



**Greater Hume Shire**

simply greater



Greater  
H u m e  
2012-2016

Resourcing  
Strategy



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# Introduction

The Greater Hume Shire Council Resourcing Strategy is a supplement document supporting the Community Strategic Plan “Greater Hume 2030”. This is the first resourcing strategy Greater Hume Shire Council has developed in accordance with the NSW State Government’s new Integrated Planning and Reporting Framework.

The Community Strategic Plan was endorsed by Council in 2011 and was developed following extensive community consultation. The community determined Council’s priorities and expressed their concerns and vision for the future of Greater Hume Shire. From there, priorities, related actions, and progress indicators were developed.

Following the endorsement of the Community Strategic Plan, more detail was provided over the medium term in the 4 Year 2011 - 2015 Delivery Program. This is followed by an annual Operational Plan that provides specific actions and performance indicators over a one year period.

The Resourcing Strategy will help ensure the community’s long term goals and objectives, as expressed in the Community Strategic Plan, are met. Effective resource planning ensures Council will focus not only on the short term issues indicated in the Operational Plan, but also on the medium and long term challenges.

This document contains the 10 Year Resourcing Strategy that supports the Community Strategic Plan. The Resourcing Strategy comprises the Long Term Financial Plan (LTFT), an Asset Management Strategy (AMS) and Workforce Management Plan (WMP).

# Greater Hume 2030

## Vision Statement

**Living in an idyllic rural landscape that sets us apart, we draw on our passion and location to maintain a model community for people of all ages whilst building an economy that abounds with opportunities.**

A number of key aspects are being sought in the vision statement; namely:

**Draw on our passion** – we cannot afford to expect someone else to always work on our behalf to achieve all that we seek; we must draw on the passion we have for our community and each other and be involved.

**Develop and maintain a model community for people of all ages** – if we work together, we can develop and maintain a community that looks after our people as well as our farmland and natural beauty. We can be a community that others aspire to be like.

**An economy that abounds with opportunities** – we must be proactive in taking advantage of our location, particularly near Albury / Wodonga and to a lesser extent Wagga Wagga, to grow an economy that is diverse and offers our community the chance to build a career here.

## Our Community Values

**A country lifestyle:** residents are committed to retaining an environment known for its scenery and spaciousness, where the hills, pasture and crops and natural bushland combine to create a relaxing and tranquil way of life.

**A caring community:** there is a deep appreciation that we have a Shire that is a great place to raise a family. This is only possible because of our friendliness and consideration for each other. And whilst each village and town has its own identity, there is nevertheless a sense of belonging throughout the Shire.

**A volunteering mentality:** our passion for the community is exemplified by our “can-do” spirit; traditionally, we have fought for what we want, rather than relying on layers of government to always provide.

**An affordable but high quality of life:** our country lifestyle does not constrain us from being close to excellent schools, health and aged care services, sporting and recreational facilities, shops and museums. This is available without having the higher costs of city living.

## Council Profile

The Greater Hume Shire Council has an area of 5,939 square kilometres and has a population of approximately 10,423 persons. It is located in southern New South Wales on the Victorian border and shares a border with the municipalities of Wagga Wagga, Urana, Lockhart, Corowa, Tumbarumba and Albury.

The major towns within the Shire are Holbrook, Culcairn, Jindera, Henty and Walla Walla, along with the smaller villages of Burrumbuttock, Woomargama, Gerogery (including Gerogery West), Walbundrie, Morven and Brocklesby.

The traditional role of the towns and villages of Greater Hume is to service the productive rural industries in surrounding districts. The Greater Hume Shire includes many first class agricultural districts primarily producing wool, wheat and other grains, Lucerne, fat cattle and sheep.

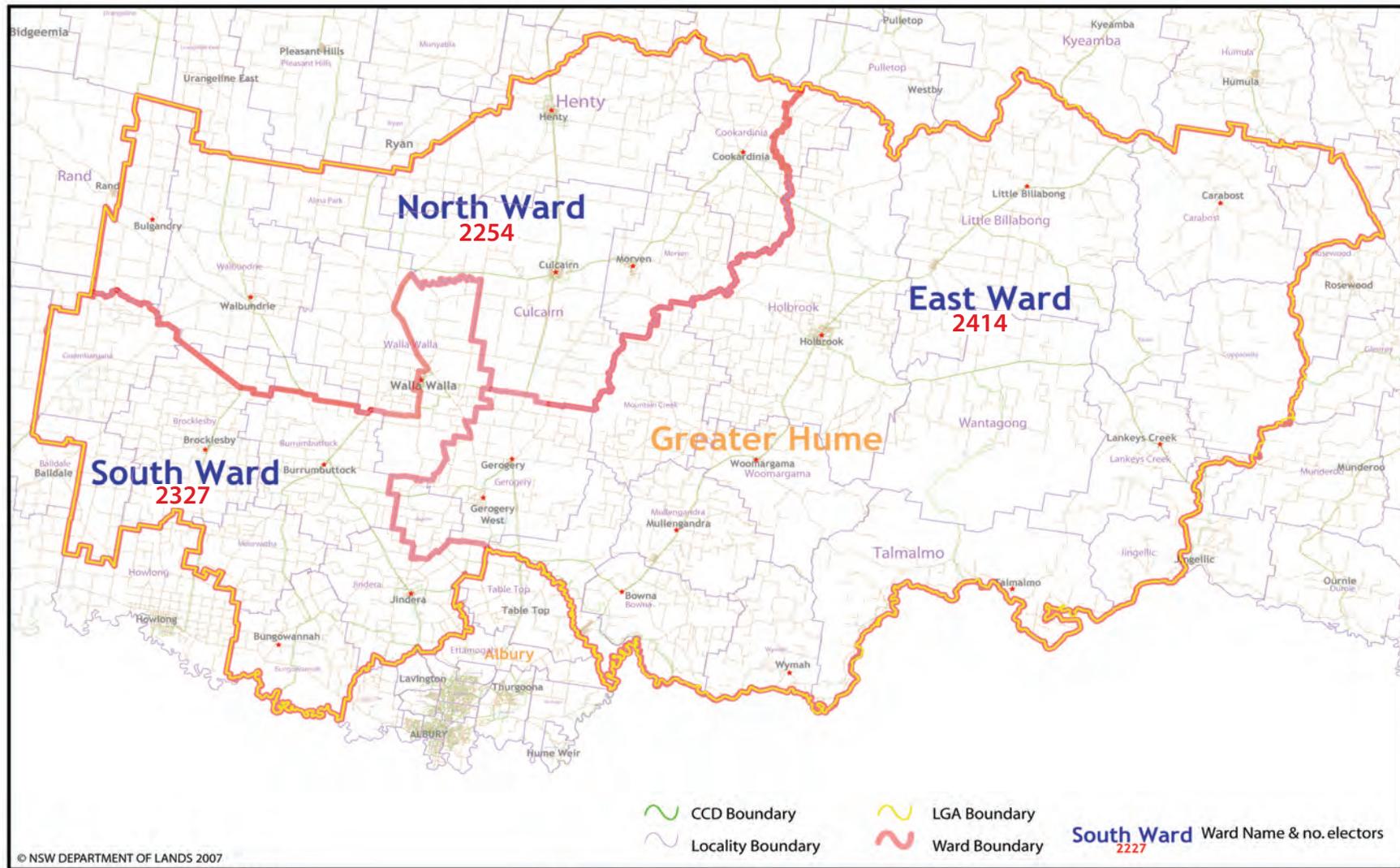
One of Greater Hume’s greatest and valued assets is its social capital and there is a strong commitment to community building, delivered through a range of social and physical projects aimed at assisting communities to develop networks, partnerships, structures and frameworks to support ongoing improvement to overall community identity, health and well-being. Emphasis is also placed on fostering community capacity through investment in young people.

Politically the Council comprises three wards with three councillors elected in each ward. The nine councillors elect the Mayor, annually at the September meeting.

The process for dividing a local government area into wards is set out in section 210 of the Local Government Act 1993. Council established three wards known as ‘East’, ‘North’ and ‘South’. It is a requirement of the Local Government Act that the division of the area into wards does not result in a variation of more than 10% between the number of electors enrolled in each ward and therefore ward boundaries will be monitored and changed where necessary.

A copy of the Ward Boundary map is included overleaf.

# Ward Boundaries



GREATER HUME SHIRE

**Ward Boundaries**  
as at 25th July 2007

 Department of Lands

## Council Snapshot

<b>Area</b>	5,939 square kilometres	<b>Works Depots</b>	Culcairn, Holbrook and Jindera
<b>Total Population</b>	10,423 (ABS Cat. No. 3218.0 as at 30 Jun 11)	<b>Number of Staff</b>	129.92 EFT as at 30 April 2012
<b>Electors</b>	East Ward 2,414 North Ward 2,254 South Ward 2,327 Total 6,995 as at 21 March 2012	<b>Total Road Length</b>	2,054 km (1,036 km unsealed/1,018 km sealed)
<b>Ratable Properties</b>	6,336 as at 21 March 2012	<b>Number of Bridges</b>	62 bridges, 137 major box culverts and 22 major pipe culverts
<b>Administrative Centre</b>	Holbrook (General Manager and Department of Corporate and Community Services)	<b>Number of Swimming Pools</b>	5 (Culcairn, Henty, Holbrook, Jindera and Walla Walla)
<b>Technical Services Centre</b>	Culcairn (Department of Engineering Services and Department of Environment and Planning)	<b>Waste Disposal Depots</b>	Brocklesby, Burrumbuttock, Culcairn, Gerogery, Henty, Holbrook, Jindera, Mullengandra. Walla Walla has remained closed since December 2009 and the future of the site is under review by Council.
<b>Customer Service Centres</b>	Henty, Jindera and Walla Walla	<b>Population Centres</b>	Brocklesby, Burrumbuttock, Culcairn, Morven, Gerogery, Henty, Holbrook, Jindera, Walbundrie, Walla Walla, Woomargama.
<b>Expenditure Budget (Excluding Depreciation)</b>	\$35,284,105		

# Vision, Mission, Principal Values

## Vision

Greater Hume Shire will be a prosperous rural Shire with vibrant sustainable communities, offering excellent quality of life, and supported by a thriving agricultural, commercial and industrial base that capitalizes on the unique opportunities available through the highest standards of ethics, service and efficiency.

## Mission

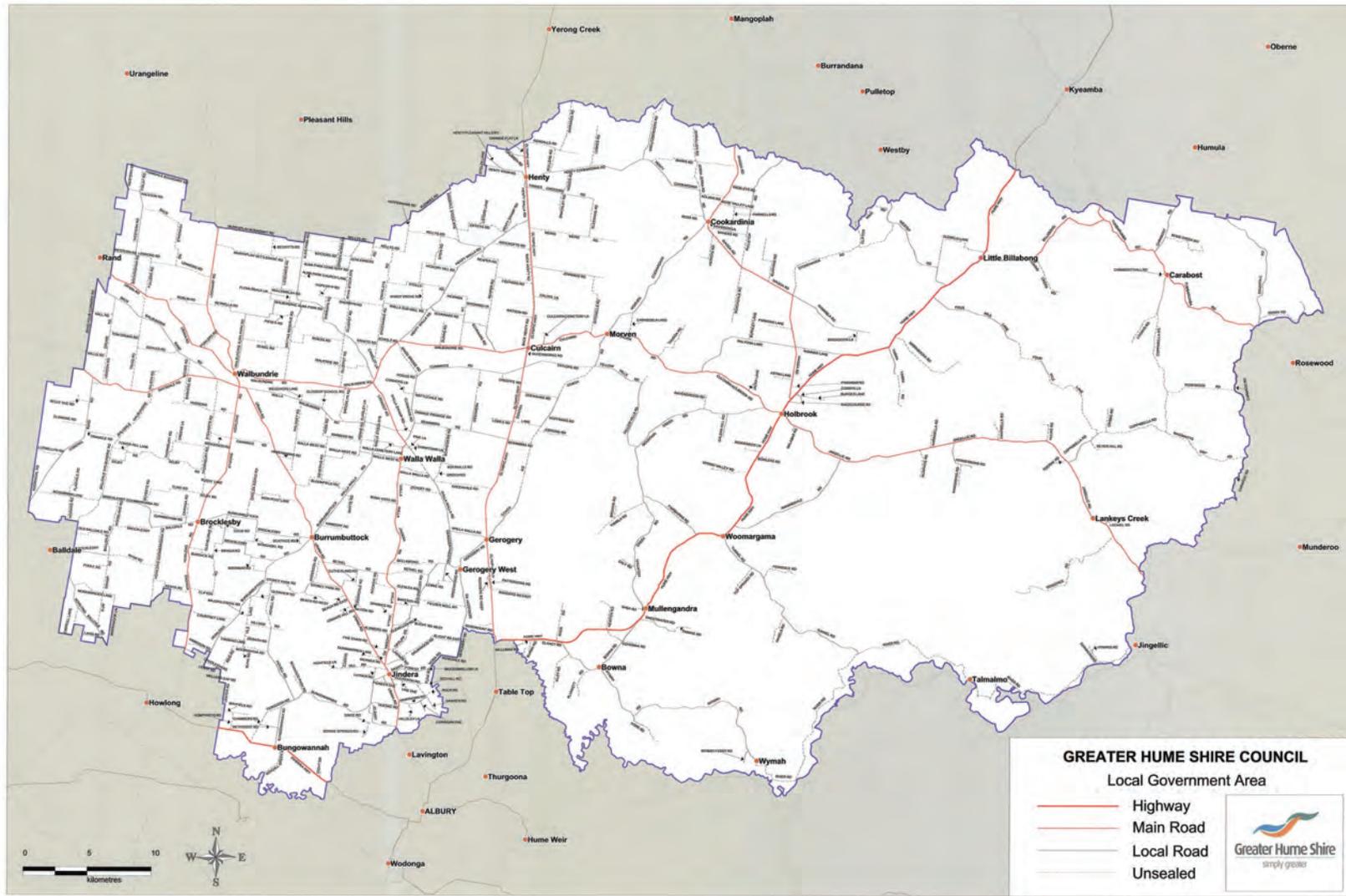
To provide quality leadership through service and management that meets the needs of all communities, enhances their well being and develops opportunities through community involvement.

## Principal Values

In striving to achieve its vision, Greater Hume Shire Council will place a high priority on:

- Encouraging community participation
- Valuing the opinions of residents and community committees
- Valuing community assets including natural resources
- Creating an atmosphere which encourages team support and innovation in communities, Councillors and staff
- Providing an atmosphere in which residents, Councillors and staff treat each other with respect
- Maintaining high levels of ethics, service and leadership.

# Greater Hume Shire Council Local Government Area



## Councillors



Picture (left to right): Cr McDonald OAM, Cr Osborne, Cr Scheuner, Cr O'Neill, Cr Ross, Cr Evans, Cr McInerney, Cr Wilton and Cr Jacob OAM.

