and Safety	Compliance	
	Rates and Property	Animal Control	
	Internal Audit, Governance & Policy Management	Building Services Maintenance	
	Corporate Planning & Governance		

The General Manager and three Directors made up the Senior Management Team.

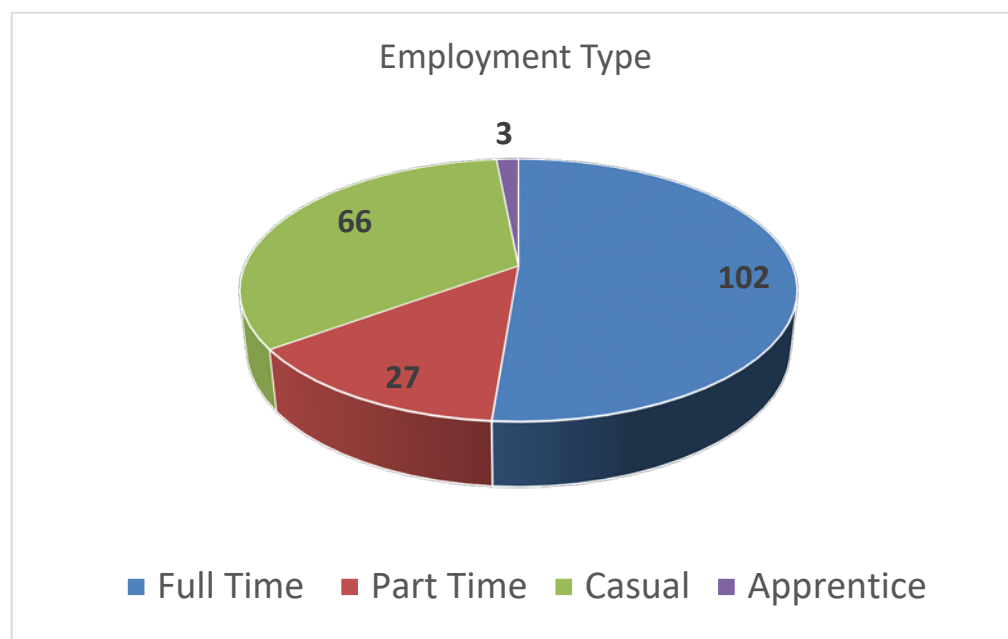
4.2 Staff Profiles

The Full Time Equivalent (FTE) figures provided in this report are based on Leeton Shires workforce as at 20.01.2017

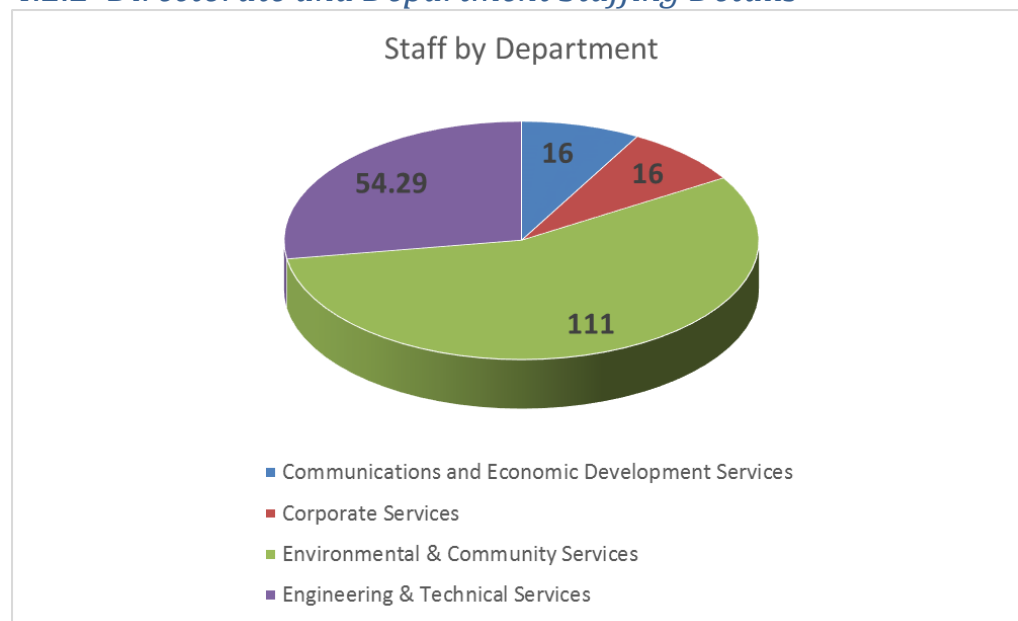
4.2.1 Staffing Numbers and Classifications

