



WORKFORCE STRATEGY 2013 - 2017



This Plan has been prepared by Ku-ring-gai Council to support the delivery of its long-term strategic direction.

It forms part of the Resourcing Strategy for the Community Strategic Plan and Delivery Program and should be read in conjunction with these documents.

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Introduction

The initial 2009 Workforce Strategy was developed with the principle in mind that there is not a correct starting or finishing point when strategically planning for Council's workforce. Rather it represented the first attempt to employ a strategic framework to ensure that Council has "the right number of people with the right skills in the right jobs at the right time". The plan identified a number of recommendations and outcomes that have since been implemented to mitigate the critical organisational staffing risks associated with the loss of corporate knowledge and systems expertise. This in turn ensures that Council has the capability and capacity to give effect to its strategies and goals.

Council's Workforce Strategy 2013-2017 aims to build on the 2009 Strategy while integrating and complementing the rest of the resourcing plans that make up the Integrated Planning and Reporting framework. As a key element of the Resourcing Strategy it elevates workforce planning from an operational focus to the strategic level by informing our Long Term Financial Plan (employee costs) and our Asset Management Strategy in terms of the skills required to ensure the sustainable renewal of Council assets. Further, it aims to ensure a high quality force of dedicated professionals servicing Ku-ring-gai and delivering the Community priorities articulated in the Community Strategic Plan.

About the Workforce Strategy

The Workforce Strategy meets the Division of Local Government's Integrated Planning and Reporting (IPR) requirements where assets, finances and the workforce are planned in an integrated framework. It identifies high level issues and themes and provides a strategic framework to guide our people management strategies over the next four years (2013 – 2017).

The Workforce Strategy was developed by examining our workforce profile and consulting with a broad representative group of employees. While there is a focus on managers' perceptions of workforce requirements, employees have been consulted about the type of workplace they would like to experience and their role in building the workplace culture of the Council.

This strategy and its supporting Workforce Action Plan aims to provide managers with a framework for making staffing decisions based on our mission, strategic plan, budgetary resources, likely future scenarios for Council and a set of desired workforce knowledge requirements. The links will be transparent in workforce planning by clearly stating what we stand for and retaining people by positioning Council as an employer of choice in the Ku-ring-gai area. The strategy addresses projected workforce loss of knowledge and the requirements to meet Councils objectives through leadership and management development.

Scenarios

These three scenarios have been employed as a universal baseline for strategic planning for Council across all strategic planning documents. The three scenarios that are considered probable and underpin the Workforce Strategy

- 1. Scenario 1 - Base Case Scenario without the Special Rate Variation (Infrastructure Levy)**
- 2. Scenario 2 – Continuation of the Special Rate Variation (Infrastructure Levy)**
- 3. Scenario 3 – “Closing the Gap” Scenario incorporating required level of renewal expenditure to close the infrastructure gap – unfunded scenario**

All three scenarios cover a period of 10 years and in this Workforce Strategy considers the impact on workforce planning over the 4 year period from 2013 - 2017.

Scenario 1 - Base Case Scenario without the Special Rate Variation (Infrastructure Levy)

The base scenario is currently sustainable and shows the financial results of delivering the current level of service as per 2012/13 budget expanded out over 10 years and adjusted by various price forecast indexes as detailed in the financial assumptions section of this document. The adopted principle under this scenario is that all available surplus funds will be diverted towards Council's assets renewal as a priority.

This scenario does not assume the continuation of the Infrastructure Levy as this expires at the end of 2012/13 financial year. The infrastructure Levy is used to fund infrastructure works and in particular roads. Council applied for a continuation of this levy and a decision is expected in June 2013.

The Base scenario identifies the implications of not receiving the continuation of the infrastructure levy starting from 2013/14. Council's Asset Management Plan confirms the need to increase the level of funding for roads to address the backlog. Several research surveys have also been undertaken with the Community to identify the service level requirements. These surveys confirmed that roads represented the highest concern in the community and the service level accepted by the community for roads was considered to be "Fair". Consequently, Council's Asset Management Plan for Roads indicates the level of funding required to maintain Council's road network at a "fair" standard. If Council does not get an approval for the continuation of this levy, it will not be possible to maintain Council's roads to this service level standard in the future.

