



Parkes Shire Council

Special Variation Application

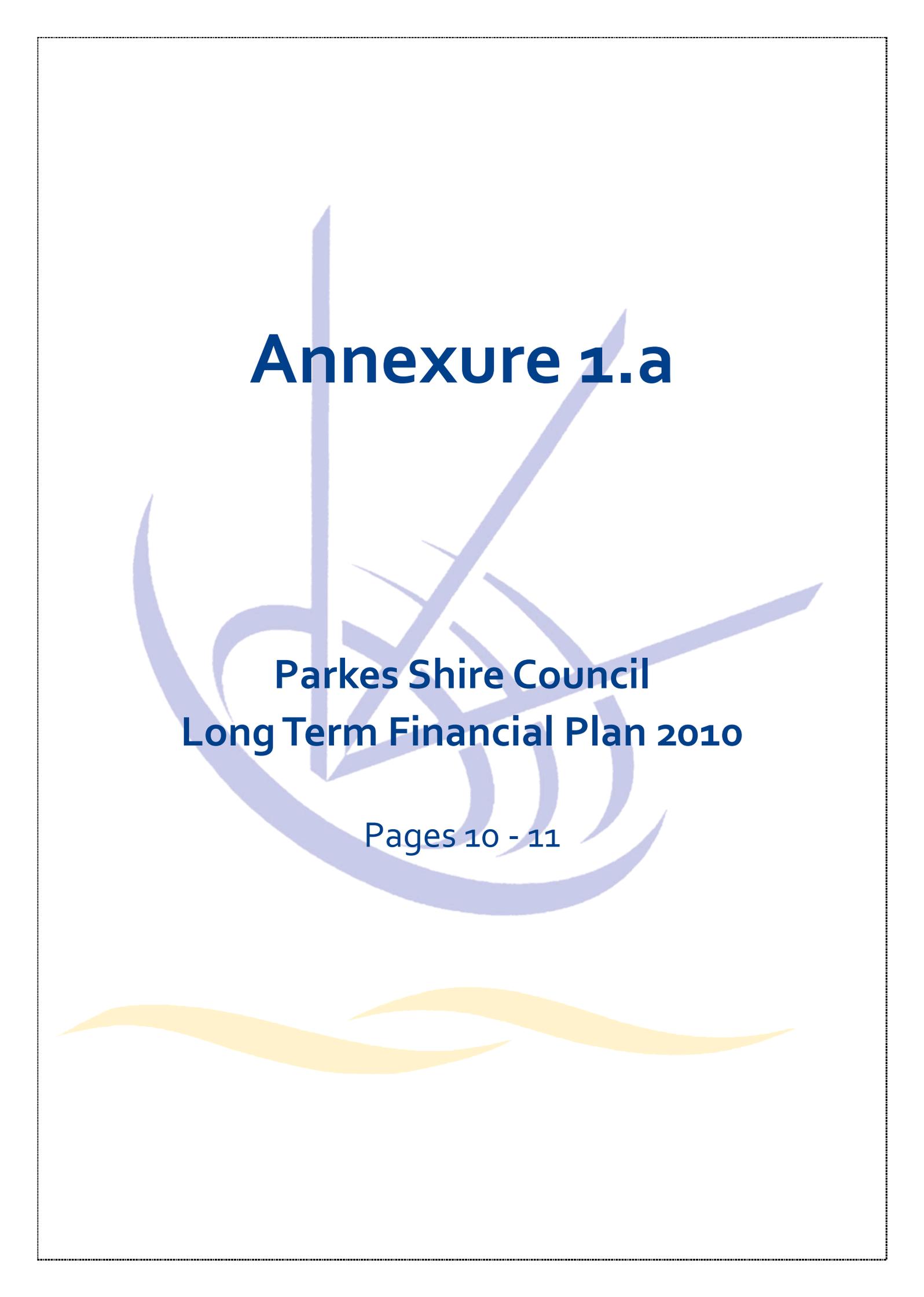
Part B

Criterion 1

Annexures

Need for the Variation





Annexure 1.a

Parkes Shire Council Long Term Financial Plan 2010

Pages 10 - 11

Government (General) Regulation 2005, and provide services needed by the community in a financially sustainable manner.

The Asset Management Strategy is prepared following a review of Council's service delivery practices, financial sustainability indicators, asset management maturity and fit with Council's vision for the future as outlined in the Community Strategic Plan. The Strategy outlines an Asset Management Improvement Plan detailing a program of tasks to be completed and resources required to bring Council to a minimum 'core' level of asset maturity and competence.

THE 10 YEAR LONG TERM FINANCIAL PLAN 2013/14 TO 2022/23

The Long Term Financial Plan (LTFFP) is a part of Council's Resourcing Strategy. The Plan is used to ensure that Council can have an understanding of the current financial situation and the projections of several future directions. The LTFFP is developed in conjunction with the Workforce Plan and the Asset Management Plan, and is combined as The Resourcing Strategy, with the same objectives. These Plans are prepared for at least the next 10 years, and are required to be reviewed each year.

The LTFFP is set out to show the financial impact of providing different levels of service to the community. The Plan includes projections of revenue and expenditure, the balance sheet and projected cash flows. Behind these projections, there are several assumptions that are used to build the Plan. These assumptions are usually related to the level of asset renewal and maintenance, inflation rate, growth in dwellings, timing of revenue, level of grants, level of service etc. The projections are modified to highlight the major scenarios (or options) that have an economic consequence. Also, within the Plan there are financial indicators (calculated for each scenario). These indicators allow comparisons between scenarios, and enable the monitoring of financial performance.

The LTFFP enables Council to improve the connectivity with the Delivery Plan, and allows for a better understanding of the financial consequences of the Plan. The Long Term Financial Plan is a decision making tool that helps Council to model several important scenarios, and it helps Council to identify financial issues at an earlier stage. The Plan presents the effects of these scenarios, over the longer term. These projections help Council to focus on the issues, and analyse the consequences.

Planning for at least 10 years, enables the Council to assess the current situation and make decisions for the future.

THE WORK FORCE PLAN 2013/14 TO 2016/17

The 2013 – 2017 Parkes Shire Council Workforce Plan provides the strategic direction to create a sustainable workforce. It provides a supporting framework for those objectives and actions contained in each of the three Departmental Delivery Programs and Operational Plans. The focus will be the alignment of the workforce with the goals, values and objectives of the organisation which includes the management of our asset infrastructure. This will enable us to effectively deliver community expectations into the future.

THE ANNUAL REPORT

The Annual Report is one of the key points of accountability between a Council and its community. It is not a report to the Division of Local Government or the NSW Government, it is a report to the community.

The Annual Report focuses on Council's implementation of the Delivery Program and Operational Plan because these are the Plans that are wholly the Council's responsibility.

The Report also includes some information that is prescribed by the Local Government (General) Regulation 2005. This information has been included in the Regulation because the Government believes that it is important for community members to know about it – to help their understanding of how Council has been performing both as a business entity and a community leader.

THE END OF TERM REPORT 2013/14 TO 2016/17

Councils are now required to prepare an End of Term Report which must be tabled prior to the end of Council's 4 year term. This document must include a report as to the Council's achievements in implementing the Community Strategic Plan over the previous four years. This also means drawing upon achievements in the implementation of the four year Delivery Program. It includes information from other organisations, including State Government agencies.

STATE OF THE ENVIRONMENT REPORTING

A comprehensive report on the State of the Environment is required to be included as part of the End Of Term Report. This means that the End Of Term Report will include a report on how Council has met the environmental objectives in the Community Strategic Plan. The report on the State of the Environment includes progress against relevant performance indicators for the environmental objectives of the Community Strategic Plan and Delivery Program.

Social Justice Principles

Council is committed to the application of social justice throughout all aspects of its operation.

Social justice is based on four interrelated principles of equity, rights, access and participation, to ensure that:

- There is equity in the distribution of resources
- Rights are recognised and promoted
- People have fairer access to the economic resources and services essential to meet their basic needs and to improve their quality of life, and
- People have better opportunities for genuine participation and consultation about decisions affecting their lives.

The NSW Division of Local Government has stipulated seven mandatory social justice groups that are to be targeted for consultation and planning:

- Children (0-11 years)
- Young People (12 –24 years)
- Women
- Older People (over 55 years)
- Aboriginal People
- People with Disabilities
- People from Culturally and Linguistically Diverse Backgrounds

Council's commitment is demonstrated in:

- Council's organisational values being; Parkes Shire Council is committed to be an organisation where staff believe, INTEGRITY, SAFETY, CARING & RESPECT, TEAMWORK, INNOVATION and A COMMUNITY FOCUS are aspired to at all times

- Council's Code of Conduct and its key principals of Integrity, Leadership, Selflessness, Objectivity, Accountability, Openness, Honesty, and Respect that ensures the growth of a workforce and Council, characterised by codes of personal and collective behaviour
- Community Engagement Strategy that ensures the needs of social justice groups are considered when consulting on the Community Strategic Plan, and
- Council's adoption of quadruple bottom line reporting, that includes reporting on how well Council is meeting the community's social needs. Council is committed to further developing increased emphasis and measurement of performance in this area

Council's commitment is also demonstrated at a planning level through various actions and tasks outlined in its Delivery and Operational Plans. The Key Future Directions that relate directly to the Social Justice



Currajong Disability Clients and Carers with Parkes Library Assistant, Debbie Gould. The group attend a weekly session in the library during term time.