FTE Staff Numbers	Permanent Full-time	Part-time	Casual	Apprentice/Trainees	Total
127	101	27	66.29	3	197.29

Approximately 33% of Council employees are employed on a casual basis in areas such as child care, vacation programs, seasonal pool employment, specific funded programs, library and stadium. The employment is mostly irregular and these employees tend to be engaged for only short periods at a time. Some employees have permanent employment in one area and casual employment in an entirely different and separate division of Council.



4.2.2 Directorate and Department Staffing Details



The largest Directorate of Council was the Environmental and Community Services Directorate, employing 111 full-time, part-time and casual staff.

- Office of the General Manager

Team	Permanent Full time	Part-time	Apprentices /Trainees	Full + Part Total	Casuals	Total
Manager Economic Development Tourism & Events	1			1		1
Corporate Communications	1			1		1
Research Executive Assistant	1			1		1
Tourism		2		2	2	4
Events	1	1		2		2
Roxy		1		1	6	7
Total	4	4		8	8	16

- Corporate Services

Team	Permanent Full time	Part-time	Apprentices /Trainees	Full + Part Total	Casuals	Total
Director Corporate Services	1			1		1
Finance including Purchasing	6	1		7		7
Human Resources & WHS	3			3		3
Corporate Planning & Governance Support and Building Services	1			1	1	2
Information, Technology, Communications & Records	2			2		2
Corp. Planning & Governance Supp.	1			1		1
Total	14	1		15	1	16



- Environmental & Community Services

Team	Permanent Full time	Part-time	Apprentices /Trainees	Full + Part Total	Casuals	Total
Director Environmental & Community Services	1			1		1
Environment, Planning & Development Services	4		1	5		5
Compliance & Noxious Weeds	3			3		3
Landfill & Recycling Depot	1	2		3	3	6
Parks & Recreation	14	1		15	24	39
Community Services & Community Transport	1.5	2		3.5	1	4.5
Community Services – Child Care	7	10	2	19	12	31
OOSH		2		2	10	12
Support Services	1			1		1
Library Services	.5	3		3.5	5	8.5
Total	33	20	3	56	55	111

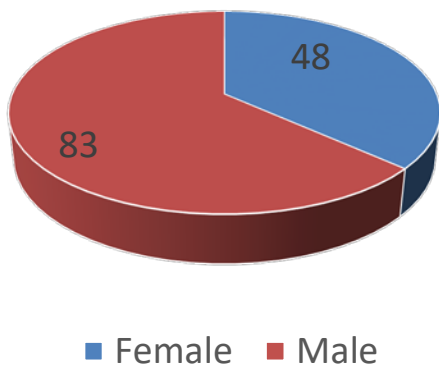
- Engineering & Technical Services

Team	Permanent Full time	Part-time	Apprentices /Trainees	Full + Part Total	Casuals	Total
Director Engineering & Technical Services	1			1		1
Secretarial Services	1			1		1
Design & Construction & GIS Services & Road Safety	5	2		7	.29	7.29
Roads Construction & Maintenance	22			22	1	23
Engineering & Waste Water Services	2			2		2
Workshop & Depot	3			3	1	4
Water & Waste Water	16			16		16
Total	50	2		52	2.29	54.29

4.2.3 Gender

The Leeton Shire Council's full-time and part-time workforce is made up of around 63% male employees and 36% female employees. Female employees are typically predominant in Child Care, Library, Tourism, Events, Community Services and Corporate Services. Male employees are predominant in the Engineering and Technical Services area and Parks & Recreation. The Council outdoor teams are currently 100% male dominated area.

Employees by Gender (Full-time & Part-time only)



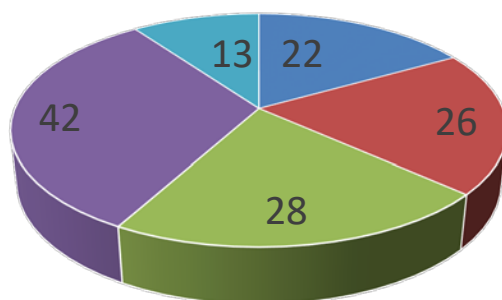
Approximately 77.5% of casuals employees are female and 90% of part-time employees are also female.