As the outcome of the decision from IPART is not certain, an alternative scenario has been modelled to analyse the implications for the Workforce Strategy if the Special rate variation is approved.

Anticipated impact on the workforce

Increased financial constraints and the need to reallocate funds for infrastructure renewal will mean productivity and efficiency gains will need to be identified through a reduced or maintained workforce.

Scenario 2 – Continuation of the Special Rate Variation (Infrastructure Levy)

This Scenario represents the base case scenario plus additional income from the Infrastructure Levy and increased expenditure on Infrastructure assets funded by this income.

In March 2013 Council applied to the Independent Pricing and Regulatory Tribunal of New South Wales (IPART) for an extension of its Infrastructure Levy for five years. IPART's final decision on this application is expected to be announced in June 2013.

This scenario is Council's preferred one and is considered sustainable. It is assumed in this scenario that the levy will be continued beyond the five year period currently applied for as it is Council's current intent to apply for a permanent rates increase of at least the amount of the levy.

Income from the extension to the Infrastructure Levy will be used entirely to fund Council's road works, that is; additional to the funding provided by Council and the Federal Government under the Roads to Recovery program.

Anticipated impact on the workforce

Productivity and efficiency gains will need to be identified in workforce processes and improved capacity building of the workforce in order to contribute to sustainable funding levels for infrastructure renewal.

Scenario 3 – “Closing the Gap” Scenario incorporating required level of renewal expenditure to close the infrastructure gap – unfunded scenario

The 'Closing the Gap' Scenario is the base case, with continuation of the levy, plus allocation of further capital investment required to maintain our infrastructure assets to service levels identified in recent community consultation. This scenario seeks to develop an adequate infrastructure maintenance and renewal program to ensure that the community continues to be served by its assets at their desired level.

This scenario is currently unsustainable due to limited funding available to bring the assets to a level of serviceability determined through the community consultation and requires significant additional funding to be allocated in future plans. Council is seeking to redirect excess revenue towards discharging this funding liability in future years over a 20 to 30 year timeframe to close the gap.

Council has developed its asset management planning to a stage where we can quantify the required asset renewal funding gap, but are not yet able to plan in exact detail the most effective way of applying some of the available funds in closing the renewal gap. This has meant that,

whilst we have defined in detail the majority of our spending down to individual projects in the short term, we have only broadly allocated the balance of funds to major assets categories in future years.

Anticipated impact on the workforce

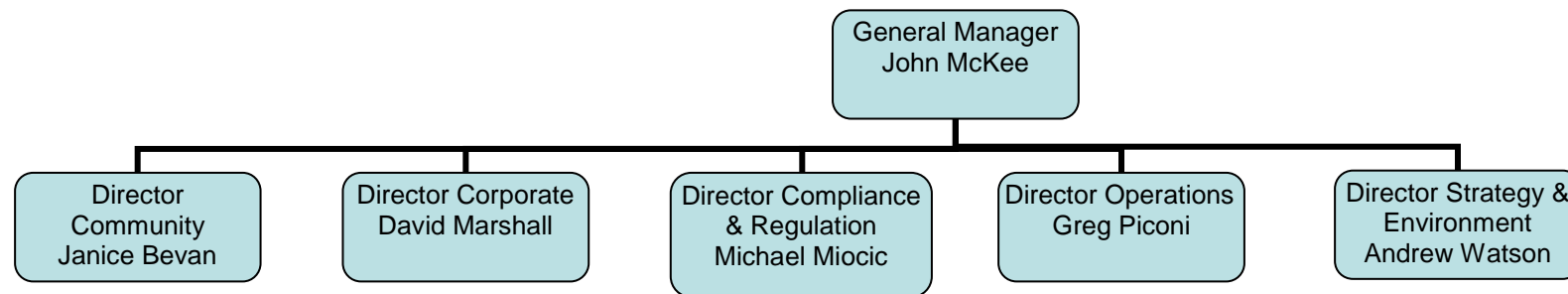
The increased funding for infrastructure renewal is likely to require growth of the workforce to support an increased program. However identifying efficiencies in workforce processes and improved capacity building of the workforce will continue to be required to contribute to the reallocation of funding for infrastructure renewal.