Councillors photographed at Council's monthly meeting held at Culcairn Council Chambers on 21 December 2011.

South Ward	North Ward	East Ward
Cr Denise Osborne Mayor (2006 - ) Deputy Mayor (2005-2006) Elected 2005	Cr John Ross Deputy Mayor (2007 - 2011) Mayor (2005 – 2006) Elected 2005	Cr Bill McDonald OAM Elected 2005
Cr Jenny O'Neill Elected 2005	Cr Ken Scheuner Deputy Mayor (2011 - Elected 2005	Cr John McInerney Elected 2005
Cr Darryl Jacob OAM Elected 2008	Cr Joan Evans Elected 2008	Cr Heather Wilton Elected 2008

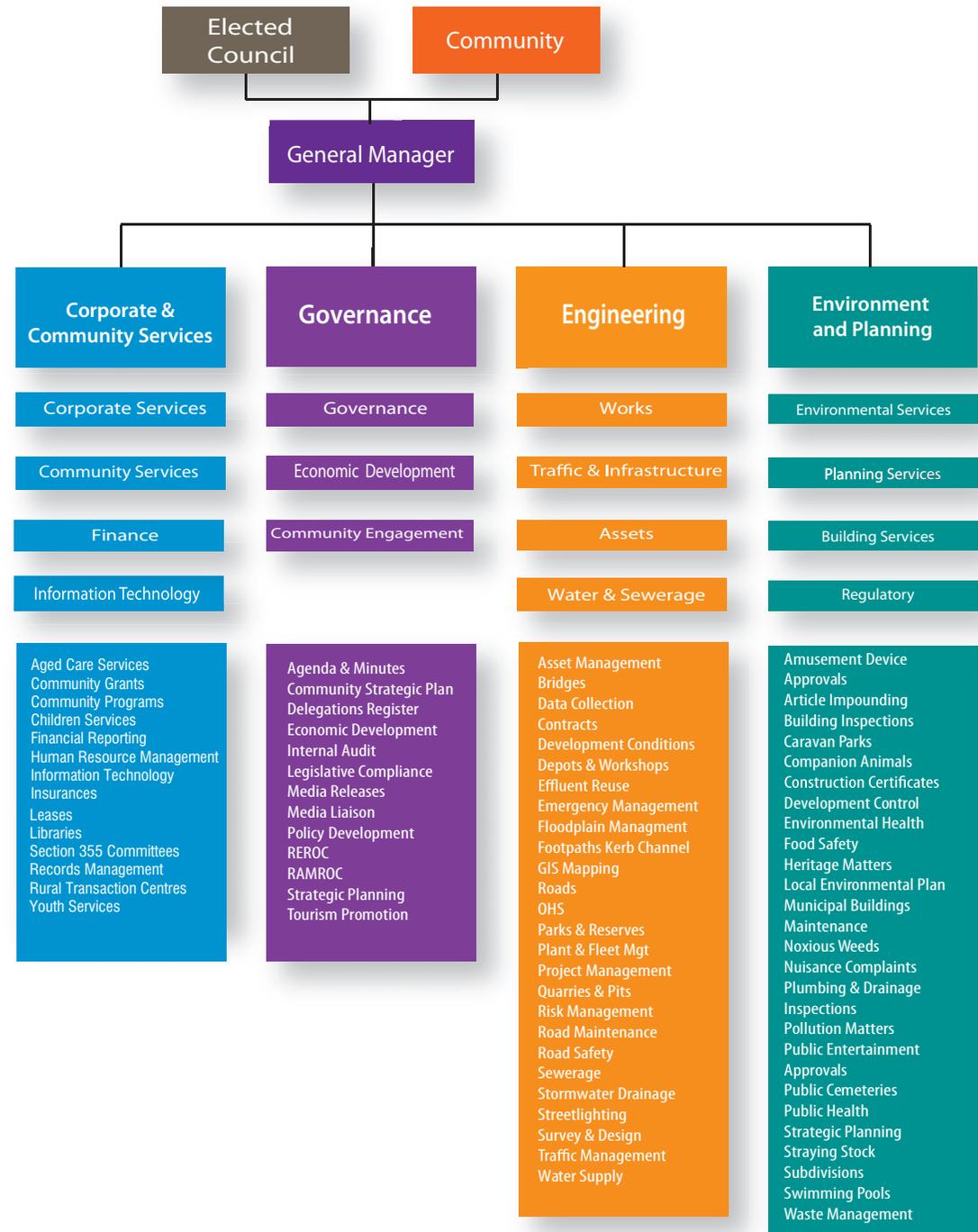
# Management Structure

The Council, as an elected body, is responsible for determining policy and overall strategic direction. The General Manager provides a link between the Council and staff and is responsible for implementing the decisions of the Council.

The organisation structure below General Manager level comprises three departments: Corporate and Community Services, Engineering Services and Environment and Planning.

The three Directors which head each department together with the General Manager form the Management Executive which manage the day to day operations of the Council and provide professional advice to councillors.

Council's organisation chart is shown at right.

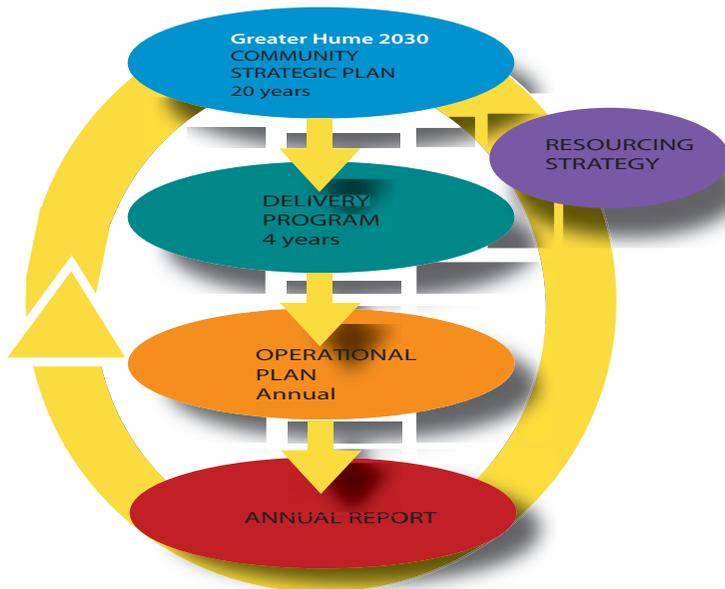


## New Planning and Reporting Framework

In 2009 a new planning and reporting framework for NSW local government was introduced. These reforms replace the former Management Plan and Social Plan with an integrated framework. To comply with this legislation, Council has produced the following documents:

- Long Term Community Strategic Plan
- Resourcing Strategy (introducing a Long Term Financial Plan, an Asset Management Strategy, and a Work Force Plan)
- 4 year Delivery Program
- Annual Operating Plan

Council's Community Strategic Plan - **Greater Hume 2030** is about the future of the whole community. It represents the aspirations of the people who live, visit and work in the Greater Hume Shire. It is a 20 year vision developed as a collaborative effort between the community and Council. **Greater Hume 2030** defines a sustainable direction for our Shire, and sets out the strategic direction which Council, will follow in achieving the needs of our community for the next 20 years to 2030.



## Resourcing Strategy

The Resourcing Strategy is a supporting document to the Community Strategic Plan Greater Hume 2030. Where the Community Strategic Plan provides a vehicle for expressing long term aspirations, the Resourcing Strategy details how those aspirations can be achieved in terms of time, money, assets and people.

The Resourcing Strategy focuses on long term strategies in three key areas:

1. Financial Planning
2. Asset Management Planning
3. Workforce Planning

As the Community Strategic Plan spans a minimum of ten years, so does the Resourcing Strategy, with the exception of the Workforce Management Plan which is only required to span four years.

The Resourcing Strategy is the critical link between the Community Strategic Plan and the Delivery Program, and details the provision of resources required to implement the strategies for which Council is responsible. The initiatives will be reviewed annually to ensure applicability in the changing environment and to incorporate community feedback.

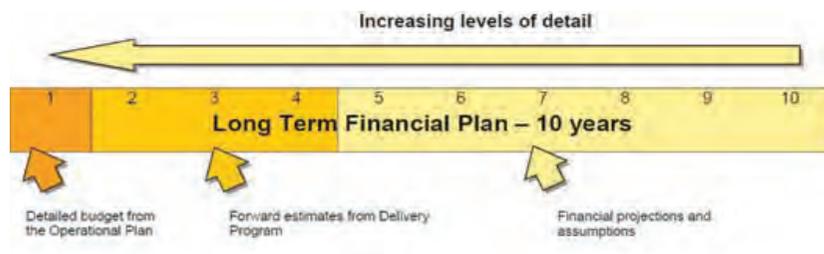
### Council's Long Term Financial Plan (LTFP)

The first part of the Resourcing Strategy consists of Council's Long Term Financial Plan. The LTFP outlines the modelling used to forecast Council's financial future for the coming 10 years and presents the strategic aims, financial objectives, financial indicators and strategies the organisation has adopted to continue its progress in meeting significant financial sustainability challenges over the next decade. Financial sustainability is one of the key issues facing local government due to several contributing factors including cost shifting from other levels of government, aging infrastructure and constraints on revenue growth.

The LTFP is an important document, which will test the community aspirations and goals against financial realities. Contained in the plan are:

- Planning assumptions used to develop the plan
- Projected income and expenditure, balance sheet and cashflow statement
- Sensitivity analysis
- Methods of monitoring financial performance

Balancing expectations and uncertainty of future revenue and expenditure forecasts are the most challenging aspects of the financial planning process. As such, the longer the planning horizon, the more general the plan will be in the later years.



### Council's Asset Management Strategy (AMS)

The second part of the Resourcing Strategy deals with asset management planning and in particular Council's Asset Management Strategy. The AMS sets a framework for the sustainable management of current and future assets so that Council can continue to deliver services effectively to the community now and into the future.

NSW local government are the custodians of approximately \$50billion of community assets, which enable councils to provide services to their communities. These assets need to be managed in the most appropriate manner on behalf of, and to service, the community.

Greater Hume Shire Council is committed to a planned approach to providing services that integrates financial, asset management, workforce and information technology requirements within each service. Service planning presents an opportunity to improve access and equity in existing service provision and to introduce more innovative service delivery approaches that are affordable. Any change in Council's asset portfolio requires detailed service planning. The desired result of this planning is that the Council's capacity to provide satisfactory,

equitable and affordable services to the community is maintained whilst at the same time reducing the Council's financial burden. A review of assets through service planning may result in a change to the way assets are utilised and the relevant services provided.

Council's Asset Management Strategy includes:

- The current status of Council's assets and management practices
- How council will improve or enhance their assets
- Specific actions to be undertaken to achieve Council's strategic objectives

### Council's Workforce Management Plan (WMP)

The third and final part of the Resourcing Strategy is the Workforce Management Plan. The WMP describes where Greater Hume Shire Council is today in respect to its current workforce, where the council wants to be and the actions that must be undertaken to achieve the organisation's workforce planning and human resource management objectives which in turn support the achievement of Council's Delivery Program.

# Long Term Financial Plan

## Background

In order to ensure that Council continues to deliver works and services to our community over the long term it is essential that we have in place a long term financial plan (LTFP).

The purpose of this plan is not to provide specific detail about various individual works or services. Rather, the LTFP will provide a decision making tool that allows various assumptions and sensitivity analysis to be carried out that will indicate the ability of Council to deliver cost effective services to our community into the future, within a framework of financial sustainability. The LTFP should also be viewed as a living document and it is to be reviewed at least annually.

Over the next 10 – 20 years, Greater Hume Shire Council will face many challenges that will require strong financial leadership and political conviction if we are to continue to remain financially sustainable while meeting the wants and needs of our community and ensuring the appropriate maintenance and replacement of our ageing infrastructure.

Some of the key challenges that Council will face include:

- Implementation and funding of appropriate asset management principles to ensure cost effective management of all council's fixed assets
- Meeting the ongoing expectations of our community in regard to service delivery
- Demands associated with the appropriate management of climate change throughout the shire

- Impact of cost shifting from other levels of government
- Uncertain investment returns in the current financial climate
- Implications of rate pegging and the current situation where Council's operating income is not covering our operating expenses (including depreciation but excluding grants and contributions provided for capital purposes)

Although the LTFP will not, in itself, provide any magic bullet to solve Council's financial challenges, it will provide a longer term perspective in regards to our challenges and opportunities and allow us to plan and, where possible, address these issues well in advance.

## Objectives

The objectives of the Greater Hume Shire Council Long term Financial Plan are to:

- Provide a transparent account of Council's financial position to the community
- Analyse the cumulative effects of Council's high level plans and policies
- Identify the financial opportunities and threats confronting Council
- Provide a basis for sound and strategic decision making
- Achieve a balanced budget over the long term
- Meet the requirements of the Division of Local Government (DLG) Integrated Planning and Reporting (IP&R) framework.

## Current Financial Position of Council

Completion of the most recent financial statements for Greater Hume Shire Council (2010 / 2011 financial year) indicates that Council has been performing satisfactorily against a number of key financial indicators.

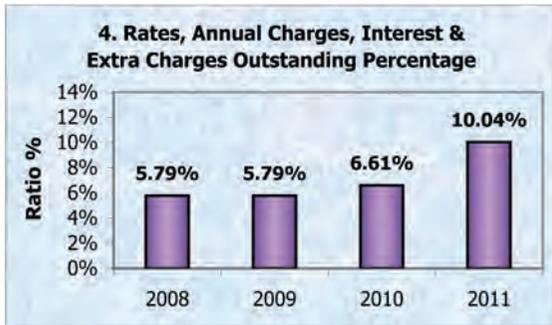
However, the long term vulnerability of Council remains a significant challenge as highlighted by the Operating\* Loss from Continuing Operations of \$360,000.

\*Operating revenue and expenditure excludes capital revenue and expenditure and includes depreciation and amortisation.

Clearly, the key challenge still facing Greater Hume Shire Council is to determine how to achieve an operating surplus (including depreciation and excluding capital) over the 2012 – 2022 period and how Council will meet future capital funding requirements for new assets and asset renewal.

The following tables provides a summary of key financial performance indicators in accordance with the requirements of Note 13 – Statement of Performance Measures contained in the current Local Government Code of Accounting Practice and Financial Reporting Guidelines.