4.2.4 Age

Leeton Shire Council's workforce is spread across the following age groups:

Employees By Age



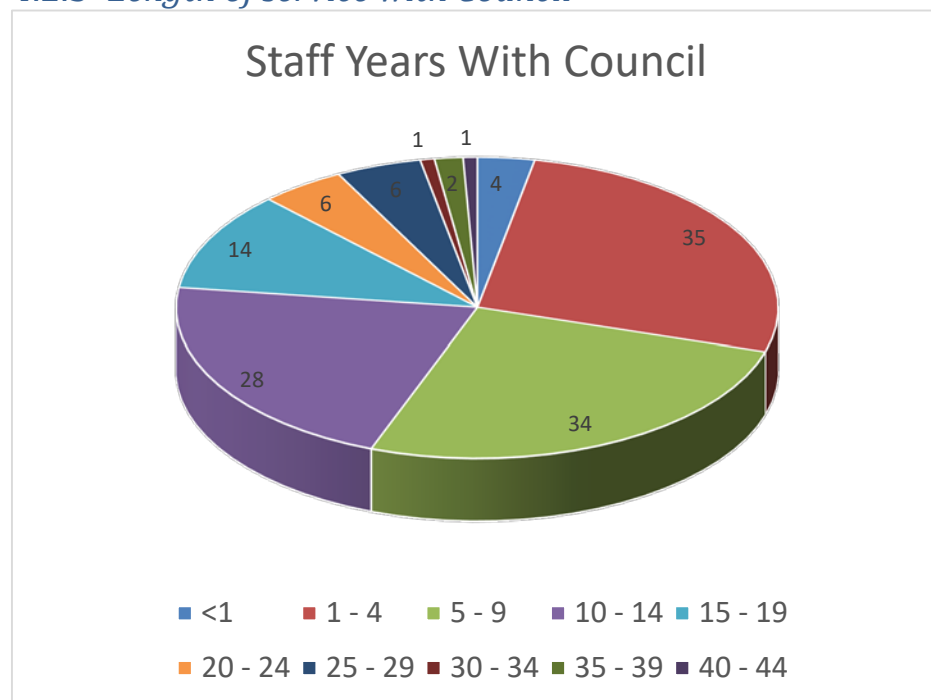
21-30 age group 16.5% of the workforce,
31-40 age group 19.5%,
41-50 age group 21.5%,
51-61 age group 32.5%
61-and above age group 10%.

■ 21-30 ■ 31-40 ■ 41-50 ■ 51-60 ■ 61-70

As at January 2017, 58 full and part-time employees were aged 50 or older equalling 44% of the Council's workforce. The average age of 44 years is significantly higher than the national average of 36 years. This is something that needs to be carefully monitored into the future in relation to age related issues and knowledge transfer to younger staff members.

The age of Council's employees ranges from 16 years to 79 years. (The oldest employee is a casual employee occasionally working in Council's Stadium and the youngest employees are employed as supervised pool kiosk attendants in the summer months.)

4.2.5 Length of service with Council



With 73% of employees within Council having completed over five years' service this indicates that Council does not have a retention problem. This figure together with the aging profile of Council does indicate that as employees become older they are less likely to resign prior to retirement which helps retain corporate knowledge for a period of time but can also stifle promotion and career progression for younger professionals.

4.2.6 Qualifications of Staff

Snapshot of Formal Qualifications per Department				
	Post Graduate	Degree	Diploma	Tafe
Finance	1	2		1
GM's Dept	1	1	2	3
Engineering Roads		2	5	4
Engineering WWW	1		1	4
Corporate	1	2	1	1
Library & Community	1	3	1	
Environment & Rangers	1	2	3	5
LELC		3	5	7
Parks & Rec			1	6
Total	6	16	17	29

Only highest qualification per person is counted.