Who are we?

Ku-ring-gai has recently been ranked as one of the State's fastest growing communities. Our population is rising by around 3,000 each year and has now reached 114,000. We face many challenges in catering for this growth and meeting the ever changing needs of our community. About 40 per cent of us were born overseas, mainly in the UK, South Africa, Hong Kong, New Zealand, China or South Korea. Aside from English, the most commonly spoken languages at home are Cantonese, Mandarin and Korean.

Ku-ring-gai Council delivers services to the community through five directorates plus Civic – the General Manager's unit. The current structure has been in place since 2009.



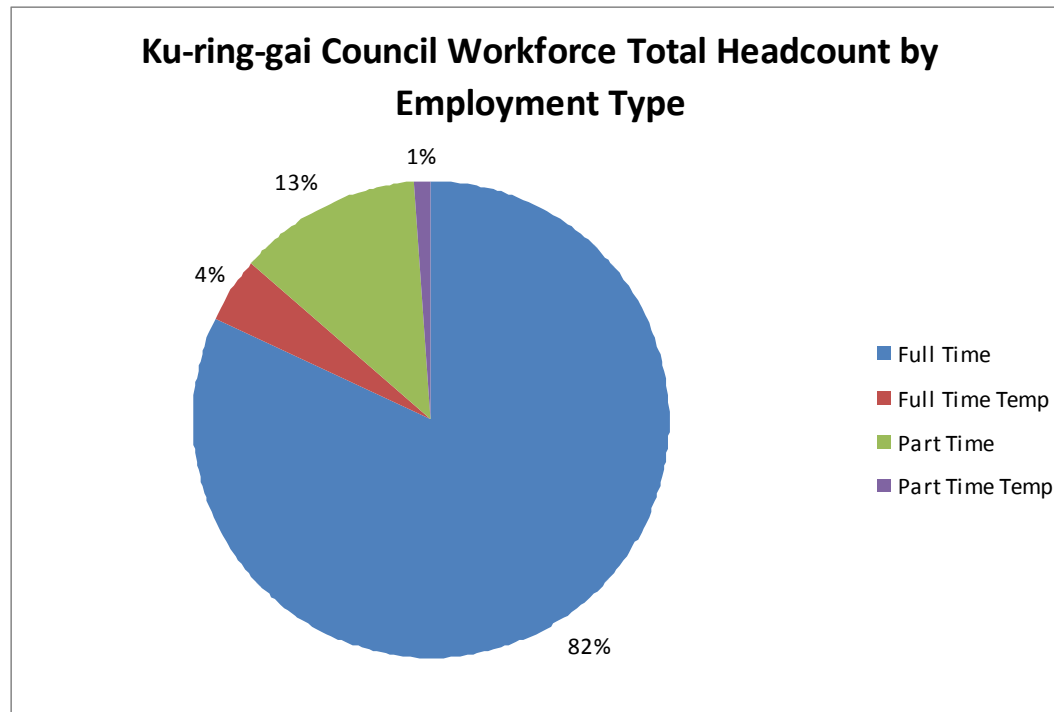
Staff profile

Our employees operate out of a number of locations across Council. As at 30 June 2012, Ku-ring-gai Council employed 454 people. We have:

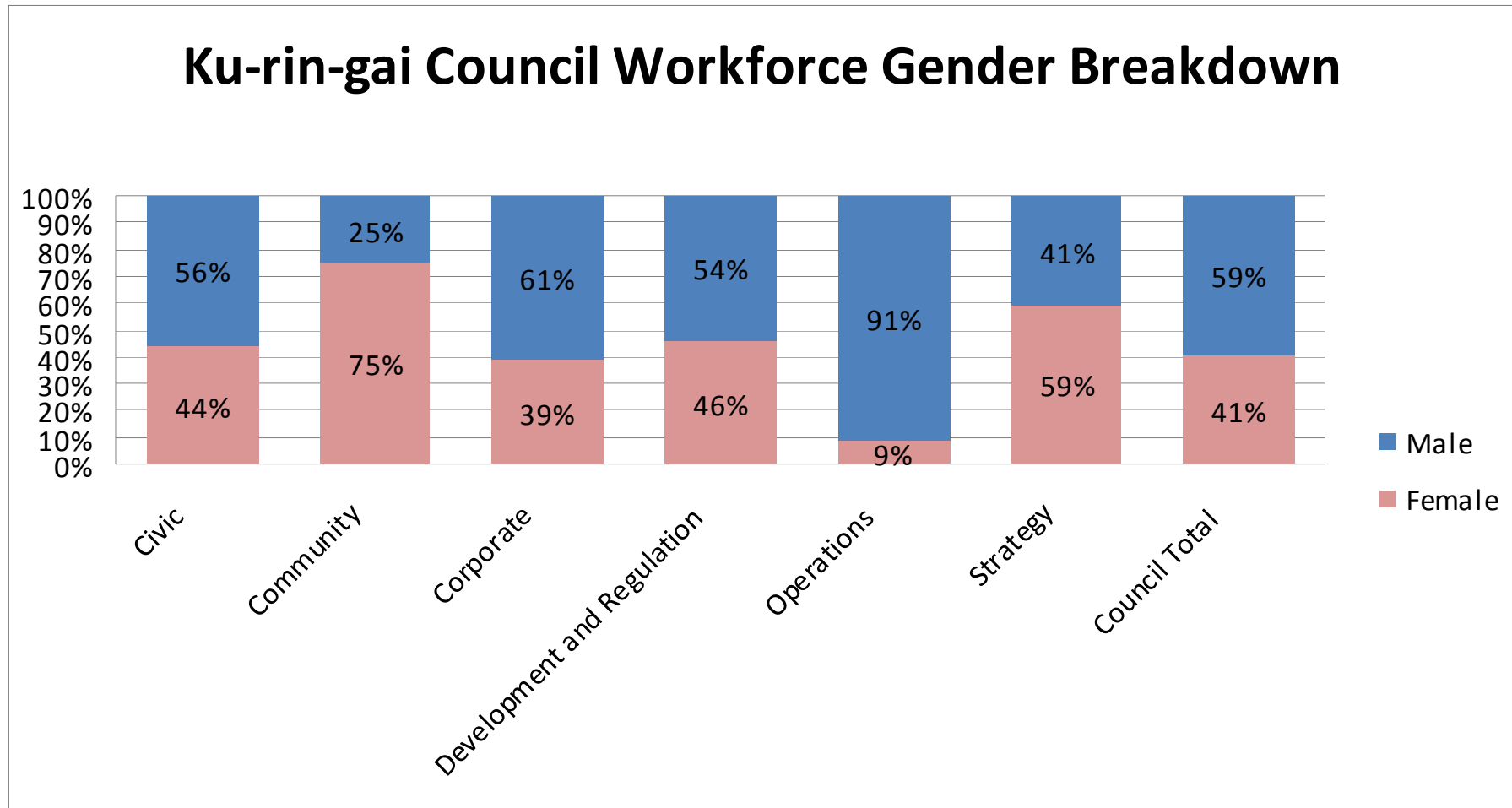
392 full-time staff

62 part-time staff

Council also engages non-permanent staff, including casuals and labour hire staff in a range of seasonal and vacation care roles. The breakdown of staff as at 30 June 2012 is depicted in the graph below.