<p><b>1. Unrestricted Current Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>4.95</td> </tr> <tr> <td>2009</td> <td>4.88</td> </tr> <tr> <td>2010</td> <td>6.90</td> </tr> <tr> <td>2011</td> <td>5.84</td> </tr> </tbody> </table>	Year	Ratio : 1	2008	4.95	2009	4.88	2010	6.90	2011	5.84	<p><b>Purpose of Unrestricted Current Ratio</b></p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p><b>Commentary on 2010/11 Result</b></p> <p><b>2010/11 Ratio 5.84 : 1</b></p> <p>The Unrestricted Current Ratio measures Council's ability to meet its short term financial liabilities. A measure below 1.5:1 indicates that a Council may struggle to meet its liabilities. A measure above 2:1 indicates a strong financial capacity to meet liabilities. 2009/2010 state average 2.71:1, Group 11 average 3.84:1</p>
Year	Ratio : 1											
2008	4.95											
2009	4.88											
2010	6.90											
2011	5.84											
<p><b>2. Debt Service Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>3.72%</td> </tr> <tr> <td>2009</td> <td>3.48%</td> </tr> <tr> <td>2010</td> <td>3.38%</td> </tr> <tr> <td>2011</td> <td>1.93%</td> </tr> </tbody> </table>	Year	Ratio %	2008	3.72%	2009	3.48%	2010	3.38%	2011	1.93%	<p><b>Purpose of Debt Service Ratio</b></p> <p>To assess the impact of loan principal &amp; interest repayments on the discretionary revenue of council.</p>	<p><b>Commentary on 2010/11 Result</b></p> <p><b>2010/11 Ratio 1.93%</b></p> <p>Council has a relatively low level of borrowings. It is expected that Council's Debt Service Ratio will increase in the 2011/2012 year as increased loan borrowings are taken up to fund major capital works such as the Coppabella Road reconstruction project. 2009/2010 state average 4.99%, Group 11 average 3.97%.</p>
Year	Ratio %											
2008	3.72%											
2009	3.48%											
2010	3.38%											
2011	1.93%											
<p><b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>5.79%</td> </tr> <tr> <td>2009</td> <td>5.79%</td> </tr> <tr> <td>2010</td> <td>6.61%</td> </tr> <tr> <td>2011</td> <td>10.04%</td> </tr> </tbody> </table>	Year	Ratio %	2008	5.79%	2009	5.79%	2010	6.61%	2011	10.04%	<p><b>Purpose of Rates &amp; Annual Charges Outstanding Ratio</b></p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p><b>Commentary on 2010/11 Result</b></p> <p><b>2010/11 Ratio 10.04%</b></p> <p>Council's level of outstanding rates and charges has increased significantly despite proactive collection procedures. This year's results has emphasised a need for continued focus on collection activities. 2009 / 2010 State average 5.31% and group 11 average 8.26%.</p>
Year	Ratio %											
2008	5.79%											
2009	5.79%											
2010	6.61%											
2011	10.04%											



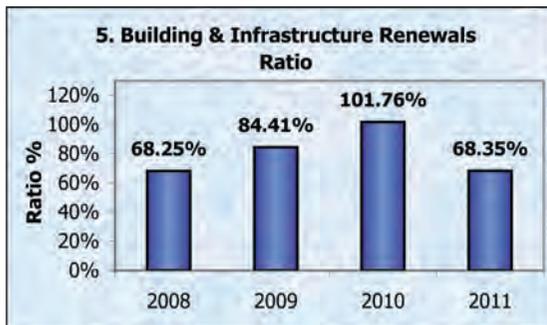
**Purpose of Rates & Annual Charges Outstanding Ratio**

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

**Commentary on 2010/11 Result**

**2010/11 Ratio 10.04%**

Council's level of outstanding rates and charges has increased significantly despite proactive collection procedures. This year's results has emphasised a need for continued focus on collection activities. 2009 / 2010 State average 5.31% and group 11 average 8.26%.



**Purpose of Bldg & Infrastructure Renewals Ratio**

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on 2010/11 Result**

**2010/11 Ratio 68.35%**

This ratio measures the rate at which Council's assets are being renewed against the rate at which they are depreciating. A reduction of capital works due to flood restoration works has contributed to a lower than satisfactory ratio.

## Key Assumptions

With any long term forecasts, it is necessary to make various assumptions in regards to future income and expenditure (both operational and capital). As mentioned in the foreword to this document, this is Greater Hume Shire Council's first Long Term Financial Plan and as such the plan will evolve over time to include the refinement of various assumptions for income and expenditure and service levels based on future affordability and future feedback from our community.

## General Assumptions

### Service Levels

The following general assumptions in relation to service levels have underpinned the development of the Long Term Financial Plan:

- Greater Hume Shire Council will continue to be responsible for providing the current range of services but the levels of service may not remain the same given Council's continuing financial challenges
- the quantity and location of assets may not remain the same
- the current philosophy and practices of condition based maintenance will continue.

### Workforce Levels

Workforce levels have been assumed to remain at the same level as currently exists

### General Assumptions

### Consumer Price Index (CPI) Forecasts

The headline Australian Consumer Price Index forecast by Access Economics (Business Outlook – March 2011) has been used in the preparation of the LTFP. The Reserve Bank target for inflation is that it remains between 2% and 3%. The rate of CPI increases for the LTFP has been estimated as follows:

2012/13	3.0%
2013/14	3.0%
2014/15	3.0%
2015/16	3.0%
2016/17	2.5%
2017/18	2.5%
2018/19	2.5%
2019/20	2.5%
2020/21	2.5%
2021/22	2.5%

### Depreciation

Depreciation has not been adjusted by CPI or any %. The depreciation amount used throughout the LTFP is calculated on a straight line basis using asset code data, revaluated asset data and standard depreciation periods for major asset groups.

### Revenue – Non Capital

### Rate Income

Rate income has been limited to anticipated future Ministerial rate increases (based on past increases). Although Council believes that we have a strong case to include a significant rate increase in future years, this does not form part of the current LTFP, however it is expected that this scenario will form part of the review of the LTFP into the future, particularly following the appointment of a new elected body.

The NSW Government pegs rate increases and to reflect the conservative nature of these increases, the rate increase has been estimated at 3.6% for 2012/2013 - 2015/2016 period in line with the most recent rate pegging decision. Rate increases have been estimated at 3% for the 2016/2017 - 2021/2022 period.

### Regulatory & Discretionary Fees

Greater Hume Shire Council applies arrange of fees and charges for services provided to the community. Some fees and charges are non discretionary being determined by statutory requirements and some are discretionary whereby Council has some choice in the pricing it applies.

All fees have been increased by 3% per annum over the term of the LTFP.

### Interest Income from Investments

Future investment earnings have been conservatively estimated based on future earnings of 5% over the 10 year period of the LTFP. Council's cash and investment position is based on future expected cash movements as well retaining a minimum of \$4m in reserve from

unexpended grants and uncompleted works. It should be noted that in the event that Council fully completes its annual work program in any future years the resultant depletion of cash reserves will have a negative impact on revenue generated from investments.

In light of the above it will be necessary for Council to undertake a review of all programs and operational expenditure to identify opportunities for potential savings should interest income decrease in future years.

### Grants Provided for Operational Purposes

This source of revenue for Council includes Financial Assistance Grants. For approximately 30 years, the Federal Government has provided financial support to local government through the Financial Assistance Grants scheme.

For the purposes of this Plan, revenue from the Financial Assistance Grants scheme has been increased at the rate of 2% for the period 2012/2013 to 2015/2016 and 2.5% thereafter.

### Expenditure – Non Capital

#### Employee Benefits and On Costs

Employee costs include salaries, wages, superannuation, workers compensation, staff training, allowances and employee leave entitlements.

Local government is characterised by a relatively high level of direct employee costs. This is reflective of the service based nature of a significant proportion of council activities.

Increases in employee costs have been estimated at 4% for the period of the LTFP. Superannuation and workers compensation have been factored by the same rate.

### Materials and Contracts

Local government is also characterised by relatively high levels of materials and contracts, contractor and fuel costs. This is reflective of the considerable number of assets held, constructed and maintained by Council. This places Council at considerable pressure from rising fuel prices as this will impact on both fuel and material prices. Any new assets including major projects will also increase Material and Contracts due to the increased maintenance requirements.

Generally, material costs will be constrained to annual increases of 2.5% for the term of the LTFP to account inflationary pressures. Irrespective of the known inflationary pressures on materials and contracts, Council has agreed to constrain this expenditure line via a planned review of service levels with the community over the coming years.

The exception is increases in electricity costs which have been estimated at 10% for the period 2012/2013 to 2015/2016.

### Insurance Costs

Insurance costs include expenditure on motor vehicle insurance, property insurance, public liability and professional indemnity insurance. All insurance costs have been projected to increase by 5% over the term of the LTFP.

### Expenditure – Capital

#### Capital Works Program

Council's Capital Works Program will largely be governed by the outcomes of major asset strategies such as the Roads Strategy. The works proposed in the Capital Works Program are aimed at delivering on a number of community priorities as expressed in Council's Community Strategic Plan "Greater Hume 2030" and includes both the construction of new assets and renewal of existing assets.

The Capital Works Program is assumed to already include CPI cost increases.

## Depreciation and Amortisation

Greater Hume Shire Council with all other councils are currently undertaking a revaluation program on all council assets as prescribed by the Division of Local Government. For example, in 2011/2012 all water & sewer assets are currently being revalued.

Depreciation costs used in the LTFP relate to existing assets and any proposed capital works. The results of future asset revaluations may result in depreciation estimates being revised.

## Borrowing Costs

This expense has been adjusted for interest calculated in the loans model given the current level borrowings together with planned borrowings and repayments over the term of the LTFP. Interest rates for future borrowings have been estimated at 7.5% fixed per annum. All loans terms will be 15 years.

## Assumptions – Optimistic Scenario

Council has determined an in principle position in relation to the introduction of a Special Rating Variation of 6% over a period of 5 years commencing 1 July 2013, subject to further consideration of appropriate rating options.

The following assumptions are utilised when modelling the Optimistic Scenario. All other assumptions used in the Base Scenario outlined above will continue to apply.

Operating Income			
Rates	Application to increase general rate income by 6% per annum for a period of 5 years is approved. Rate income is estimated as : 2013/14 \$6,585,222 2014/15 \$6,980,336 2015/16 \$7,399,156 2016/17 \$7,843,105 2017/18 \$8,313,692  For all future years rate income will be indexed at 3.0% per annum		
Project Expenditure – Including Renewals, Upgrades, New Assets and Projects			
2013/14	Additional funds allocated to the following areas: Public Halls \$31,400 Swimming Pools \$31,400 Sealed Roads Resealing \$51,750 Gravel Roads Resheeting \$34,550		
	2013/14		
Capital Expenditure	Base Case	SRV Scenario	SRV Adjustment
Public Halls	20000	51400	31400
Swimming Pools	68000	99400	31400
Sealed Roads Resealing	450000	501750	51750
Gravel Roads Resheeting	600000	634550	34550
	1138000	1287100	149100
Special Rate Variation			149100

### Project Expenditure – Including Renewals, Upgrades, New Assets and Projects

<b>2014/15</b>	Additional funds allocated to the following areas: Public Halls \$40,000 Swimming Pools \$40,000 Sealed Roads Resealing \$139,499 Gravel Roads Resheeting \$93,017
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Capital Expenditure	2014/15		
	Base Case	SRV Scenario	SRV Adjustment
Public Halls	20000	60000	40000
Swimming Pools	60000	100000	40000
Sealed Roads Resealing	500000	639499	139499
Gravel Roads Resheeting	625000	718017	93017
	1205000	1517516	312516
Special Rate Variation			312516

### Project Expenditure – Including Renewals, Upgrades, New Assets and Projects

<b>2015/16</b>	Additional funds allocated to the following areas: Public Halls \$50,000 Swimming Pools \$172,000 Sealed Roads Resealing \$161,600 Gravel Roads Resheeting \$107,696
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Capital Expenditure	2015/16		
	Base Case	SRV Scenario	SRV Adjustment
Public Halls	20000	70000	50000
Swimming Pools	28000	200000	172000
Sealed Roads Resealing	515000	676600	161600
Gravel Roads Resheeting	650000	757696	107696
	1213000	1704296	491296
Special Rate Variation			491296

**Project Expenditure – Including Renewals, Upgrades, New Assets and Projects**

<b>2016/17</b>	Additional funds allocated to the following areas: Public Halls \$60,000 Swimming Pools \$270,000 Sealed Roads Resealing \$238,805 Gravel Roads Resheeting \$159,204
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Capital Expenditure	2016/17		
	Base Case	SRV Scenario	SRV Adjustment
Public Halls	20000	80000	60000
Swimming Pools	30000	300000	270000
Sealed Roads Resealing	530450	769255	238805
Gravel Roads Resheeting	669500	828704	159204
	1249950	1977959	728009
Special Rate Variation			728009

**Project Expenditure – Including Renewals, Upgrades, New Assets and Projects**

<b>2017/18</b>	Additional funds allocated to the following areas: Public Halls \$70,000 Swimming Pools \$370,000 Sealed Roads Resealing \$327,087 Gravel Roads Resheeting \$218,056
----------------	--

Capital Expenditure	2017/18		
	Base Case	SRV Scenario	SRV Adjustment
Public Halls	20000	90000	70000
Swimming Pools	30000	400000	370000
Sealed Roads Resealing	546364	873451	327087
Gravel Roads Resheeting	689585	907641	218056
	1285949	2271092	985143
Special Rate Variation			985143

## Sensitivities

Key sensitivities are outlined below.

### Rates and Annual Charges

Revenue from Rates and Annual Charges amounted to \$7.2m in the 2010/2011 financial year, of which \$5.7m came from general rates, which represents a significant proportion of Council's annual operating revenue. Without an approved Special rating Variation, Greater Hume Shire Council cannot set the level of annual general rate increases but can only accept the rate pegging limit imposed on it.

The LTFP assumes annual increases of 3.6% for the 2012/2013 year to 2015/2016 and 3.0% thereafter. If these increases are not achieved, Council will need to adjust revenue and expenditure projections accordingly.

The LTFP has been developed on the premise that current rating income collection patterns are maintained. Any financial shocks or changed economic conditions have the ability impact negatively on the capacity of rate payers to pay, and in doing so will affect Council's cash flow from rating. Annual charges, particularly waste management charges, are susceptible to significant cost increases as a result of legislative change in this area of operation (climate change policies, introduction of carbon tax etc).

### Grants and Contributions – Operating

Financial Assistance Grants are a significant source of income for Council. Given that Financial Assistance Grants are largely based on the population of the relevant local government area, changes in population levels in Greater Hume Shire in the future may impact of the level of funding received in the future.

### Employee Costs

Employee costs made up 32.67% of operating expenditure in the 2010/2011 financial year. As it makes up such a large proportion of the operating expenditure budget, and movements in rates of pay are determined through industry wide Award negotiations and market forces, Council is sensitive to unplanned changes in employment costs. The LTFP assumes annual increases of 4% to employee costs based on existing staffing levels.