4.3 Feedback from Staff

Consultation with managers and some employee representatives in late 2016 revealed some common areas of perceived general concern including:

1. Low pay and inconsistencies between grades
2. Insufficient staffing for expected work program
3. Lack of knowledge transfer and succession planning

4.3.1 Pay Structure and performance reviews

A concern raised by both managers and staff was the current pay structure. It was introduced in 1996 and upgraded in 2012 to increase the total range spread over each grade to 12%. The overlap in Grades due to the range in steps has resulted in staff of a higher Grade being paid less in year one and year two than staff of a lower grade who have been in a role for more than four years.

In 2016, almost 85% of staff are on the maximum step of their respective grade. Consideration should be given as to how longer term employees can be rewarded for high performance.

4.3.2 Staff resourcing and Employee Leave Entitlements (ELE)

A concern raised by managers is the difficulty of completing work programs on time while having to face reduced staffing levels. While always a challenge to some extent due to rostered days off, sick days and training days, the situation has been exacerbated in recent times by the introduction of a Leave Management Plan and Policy. The policy was introduced to manage organisational financial risk and prevents the accumulation of leave days in excess of eight weeks for annual leave, and the policy also enforces that all long service leave be used within the five years of its accrual date and prior to eligibility of the next entitlement. A Time in Lieu Policy was also introduced to prevent staff accumulating more than 10 hours TIL. Previous to Council's Leave Management Plan and Policy employees often saved their entitlements until retirement/resignation which has on occasion in the organisation placed significant financial strain on Council budgets.

In theory, if staff take all entitlements earned per year after completing five years' service they would be away from the workplace for just under three and a half months per year.

Long Service Leave after 15 years' service is accrued at a higher rate of 2.2 weeks leave per year. It is estimated that 24% of Leeton Shire Council's staff would have completed 15 years' service by 2018. Therefore staff could potentially be away from the workplace for just under four months of each year if all entitlements are taken.

It is therefore important that managers recognise and accommodate these resourcing challenges in their program planning.



The General Manager introduced a new rostered day off system for new staff commencing after 1st January 2016, being a 19 day month instead of a 9-day fortnight. This has immediate implication in the indoor staff complement but the benefits for the outdoor operations staff will only be realized when whole teams are able to synchronise their working days. As of 30th June 2017, seven indoor staff members and all full-time staff at the LELC are on a 19 day month. This number will increase as a result of organisational change.



4.3.3 Knowledge transfer and succession planning

Fifty per cent (50%) of Leeton Shire Council's managers identified areas of risk where staff have specialist skills and knowledge that could potentially be difficult to replace and/or significant institutional knowledge that would be lost if they were to leave the organisation.

It is recommended that Council undertakes a skills gap analysis (current and future) and implements a formal succession planning program supported by an appropriate education and training program in order to ensure workforce requirements are met in the future.

Other opportunities to grow Leeton Shire Council's talent pool include apprenticeships, traineeship and participating in the Riverina's "Grow our Own" program.

A Human Resource Information System to capture the skills/education information would also be useful to aide Council's formal succession planning ability.

5. NEW ORGANISATIONAL STRUCTURE FOR LEETON SHIRE COUNCIL

On 22nd February 2017 Leeton Shire Council resolved to move to a two Directorate organisational structure with the aim of strengthening the organisation's capacity to remain operationally Fit For the Future, as well as staying financially Fit For the Future. (It has been recognised that Council “cannot do today’s job with yesterday’s methods and still think it will be in business tomorrow”).



What Organisational Change is expected to deliver

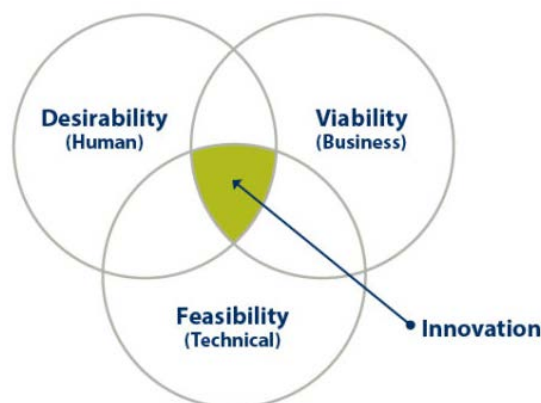
The intent of the new two Directorate structure is to inject transformational leadership, strengthen management capability, distribute workloads more equitably, improve accountability, build service capability and drive excellence in operations and customer service.

Leeton Shire Council is seeking to become smart, innovative and progressive with a strong reputation for nurturing its talent pool.