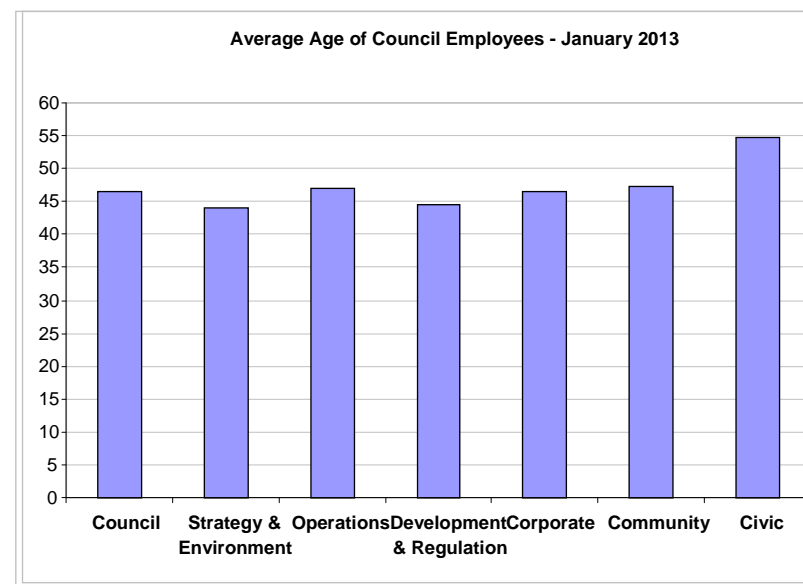
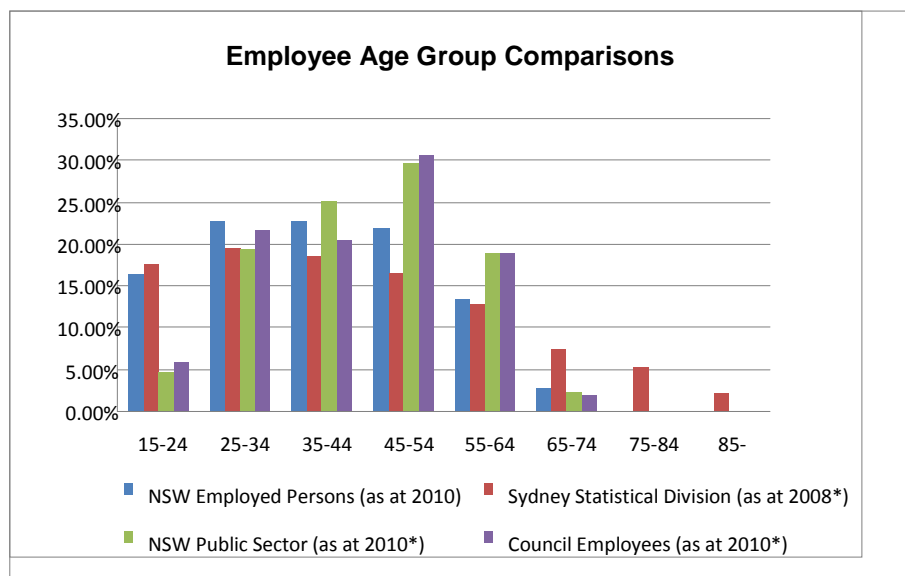


The gender balance of staff as at 30 June 2012 shown in the chart below is split approximately 41 per cent female and 59 per cent male.