In addition, Council faces challenges from the increasing level of contributions to the Defined Benefits Superannuation Scheme, recent projected general superannuation increases (Henry Review) and introduction of increasingly generous maternity leave provisions.

### Materials and Contracts

Materials and Contracts made up 30.75% of operating expenditure in the 2010/2011 financial year. This is reflective of the considerable number of assets constructed and maintained by Council.

This exposes Council to considerable risk from rising raw material costs such as fuel and electricity. Council has factored in significant increases in materials such as electricity however major unplanned increases in these costs will significantly impact the LTFP.

### Interest Income from Investments

Greater Hume Shire Council has traditionally taken a conservative approach to investment strategies. This policy has enabled Council to avoid suffering any capital losses as a result of the Global Financial Crisis (GFC). However, the GFC did result in Council's investment income declining significantly as interest rates on term deposits fell to levels of around 3% p.a.

Given the volatile nature of the global financial market, Council has continued to adopt a conservative position in relation to expected rates of return over the period of the LTFP, i.e. 5% p.a. However, this source of revenue remains relatively unreliable and as such the potential to use interest income as a source of revenue to balance the operational budget may be impacted.

### Capital Works Program

Unknown capital grants have not been included in the LTFP. If received, they will fund the relevant capital expenditure project resulting in no change to the overall capital works budget. However, as is the case with the introduction of any new asset, the development of a new asset via external funding will result in additional maintenance requirements and associated costs which will impact on Council's operating result.

Also, Asset Management Plans and systems are still being developed for a number of asset categories. That being the case, until these plans are completed to a consistent level across

all areas of Council's operations, reliance on the measure of asset renewal and depreciation may impact on future projections.

### Other Sensitivities

Other areas that would have particular impact on projections detailed in the LTFP if Council's assumptions prove to be incorrect include:

Changes in the level of population growth and the impact on our rate income and costs of servicing the additional population.

Future levels of cost shifting from Federal and State governments

### Performance Monitoring

A critical component of the LTFP is the ability to monitor the financial performance of our organisation within the parameters of the plan. To achieve this, Council will closely monitor the financial performance of outcomes of the plan in accordance with the requirements of Note 13 – Statement of Performance Measures contained in the current Local Government Code of Accounting Practice and Financial Reporting Guidelines.

Key Performance Indicators which will be reported on include:

- Unrestricted Current Ratio
- Debt Service Ratio
- Rates & Annual Charges Coverage Ratio
- Building & Infrastructure Renewals Ratio

Council will also review the LTFP each year as part of the development of Council's annual Operational Plan. The review will include an assessment of the previous years performance in terms of the accuracy of the projections made in the LTFP compared to the actual results. Evaluation will include reviewing and amending estimates and scenarios where long-term goals are not being achieved or where changes have affected set goals and strategies. Assumptions will also be revisited to improve the accuracy and legitimacy of the plan over time.

Council will carry out a complete review of the LTFP every 4 years in line with the review of the Community Strategic Plan. This will take place 3-9 months after each local government election. The Resourcing Strategy, including the LTFP, will be reviewed and updated during this process, and a draft amended Community Strategic Plan, complete with resourcing options, presented to the community.

Performance outcomes identified within the LTFP will be regularly monitored by Council and the senior management team by way of the quarterly review of the Operational Plan and Delivery Program.

## Ratios

### Unrestricted Current Ratio

2010/2011	\$'000	Ratio
<b>Current Assets - External Restrictions</b>	15,389	5.84:1
<b>Current Liabilities - Specific Purpose Liabilities</b>	2,633	
Budgeted 2012/2013		2.63:1
Budgeted 2013/2014		2.69:1
Budgeted 2014/2015		2.62:1
Budgeted 2015/2016		2.61:1
Budgeted 2016/2017		2.68:1
Budgeted 2017/2018		2.69:1
Budgeted 2018/2019		2.72:1
Budgeted 2019/2020		2.75:1
Budgeted 2020/2021		2.74:1
Budgeted 2021/2022		2.75:1

The Unrestricted Current Ratio assesses the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of Council. It reduces the Current Assets by those assets restricted by external bodies and Current Liabilities by any liabilities that relate to external restrictions.

### Debt Service Ratio

2010/2011	\$'000	Ratio
<b>Net Debt Service Costs</b>	430	1.93%
Revenue from Ordinary Activities	22,230	
Budgeted 2012/2013		4.16%
Budgeted 2013/2014		4.90%
Budgeted 2014/2015		3.67%
Budgeted 2015/2016		3.50%
Budgeted 2016/2017		2.87%
Budgeted 2017/2018		2.29%
Budgeted 2018/2019		2.12%
Budgeted 2019/2020		1.80%
Budgeted 2020/2021		1.56%
Budgeted 2021/2022		1.35%

Net Debt Service Cost is a combination of loan repayments and interest repayments. Revenue from Ordinary Activities excludes capital grants and other specific purpose grants and contributions for operating purposes. This ratio indicates the percentage of operating revenue required to service interest payments on borrowings. Council's current Debt Service Ratio of 1.93% indicates that Greater Hume Shire Council has a relatively low level of borrowing at present. This ratio will change as further borrowings are factored into the LTFP projections.

### Rates & Annual Charges Coverage Ratio

2010/2011	\$'000	Ratio
<b>Rates &amp; Annual Charges</b>	7,239	19.59%
Total Revenue from Continuing Operations	36,954	
Budgeted 2012/2013		29.78%
Budgeted 2013/2014		32.29%
Budgeted 2014/2015		32.47%
Budgeted 2015/2016		32.93%
Budgeted 2016/2017		33.21%
Budgeted 2017/2018		33.46%
Budgeted 2018/2019		33.56%
Budgeted 2019/2020		33.67%
Budgeted 2020/2021		33.77%
Budgeted 2021/2022		33.87%

The Rates and Annual Charges Ratio indicates the degree of dependence upon revenues from rates and annual charges. Greater Hume has a relatively low level of income derived from rates and charges and a relatively high proportion of income from grants. The high level of grant income is largely due to Council's extensive involvement in the provision of externally funded community service projects.

## Building & Infrastructure Renewals Ratio

2010/2011	\$'000	Ratio
<b>Asset Renewals (Building &amp; Infrastructure)</b>	4,585	68.35%
Depreciation, Amortisation & Impairment	6,708	
Budgeted 2012/2013		99.26%
Budgeted 2013/2014		78.07%
Budgeted 2014/2015		82.53%
Budgeted 2015/2016		81.10%
Budgeted 2016/2017		82.16%
Budgeted 2017/2018		80.69%
Budgeted 2018/2019		91.33%
Budgeted 2019/2020		143.69%
Budgeted 2020/2021		99.19%
Budgeted 2021/2022		83.93%

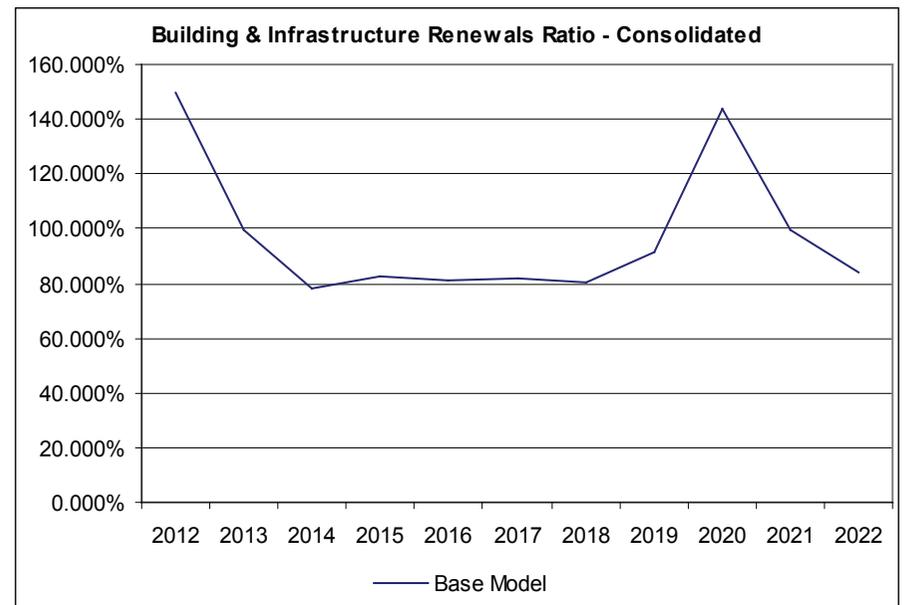
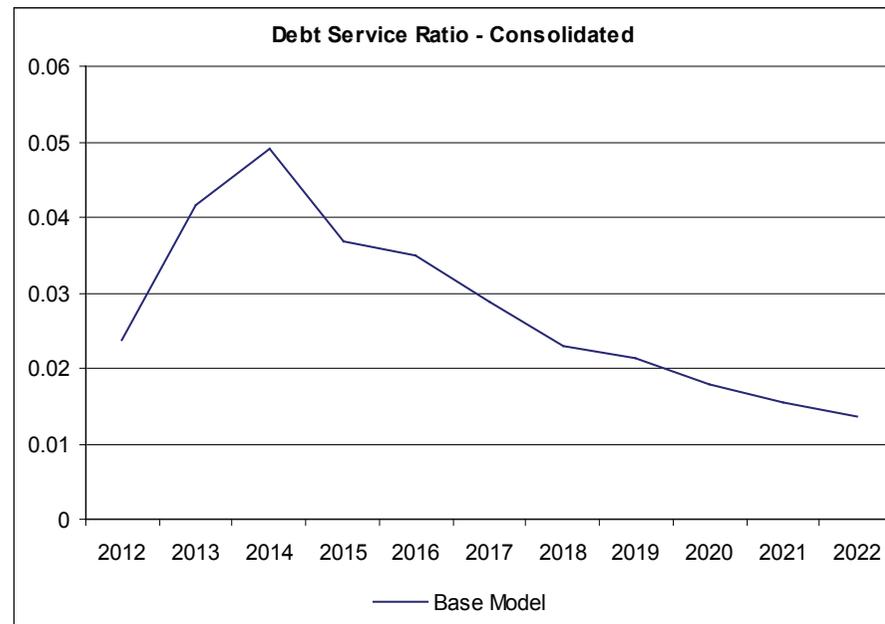
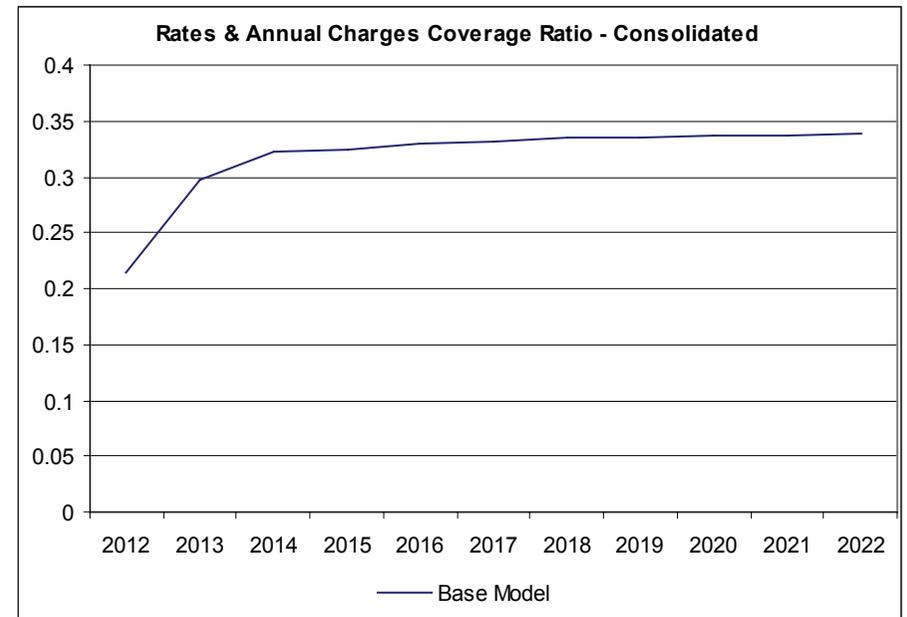
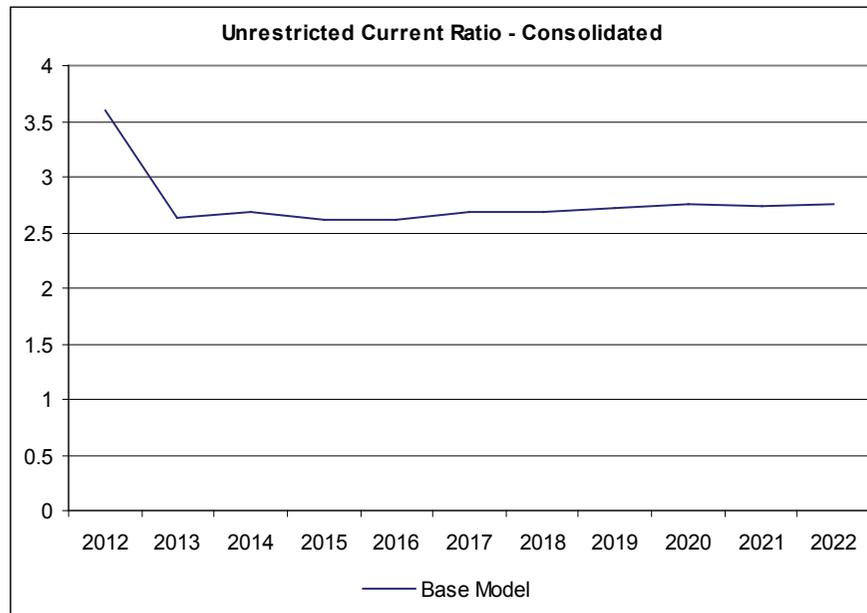
Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. This ratio measures the rate at which Council's assets are being renewed against the rate at which they are depreciating. A ratio of <100% indicates that Council's assets are depreciating at a faster rate than that which they are being replaced / renewed. A key objective of Council's Asset Management planning process is the sustainable renewal of buildings and infrastructure and the subsequent improvement in the Building & Infrastructure Renewals Ratio.

## Rates & Annual Charges Outstanding Percentage Target

2010/2011	\$'000	Ratio
<b>Rates and Annual Charges Outstanding</b>	785	10.04%
Rates and Annual Charges Collectible	7,820	
Target 2012/2013		8.0%
Target 2013/2014		6.0%
Target 2014/2015		6.0%
Target 2015/2016		6.0%
Target 2016/2017		6.0%
Target 2017/2018		6.0%
Target 2018/2019		6.0%
Target 2019/2020		6.0%
Target 2020/2021		6.0%
Target 2021/2022		6.0%

This ratio is to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. The effective collection of outstanding rates and charges will have a positive impact on the liquidity of the Council.