Principles are:

1. Develop Education Lifelong Learning Opportunities
2. Improve Health & Wellbeing
3. Promote, Support and Grow Our Communities

More detail outlining specifically how Council's Strategic Objectives apply, can be found in the actions outlined in this Delivery Program and the related tasks in the Operational Plans.



Members of the Parkes Shire Indigenous Community with Parkes Shire Councillors and Staff at the Aboriginal Flag Raising Ceremony, December 2012.

Annexure 1.b

Parkes Shire Council Capital Expenditure Review (CAPEX - Parkes Airport)



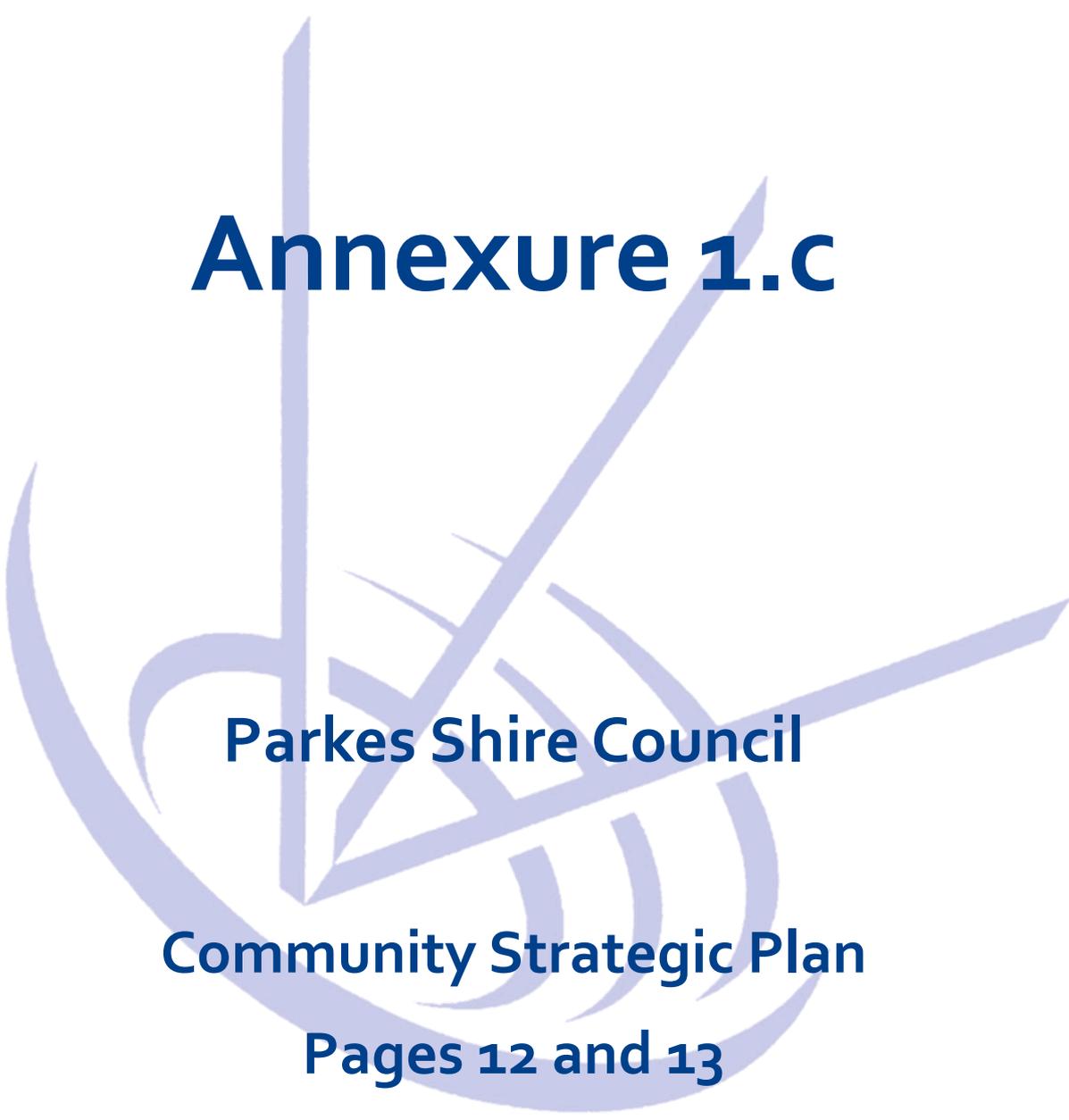


Capital Expenditure Review

**A Capital Expenditure Review by Parkes Shire Council for the redevelopment of the
Parkes Regional Airport**

Commercial In Confidence

*Copies have been provided to Department of Local Government and Independent Pricing and
Regulatory Tribunal (IPART)*



Annexure 1.c

Parkes Shire Council

Community Strategic Plan

Pages 12 and 13



Funding the Delivery Program to Achieve the Objectives of the Community Strategic Plan

IDENTIFYING THE NEEDS AND WANTS OF THE COMMUNITY

Since March 2012 Council has been preparing for the current round of the Integrated Planning and Reporting, encompassing a review of this 10 year Community Strategic Plan (CSP) and subsequently the development of the current Delivery Program. Council has carried out intensive community engagement as outlined in the Community Engagement Strategy (Continuum) 2012 document. This was done to determine the service delivery and project delivery expectations across the Shire, to achieve the goals as set out in this CSP. Council has also conducted a detailed analysis of Council's Workforce Plan, Asset Management Plans and the Long Term Financial Plan. This process has resulted in Council having developed three resourcing scenarios which are outlined in the Long Term Financial Plan for consideration regarding the Delivery Program being; Current Situation, the Static Delivery Program and the Progressive Delivery Program.

The Current Situation Model: based on no new income sources being made available to Council. This scenario sees that the current operating deficit remains, no new Capital for new projects is available and there is insufficient funding to cover depreciation. **T Corp (NSW Treasury) have indicated Council is not sustainable in the long term under this scenario.**

The Static Delivery Program Model: based on a cumulative 10% increase each year for four years. After the four years this would total a 46% increase, and if the estimated cap is taken out this would mean a total 31% increase over and above the cap on the general rate in four years time. The Static Delivery Program would see the operating deficit returned to a balanced budget. Council could then instigate a capital program that just exceeds depreciation by funding an approximate \$3M per annum renewal program. Some minor asset maintenance backlog would be able to be addressed however, there would be no new additional assets planned.

The Progressive Delivery Program Model: This program is based on a cumulative 13% increase per year for four years. This would, after the four years, total a 63% increase, and if the estimated cap is taken out this would mean a total 46% increase over and above the cap on the general rate in four years time. The Progressive Delivery Program would see the operating deficit turned into an operating surplus. The capital works program would then exceed depreciation. The surplus would be used to fund an approximate \$4M per annum capital program, which sees the significant asset maintenance backlog faced being addressed.

Council conducted a number of Community Programming Workshops in October 2012 across the Shire, working with the community to prioritise the three resourcing scenarios. The results of this process were that 78% voted in favour of the Progressive Delivery Program, 16% in favour of the Static Delivery Program and 6% in favour of the Current Situation. Council has continued to seek input from the community since these workshops via a wide spread media campaign including a web based survey. This survey had similar results with 60.6% in favour of the Progressive Delivery Program, 25% in favour of the Static and 14.4% favouring the Current Situation. (For more information refer to the Community Engagement Strategy (Continuum) 2012).

CONSIDERING THE REASONABLENESS AND IMPACT OF INCREASING THE GENERAL RATES

Council commissioned the Western Research Institute (WRI) to examine the reasonableness of the proposed rate variations under the Static and Progressive Delivery Program models. WRI considered three main criteria in their methodology being; Price Comparisons (other goods usually purchased), Impact (on incomes), and Peer Comparisons (other Councils). The Report also considers the impacts on those possibly less

advantaged using what is termed a SEIFA ranking which is a measure compiled by the Australian Bureau of Statistics. The findings of the report are summarised below;

Price Comparisons:

Price comparisons (households) - under both the static and progressive plans, rates increases do not exceed the past and anticipated price increases of the services most closely aligned to local government services. These services include utilities and child care with local government itself usually providing water and some child care services. The static rate increase does not even exceed the price increases of services in general over the relevant period.

Price comparisons (farm and non-farm business) - except for input prices to electricity and rail freight, even the static rate increase exceeds the past and anticipated input price and wage increases over the relevant period.

Impact:

Impact (households) - rates represent less than 1% of the household expenditure of 80% of Parkes households so that even with the 64% rate increase of the progressive plan implementation, rates remain below 1% of household expenditure and the increase represents less than one percentage point of household expenditure.