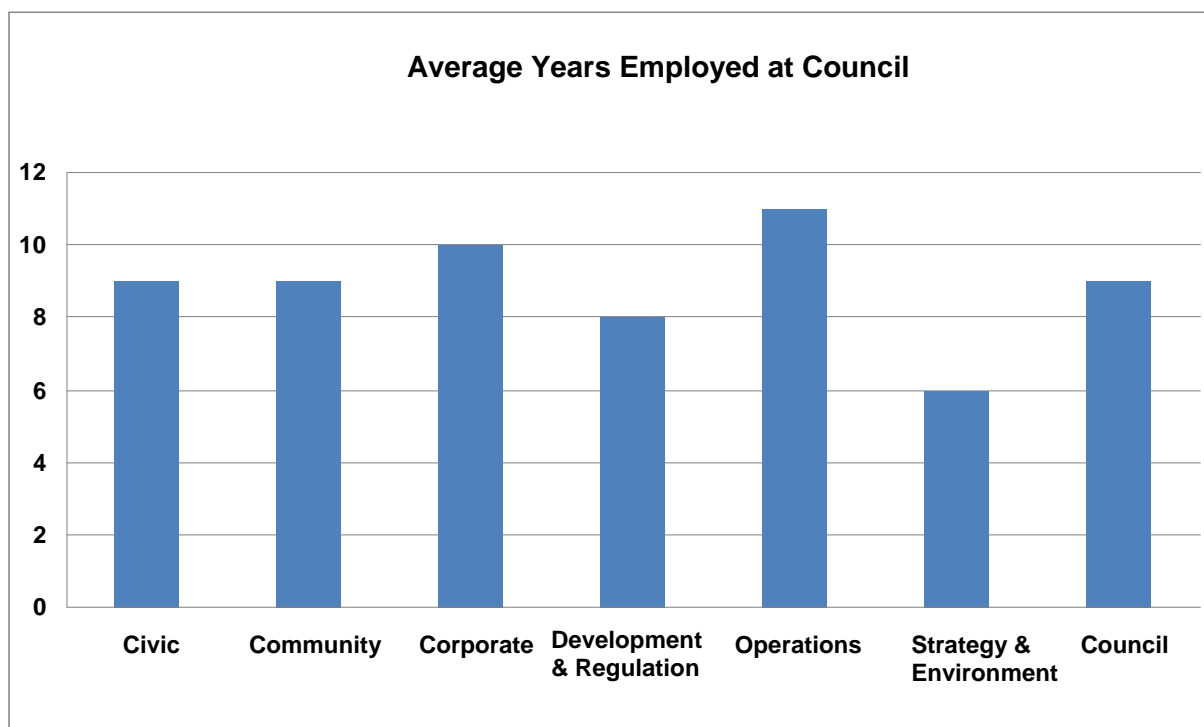


Council's workforce is highly diverse and dispersed reflecting the wide range of facilities, services and activities Council delivers to the community. 16% of staff live within the Ku-ring-gai area; many more come from outside Ku-ring-gai to contribute to achieving Council's objectives. Council engages a workforce that operates across four generations with a significant number of staff aged 55 or over. Each generation provides a unique set of skills and knowledge to the work environment as well as a diverse set of work values. Council's challenge will be to meet the expectations as an employer of Baby Boomers, Generation X and Generation Y. It will also be required to create career opportunities and reward structures that will contribute to the ongoing job satisfaction and retention of staff.

The following provides an outline of the Organisation by average team age that delivers services to the community. This is the first step in Council identifying risks to the organisation through retirement and skilled staff leaving the workforce. One key focus area will be to ensure the continuity of services to the community in the high risk areas. Analysis of the staff age profile (as at 31 July 2012) indicates that based on the assumption that the age profile doesn't change dramatically by 2014/2015; approximately 25% of staff may exercise the option to retire from the workforce. When a comparison with the NSW public sector, NSW employed population generally was last undertaken in 2010 Council had a higher proportion of staff in this age bracket. This represents a sizeable organisational risk to the maintenance of operational efficiencies and the potential loss of the corporate knowledge held by those employees.



Council's turnover rate is 8% per annum. This low turnover rate is reflected in the relatively high average years of employment at Council across all departments (as at July 2012). As noted above when comparing to other NSW public sector employees a large group of Council's staff are entering the retirement period. These employees will be seeking greater flexibility and job-share opportunities as they continue working and will transition into retirement gradually over a longer period of time (over the next two decades).



Organisational Culture

Council managers and supervisors are positive of the value of older workers; their experience, work ethic, commitment and achievements. There is, however, a perception from managers and supervisors that older workers have problems with technology and are resistant to change.

Human Resource retention strategies will be targeted to reinforce the importance of older workers and continue to adopt preventative measures to reduce health risks and absences related to ill health. As well as being proactive in addressing the needs of older workers by communicating alternative work arrangements.

A further retention strategy for Council is to encourage openness through a positive workplace culture that enables staff to communicate with their manager on caring responsibilities or health issues that are impacting their work/life balance and their need for short to medium term flexibility in working arrangements.

Work Life Balance

At Council we recognise that work is just one part of our employees' lives. Policies such as Transition to Retirement and Self-funded Leave have been two of the programs that have assisted in staff retention and enabled a better work-life balance.

Safe working environment

Following the commencement of the Work Health & Safety (WHS) Act 2011 on 1 January 2012 Council updated the WHS Management System, policies and documentation to reflect the new legislative environment. A Manager's guide was published and briefings held advising of changes to individuals responsibilities.