# Performance Ratio Charts



# Asset Management Strategy

## Strategy outlook

At present, it has been determined that Council's current asset management maturity is below 'core' level and investment is needed to improve information management, lifecycle management, service management and accountability and direction.

## Executive Summary

This asset management strategy is prepared to assist council is improving the way it delivers services from infrastructure including roads, bridges, footpaths, stormwater drainage, parks and recreation, buildings, water supply and sewerage. These infrastructure assets have a replacement value of \$382,910,000. (The Asset Management Plans do not include bulk earthworks, land under roads, office equipment, furniture and fittings or capital works in progress.)

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, enable Council's asset management policies to be achieved, and ensure the integration of Council's asset management with its long term strategic plan.<sup>1</sup>

Adopting this asset management strategy will assist council in meeting the requirements of national sustainability frameworks, Section 8 of the Local Government Act 1993 (NSW) and providing services needed by the community in a financially sustainable manner.

The asset management strategy is prepared following a review of the council's service delivery practices, financial sustainability indicators, asset management maturity and fit with council's vision for the future outlined in the Greater Hume Shire Asset Management Strategy. 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.

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<sup>1</sup> LGPMC, 2009, Framework 2 Asset Planning and Management, p 4.

## Asset management strategies

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning	The long term implications of Council services are considered in annual budget deliberations
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities

No	Strategy	Desired Outcome
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within Council
11	Report six monthly to Council by Audit Committee/GM on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

## Asset management improvement plan

The program of tasks and resources required to achieve a minimum 'core' asset management maturity was developed in the asset management strategy. The tasks and program are shown below.

Task	Responsibility	Target Date	Budget
Transport Asset Management Plan	Director Engineering / Asset Manager	31/5/2012	Existing Resources
Water & Sewer Asset Management Plan (to be finalised after re-valuation is completed)	Director Engineering / Asset Manager / Manager Water & Sewer	31/7/2012	Existing Resources
Plant and Fleet Management Plan	Director Engineering / Asset Manager / Manager Infrastructure & Transport	31/8/2012	Existing Resources
Stormwater Asset Management Plan	Director Engineering / Asset Manager	31/12/12	Existing Resources
Land & Community Facilities	Director Engineering / Asset Manager / Manager Waste & Facilities	28/2/2013	Allocation of \$8,000 in 2012/2013 budget

# 1. Introduction

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets in need of renewal and replacement.

Infrastructure assets such as roads, drains, bridges, water and sewerage and public buildings present particular challenges. Their condition and longevity can be difficult to determine. Financing needs can be large, requiring planning for large peaks and troughs in expenditure for renewing and replacing such assets. The demand for new and improved services adds to the planning and financing complexity.<sup>1</sup>

The creation of new assets also presents challenges in funding the ongoing operating and replacement costs necessary to provide the needed service over the assets' full life cycle.<sup>2</sup>

The national frameworks on asset planning and management and financial planning and reporting endorsed by the Local Government and Planning Ministers' Council (LGPMC) require councils to adopt a longer-term approach to service delivery and funding comprising: A strategic longer-term plan covering, as a minimum, the term of office of the councillors and:

bringing together asset management and long term financial plans, demonstrating how council intends to resource the plan, and consulting with communities on the plan

Annual budget showing the connection to the strategic objectives, and

Annual report with:

explanation to the community on variations between the budget and actual results ,

any impact of such variances on the strategic longer-term plan,

report of operations with review on the performance of the council against strategic objectives.<sup>3</sup>

Framework 2 Asset Planning and Management has seven elements to assist in highlighting key management issues , promote prudent, transparent and accountable management of

1 LGPMC, 2009, *Framework 2 Asset Planning and Management*, p 2

2 LGPMC, 2009, *Framework 3 Financial Planning and Reporting*, pp 2-3.

3 LGPMC, 2009, *Framework 3 Financial Planning and Reporting*, pp 4-5.

local government assets and introduce a strategic approach to meet current and emerging challenges.

- Asset management policy,
- Strategy and planning,
- asset management strategy,
- asset management plan,
- Governance and management arrangements,
- Defining levels of service,
- Data and systems,
- Skills and processes, and
- Evaluation.<sup>4</sup>

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.<sup>5</sup>

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 service.

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

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

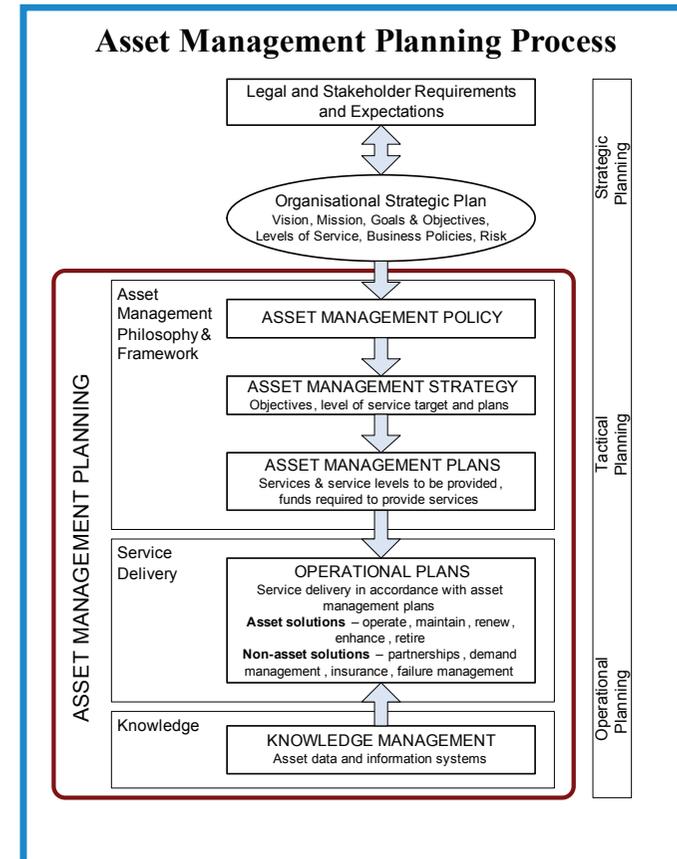
Council will consider the current and future needs of the community and its ability to provide facilities and infrastructure which contribute to meeting these requirements. It also needs to consider the financial implications of maintaining community assets, the balancing of this expenditure and operational realities against the varied needs of the community.

## 1.1 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 financial 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.<sup>6</sup>

<sup>6</sup> IPWEA, 2009, AIFMG, Quick Guide, Sec 4, p 5.



## 1.2 Asset Management Strategy Objectives

Council owns and uses approximately \$382,910,000 of non-current assets to support its core business of delivery of service and facilities to the community. Asset management practices impact directly on the core business of Council and appropriate asset management is required to achieve Council's service delivery objectives.

The Asset Management Strategy is to ensure that Council's asset portfolio meets the service delivery needs of the community and conforms to Council's Asset Management Policy objectives and goals.

The purpose is to ensure adequate provision is made for the long-term management of infrastructure assets by:

- All relevant legislative requirements together with political, social, economic and environmental requirements are to be taken into account in asset management.
- Consistent Asset Management Action Plans exist for implementing systematic and appropriate asset management best-practice throughout all Departments of Council.
- Asset management principles will be integrated within existing planning and operational processes.
- Service levels agreed through the budget process and defined in Infrastructure and Asset Management Plans will be fully funded in the annual budget estimates.
- Asset renewals are required to be prioritised to meet agreed service levels. These are to be identified in infrastructure and asset management plans and will be fully funded in the annual and forward budget estimates.
- Estimated future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.
- Future service levels will be determined in consultation with the community.
- Ensuring resources and operational capabilities are identified and responsibility for asset management is allocated.
- Demonstrating transparent and responsible asset management processes that align with best practice.
- Ensuring that Council's services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment.
- Creating an environment where Council employees take part in overall management of council assets by developing asset management awareness throughout the organisation.

By undertaking the above actions, the Asset Management Strategy will:

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

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 Greater Hume Shire Council to provide services to the community.

## 1.3 Scope

This strategy applies to all Council owned and managed physical assets. It will be reviewed every four years. It does not apply to human resources.

This strategy sets guidelines for implementing consistent asset management process for Greater Hume Shire Council.

## 1.4 Asset Management Resources

While at this stage it is difficult to put a total value on the assets owned and managed by Council, it is fair to say that the dollar value is significant. As asset management plans are completed, detailed asset values for each asset category will become available.

The large scope and responsibility of effective asset management becomes apparent when all Council assets are considered, from a bench in a local park to major infrastructure projects worth millions of dollars. In order to be able to fully implement the Asset Management Strategy and Asset Management Plans for each asset category key resource requirements have been identified:

- the need for a full time Asset Manager to oversee and implement the asset management strategy, ensure asset management plans are developed and reviewed and that the Asset Management System is operational and effective. The Asset Manager is responsible for ensuring Asset Management Plans are up to date and reviewed when programmed. The Asset Manager also needs to ensure the effective implementation of the Asset Management System and training of staff.
- A full time Technical Officer and GIS Officer to support the Asset Manager in the role outlined above.
- Staff resources for each asset category and IT staff available to the Asset Manager to complete defined tasks and responsibilities.
- An operational, efficient and user friendly Asset Management System.
- Training of staff to ensure they have a sound working knowledge of the Asset Management approach and the Asset Management System and to ensure Council is meeting industry best practice.
- Suitable equipment (hardware and software) for inspections, data recording and loading of information into the Asset Management System.
- Interaction and involvement with the asset management industry and professional bodies to ensure Council's asset management process are consistent with industry best practice.
- Employ external professionals to assist in preparation and review of Asset Management Plans and the Asset Management System where beneficial and cost effective and also provide training where appropriate.

## 1.5 Current Situation

The assets listed below represent the Council's current asset stock.

### Natural Environment

- Natural areas (bushland) – To be determined – 31/12/12
- Drainage pits - To be determined – 31/12/12
- Open drains - To be determined – 31/12/12
- Drainage pipes - To be determined – 31/12/12
- Waste Management facilities – 8 Waste Management facilities

### Built Environment

- Town centres – 5 Towns and 6 Villages
- Public toilets – 32

- Cemeteries – 11
- Sealed road pavement - 1018kms
- Unsealed road pavement – 1036kms
- Footpaths / cycleways - To be determined – 30/09/12
- Kerb & gutter - To be determined – 30/09/12
- Bridges – (64 Bridges, 95 box culverts and 18 pipe culverts.)
- Carparks - To be determined – 30/09/12
- Bus shelters - To be determined – 31/12/12

### Water Supply

- Water treatment plants – 1
- Reservoirs – 7
- Water pump stations – 2
- Water mains – 74kms trunk mains, 72kms reticulation mains

### Sewer

- Sewerage Treatment Plant – 6
- Sewer Pumping Station – 23
- Sewer Rising Mains & Sewer Mains – 6.968km rising mains, 66.587km sewer mains

### Social

- Libraries – 3
- Swimming pools – 5
- Community buildings & halls - 21
- Rural Fire Service / SES buildings - 25
- Parks and Sportsgrounds - 56
- Tennis courts – 62 courts in 11 venues
- Skate parks – 3
- Caravan parks – 2
- Visitor Information Centres – 1

### Civic Leadership

- Operational buildings (including works depots) – 2 administrative offices, 3 works depots
- Commercial buildings – 2

## 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.

**Table 1: Assets used for providing Services**

Asset Class	Description	Services Provided
Transport	Roads, Bridges, Footpath, Kerb and Gutter	Council's intent is that an appropriate Transport network is maintained in partnership with other levels of government and stakeholders to an appropriate standard to enable residents and visitors to move about the shire in safety.
Stormwater	Drains, Pits, Pipes, etc.	Council's intent is that an appropriate Stormwater network is maintained in partnership with other levels of government and stakeholders to an appropriate standard to safely convey rainwater falling within residential areas to the most appropriate natural watercourse.
Land and Community Facilities	Council owned buildings and Land include operational buildings (Council offices, libraries depots, public halls etc) and leased buildings (commercial properties).	Council owns, operates and maintains a number of buildings and other facilities in partnership with specialist contractors, community committees and in-house staff to ensure customer and community needs are satisfied by delivering a quality service.

Asset Class	Description	Services Provided
Water Supply	Water treatment plant, reservoirs, water pump stations and water mains	<p>Council's intent is that an appropriate Water Supply network is maintained in partnership with other levels of government and stakeholders to extract, treat and deliver water supplies at the highest standards.</p> <p>Council's objective is to ensure that the following functional objectives are met:</p> <ul style="list-style-type: none"> <li>Water is extracted from the underground aquifer disinfected/treated in a water treatment plant and delivered to users through its reticulation system.</li> </ul> <p>The operation and maintenance of the water supply network does not have an adverse effect on the environment, and does not cause damage to private properties or public places.</p>
Sewer Operations	Sewerage treatment plants, sewer pump stations, sewer rising mains and sewer mains	<p>Council's intent is that an appropriate Sewerage network is maintained in partnership with other levels of government and stakeholders to collect, treat and dispose of waste water from the areas Council services.</p> <p>Council's objective is to ensure that the following functional objectives are met:</p> <ul style="list-style-type: none"> <li>Waste water is efficiently and effectively collected from properties, conveyed to the sewer treatment plants, treated and re used or disposed of.</li> <li>The operation of the sewerage system does not have an adverse effect on the environment.</li> </ul>
Plant and Fleet	Fleet of heavy plant and vehicles	To enable Council staff to effectively maintain councils assets

### 3. Council's Assets and their management

#### 3.1 State of the Assets

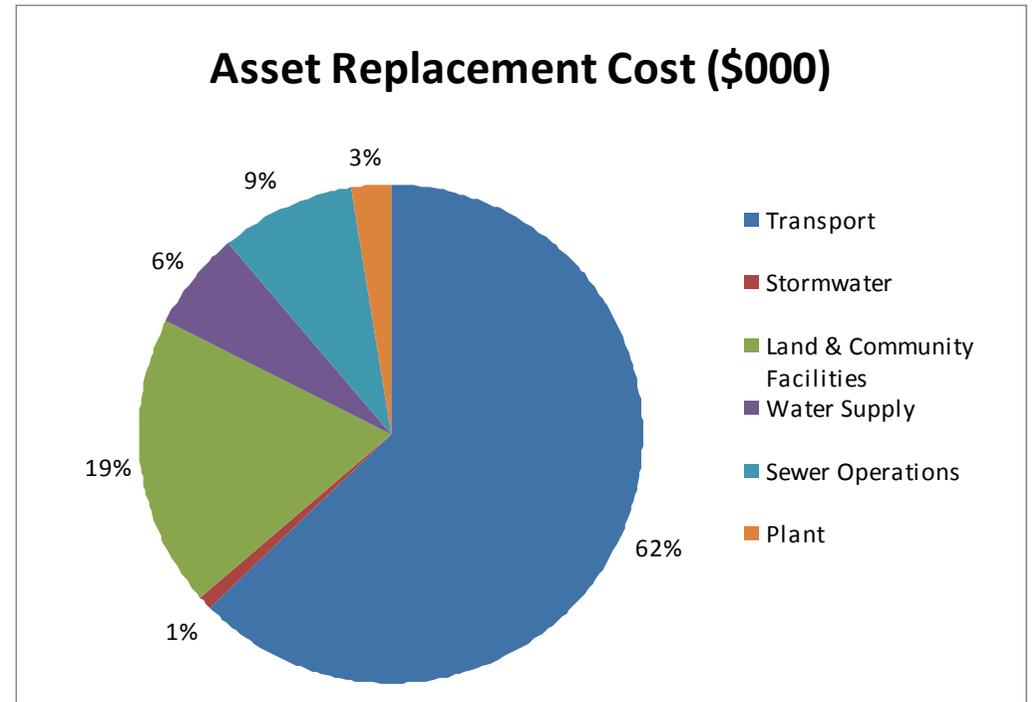
The financial status of Council's assets is shown in Table 2.