Impact (farm and nonfarm businesses) - overall the impact is relatively small on non -farm business with rates representing less than 1% of value added. Even with the progressive plan implementation, rates will increase by less than 1 percentage point of value added. Therefore, the impact of even the progressive rate increase is insignificant for non-farm business. However, rates are more significant for farm businesses representing up to 4% of value added in Scenario 2 (growing agriculture)

and up to 6 per cent of value added in Scenario 1 (stagnating agriculture) and hence, so too is any rate increase. Nevertheless concern about this impact should be mitigated to some extent because the significance of rate increase from farm businesses is in part due to the growing number of hobby farms. In addition, the assumption of stagnating agricultural value added may be less plausible than the assumption of growing agriculture, and hence the impact of the rates increase in Scenario 1 may be indeed overstated.

Comparison with Peers:

Comparison with peers - The average household incomes of Parkes is just above the median income of Group 10 and 11 Local Government Areas (LGAs) while its current rates are well below the median for Group 10 and Group 11 LGAs. Under the progressive rate increase Parkes rates would rise just above the median for these 2 groups of councils. By itself this would suggest that the progressive rate increase is consistent with Parkes' peers. However Parkes is well below the median of these councils in terms of the SEIFA index. This suggests that Parkes has a relatively large proportion of relatively disadvantaged households. This issue is addressed through Council monetary rebates and hardship policies.

Overall Conclusions:

In summary, even the rates increases under the progressive program passed most of the tests for reasonableness. Both the static and progressive programs result in rates increase exceeding the rise of input costs for businesses. For non-farm businesses the rates as a percentage of value added is less than 1 per cent, suggesting that the impact is low. However, for farm businesses, the rates/value added ratio is higher due to the growing number of 'hobby farms'. This overstates the real impact of rates on farm businesses. Additionally, Parkes Shire has low SEIFA.

ranking, suggesting significant disadvantage of certain population groups. This disadvantage is countered by monetary compensation and policy action that are included in both programs. Overall, even the progressive program broadly satisfies reasonableness test.

THE SPECIAL RATE VARIATION PROCESS AND HOW IT WILL BE MANAGED

Parkes Shire Council has made the difficult decision to seek a Special Rate Variation (SRV) from the NSW Independent Pricing and Regulatory Tribunal (IPART) in line with the funding model to support the Progressive Delivery Program. This has been made with the realisation that this is the most reasonable means by which the objectives of this CSP can be met and adequately resourced. This sees a cumulative 10% increase a year for four years above the existing rate cap estimated at 3%. This would after the four years total a 63%. The adopted draft IP & R Planning documentation including this Community Strategic Plan will be placed on display for submissions for a period of 28 days from the 30th of January 2013. Council will consider any submissions made and has until March 11th to submit a finalised Special Rate Variation application under Section 508A of the Local Government Act 1993 to IPART.

IPART will then consider this application and Council will be advised in June 2013 of the decision of IPART and the approved General Rate level set. Although Council believes it has a strong case to support its application ultimately IPART have the discretion to refuse any rise above the cap that was set on the 26th of November 2012 being 3.4%, or alternatively a percentage increase anywhere from the level of the cap up to and including the full amount sought being 13% each year for 4 years.

This means some of the projects, initiatives or items in Delivery Program and Operational Plan that support this plan may be impacted. Council will have to review these documents after the determination of IPART to see which of these items will be subject to adjustment or elimination. Similarly the items as they appear in the Capital Works Programs in both the 4 Year Financial Forecasts and the Operational Budget will have to be reviewed.

Documentation relating to Councils Special Rate Variation Application to IPART can be found on its web site www.parkes.nsw.gov.au

Annexure 1.d

Parkes Shire Council Delivery Program

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Program Format Explained

FUTURE DIRECTION
This field indicates the relevant Future Direction being addressed from the Parkes Shire Council Community Strategic Plan (CSP) 2022.

RESOURCING LINKS
Identifies the links to relevant plans in the Resourcing Strategy regarding Asset Management and Financial Planning.

COUNCIL ROLE
Identifies the particular role Council has in working towards the Strategic Objective.

RELATED ACTIVITY
Relevant Activities for Council that relate to the Strategic Objective as per the Australian Accounting Standards.

STRATEGIC OBJECTIVE
This is the high level goal for the community in achieving the Future Direction as set out in the CSP.

PLAN LINKS
Identifies the other Federal, State and Local Government Plan links as well as other stakeholder organisational plans.

YEAR IMPLEMENTED & RESOURCING IMPLICATIONS
The year of the Delivery Program to be implemented and the resources identified to achieve the action.

ACTION
The action to be carried out to deliver on the Strategic Objective over the term of the Delivery Program. (BLUE = Current funding)

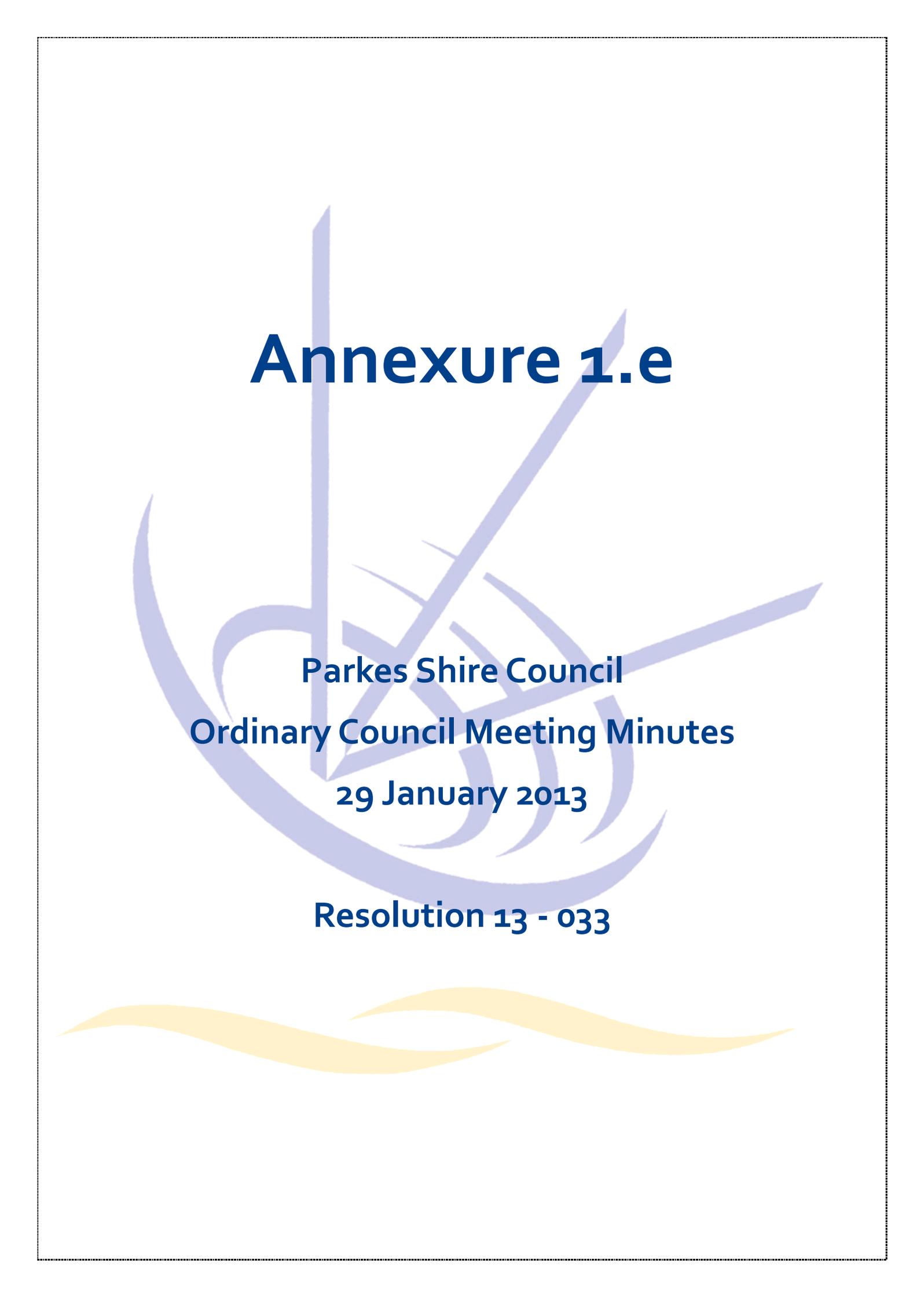
QUADRUPLE BOTTOM LINE
Provides a subjective estimate on a scale from 1 to 5 stars of the Economic, Social, Environmental and Civic Leadership outcomes of the action. 1 being poor, 5 excellent. (Note: 3 stars is either medium or no identified impact)

RISK/DELIVERY CHALLENGE
Assesses the anticipated difficulty that Council will have in "delivery" of the action over the Delivery Program with projected resourcing.

"PROGRESSIVE" ACTIONS
These are actions that are fundamentally reliant on financial resourcing from the Special Rate Variation Application (GREEN = SRV funding) For more information see Section "Funding the Delivery Program".