During February and March 2012 the innovative SafeStart – Human Error Reduction program was delivered in-house to over one third of Council staff. Mandatory WHS training for staff is now recorded centrally. This enables HR to identify and plan for renewal/recertification of mandatory qualifications, reducing the cost of training and lessening the impact of team disruption.

As at June 2012 Council has recorded a reduction of 37% in Workers Compensation Claims, 10% reduction in incidents reported, 14% in Lost Time Injuries and 52% reduction in hours lost to injury.

Equal Opportunity

Ku-ring-gai Council is an equal opportunity employer and will not discriminate against any employee or applicant on the basis of age, colour, disability, gender, national origin, race, religion, sexual orientation, veteran status, or any classification protected by federal or state law.



Our challenges

Council faces significant future challenges as it realises *Our Community Our Future 2030*. Looking forward, the next four years offer more challenges as ageing workforce issues will become more dominant, especially in areas already significantly impacted. Existing areas of skills shortage and tight labour supply in jobs such as urban planning, engineering, policy, surveying, environmental health and child care are likely to become even more constricted.

Increasing community expectations and the complexity of community needs result in an added emphasis on strategy and management of resources. The people who work at the council face increasing demands to deliver results and need to make sound decisions based on guiding priorities.

As detailed earlier, Scenario 2 is viewed by Council as being the most preferable and likely. Under this scenario there are no anticipated increases to the workforce as Council will continue providing current levels of service. Productivity and efficiency gains will be sought through workforce systems and processes with the goal of contributing to sustainable funding levels for infrastructure renewal.

The key workforce challenges in order to deliver on *Our Community Our Future 2030* and Council's Delivery Program over the next four years include:

- Managing rising community expectations
 - Responding to rapid change and increasing complexity
 - Overcoming skills shortages and ageing workforce issues
 - Creating a high performing collaborative work environment
-
- Achieving greater productivity and efficiency to provide the community with best value for money
 - Responding to NSW State Government reform

As recruitment and retention is forecast to become more competitive in areas vital to our business, Council needs to position itself better in the employment market. This requires more than defining what we need, it requires innovating in key areas to bring the right people into the business and keep critical talent. As the labour market tightens, we need a greater focus on how we value, lead and develop the people who work here. A key feature of leadership is engaging the workforce to be part of the solution.

Our workforce strategy long term goal

Ku-ring-gai is one of the local government areas with a growing residential population which provides Council with the opportunity to offer employment to a greater number of locally based employees. This also allows Council to provide employment that supports a work/life balance for its workforce and the opportunity to retain and develop high potential staff in support of its service delivery to the community.

The long term workforce strategy goal is focused on building Councils managers understanding and capabilities in Workforce Planning through supported IT systems, thereby integrating it into normal business practice.

Our four main areas for focus which are reflected in this strategy are:

- Workforce Planning
- Recruitment and Retention
- Organisational Development
- People and Culture

Workforce planning

Workforce planning needs to become a key strategic process within Council. A sophisticated understanding of the current internal workforce is being established with the development of HR metrics and reporting processes to capture internal workforce data. This is an ongoing process.

Corporate risk management is a key component of workforce planning process developing strategies to manage identified 'high risk' positions. Council has implemented a number of strategies as well as currently reviewing how we can better support and meet the needs of our older workforce (to encourage continuance of employment). These include:

- a transition to retirement program
- part time and job share opportunities
- requesting opportunities to work from home and
- taking up the option of purchasing additional leave through the self-funded leave policy

Recruitment and retention

Whilst our current staff turnover rate of 8% is modest, an aging workforce and skills shortages in key positions mean Council must ensure staff are attracted and retained in strategic areas. While there is no provision in this strategy for additional staff when council has to recruit replacement staff in these key areas these pressures will be felt more acutely.

According to research undertaken in Council's last Climate Survey, the key issues when attracting candidates are:

- The People: Dedicated, passionate, talented colleagues who are friendly, supportive and mutually respectful
- The level of autonomy and responsibility a role provides
- The variety and complexity of a role that interests, challenges and develops people
- Recognition and acknowledgement
- Worthwhile work with meaningful outcomes
- Job security
- Flexible work patterns and work-life balance.