**Table 2: Financial Status of the Assets**

Asset Class	Replacement Cost (\$000)	Depreciated Replacement Cost (\$000)	Depreciation Expense for current year (\$000)
Transport	\$240,171	\$127,363	\$5,009
Stormwater	\$3,021	\$2,169	\$28
Land and Community Facilities	\$72,399	\$46,909	\$1,024
Water Supply	\$24,877	\$15,077	\$305
Sewer Operations	\$32,710	\$20,201	\$394
Plant and Fleet	\$9,732	\$6,645	\$922
<b>Total</b>	<b>\$382,910</b>	<b>\$218,364</b>	<b>\$7,682</b>

*As at 30-June-2011*

**Figure 1: Asset Replacement Values**



## 3.2 Life Cycle Cost

Life cycle costs (or whole of life costs) are the average costs that are required to sustain the service levels over the longest asset life. Life cycle costs include operating and maintenance expenditure and asset consumption (depreciation expense). The life cycle cost for the services covered in this asset management plan is shown in Table 3.

**Table 3: Life Cycle Cost for Council Services**

Service	Previous Year Expenditure		Previous Year Depreciation Exp	Life Cycle Cost (\$/yr)
	Operations	Maintenance		
Transport	0	\$5,954,370	\$5,009,000	\$15,592,000
Stormwater	TBC	TBC	TBC	TBC
Land and Community Facilities	\$597,000	\$171,000	\$305,000	TBC
Water Supply	\$426,000	\$449,000	\$397,000	TBC
Sewer Operations	TBC	TBC	TBC	TBC
Plant and Fleet	TBC	TBC	TBC	TBC
TOTAL				

TBC - To be confirmed.

Life cycle costs can be compared to life cycle expenditure to give an indicator of sustainability in service provision. Life cycle expenditure includes operating, maintenance and capital renewal expenditure in the previous year or preferably averaged over the past 3 years. Life cycle expenditure will vary depending on the timing of asset renewals. The life cycle expenditure at the start of the plan is shown in Table 4.

**Table 4: Life Cycle Expenditure for Council Services**

Service	Previous Year Expenditure		Previous Year Depreciation Exp	Life Cycle Cost (\$/yr)
	Operations	Maintenance		
Transport	0	\$5,954,370	\$8,667,000	\$8,502,000
Stormwater	TBC	TBC	TBC	TBC
Land and Community Facilities	TBC	TBC	TBC	TBC
Water Supply	TBC	TBC	TBC	TBC
Sewer Operations	TBC	TBC	TBC	TBC
Plant and Fleet	TBC	TBC	TBC	TBC
All Services	TBC	TBC	TBC	TBC

TBC - To be confirmed.

The life cycle costs and life cycle expenditure comparison highlights any difference between present outlays and the average cost of providing the service over the long term. If the life cycle expenditure is less than the life cycle cost, it is most likely that outlays will need to be increased or cuts in services made in the future.

Knowing the extent and timing of any required increase in outlays and the service consequences if funding is not available will assist organisations in providing service to their communities in a financially sustainable manner. This is the purpose of the AM Plans and long term financial plan.

A shortfall between life cycle cost and life cycle expenditure gives an indication of the life cycle gap to be addressed in the asset management and long term financial plan.

The life cycle gap and sustainability indicator for services covered by this asset management plan is summarised in Table 5.

**Table 5: Life Cycle Sustainability Indicators**

Service	Life Cycle Cost (\$/yr)	Life Cycle Expenditure (\$/yr)	Life Cycle Gap * (\$/yr)	LC Sustainability Index
Transport	\$15,592,000	\$8,502,000	-7,090,000	0.55
Stormwater	TBC	TBC	TBC	TBC
Land and Community Facilities	TBC	TBC	TBC	TBC
Water Supply	TBC	TBC	TBC	TBC
Sewer Operations	TBC	TBC	TBC	TBC
Plant and Fleet	TBC	TBC	TBC	TBC
All Services	TBC	TBC	TBC	TBC

Note: \* A life cycle gap is reported as a negative value.

TBC - To be confirmed.

### 3.3 Corporate Asset Management Team

A 'whole of organisation' approach to asset management can be developed with a corporate asset management team. The benefits of a corporate asset management team include:

- demonstrate corporate support for sustainable asset management,
- encourage corporate buy-in and responsibility,
- coordinate strategic planning, information technology and asset management activities,
- promote uniform asset management practices across the organisation,
- information sharing across IT hardware and software,
- pooling of corporate expertise
- championing of asset management process,
- wider accountability for achieving and reviewing sustainable asset management practices.

The role of the asset management team will evolve as the organisation maturity increases over several phases.

Phase 1

- strategy development and implementation of asset management improvement program,

Phase 2

- asset management plan development and implementation,
- reviews of data accuracy, levels of service and systems plan development,

Phase 3

- asset management plan operation
- evaluation and monitoring of asset management plan outputs
- ongoing asset management plans review and continuous improvement.

The current position on Council's asset management team is, Phase 1.

### 3.4 Asset Management Classes – Phase 2 and 3 Implementation

A core Asset Management Plan will be developed for each asset category and will be refined over time. The objective in managing these assets is to meet the required level of service in the most cost effective manner for the benefit of present and future members of the Greater Hume community.

The key elements of asset management plans are:

- taking a life cycle approach
- developing cost-effective management strategies for the long term
- providing a defined level of service
- providing defined performance monitoring
- understanding and meeting the demands of growth through demand management and infrastructure investment
- managing risks associated with asset failures
- sustainable use of physical resources
- continuous improvement in asset management practices.

Asset Management Plans for each asset category are prepared under the direction of Council’s Community Strategic Plan “Greater Hume 2030” and will form part of Council’s Resourcing Strategy. Each Asset Management Plan will include provision for capital, renewal and maintenance works which will provide facilities with available resources and endeavour to meet community expectations for standards and capacity. Asset Management Plans outline processes and principles used to plan capital, renewal and maintenance works for each asset.

Each Asset Management Plan will prioritise works in the asset category and will held guide the Council in making decisions within its 4 year Delivery Plan and 20 year Community Strategic Plan objectives. The result is a long term planning framework which will assist in making informed decisions on maintenance programmes and renewal and capital projects.

Asset Management Plans will include:

- an assets register
- levels of service – specifies the services and levels of service to be provided by Council
- future demand – how this will impact on future service delivery and how this is to be met
- life cycle management – how Council will manage its existing and future assets to provide the required services
- prioritise capital, renewal and maintenance works
- how risk and liability is managed
- financial summary – what funds are required to provide the required services.

## TRANSPORT

### Road pavements, bridges, culverts, footpaths, kerb & gutter traffic devices, etc

Roads and associated infrastructure is the major asset class that Council maintains. Council conducted a road condition assessment in 2010 and completed a Roads Strategy in 2012. The Roads Strategy identifies the need for Council to approve funding of up to \$9.92m per annum on the road network to satisfactorily maintain the infrastructure. Other major findings from the Roads Strategy are as follows:

The construction standards of some of the existing roads does not meet with the adopted standards and there is a requirement to bring these roads up to standard by widening roads that are too narrow, sealing roads that have a high enough traffic count to require sealing and providing line marking where required. The estimated cost is recorded in the Roads Strategy document.

**Table 6: Roads / Infrastructure Responsibilities**

Works Item – Roads / Infrastructure	Responsible
Implementation and review of Asset Management Plan	Director Engineering and Asset Manager and Works Manager
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager and Works Manager
Development of annual and 4 year capital works plans	Director Engineering and Works Manager
Annual budget recommendation	Director Engineering
Progression of specific projects within the Asset Management Plan	Works Manager
Programmed and day to day maintenance	Works Manager

## Storm Water (Drains, Pits, Gutters etc)

Greater Hume Shire Council's storm water system is designed to safely convey rainwater falling within residential areas to the most appropriate natural watercourse. Water falling on roads and footpaths or running off private property roofs and gardens is collected by pits mainly at the road kerbs and conveyed underground in a network of pipelines.

The stormwater system attempts to ensure that public and private land does not become flooded to a level where danger is posed to people or property. One important function of the drainage system is road drainage which ensures that vehicles do not encounter dangerous conditions.

Greater Hume Shire Council has maintained a network of stormwater pipes, pits and other associated infrastructure. The stormwater system is largely contained below ground and is therefore not as visible as other assets and the importance of it could be overlooked. A rational approach to the management of this large asset base is required to maintain it in an order where major issues do not arise and the system remains invisible.

It is anticipated the Stormwater Asset Management Plan will be completed by 31 December 2012.

**Table 7: Stormwater Assets Responsibilities**

Works Item – Stormwater	Responsible
Implementation and review of Asset Management Plan	Director Engineering and Asset Manager and Works Manager
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager and Works Manager
Development of annual and 4 year capital works plans	Director Engineering and Works Manager
Annual budget recommendation	Director Engineering
Progression of specific projects within the Asset Management Plan	Works Manager
Programmed and day to day maintenance	Works Manager

## LAND & COMMUNITY FACILITIES

### Buildings

Council owns, operates and maintains a number of buildings and other facilities in partnership with specialist contractors, community committees and in-house staff to ensure customer and community needs are satisfied by delivering a quality service. These buildings include operational buildings (Council offices, libraries depots, public halls etc) and leased buildings (commercial properties).

Council has completed a condition audit of all its buildings (excluding commercial premises under lease). This will enable Council to gain an appreciation of the condition of the buildings in terms of the funds needed to bring each building up to a "desired standard", determine the remaining useful life of the building and to consider a forward plan for maintenance and/or replacement.

**Table 8 : Buildings Assets Responsibilities**

Works Item – Buildings	Responsible
Implementation and review of Asset Management Plan	Asset Manager / Manager Waste & Facilities
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning and Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

## Parks and Open Space (Parks, Sporting Facilities, Playgrounds, Trees, Minor Structures etc).

Greater Hume Shire Council's open space assets are highly valued by the community and provide a range of passive and active recreational opportunities. Traditionally it has been difficult to put a value on open space assets however this is changing as increasing demands on these facilities is making users and the broader community more aware of the worth of open space assets. Council maintains sporting facilities, ovals, parks, gardens, walking tracks, irrigation systems, playgrounds, trees and bushland areas along with fences, furniture and amenities. Collectively these assets provide social, cultural, health, aesthetic and ecological benefits to the community.

Plans of Management have been prepared for some facilities, however further plans require development so as to ensure that Council meets the expectations of the community in relation to the future direction of our open space assets.

Items such as amenities blocks have been captured in the building condition audit but there are still a considerable number of assets within the parks and open space areas that will need further attention to determine a usable current value.

Opposite to many built assets, open space 'green' assets generally increase in value after capital works are complete and turf, plant and trees grow and become established. However, after these assets have matured they begin to age and eventually will die and require renewal or replacement. Generally speaking these assets require a high level of programmed maintenance. Effective maintenance programs are necessary to get the most value out of these assets particularly in high use areas. These maintenance programmes, which may include minor replacements or restorations, can greatly prolong the life of an asset. Maintenance programmes can also be used to monitor deterioration and forecast future capital requirements.

**Table 9: Parks & Open Space Assets Responsibilities**

Works Item – Parks & Open Space	Responsible
Implementation and review of Asset Management Plan	Asset Manager and Works Manager
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager and Works Manager
Development of annual and 4 year capital works plans	Director Engineering and Works Manager
Annual budget recommendation	Director Engineering
Progression of specific projects within the Asset Management Plan	Works Manager
Programmed and day to day maintenance	Works Manager

## Waste Management Facilities

Council owns, operates and maintains a number of waste management facilities These facilities vary from relatively small transfer stations to large landfill facilities.

Council has completed a condition audit of all waste management facilities. This will enable Council to gain an appreciation of the condition of buildings, fences and other infrastructure in terms of the funds needed to maintain each facility at a "desired standard", determine the remaining useful life of the infrastructure and to consider a forward plan for maintenance and/or replacement.

At the time of preparing this strategy, Council is examining a number of alternate options in respect of the delivery of waste management services across Greater Hume Shire. Once this review has been completed and Council confirms the number and location of waste management facilities to remain operational, detailed analysis of future cost scenarios will be undertaken and a formal Asset Management Plan for waste management will be developed.

**Table10: Waste Management Responsibilities**

Works Item – Stormwater	Responsible
Adoption of Waste Management Strategy	Council
Implementation and review of Asset Management Plan	Asset Manager / Manager Waste & Facilities
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning and Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

## Swimming Pools

Council operates five swimming pools in the towns of Holbrook, Culcairn, Walla Walla, Jindera & Henty.

Council's swimming pools offer an environment for residents to participate in a range of activities in a safe and exciting environment.

Council has completed preliminary assessments of all Council owned swimming pools to determine their current condition. Results of the assessments will assist with planning and budgeting for ongoing maintenance that will be required over coming years.

**Table 11 : Swimming Pools Management Responsibilities**

Works Item – Swimming Pools	Responsible
Implementation and review of Asset Management Plan	Asset Manager / Manager Waste & Facilities
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning and Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities
Programmed and day to day maintenance	Manager Waste & Facilities

## Cemeteries

Greater Hume Shire Council provides and maintains 14 cemeteries throughout the Shire in partnership with committees, interested parties and volunteers to a level that meets the expectations of ratepayers and visitors. The level of service is usually determined by the size and visitor frequency at the relevant cemetery.

Council has completed assessments of all Council cemeteries to determine their current condition of buildings and other assets at the cemetery. Results of the assessments will assist with planning and budgeting for ongoing maintenance that will be required over coming years.