FUTURE DIRECTION: 8. Maintain and Improve the Shire Assets and Infrastructure				
STRATEGIC OBJECTIVE: 8.2. Manage Road Assets		Council Role	Provider	
Govt.Plan Links		Related Council Activity/s:	Mining Manufacturing and Construction, Transport & Communication	
<ul style="list-style-type: none"> NSW State Plan 2021 Roads and Maritime Services Corporate Strategy 2012-2016 Infrastructure Australia National Freight Strategy Infrastructure NSW Strategy 10 Regional Interstate Transport Strategy 14 Social Infrastructure 		Director Oversight:	Director Engineering Services	
		Links Financial Plan		
		Links Asset Management	• Transport Asset Management Plan Section 5, 7 and Appendix "B". Asset Management Strategy Section 3.	
ACTION: 8.2.1 Manage Local Road Network to agreed service levels				
QUADRUPLE BOTTOM LINE	ECONOMIC	SOCIAL	CIVIC LEADERSHIP	ENVIRONMENT
	★★★	★★★★★	★★★	★
YEARLY IMPLEMENTATION PLANS AND RESOURCING IMPLICATIONS	YEAR 1	YEAR 2	YEAR 3	YEAR 4
As of the 11/12 review Council rates on several funding sources to meet the need including Financial Assistance Grants (11/12 \$1,731,975), Roads to Recovery (11/12 \$882,386), and internal (\$1,775,000 maintenance, \$1.815m capital). Depreciation must also be accounted for at \$3,851,000 total for local and regional roads. The funding levels are consistent over the budget period (Activity 39).				
RISK/DELIVERY CHALLENGE	Extreme	High	Moderate	Low
				Insignificant

ACTION: 8.2.1.P.- (AUGMENTED PROGRAM) Manage Local Road Network to agreed service levels



Annexure 1.e

**Parkes Shire Council
Ordinary Council Meeting Minutes
29 January 2013**

Resolution 13 - 033

10 GENERAL MANAGER'S REPORT

10.1 (GM) Draft 2013-17 Operational Plan including Operating Budget

Executive Summary

Following an extensive community engagement process to review the Community Strategic Plan which commenced early in 2012, the draft Delivery Program and Operational Plan for 2013-2017 incorporating the Budget, Capital Works Program and Fees and Charges for 2013-2014 are presented for consideration and adoption for the purposes of public exhibition. The Delivery Program has been prepared on the basis that Council will make an application for a Special Rate Variation of 13% above the cap for each year of the Program, which is approximately a 10% per annum increase in real terms (assuming a CPI of 3%).

The presentation of this suite of document is the culmination of nearly a year of dedicated work, not only by staff and councillors, but by many community members who have devoted considerable voluntary time to the process. For all involved I acknowledge the considerable efforts and express sincere appreciation.

Recommendation.

1. That pursuant to Sections 405 and 406 of the Local Government Act, 1993, the draft Delivery Program and Operational Plan 2013-2017, incorporating the Budget, Capital Works Program, and Fees and Charges for 2013/2014, be endorsed and placed on public exhibition for a period of 28 days.

13- 033 Resolution

That the recommendation be adopted.

Moved Councillor Alan Ward, seconded Councillor Bob Haddin.

CARRIED

Annexure 1.f

Delivery Program Financial Forecasts

2013 - 2014 to 2016 - 2017

Pages 7 to 10



Parke Shire Council : Capital Expenditure - Consolidated Estimates

Capital Expenditure Description	Delivery Program Action Linkage	2013/14 Financial Forecast	2014/15 Financial Forecast	2015/16 Financial Forecast	2016/17 Financial Forecast
Computers & Office Equipment		\$ 216,499	\$ 190,383	\$ 212,385	\$ 164,344
Parkes Depot - Hardstand Area (Forklift & B-Double Access)		\$ 40,000	\$ -	\$ -	\$ -
Parkes Shire Plant Replacement Program		\$ 735,100	\$ 753,500	\$ 1,046,400	\$ 746,800
Parkes Motor Vehicles Replacement Program		\$ 156,500	\$ 165,100	\$ 137,000	\$ 214,500
Bushfire Equipment Issues	2.5.10	\$ 540,000	\$ 553,500	\$ 567,338	\$ 581,521
Bogan Gate Tip - Transfer Station	7.3.1	\$ -	\$ -	\$ -	\$ 150,000
Parkes - Weighbridge, Site Works	7.3.1	\$ 800,000	\$ -	\$ -	\$ -
Parkes - Tip Shop - Recycling	7.3.1	\$ 150,000	\$ -	\$ -	\$ -
Peak Hill Tip - Transfer Station	7.3.1	\$ 150,000	\$ -	\$ -	\$ -
Trundle Tip - Transfer Station	7.3.1	\$ -	\$ 150,000	\$ -	\$ -
Tullamore Tip - Transfer Station	7.3.1	\$ -	\$ -	\$ 150,000	\$ -
Reinstatement Site Works - Yarrabandi, Alec Town, Gunningbland	7.3.1	\$ -	\$ -	\$ -	\$ 30,000
Tip Rehabilitation (Trees, Grass, etc)	7.3.1	\$ -	\$ -	\$ -	\$ 11,941
Drainage - Construction - General	8.4.3	\$ 141,045	\$ 115,000	\$ 100,000	\$ 50,000
Drainage - Construction - Levy	8.4.3	\$ 150,000	\$ 154,000	\$ 158,000	\$ 162,000
Parkes Shire Progressive Drainage Maintenance Program	8.4.3P	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Peak Hill - Stormwater Management Planning	8.4.3P	\$ -	\$ -	\$ 60,000	\$ -
Tullamore - Stormwater Management Planning	8.4.3P	\$ 10,000	\$ 40,000	\$ -	\$ -
Bogan Gate - Stormwater Management Planning	8.4.3P	\$ 40,000	\$ -	\$ -	\$ -
Cookamidgera - Flood Management Plan	8.4.3P	\$ -	\$ 10,000	\$ 5,000	\$ -
Drainage Network Capacity Enhancements	8.4.3P	\$ -	\$ -	\$ 185,000	\$ 450,000
Parkes Cemetery Improvements	2.5.7	\$ 12,500	\$ 12,500	\$ 45,000	\$ -
Building Refurbishments - Asset Management Plans	8.6.1	\$ 127,255	\$ 47,200	\$ 81,900	\$ 258,600
Library Books	1.3.2	\$ 81,100	\$ 84,300	\$ 87,700	\$ 91,200

Parke Shire Council : Capital Expenditure - Consolidated Estimates

Capital Expenditure Description	Delivery Program Action Linkage	2013/14 Financial Forecast	2014/15 Financial Forecast	2015/16 Financial Forecast	2016/17 Financial Forecast
Moat Cottage / Henry Parkes Centre - Capital Improvements - Building Refurbishments	4.2.4P	\$ 55,000	\$ 100,000	\$ -	\$ -
Parke - Pool	6.3.1	\$ 45,000	\$ -	\$ -	\$ -
Health & Wellbeing / Infrastructure Support		\$ -	\$ -	\$ -	\$ 146,237
Trundle - Pool (Progressive Parkes Shire Augmented Pool Program)	6.1.1P	\$ 25,000	\$ 90,000	\$ -	\$ -
Peak Hill - Pool (Progressive Parkes Shire Augmented Pool Program)	6.1.1P	\$ 30,000	\$ 60,000	\$ 400,000	\$ -
Tullamore - Pool (Parkes Shire Augmented Pool Program)	6.1.1P	\$ 25,000	\$ 180,000	\$ -	\$ -
Sports Infrastructure Masterplan / Implementation of Masterplan Outcomes	6.3.3P	\$ 50,000	\$ 50,000	\$ 100,000	\$ 473,763
Woodward Oval Cricket Nets - Install New senior level cricket practice nets (Grant Funded)	6.3.3	\$ 82,753	\$ -	\$ -	\$ -
Health & Wellbeing / Infrastructure Support	6.3.2P	\$ 5,000	\$ 5,000	\$ 49,600	\$ 535,400
Open Space / Recreation / Culture	6.3.2P	\$ 27,403	\$ 29,869	\$ 86,500	\$ 340,000
Rotaract Park Upgrade - Improvements for Disabled Access		\$ 7,942	\$ -	\$ -	\$ -
Parke Shire - Villages Special Capital Works	4.2.4	\$ 39,000	\$ 39,000	\$ 39,000	\$ 39,000
Urban Roads (Incl. Kerb & Guttering)	8.2.1	\$ 220,000	\$ 220,000	\$ 220,000	\$ 60,000
Rural Roads	8.2.1	\$ 170,000	\$ 170,000	\$ 170,000	\$ 10,000
Capitalised Grant - Works	8.2.1	\$ 2,375,250	\$ 2,435,000	\$ 2,496,000	\$ 2,558,000
Flood Damage - Local Roads (Project A/09950/IC)	8.2.1	\$ 1,420,710	\$ -	\$ -	\$ -
Parke - Progressive Resealing Program	8.2.1P	\$ 200,000	\$ 250,000	\$ 400,000	\$ 300,000
Parke - Progressive Pavement Rehabilitation Program	8.2.1P	\$ -	\$ 250,000	\$ 400,000	\$ 300,000
Parke - Progressive Unsealed Maintenance Program	8.2.1P	\$ -	\$ -	\$ 200,000	\$ 200,000
Parke - Progressive Resheeting Program	8.2.1P	\$ -	\$ -	\$ -	\$ 200,000
Footpaths - Renewal	8.2.3	\$ 30,617	\$ -	\$ -	\$ -
Footpaths - Progressive Delivery Program	8.2.3P	\$ 100,000	\$ 200,000	\$ 350,000	\$ 400,000