What retains people to work here is based on:

- Professional development
- Respect, trust and autonomy
- Job security
- Good supportive managers
- Work variety
- Career progression
- Personal achievement
- The right tools and resources to do the job
- The ability to be creative and add value
- Being treated fairly

The Climate Survey also identified improvements that have been picked up in this strategy and the associated Workforce Action Plan, namely:

- The need for greater clarity and awareness by staff of Councils work and priorities
- Improved collaboration across Directorates

- Greater investment in Learning and Development.

Council is has a growing residential population which provides opportunity to offer employment to a greater number of locally based employees. As some people may have a preference of working locally, the fast growth of the regional community has the potential to partially offset constraints in the labour market. A key strategy for the attraction and retention of staff will be the mapping of clearly defined career paths within Council. Council has a competitive advantage in that it is able to define synergistic career paths that acknowledge and accommodate the desire for individuals to change careers throughout their working life.

Organisational development

Key to the delivery of Council's services is the development of its workforce both as individuals and as part of a complex organisation. Organisational development includes learning and development, executive coaching, leadership development and team building.

The 2009 Workforce Action Plan included the implementation of an Executive Coaching Program which supports and engages the senior level of management in meeting the challenges of a dynamic work environment. A leadership program will also be developed and implemented to support and engage with the management level of Council, its key objective being to facilitate positive innovative changes in management and leadership styles in the workplace whilst assisting in meeting the community expectations. A coaching/mentoring program will be piloted to enable the sharing and transfer of skills and knowledge between members of the workforce and enhance the ability of individuals to both develop their personal career path and to enhance their effectiveness and the value of their contribution to Council's activities.

Through innovative organisational development practices opportunities to investigate new technologies and approaches to the delivery of training will be investigated. This will involve implementing blended learning practices where the organisation is able to deliver information to employees across a number of different platforms. This will include a combination of in house or external face to face instruction with links to online educational seminars to deliver course content.

To increase the ability of the workforce to engage with key corporate processes and systems a training program for significant corporate systems will be developed and implemented. This will assist new employees to quickly deliver on their potential within Council's workplace and enable existing employees to engage with significant corporate processes more effectively.

Providing opportunities to individuals to undertake research projects and secondments in other tiers of government or Regional Councils will also be investigated as retention and further skill development strategies.

Staff performance is assessed annually and exceptional performance is incentivised through its rewards and recognition program.

People and culture

One of the keys to the success of the Workforce Strategy will be to develop actions and strategies that engage a workforce that mirrors a generationally, socially and culturally diverse community.

Developing a whole of organisation vision and values and then embedding this within the culture of the Council is seen as a key action making Council a more desirable place to work. Diversity in the workplace can lead to increased productivity as individuals with different ways of solving problems work together towards creating a common workable solution and an organisational vision and values is seen as important in supporting diversity in the workplace.

HR will update the performance assessment review system in consultation with staff to ensure a process of continuous improvement is maintained and the development of a performance based culture at Ku-ring-gai is supported. Part of the longer term strategy will be to align the performance assessment review system with an individual's personal career objectives and aspirations. The Executive team regularly reviews the organisational structure and inter-department relationships for opportunities to improve service delivery.

Next steps

Known issues such as skills shortages in the jobs market underscore the push for increased staff attraction and retention. This approach is essential for addressing Council's ageing workforce and the associated loss of skill and institutional knowledge. As our research has demonstrated a key driver of staff retention is professional and career development. Organisational development, through leadership and coaching/mentoring program and the mapping of clearly defined career paths aims to further increase the appeal of Council as an employer of choice. Contrasting the necessity of creating a desirable work environment is the need for an effective and efficient workforce.

The implementation phase of the Workforce Strategy will be delivered through a review and update of the Workforce Action Plan 2009 to a Workforce Action Plan 2013 - 2017 with a focus on the themes of this strategy:

- Workforce Planning
- Recruitment and Retention
- Organisational Development
- People and Culture

One of the first Actions within that plan is intended to be the development of an Organisational Vision and Values and aligning the requirement of the workforce with the Delivery Program and Operational Plan.



February 2014