**Table 12: Cemeteries Management Responsibilities**

Works Item – Cemeteries	Responsible
Implementation and review of Asset Management Plan	Asset Manager / Manager Waste & Facilities
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Waste & Facilities
Development of annual and 4 year capital works plans	Director Environment & Planning and Manager Waste & Facilities
Annual budget recommendation	Director Environment & Planning and Manager Waste & Facilities
Progression of specific projects within the Asset Management Plan	Manager Waste & Facilities

## WATER / SEWER Water Supply

Council provides a Water Supply network to enable extraction, treatment and delivery of filtered water supplies at the highest standards.

Council plans to operate and maintain the Water Supply network to achieve the following strategic objectives.

Ensure the Water Supply network is maintained at a safe and functional standard as set out in this asset management plan.

Ensure sufficient funds are raised through its fees and charges policy to provide for water asset renewal over the life of the assets.

Meet the Australian drinking water guidelines in terms of quality and community expectations.

Considerable work has been completed as part of the development of a Strategic Business Plan for Council's water supply operations and the implementation of an Integrated Water Cycle Management Plan. The planning work already completed as a result of these activities will guide the completion and implementation of an Asset Management Plan and future financial planning for Council's water supply activities.

**Table13: Water Supply Management Responsibilities**

Works Item – Water Supply	Responsible
Implementation and review of Asset Management Plan	Asset Manager / Manager Water & Sewer
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Water & Sewer
Development of annual and 4 year capital works plans	Director Engineering and Manager Water & Sewer
Annual budget recommendation	Director Engineering and Manager Water & Sewer
Progression of specific projects within the Asset Management Plan	Manager Water & Sewer
Programmed and day to day maintenance	Manager Water & Sewer

## Sewer Operations

Council's intent is that an appropriate sewerage network is maintained in partnership with other levels of government and stakeholders to collect, treat and dispose of waste water from the areas within Greater Hume Shire.

Sewer asset attributes will be maintained at a safe level and associated signage and equipment be provided as needed to ensure public safety. Council must ensure that key functional objectives are met:

- waste water is efficiently and effectively collected from properties, conveyed to the sewer treatment plants, treated and re used or disposed of.
- the operation of the sewerage system does not have an adverse effect on the environment.

Considerable work has been completed as part of the development of a Strategic Business Plan for Council's sewerage operations and the implementation of an Integrated Water Cycle Management Plan. The planning work already completed as a result of these activities will guide the completion and implementation of an Asset Management Plan and future financial planning for Council's sewerage activities.

**Table 14: Sewer Management Responsibilities**

Works Item – Sewer Operations	Responsible
Implementation and review of Asset Management Plan	Asset Manager / Manager Water & Sewer
Implementation of Asset Management System	Asset Manager
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Water & Sewer
Development of annual and 4 year capital works plans	Director Engineering and Manager Water & Sewer
Annual budget recommendation	Director Engineering and Manager Water & Sewer
Progression of specific projects within the Asset Management Plan	Manager Water & Sewer
Programmed and day to day maintenance	Manager Water & Sewer

## PLANT and FLEET

Council owns and operates an extensive plant fleet ranging from heavy construction plant items to small passenger sedans.

Regular maintenance and replacement of plant is critical if Council is to ensure that its construction, maintenance and service delivery activities are undertaken in an efficient and cost effective manner.

Council will develop a detailed plant replacement programme which will specify the replacement schedule for all items of plant and the associated financial resources required.

**Table 15: Plant Replacement Responsibilities**

Works Item – Plant Replacement	Responsible
Implementation and review of Asset Management Plan	Asset Manager / Manager Infrastructure & Traffic
Implementation of Asset Management System	Asset Manager / Manager Infrastructure & Traffic
Training of staff to ensure Asset Management System is effective	Asset Manager / Manager Infrastructure & Traffic
Development of plant replacement plans	Director Engineering and Manager Infrastructure & Traffic
Annual budget recommendation	Director Engineering and Manager Infrastructure & Traffic
Progression of specific projects within the Asset Management Plan	Director Engineering and Manager Infrastructure & Traffic
Programmed plant replacement activities	Director Engineering and Manager Infrastructure & Traffic

## 3.5 Financial & Asset Management Core Competencies

The National Frameworks on Asset Planning and Management and Financial Planning and Reporting define 10 elements. 11 core competencies have been developed from these elements<sup>7</sup> to assess 'core' competency under the National Frameworks. The core competencies are:

### Financial Planning and Reporting

- Strategic Longer Term Plan
- Annual Budget
- Annual report

### Asset Planning and Management

- Asset Management Policy
- Asset Management Strategy

### Asset Management Plans

- Governance & Management
- Levels of Service
- Data & Systems
- Skills & processes
- Evaluation

Council will be conducting a maturity assessment for the core competencies with the aim of determining the maturity gap to be overcome for Council to achieve core financial and asset management competency.

## 3.6 Strategy Outlook

At present, it has been determined that Council's current asset management maturity is below 'core' level and investment is needed to improve information management, lifecycle management, service management and accountability and direction.

7. Asset Planning and Management Element 2 *Asset Management Strategy and Plans* divided into Asset Management Strategy and Asset Management Plans competencies.

## 4. Where do we want to be?

### 4.1 Council's Vision, Mission, Goals and Objectives

Council has adopted a Vision for the future in the Council Strategic Plan.

*Living in an idyllic rural landscape that sets us apart, we draw on our passion and location to maintain a model community for people of all ages whilst building an economy that abounds with opportunities.*

Council's purpose or reason for existence is set out in the adopted mission statement

*Draw on our passion – we cannot afford to expect someone else to always work on our behalf to achieve all that we seek; we must draw on the passion we have for our community and each other and be involved.*

*Develop and maintain a model community for people of all ages – if we work together, we can develop and maintain a community that looks after our people as well as our farmland and natural beauty. We can be a community that others aspire to be like.*

*An economy that abounds with opportunities –we must be proactive in taking advantage of our location, particularly near Albury / Wodonga and to a lesser extent Wagga Wagga, to grow an economy that is diverse and offers our community the chance to build a career here.*

The Strategic Plan sets goals and objectives to be achieved in the planning period. The goals set out where Council wants to be.

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with legislative requirements, community needs and affordability.

## 4.2 Asset Management Policy

Council's Asset Management Policy defines the council's vision and service delivery objectives for asset management in accordance with the Strategic Plan and applicable legislation.

The asset management strategy is developed to support the asset management policy and is to enable council to show:

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

## 4.3 Asset Management Vision

To ensure the long-term financial sustainability of Council, it is essential to balance the community's expectations for services with their ability to pay for the infrastructure assets used to provide the services. Maintenance of service levels for infrastructure services requires appropriate investment over the whole of the asset life cycle. To assist in achieving this balance, Council aspires to:

*Develop and maintain asset management governance, skills, process, systems and data in order to provide the level of service the community need at present and in the futures, in the most cost-effective and fit for purpose manner.*

In line with the vision, the objectives of the asset management strategy are to:

- ensure that the Council's infrastructure services are provided in an economically optimal way, with the appropriate level of service to residents, visitors and the environment determined by reference to Council's financial sustainability,
- safeguard Council's assets including physical assets and employees by implementing appropriate asset management strategies and appropriate financial resources for those assets,
- adopt the long term financial plan as the basis for all service and budget funding decisions,
- meet legislative requirements for all Council's operations,
- ensure resources and operational capabilities are identified and responsibility for asset management is allocated

provide high level oversight of financial and asset management responsibilities through Audit Committee/GM reporting to council on development and implementation of Asset Management Strategy, Asset Management Plan and Long Term Financial Plan.

Strategies to achieve this position are outlined in Section 5.

## 5.0 How will we get there?

The Asset Management Strategy proposes strategies to enable the objectives of the Strategic Plan, Asset Management Policy and Asset Management Vision to be achieved.

**Table 16: Asset Management Strategies**

No	Strategy	Desired Outcome
1	Move from Annual Budgeting to Long Term Financial Planning.	The long term implications of Council services are considered in annual budget deliberations
2	Develop and annually review Asset Management Plans covering at least 10 years for all major asset classes (80% of asset value).	Identification of services needed by the community and required funding to optimise 'whole of life' costs
3	Develop Long Term Financial Plan covering 10 years incorporating asset management plan expenditure projections with a sustainable funding position outcome	Sustainable funding model to provide Council services
4	Incorporate Year 1 of Long Term Financial Plan revenue and expenditure projections into annual budgets	Long term financial planning drives budget deliberations
5	Review and update asset management plans and long term financial plans after adoption of annual budgets. Communicate any consequence of funding decisions on service levels and service risks	Council and the community are aware of changes to service levels and costs arising from budget decisions
6	Report Council's financial position at Fair Value in accordance with Australian Accounting Standards, financial sustainability and performance against strategic objectives in Annual Reports	Financial sustainability information is available for Council and the community
7	Ensure Council's decisions are made from accurate and current information in asset registers, on service level performance and costs and 'whole of life' costs	Improved decision making and greater value for money

No	Strategy	Desired Outcome
8	Report on Council's resources and operational capability to deliver the services needed by the community in the Annual Report	Services delivery is matched to available resources and operational capabilities
9	Ensure responsibilities for asset management are identified and incorporated into staff position descriptions	Responsibility for asset management is defined
10	Implement an Improvement Plan to realise 'core' maturity for the financial and asset management competencies within 2 years	Improved financial and asset management capacity within Council
11	Report six monthly to Council by Audit Committee/ GM on development and implementation of Asset Management Strategy, AM Plans and Long Term Financial Plans	Oversight of resource allocation and performance

## 6. Asset Management Improvement Plan

An asset management improvement programme will enhance the processes, systems and data that support an Asset Management Plan.

An improvement planning process will:

- Identify corporate business need for asset management planning
- Assess the current status of asset management practices
- Identify gaps between current practices and business needs
- Develop an optimised programme for asset management improvements, considering risks and cost of options for improvement and also availability of resources
- Continually monitor and review the effectiveness of asset management planning.

Council will review its current asset management practices to identify any gaps in order to improve. This will occur in conjunction with regular review of this Asset Management Strategy.

### 6.1 Works Assessment and Prioritisation Criteria

Asset Management Plans provide a set of criteria, such as safety, the number of users, environmental impact and sustainability, to enable objective and accountable decisions to be made. Priority is given to the most urgently needed works that provide the greatest benefit to the community.

In prioritising works, the following factors listed below need to be considered. These form the criteria by which renewal and capital projects are assessed and funding is allocated in the annual budget. These criteria will be consistent across each asset category however it might be appropriate for the weighting of criteria to differ between asset classes.

- Legal – Council’s legislative requirements and obligations
- Condition – the condition rating of the asset
- Cost – acknowledgement of the financial aspects of asset management, financial budgeting and management
- Funding – seek external funding opportunities and its associated challenges. External funding can greatly increase the value of works per Council dollar spent.
- Community – the needs and requirements of the many user groups and individuals which use Council facilities

- Planning – Council’s obligation to implement formal planning documents which have been developed through community consultation and adopted by Council.

Priority listings developed from the criteria outlined above will be used to bid for grant funding and as a guide for staff to progressively work through the identified projects. There will be variation to the priority ratings, which would move the projects up or down the list.

This will occur when:

- current or future grant funding applications are either successful or unsuccessful
- additional funding is provided for a specific project (e.g. donation from an external organisation or an increase in budget allocation)
- budget constraints mean that full funding for a particular project is not available and a project of lower priority requiring less funding can be completed that financial year.

### 6.2 Asset Management System

Council requires a computer based Asset Management System to deal with the high volume and detailed nature of the asset data collected. The Asset Management System must also be integrated with other corporate databases such as Council’s financial management system and document management system.

Council’s asset management information is integral to the future management and monitoring of Council assets. It will enable Council to:

- project forward capital and recurrent expenditure
- fulfil the responsibility and requirement to report regularly to the community about Council’s asset management programmes
- have an understanding of the risk levels associated with the assets and to ensure that future asset management planning incorporates a risk management element
- undertake predictive modelling to optimise the decision making process
- identify preferred treatment options for assets requiring expenditure within the forward works programme
- base service levels on identified need and enabling explanation of maintenance programmes and capital works projects to the community
- weigh up and decide between deferred or basic maintenance and commitment to

- extensive rehabilitation in a rational manner and with due regard to budgetary constraints
- continuously develop the process, knowledge and support information systems as the consultation and feedback process progresses.

### 6.3 Asset Management Information System

Council has purchased an asset management information system known as BizeAsset with the view to better manage and maintain council assets and tracking lifecycle costs in order to improve the cost of ownership.

The core data has been entered in layers composing of Roads and Bridges, Stormwater, Water supply, Waste water, Buildings, Airports, Footpaths and street signs and trees. The physical location is plotted on a GIS map using a line, a point or a region. Attached to these is an asset number, name, age and any other information needed to locate, value, maintain or use the asset.

### 6.4 Risk Management

The implementation of an effective Asset Management Strategy will consider the relationship and prioritisation of maintenance and capital work to support the delivery of Council services. To this effect it will be a major tool in assisting the Council to manage risk and liability through the development of defined works and service programmes which best allocate the use of available resources. The implementation of the Asset Management Strategy will:

- identify any significant asset or service gaps (capacity, functionality or maintenance related) and related service risks over both the short and long term
- take into account projected changes to population (ageing / demographic) land use and planning, legal requirements and policies, technology and community expectations
- explain how available resources will manage asset or service gaps, or why any gaps not address by the relevant Asset Management Plan are considered a low priority
- assess the risk to service delivery and asset performance if gaps are not addressed
- outline relationships between proposed projects or programs and how these support cohesive asset management strategy
- explain how the proposed capital projects and maintenance expenditure are prioritised within the projected funding limits.

In developing each Asset Management Plan, a risk assessment will be carried out and will document potential risks associated with the relevant asset category.

**Table 17: Asset Management Improvement Plan**

Task	Responsibility	Target Date	Budget
Transport Asset Management Plan	Director Engineering / Asset Manager	31/5/2012	Existing Resources
Water & Sewer Asset Management Plans	Director Engineering / Asset Manager / Manager Water & Sewer	31/7/2012	Existing Resources
Plant and Fleet Asset Management Plan	Director Engineering / Asset Manager / manager Infrastructure & Transport	31/8/2012	Existing Resources
Stormwater Asset Management Plan	Director Engineering / Asset Manager	31/12/12	Existing Resources
Land & Community Facilities Asset Management Plan	Director Engineering / Asset Manager, Manager Waste & Facilities	28/2/2013	Allocation of \$8,000 in 2012/2013 budget

## 7. Roles and Accountabilities

### All Employees Generally

Further to the responsibilities and accountabilities outlined under each asset management category, all staff have the responsibility of managing assets in their activities and workplace and are accountable through their individual work instructions, position descriptions and council plans.