Parkes Shire Council : Capital Expenditure - Consolidated Estimates

Capital Expenditure Description	Delivery Program Action Linkage	2013/14 Financial Forecast	2014/15 Financial Forecast	2015/16 Financial Forecast	2016/17 Financial Forecast
Airport - Resealing of Taxiways / Main Runway / Fencing	8.5.2	\$ 40,000	\$ 110,000	\$ 10,000	\$ 10,000
Parkes Airport Terminal Facilities Refurbishments	8.5.3P	\$ 700,000	\$ 2,258,440	\$ -	\$ -
Parkes Shire Car Parking Development	8.2.3P	\$ -	\$ -	\$ 186,000	\$ -
Spicer Park Grandstand - Master Plan (Heritage)	8.6.4	\$ 10,000	\$ -	\$ -	\$ -
Spicer Caravan Park Capital Improvements	8.6.4	\$ 46,667	\$ 48,200	\$ 39,400	\$ 40,600
Signage Peak Hill - Open Cut Experience / Entrance / Viewing Platform	4.2.2	\$ 30,000	\$ -	\$ -	\$ -
Residential Estate - Site Works and Sub-Division for Sale	7.2.2	\$ 125,000	\$ 250,000	\$ 125,000	\$ -
Industrial Estate - Preparation Land for Resale		\$ -	\$ 125,000	\$ 125,000	\$ 125,000
Total Capital Expenditure - General Fund		\$ 9,260,341	\$ 9,195,992	\$ 8,282,223	\$ 8,698,906
Water Fund					
Water - Endeavour Dam upgrade to 0.7PMF	8.1.1	\$ 8,000,000	\$ -	\$ -	\$ -
Water - Dams Transfer Upgrade		\$ -	\$ -	\$ -	\$ 718,075
Recycled Water Main					
Water - New Ring Main	8.3.3	\$ 2,500,000	\$ 800,000	\$ -	\$ -
Water - Engineering Works	8.3.3	\$ 1,700,000	\$ 1,800,000	\$ -	\$ -
Water - Chlorination		\$ 140,000	\$ 140,000	\$ -	\$ -
Water - Reservoir 19ML- Bushmans Hill	8.1.4	\$ 1,700,000	\$ 1,800,000	\$ -	\$ -
Water - River Intake Structure		\$ -	\$ -	\$ -	\$ 1,800,000
Water - Raw Water Pump		\$ -	\$ -	\$ -	\$ 550,000
Water - Parkes Water Treatment Plant	8.1.3	\$ -	\$ 500,000	\$ 15,600,000	\$ 8,000,000
Other					
Water - New Services		\$ 25,418	\$ 26,435	\$ 27,492	\$ 28,592
Water - Backflow Prevention & Meterage		\$ 2,060	\$ 2,122	\$ 2,186	\$ 2,252

Parkes Shire Council : Capital Expenditure - Consolidated Estimates

Capital Expenditure Description	Delivery Program Action Linkage	2013/14 Financial Forecast	2014/15 Financial Forecast	2015/16 Financial Forecast	2016/17 Financial Forecast
NOTE: Capital Expenditure highlighted in green is funded by a 13% per year SRV, cumulative for 4 years of the Delivery Program for a Progressive Parkes Shire					
Water - Mains Construction - Reticulation		\$ -	\$ 272,500	\$ -	\$ -
Water - Albert Street Cottage		\$ -	\$ -	\$ 10,000	\$ -
Water - Minor Capital Items		\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Water - B Section Pipeline		\$ -	\$ -	\$ 94,000	\$ -
Water - Filtration Plant - Paint Interior/Exterior		\$ 13,135	\$ -	\$ -	\$ -
Water - Filtration Plant - Safety Upgrade		\$ 8,358	\$ -	\$ -	\$ -
Water - Hydraulic Analysis		\$ -	\$ -	\$ -	\$ 10,438
Water - Reservoirs - Painting		\$ 140,000	\$ -	\$ -	\$ -
Water - Safety - Davits, quadrailing, procedure		\$ -	\$ 7,379	\$ -	\$ 7,829
Water - Sec 64 Review		\$ -	\$ -	\$ -	\$ 25,000
Water - Telemetry		\$ -	\$ -	\$ 25,335	\$ -
Water - Testing Equipment		\$ -	\$ -	\$ 8,867	\$ -
Water - Vehicle and Plant Replacement		\$ 139,300	\$ 127,500	\$ 56,000	\$ 71,400
Water - Digital Radio Network		\$ 30,000	\$ -	\$ -	\$ -
Water - Airport Water Mains Connection - Airport Terminal / Facilities Refurbishment. NOTE: Water Fund is not subject to SRV funding	8.5.3P	\$ -	\$ 60,000	\$ -	\$ -
Water - Other Renewals/Mains		\$ 200,000	\$ 140,000	\$ 200,000	\$ 400,000
Total Water Fund - Activity 50		\$ 14,605,271	\$ 5,682,936	\$ 16,030,880	\$ 11,620,586
Sewer Fund					
Sewer - Mains Construction	8.3.1	\$ 400,000	\$ 300,000	\$ 300,000	\$ 400,000
Sewer - Minor Items Plant		\$ 8,115	\$ 8,358	\$ 8,609	\$ 8,867
Sewer - Pipe Investigation/Reline	8.3.1	\$ 38,246	\$ 39,393	\$ 40,575	\$ 41,792
Sewer - Vehicle & Equipment Replacement		\$ 144,200	\$ -	\$ -	\$ -
Sewer - Other Renewals	8.3.1	\$ 100,000	\$ 103,000	\$ 106,090	\$ 109,273
Sewer - Parkes Treatment Plant Construction	8.3.2	\$ 5,500,000	\$ 7,500,000	\$ 5,500,000	\$ -
Total Sewer Fund - Activity 51		\$ 6,190,561	\$ 7,950,751	\$ 5,955,274	\$ 559,932
Total Capital Expenditure - Parkes Shire Council		\$ 30,056,173	\$ 22,829,679	\$ 30,268,377	\$ 20,879,424



Annexure 1.g

Parkes Shire Council Asset Management Strategy

2013-2014 to 2022-2023

Section 1.1.1



The asset management strategy is to enable Council to show:

- how its asset portfolio will meet the service delivery needs of its community into the future,
- to enable Council's asset management policies to be achieved, and
- to ensure the integration of Council's asset management with its long term strategic plan.⁶

The goal of asset management is to ensure that services are provided:

- in the most cost effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets,
- for present and future consumers.

The objective of the Asset Management Strategy is to establish a framework to guide the planning, construction, maintenance and operation of the infrastructure essential for council to provide services to the community. The Asset management strategy forms part of Parkes Shire Council's overall Resourcing Strategy. The Resourcing Strategy consists of the Long Term Financial Plan, the Workplace Management Strategy and the Asset Management Strategic Plan. (For more detail refer to section 1.1.1)

1.1 Legislative reform

1.1.1 NSW Integrated Planning and Reporting (IPR)

Local councils in NSW are required to undertake their planning and reporting activities in accordance with the Local Government Act 1993 and the Local Government (General) Regulation 2005. The Act provides that the Deputy Director General (Local Government), Department of Premier and Cabinet can issue Guidelines that must be followed by local councils when undertaking their planning and reporting activities. In particular, local governments will effectively plan for future sustainability through longer-term planning by developing 10 year plans, publishing these and reviewing progress annually. The community and the State then have the best information available to judge progress against the plan, and local governments can make necessary adjustments.

An Integrated Planning and Reporting Manual has been developed to provide councils with information and guidance to assist their transition to the new planning and reporting framework. The process undertaken to formulate this 10 year plan is explained in Fig A.

⁶ LGPMC, 2009, Framework 2 *Asset Planning and Management*, p 4.