To drive innovation Leeton Shire Council recognises that it needs to grow and 'better balance' its performance as an employer, as a business and as a technically competent organisation. If ignored inefficiencies, rework and lack of role clarity will continue to hold the organisation back.

To harness this opportunity a particular focus for 2017 will be on providing additional staff resource into the following key areas:

- ✓ Information Technology
- ✓ Business Improvement Systems
- ✓ Human Resources
- ✓ Planning & Placemaking
- ✓ Asset Management



6. WORKFORCE PLAN ACTION 2017 - 2021

Over the 2017 – 2021 term of Council the Workforce Plan will focus on three key strategies:

1. People
2. Managers and Leaders
3. Culture

STRATEGY 1 - PEOPLE

Workforce Goals - People

People who are:

- ✓ Skilled to do their job well
- ✓ Innovative in their thinking and actions
- ✓ Responsive, collaborative and adaptable
- ✓ Customer service orientated
- ✓ Empowered to have a voice that is heard

Workforce Actions – People

- ✓ Enhance the attraction and recruitment of skilled staff particularly in areas of occupational or skills shortage
- ✓ Expand learning and skills programs and opportunities
- ✓ Embed the staff mission, values and behaviours across the Council's workforce
- ✓ Strengthen Workforce Diversity
- ✓ Conduct a Workforce Survey in 2018

Desired Outcomes – People

- ✓ High quality candidates are attracted to work at Leeton Shire Council
- ✓ Continuous improvement embedded in the way business is done
- ✓ The Council is recognised as a values driven organisation
- ✓ Employment of minority groups and women is supported
- ✓ Increase in the numbers of graduates, apprentices and trainees employed
- ✓ The Council is recognised by its employees as a great place to work



STRATEGY 2 – MANAGERS AND LEADERS

Workforce Goals – Managers and Leaders

Leaders and managers who are:

- ✓ Capable of focusing on people, actions and outcomes
- ✓ Strategic and future oriented
- ✓ Respected through modelling the Staff's mission, values and behaviours

Workforce Actions – Managers and Leaders

- ✓ Develop and promote leadership capability for the Council's leaders and managers
- ✓ Improve financial management knowledge and capabilities of all coordinators and managers
- ✓ Create mentoring programs and strategies that develop leaders at all levels
- ✓ Build on our staff recognition program to support employee performance

Desired Outcomes – Managers and Leaders

- ✓ Leadership has helped build a high performing organisation
- ✓ Managers have excellent people management skills and tools
- ✓ Managers have the skills and capability to deliver the goals of the Leeton Shire Council 2017-2021 Delivery Program
- ✓ Learning and development opportunities are mapped against our organisational and business needs
- ✓ Values and behaviours are strengthened through reward and recognition.
- ✓ Managers have the knowledge to approach budgetary matters with a commercial focus

STRATEGY 3 – CULTURE

Workforce Goals - Culture

A workforce culture that supports:

- ✓ Integrity
- ✓ Collaboration
- ✓ Accountability
- ✓ Continuous improvement
- ✓ High performance in terms of productivity and efficiency

Workforce Actions - Culture

- ✓ Engender an organisational culture authentic to our mission, values and behaviours
- ✓ Ensure an appropriate and motivating performance development and management system is implemented
- ✓ Develop a formal succession planning framework and support systems
- ✓ Introduce an improved induction program for new starters
- ✓ Improve work clarity and expectations
- ✓ Ensure better systems for supporting learning and development activities
- ✓ Conduct a skills gap analysis and implement an skills information capture system on HRIS
- ✓ Mitigate against risks, through efficient WHS and Organisational Risk Management
- ✓ Support employees' health and wellbeing

Desired Outcomes – Culture

- ✓ The organisational culture supports our articulated mission, values and behaviours
- ✓ Efficient systems providing support for a productive workforce with clear roles and responsibilities and measurable performance goals
- ✓ Performance development and management supports and motivates staff
- ✓ Staff feel valued and appropriately remunerated for their work
- ✓ Policies support the timely management of people
- ✓ Wellbeing programs are advanced to enhance health and safety

Reporting Progress

Progress against this Workforce Action Plan will be reported six-monthly in the Leeton Shire Council Delivery Program and in each year's Annual Report during the period 2017-2021.