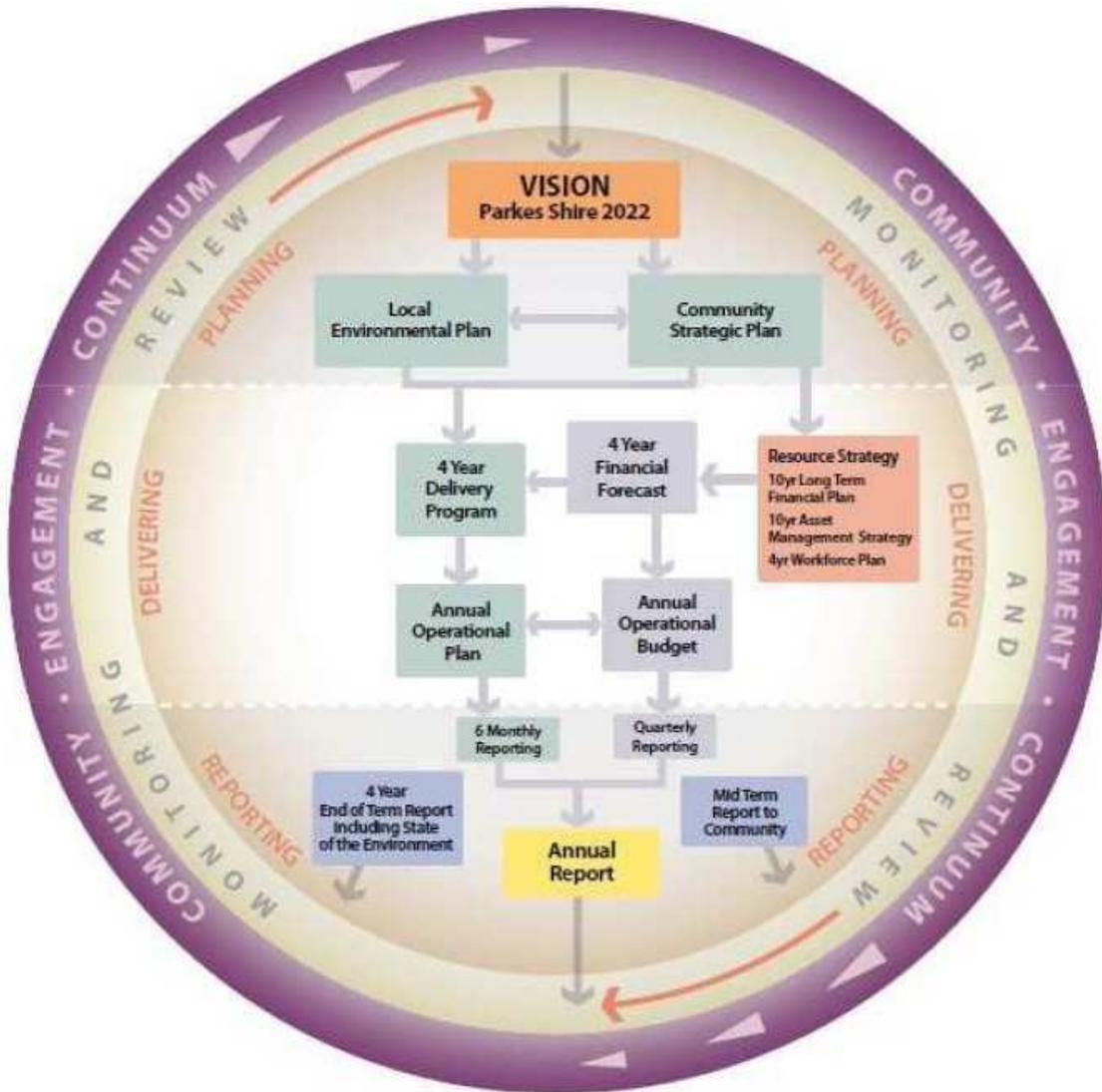
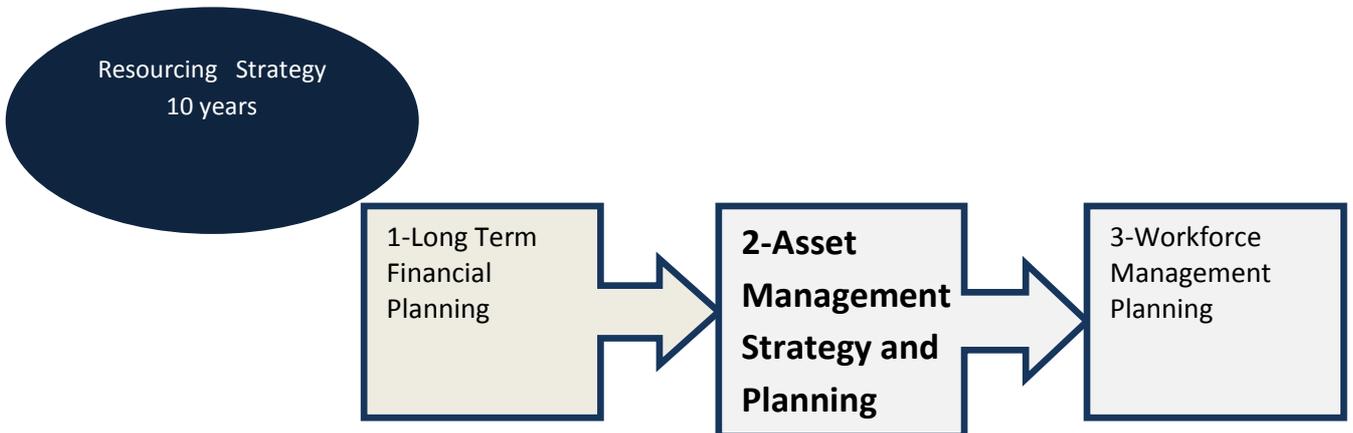


Figure A: NSW Local Government Planning and Reporting Framework

The Delivery plan is supported by the Resourcing Strategy which is below.

Resourcing Strategy:

The Resourcing Strategy consists of three components:



The Resourcing Strategy is the point where Council assists the community by sorting out who is responsible for what, in terms of the issues identified in the Community Strategic Plan. The Resourcing Strategy focuses in detail on matters that are the responsibility of the council and looks generally at matters that are the responsibility of others. These strategies are requirements under the amended Local Government Act 1993.

1-Long-term financial plan

A valuable tool for local governments when managing their finances will be to implement a longer-term financial plan to include ,an investment policy, a debts policy, procurement policy and a revenue policy. A Long Term Financial Plan and a Delivery Programme Financial Forecast to guide the funding of the work required by the Delivery Programme, that includes the projections of Council's financial position for the life of the Delivery Program. These documents describe the capacity of Parkes to deliver on items identified in the Ten Year Community Strategic Plan, the priority of items within the Resourcing Strategy and the link into four year Delivery Plan. The Long Term Financial Plan (LTFP) also provides a means of determining service levels and the rate of infrastructure renewal possible, based on different funding scenarios (Current Situation, Static and Progressive)

2-Asset management Strategy and plans

The philosophy underlying the development of and implementation of Asset management within the Council are as follows:

- Involvement of all stakeholders, including the community and staff, in the development of strategies, policies and service standards, the delivery of services and in the decision making of relevant matters concerning Council's infrastructure.
- Adoption and implementation of Best Practice in asset management.
- Achievement and maintenance of financial sustainability of all Council assets.

Achieving and maintaining sustainability in Local Government requires consideration of services, service levels, associated costs and associated risks. The appropriate management of the infrastructure of Local Government requires asset management estimates and asset accounting estimates that are realistic and support decision making.

➤ Goal of Asset Management:

To understand and report on costs and consequences of a required level of service

- in the most cost effective manner,
- through the creation, acquisition, maintenance, operation, rehabilitation and disposal of assets
- to provide for present and future consumers

➤ The Special Rate Variation Process and how it will be managed

Parkes Shire Council has made the difficult decision to seek a Special Rate Variation (SRV) from the NSW Independent Pricing and Regulatory Tribunal(IPART) in line with the funding model to support the Progressive Delivery Program. This has been made with the realisation that this is the most responsible means by which the objectives of this CSP can be met and adequately resourced This sees a cumulative 10% increase a year for four years above the existing rate cap estimated at 3%. This would after the four years total a 63%. The adopted draft IP & R Planning documentation including this Community Strategic

Plan will be placed on display for submissions for a period of 28 days from the 30th of January 2013. Council will consider any submissions made and has until March 14th to submit a finalised Special Rate Variation application under Section 508A of the Local Government Act 1993 to IPART.

IPART will then consider this application and Council will be advised in June 2013 of the decision of IPART and the approved General Rate level set. Although Council believes it has a strong case to support its application ultimately IPART have the discretion to refuse any rise above the cap that was set on the 26th of November 2012 being 3.4%, or alternatively a percentage increase anywhere from the level of the cap up to and including the full amount sought being 13% each year for 4 years.

This means some of the projects, initiatives or items in the Delivery Program and Operational Plan that support this plan may be impacted. Council will have to review these documents after the determination of IPART to see which of these items will be subject to adjustment or elimination. Similarly the items as they appear in the Capital Works Programs in both the 4 Year Financial Forecasts and the Operational Budget will have to be reviewed.

The following options and characteristics of each scenario as well as possible variations and refinements were discussed and the community were asked to vote for the best options.

➤ **Scenario 1- Current Situation – Minimum CPI**

➤ **Scenario 2- Static – 10% for four (4) years**

➤ **Scenario 3- Progressive –13% for four (4) years**

The Long Term Financial Plan (LTFP) also provides a means for determining service levels and the rate of infrastructure renewal possible, based on different funding scenarios (i.e. Current Situation -Static - Progressive)

Asset Management planning enables the relationship between cost of service and level of service to be explored, so that the local, regional and national community can decide what they are prepared to pay for. The current Asset Management Plan and Strategy has been developed based on the current funding situation (Scenario 1). Capital upgrade and renewal plans, and maintenance projects, have been identified and forecasted for Scenario2 (Static – 10% for four (4) years), and Scenario 3 (Progressive – 13% for four (4) years).

If the Community and Councillors elect to proceed with the static or progressive scenario there will be a flow on effect with the Workforce Plan (i.e. a need to increase capacity to respond to renewal and capital projects).

➤ **Linking of Asset Management Strategy and Planning with Long Term Financial Plan and Work Force Plan**



The Long Term Financial Plan is a key indicator for service delivery sustainability of Assets. Funds will be allocated for asset management based on assessments of community need, community satisfaction, utilisation of the assets, importance of the asset to the community and the Council, risk, impact on the environment and other matters. The Long Term Financial Plan (LTFP) also provides a means for determining service levels and the rate of infrastructure renewal possible, based on different funding scenarios (Current Situation -Static - Progressive)

Asset Management planning enables the relationship between cost of service and level of service to be explored, so the local, regional and national community can decide what they are prepared to pay for. The current asset management plan and strategy are designed based on current funding situation (Scenario 1) Capita new/Upgrade -Renewal plan- and maintenance projects have been forecasted and items identified for Scenario 3 (Progressive – 13% for four (4) years) (⇒ Refer to Asset Management Plan for each Asset Category). The selection of any of the scenario’s by the community have a flow effect workforce management plan in order to increasing the capacity of human resources to respond workforces of predicted projects .As an example approval of scenario 3 (Progressive) , Parkes Shire Council needs to engage contactors or employ more staff for new projects. The assessment of workforce needs has been carried out for the progressive delivery plan.

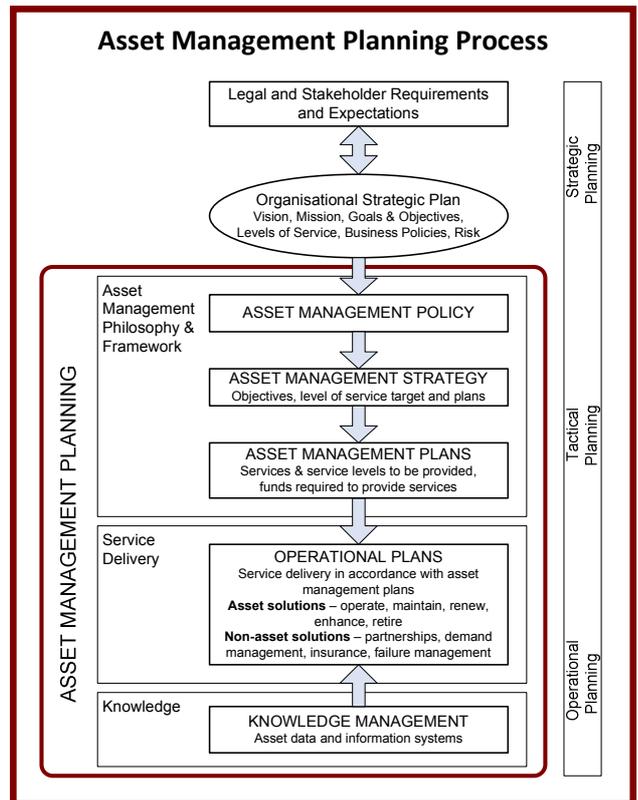
3-Workforce Management plan

A Workforce Management Strategy to ensure Council has the people and skills needed to achieve the Delivery Programme. It must address the human resource requirements identified in the four year Delivery Program.

1.2 Asset Management Planning Process

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables affordable services from infrastructure to be provided in an economically optimal way. In turn, affordable service levels can only be determined by assessing Council’s financially sustainability under scenarios with different proposed service levels.

Asset management planning commences with defining stakeholder and legal requirements and needs, incorporating these needs into the organisation’s strategic plan, developing an asset management policy, strategy, asset management plan and operational plans, linked to a long-term financial plan with a funding plan.⁷



2. What Assets do we have?

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown in Table 1.

⁷ IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.

Annexure 1.h

**Parke's Shire Council
Workforce Plan**

Pages 12,23,24 and 25



Funding

the Delivery Program to Achieve the Objectives of the Community Strategic Plan

IDENTIFYING THE NEEDS AND WANTS OF THE COMMUNITY

Since March 2012 Council has been preparing for the current round of the Integrated Planning and Reporting, encompassing a review of this 10 year Community Strategic Plan (CSP) and subsequently the development of the current Delivery Program. Council has carried out intensive community engagement as outlined in the Community Engagement Strategy (Continuum) 2012 document. This was done to determine the service delivery and project delivery expectations across the Shire, to achieve the goals as set out in this CSP. Council has also conducted a detailed analysis of Council's Workforce Plan, Asset Management Plans and the Long Term Financial Plan. This process has resulted in Council having developed three resourcing scenarios which are outlined in the Long Term Financial Plan for consideration regarding the Delivery Program being; Current Situation, the Static Delivery Program and the Progressive Delivery Program.

The Current Situation Model: based on no new income sources being made available to Council. This scenario sees that the current operating deficit remains, no new Capital for new projects is available and there is insufficient funding to cover depreciation. **T Corp (NSW Treasury) have indicated Council is not sustainable in the long term under this scenario.**

The Static Delivery Program Model: based on a cumulative 10% increase each year for four years. After the four years this would total a 46% increase, and if the estimated cap is taken out this would mean a total 31% increase over and above the cap on the general rate in four years time. The Static Delivery Program would see the operating deficit returned to a balanced budget. Council could then instigate a capital program that just exceeds depreciation by funding an approximate \$3M per annum renewal program. Some minor asset maintenance backlog would be able to be addressed however, there would be no new

additional assets planned.

The Progressive Delivery Program Model: This program is based on a cumulative 13% increase per year for four years. This would, after the four years, total a 63% increase, and if the estimated cap is taken out this would mean a total 46% increase over and above the cap on the general rate in four years time. The Progressive Delivery Program would see the operating deficit turned into an operating surplus. The capital works program would then exceed depreciation. The surplus would be used to fund an approximate \$4M per annum capital program, which sees the significant asset maintenance backlog faced being addressed.

Council conducted a number of Community Programming Workshops in October 2012 across the Shire, working with the community to prioritise the three resourcing scenarios. The results of this process were that 78% voted in favour of the Progressive Delivery Program, 16% in favour of the Static Delivery Program and 6% in favour of the Current Situation. Council has continued to seek input from the community since these workshops via a wide spread media campaign including a web based survey. This survey had similar results with 60.6% in favour of the Progressive Delivery Program, 25% in favour of the Static and 14.4% favouring the Current Situation. (For more information refer to the Community Engagement Strategy (Continuum) 2012).

CONSIDERING THE REASONABLENESS AND IMPACT OF INCREASING THE GENERAL RATES

Council commissioned the Western Research Institute (WRI) to examine the reasonableness of the proposed rate variations under the Static and Progressive Delivery Program models. WRI considered three main criteria in their methodology being; Price Comparisons (other goods usually purchased), Impact (on incomes), and Peer Comparisons (other

Councils). The Report also considers the impacts on those possibly less advantaged using what is termed a SEIFA ranking which is a measure compiled by the Australian Bureau of Statistics. The findings of the report are summarised below;

Price Comparisons:

Price comparisons (households) - under both the static and progressive plans, rates increases do not exceed the past and anticipated price increases of the services most closely aligned to local government services. These services include utilities and child care with local government itself usually providing water and some child care services. The static rate increase does not even exceed the price increases of services in general over the relevant period.

Price comparisons (farm and non-farm business) - except for input prices to electricity and rail freight, even the static rate increase exceeds the past and anticipated input price and wage increases over the relevant period.

Impact:

Impact (households) - rates represent less than 1% of the household expenditure of 80% of Parkes households so that even with the 64% rate increase of the progressive plan implementation, rates remain below 1% of household expenditure and the increase represents less than one percentage point of household expenditure.

Impact (farm and nonfarm businesses) - overall the impact is relatively small on non –farm business with rates representing less than 1% of value added. Even with the progressive plan implementation, rates will increase by less than 1 percentage point of value added. Therefore, the impact of even the progressive rate increase is insignificant for non-farm business. However, rates are more significant for farm businesses representing up to 4% of value added in Scenario 2 (growing agriculture)

and up to 6 per cent of value added in Scenario 1 (stagnating agriculture) and hence, so too is any rate increase. Nevertheless concern about this impact should be mitigated to some extent because the significance of rate increase from farm businesses is in part due to the growing number of hobby farms. In addition, the assumption of stagnating agricultural value added may be less plausible than the assumption of growing agriculture, and hence the impact of the rates increase in Scenario 1 may be indeed overstated.

Comparison with Peers:

Comparison with peers - The average household incomes of Parkes is just above the median income of Group 10 and 11 Local Government Areas (LGAs) while its current rates are well below the median for Group 10 and Group 11 LGAs. Under the progressive rate increase Parkes rates would rise just above the median for these 2 groups of councils. By itself this would suggest that the progressive rate increase is consistent with Parkes' peers. However Parkes is well below the median of these councils in terms of the SEIFA index. This suggests that Parkes has a relatively large proportion of relatively disadvantaged households. This issue is addressed through Council monetary rebates and hardship policies.

Overall Conclusions:

In summary, even the rates increases under the progressive program passed most of the tests for reasonableness. Both the static and progressive programs result in rates increase exceeding the rise of input costs for businesses. For non-farm businesses the rates as a percentage of value added is less than 1 per cent, suggesting that the impact is low. However, for farm businesses, the rates/value added ratio is higher due to the growing number of 'hobby farms'. This overstates the real impact of rates on farm businesses. Additionally, Parkes Shire has low SEIFA.

ranking, suggesting significant disadvantage of certain population groups. This disadvantage is countered by monetary compensation and policy action that are included in both programs. Overall, even the progressive program broadly satisfies reasonableness test.

THE SPECIAL RATE VARIATION PROCESS AND HOW IT WILL BE MANAGED

Parkes Shire Council has made the difficult decision to seek a Special Rate Variation (SRV) from the NSW Independent Pricing and Regulatory Tribunal (IPART) in line with the funding model to support the Progressive Delivery Program. This has been made with the realisation that this is the most reasonable means by which the objectives of this CSP can be met and adequately resourced. This sees a cumulative 10% increase a year for four years above the existing rate cap estimated at 3%. This would after the four years total a 63%. The adopted draft IP & R Planning documentation including this Community Strategic Plan will be placed on display for submissions for a period of 28 days from the 30th of January 2013. Council will consider any submissions made and has until March 11th to submit a finalised Special Rate Variation application under Section 508A of the Local Government Act 1993 to IPART.

IPART will then consider this application and Council will be advised in June 2013 of the decision of IPART and the approved General Rate level set. Although Council believes it has a strong case to support its application ultimately IPART have the discretion to refuse any rise above the cap that was set on the 26th of November 2012 being 3.4%, or alternatively a percentage increase anywhere from the level of the cap up to and including the full amount sought being 13% each year for 4 years.

This means some of the projects, initiatives or items in Delivery Program and Operational Plan that support this plan may be impacted. Council will have to review these documents after the determination of IPART to see which of these items will be subject to adjustment or elimination. Similarly the items as they appear in the Capital Works Programs in both the 4 Year Financial Forecasts and the Operational Budget will have to be reviewed.

Documentation relating to Council's Special Rate Variation Application to IPART can be found on its web site www.parkes.nsw.gov.au

Strategies for delivering a Progressive Parkes Shire

MAJOR INFRASTRUCTURE IMPROVEMENT PROJECTS UNDER THE PROGRESSIVE MODEL

The Progressing Parkes Model has identified the following major asset infrastructure projects over the term of the 4 year Delivery Program:-

PROJECT	BUDGET	TIMING
Airport Improvements	\$310k	2013/14, 2014/15, 2015/16
Footpath upgrade and construction	\$1.05m	2013 – 2017
Roads	\$2.7m	2013 – 2017
Depreciation Backlog	\$483m	2013 – 2017
Improve Town Drainage	\$1m	2013 – 2017
Weeds/Pests/Public Amenities	\$300k	2013 - 2017
Village Pools Augmentation Program	\$810k	2013 – 2017
Community/Council Priority Initiatives	\$515k	2013 – 2017
Years Sporting Grounds Master Plan/Maintenance	\$1.2m	2013 – 2017
New IPR Infrastructure	\$1.1m	2015 - 2017
Years Pensioner Rebate	\$345k	2013 – 2017

RESOURCING THE PROGRESSIVE MODEL

In preparing the various options for Councils General Fund Delivery program it is apparent that containment of costs will be critical to optimise the use of funds collected under any special rate scenario. However, it is also recognised that an expanded works program will require additional

resources. Councils approach to this conundrum has been carefully considered and an overview provided below.

- In recognition of the need to contain costs the expenditure on salaries in the general fund has been based on approximately 150 full time equivalent (FTE) staff. While we do not explicitly undertake to maintain FTE staff at this level, the expenditure quantum in the General Fund does not predict an increase, beyond the four additional FTE staff specifically identified in the various programs. This is reflected in both the Long Term Financial Plan and also in this Workforce Plan.

- While the existing budget is based on the 150 FTE staff (General Fund only), the actual fully occupied workforce would be 154 FTE, assuming all current vacant positions were full. The current (December 2012) workforce with positions vacant is around 146 FTE, with a number of positions vacant. Latency between an employee leaving and the recruitment of a new employee results in a normal deficit to full employment of approximately 5-10%.

- It is recognised that under a Progressive Delivery program there will be a real increase in the works program of approximately \$0.8m in the first year increasing to approximately \$4.0m in the fourth year. Resources scheduling for these works has indicated that approximately 68% of the work will be completed by contractors and the remaining works by Councils existing workforce.

- As indicated elsewhere in the Workforce Plan a target of 10% apprentice/structure traineeships has been set in the long term and 5% during the four year term of this delivery program. As the strategy is implemented there will be the potential to increase the FTE staff for the same costs. This will have the additional benefit of providing succession opportunities, a younger workforce and provide skill development for the region.

- A number of strategies will be deployed to meet resourcing requirement peaks if the internal resourcing is insufficient to meet the delivery needs of the works program. These will include such things as outsourcing, short term labour hire arrangement and more flexible work arrangements with current staff.

- We fully anticipate that at the fourth year of this delivery program there will be a measurable increase in productivity per employee.

The Water and Sewer funds have considerable capital works identified in the Delivery program. As a consequence there will need to be an expansion of the workforce to facilitate the timely delivery of this work. The current FTE is 17, and with all vacancies filled is 19. Over the term of the major capital works program this will rise to 22 over the four years. There will also be the necessity to contract a range of project management specialists to ensure the major capital works are delivered on time and budget.

CORE STAFF NUMBERS

As at 31st December 2012 Council's Full Time Equivalents (FTE's) was 163.43, however this did not include 10.22 vacant positions. Therefore staff numbers when at current full capacity is 173.65 effective December 2012. During the term of the Delivery Program it is Council's intention to initially dedicate 5% of positions to trainees/cadets to assist in addressing Councils Ageing Workforce.

Resourcing *Impact over the term of the Delivery Program*

FIGURE 3.0

RESOURCING IMPACT OVER THE TERM OF THE DELIVERY PROGRAM: GENERAL FUND

DEPARTMENT	CURRENT FTE'S AS AT 31/12/2012	2013/14 PROJECTION AT FULL CAPACITY	2013/14 PROGRESSIVE	2014/15 PROJECTION	2014/15 PROGRESSIVE	2015/16 PROJECTION	2015/16 PROGRESSIVE	2016/17 PROJECTION	2016/17 PROGRESSIVE
Technology & Corporate Services									
Finance, Rates, Customer Service	9.60	10.60	10.60	10.60	10.60	10.60	10.60	10.60	10.60
Corporate Services	8.94	8.94	8.94	8.94	8.94	8.94	8.94	8.94	8.94
Human Resources	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05	4.05
Information Technology	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Tourism/HP	3.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67	4.67
Family Day Care	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Cultural, Education & Library	6.70	6.92	6.92	6.92	6.92	6.92	6.92	6.92	6.92
Sub total	37.16	40.38	40.38	40.38	40.38	40.38	40.38	40.38	40.38
Planning & Environment									
Planning	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Building	4.00	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Regulatory Services & Amenities	3.42	3.42	3.42	3.42	4.42	4.42	4.42	4.42	4.42
Sub total	12.42	12.42	13.42	13.42	14.42	14.42	14.42	14.42	14.42

FIGURE 3.0.1

RESOURCING IMPACT OVER THE TERM OF THE DELIVERY PROGRAM: GENERAL FUND (CONTINUED)

DEPARTMENT	CURRENT FTE'S AS AT 31/12/2012	2013/14 PROJECTION AT FULL CAPACITY	2013/14 PROGRESSIVE	2014/15 PROJECTION	2014/15 PROGRESSIVE	2015/16 PROJECTION	2015/16 PROGRESSIVE	2016/17 PROJECTION	2016/17 PROGRESSIVE
Engineering & Technical Services									
Engineering General	6.34	6.34	6.34	6.00	6.00	6.00	6.00	6.00	6.00
Support Services Indoor	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Support Services Outdoor	11.57	11.57	11.57	11.57	11.57	11.57	11.57	11.57	11.57
Assets	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Design	4.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Natural resources	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Noxious Weeds	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Operations/Public works	43.40	46.40	49.40	49.40	49.40	49.40	49.40	49.40	49.40
Parks & Gardens	15.94	16.94	16.94	16.94	16.94	16.94	16.94	16.94	16.94
Sub total	96.85	101.85	104.85	104.51	104.51	104.51	104.51	104.51	104.51
Total General Fund	146.43	154.65	158.65	159.31	159.31	159.31	159.31	159.31	159.31

In General Fund the increase in staff necessary for the Delivery Program for a Progressive Parkes Shire will equate to 4.66 staff over the four year period.

FIGURE 3.1

RESOURCING IMPACT OVER THE TERM OF THE DELIVERY PROGRAM: WATER/SEWER FUND.

DEPARTMENT	CURRENT FTE'S AS AT 31/12/2012	2013/14 PROJECTION AT FULL CAPACITY	2013/14 PROGRESSIVE	2014/15 PROJECTION	2014/15 PROGRESSIVE	2015/16 PROJECTION	2015/16 PROGRESSIVE	2016/17 PROJECTION	2016/17 PROGRESSIVE
Engineering & Technical Services									
Water	11.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0
Sewer/ Drainage	6.00	6.00	7.00	7.00	9.00	9.00	9.00	9.00	9.00
Total Sewer/ Water Fund	17.0	19.0	20.0	20.0	22.0	22.0	22.0	22.0	22.0

In Water/ Sewer Fund the increase in staff necessary for the Delivery Program for a Progressive Parkes Shire will equate to 3 staff.