Employees are required to cooperate and be actively involved in the development and implementation of the various Asset Management Plans. This collaborative approach will ensure quality systems delivering measurable outcomes.

### Councillors

Councillors are responsible for endorsing and adopting this Asset Management Strategy and Asset Management Plans.

### General Manager

The General Manager is responsible for ensuring that Asset Management Plans are established, implemented and maintained in accordance with the Asset Management Policy, and for the assignment of responsibilities in relation to asset management. The General Manager is also responsible for reporting on the status and effectiveness of asset management within Council.

### Director Engineering

Council's Engineering Department is responsible for the large majority of operational maintenance, renewal and capital projects and development of strategic plans for the current and future management of Council's physical assets. As such, the Director Engineering is responsible for overseeing the Asset Management Policy and implementation and review of Asset Management Plans.

### Directors

Directors are responsible to facilitate resources to enable their Departments to operate effectively in consideration of the Asset Management Policy and Asset Management Plans.

### Managers and Supervisors

Managers and Supervisors are responsible for the day to day use of assets as described in the Asset Management Policy and Asset Management Plans. This includes the timely identification, assessment and recording of defects and referral to the person responsible for the day to day management of that asset.

## 8. Review Structure

This Asset Management Strategy will be reviewed every 4 years to ensure that it meets the requirements of legislation and the needs of Council.

Unplanned reviews may be triggered by new technology, legislation / regulation changes, incident and variation in resources or community use / demand.

All reviews will take into account information affecting the effective ongoing management of physical assets which are owned and managed by Greater Hume Shire Council.

## 559. Associated Council Policies and Documents

- Greater Hume Community Strategic Plan 'Greater Hume 2030',
- Asset Management Policy,
- Category Asset Management Plans, and
- Risk Management Policy.

# Workforce Management Plan

## Introduction

In today's world the makeup of the workforce of organisations in both the public and private sectors has taken on greater importance. It requires greater attention and planning to achieve the necessary and appropriate knowledge and skills to ensure the delivery of efficient and effective quality services. Organisations must now plan to shape their workforce recognising the current and future organisation goals, objectives and direction.

This must now be done in the external and wider context of New South Wales and Australia and the internal context of the Greater Hume Shire area, its Council and its existing workforce.

## What is Workforce Planning?

Workforce planning is a continuous improvement process of shaping the workforce to ensure that it is capable of delivering objectives to deliver the actions with the operational and delivery plan now and in the future. It is a crucial element in planning how to get the organisation from where it is now to where it needs to be in the future. It is the process to ensure there are sufficient people to carry out the organisation's purpose and the objective is often stated as 'the right people with the right skills in the right place at the right time'.

Council must have policies, a process and implementation plan to allow it to be adept at anticipating, preparing and responding to the changing needs of our community ensuring we have adequate and appropriately skilled staff employed in the most cost effective and efficient way.

## Benefits of Workforce Planning

There is no single approach or common model when it comes to workforce planning. It is the intention that this plan shall not be complicated in its delivery but will an analysis of current

staff, turnover and identify key workforce risks both now and in the immediate future.

The implementation of this plan will deliver a number of benefits to the organisation such as:

- A strategic response to change, as the organisation and managers can recognise emerging challenges in the market, workforce and Local Government
- Strengthens the organisation's capability to support the achievement of sections outputs now and in the future
- Improve efficiency, effectiveness and productivity (employees possess the right skills and these skills fit the position held)
- Facilitate strategic staffing and planning for future workforce requirements (will assist to identify staffing needs in a timely manner, monitor attrition and ensure replacements are available to fill key vacancies)
- Identify and reduce potential skills shortages early
- Assist with the identification and management of people with the knowledge critical for effective and efficient business operations, and the organisation's management of knowledge and maintenance of corporate memory ensuring staff required to meet future needs are being recruited or developed or retained
- Reduced costs through attraction of appropriate staff
- Targeted remuneration policies and conditions of employment
- The provision of a mechanism for recognising staffing costs and savings directly linking correcting skill imbalances and expenditure of personnel against organisational outputs and outcomes
- Improved identification of staff development needs
- Increased job satisfaction and retention of employees
- New or emerging job roles can be planned for through specific recruitment or training initiatives.

Ensures an understanding of the organisation's workforce profile, hence Employee Services initiatives, strategies and policies are consistent with and complementary to Strategic and

Management plans and are aligned with maximising the capacity of the existing workforce and shaping the desired workforce.

## Greater Hume 2030+

One of the goals is to deliver sustainable services and assets to support the community through the Strategic Plan, Greater Hume 2030. This includes managing our staff and resources efficiently and effectively at minimal cost and Workforce Planning is one of the ways to achieve this by reviewing the current organisation, developing the current workforce and identifying the future workforce needs.

Greater Hume's Workforce Plan (WFP) is a strategic approach to managing its workforce needs for the next 4 years. The Workforce Plan extends current employee policies and procedures and should be read in conjunction with these and other conditions outlined in the current Local Government (State) Award.

The WFP has been developed by analysing data both internal and external including the Community Strategic Plan and is broadly outlined in the following steps.

To identify the likely strategic direction of the organisation and emerging trends and developing scenarios for future activity in accordance with sector/organisation strategic plans.

The key goals identified in the Community Strategic plan are:

- Succession of volunteers to enable our "can do attitude" and care of the community to continue
- Enhance the opportunities for volunteering groups to receive maximum funding possible
- To improve leadership capability within the Shire
- To manage the risk of water security and changing climate
- Proactively manage impacts associated with the opening of the bypasses
- Increase the life education that our younger people receive
- The provision of physical access to services and facilitate for those less mobile within the community
- Provide the supporting infrastructure, facilities and services to attract businesses and new employees
- To provide appropriate training and mentoring for our Shire's workforce

- Ensure the Shire has an informed, committed and enthused agricultural community.
- Involves data gathering, analysis and forecasting: Council's current workforce profiles and potential or critical gaps; and estimating the demand for number and type of employees or each scenario (how many and what sort of people will we need?)
- Involves forecasting: supply of staff on the basis of internal and external workforce data and issues in recruitment and the workforce issues generally within Local Government and anticipated impact
- Involves the development of strategies to bridge any demand/supply gaps between 'need' and 'have' through internal training and development and external means
- Is the implementation of strategies and the execution of the specific programs and projects required to apply these to the operational management activities of the organisation whilst ensuring they are integrated into the broader Employee Services planning policies
- Monitoring and Evaluation is conducted on an annual basis to determine the effectiveness, efficiency and appropriateness of the workforce planning strategies and activities. This will provide input into the future direction, changes that are necessary for the next Workforce Plan.

## New South Wales/Australia Context

The concern over the past few years has been the looming shift to an ageing workforce and skills shortage in specific fields in Local Government not to mention the wider workforce. Due to the diverse range of services delivered by and specialised roles within Local Government these shortages may have a significant impact on our industry, and ability to respond to community needs and interests.

There are several aspects and recent events to consider when looking at the future of recruitment in Australia.

These include the following:

- The 'sandwich effect' – 40-55 year old category caring for their own children or grandchildren as well as caring for parents.
- The **shrinking future workforce**, the over 65 age group will grow from 8% in the 70's to

20% in the next 10 years.

- Aged pension increased to 67 may lead to an **older workforce**
- The **global financial crisis** – superannuation funds taking a battering and staff staying in the work force longer to make up losses.

### The ‘sandwich effect’

Australian family needs are rapidly changing. Women are remaining in the workforce in increasing numbers and more men are becoming involved with the responsibility and care of their children. Organisations are meeting expectations of parenting which have changed with social pressure towards child centred parenting and a growing concern about the future burden of caring for Australia’s ageing population.

The shift to an ageing population places new pressures on Australian families to bear the burden of doing the work of caring for family members whilst at the same time performing paid work.

### Shrinking Future Workforce

Generation X women are not having as many children. 20% will have no children and a further 25% will only have one child. When combined with baby boomers exiting the workforce in increasing numbers, Australia’s workforce is on a downward trend. Generation X & Y are not interested in traditional work models, and as the workforce is shrinking, they can afford to be choosy.

In 2001, 175,000 people entered the workforce for the first time. In 2020, we are told this number will reduce to 13,000. That means for every 14 candidates we see now, we will see only one in 2020. Put simply, it is about ‘how are we going to get enough people to do the work?’

### Impact on Local Government

The ageing population means that Australia will face increasing difficulties in maintaining the size of the labour force, directly impacting on the potential pool of employees available to local government. The range of occupations that exist in local government require a variety of skills and experience which places the industry in a vulnerable position if employees want to retire over a shorter period of time, as their skills will be difficult to replace. Local Government predictors indicate that if the current retirement age remains constant, 38% of the workforce will retire in 2011.

## Greater Hume Shire

Greater Hume Shire has the ‘best of both worlds’. The population has access to city services and facilities whilst living in a serene country environment.

In a workforce planning perspective there are a number of challenges. Many residents throughout the Shire commute to work in Albury and on a smaller scale Wagga but there is a much lower percentage of employees and future employees that are prepared to commute from the major regional centres to work in rural locations.

Our major villages are located in rural communities which have been surviving 10 years of drought and this has a major effect on the sustainability of these villages. Growth in rural areas as shown in the graph below of the census area is limited and the attraction of new business and industry is major challenge.

### Greater Hume Census Population Figures

		2005	2006	2007	2008	2009
ESTIMATED RESIDENT POPULATION - as at 30 June						
Population by sex						
Males	no.	5 183	5 202	5 232	5 245	5 289
Females	no.	5 008	4 990	5 033	5 073	5 111
Persons	no.	10 191	10 192	10 265	10 318	10 400
Population by Age Group						
Persons - 0 to 14 years	%	22.2	21.9	21.3	20.6	20.2
Persons - 15 years to 24 years	%	11.4	11.5	11.5	11.6	11.8
Persons - 25 years to 34 years	%	9.1	8.6	8.4	8.4	8.5
Persons - 35 years to 44 years	%	14	13.8	13.6	13.2	12.8
Persons - 45 years to 54 years	%	15.3	15.2	15.2	15.3	15.2
Persons - 55 years to 64 years	%	13.3	13.8	14.4	15	15.2
Persons - 65 years to 74 years	%	8	8	8.4	8.8	9.3
Persons - 75 years to 84 years	%	5.1	5.4	5.5	5.3	5.3
Persons - 85 years and over	%	1.7	1.8	1.7	1.8	1.8

Source:

National Regional Profile: Greater Hume Shire (A) (Local Government Area) Latest ISSUE Released at 11:30 AM (CANBERRA TIME) 22/11/2010 CLASSIFICATIONS CODE: LGA13370

## Competitors

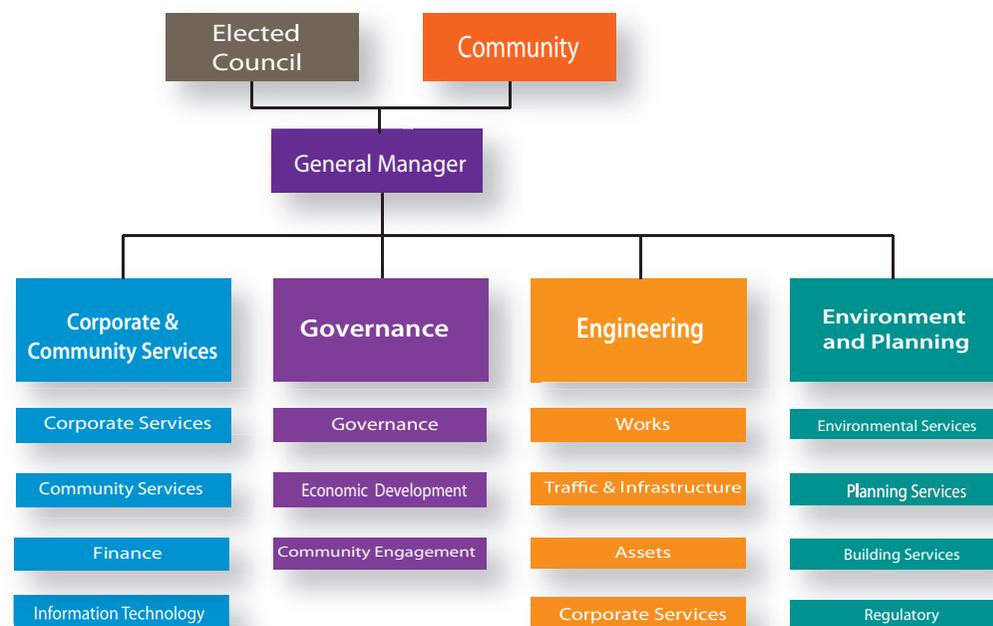
Greater Hume Shire faces a particular challenge being a rural shire in close proximity to Albury/Wodonga and on lesser scale Wagga.

This is compounded by the surrounding and competing councils also seeking staff with skills in similar positions and in particular hard to recruit areas such as Asset Management and Environment & Planning. Local Government is not openly seen as an employer of choice especially within the Generation Y group. In the Community Service field, while this is a major growth area in Council, the growth is evident throughout the market and Council is competing with well established providers that specialise in this area.

The majority of the Community Service programs are funded and positions are offered on a contract basis which can be unattractive to future employees looking for long term employment opportunities.

## Organisation Structure

Greater Hume's structure as shown here operates with three clear departments being Corporate & Community Services, Engineering & Environment & Planning (and Governance). The General Manager and Directors make up the Management Executive (MANEX).



## Current Workforce

The overall staffing profile for Greater Hume Shire is a total of 188 staff as outlined below:

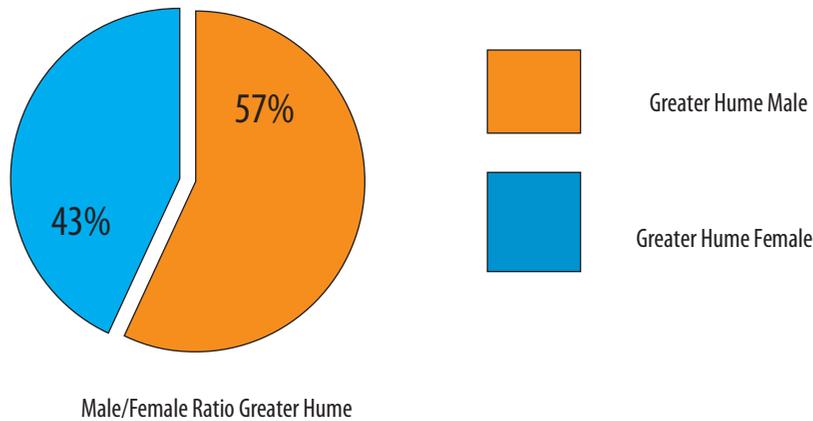
Full Time	95	Permanent Part Time	40	Casual	8
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(Staffing figures as at 1 February 2012)

## Gender

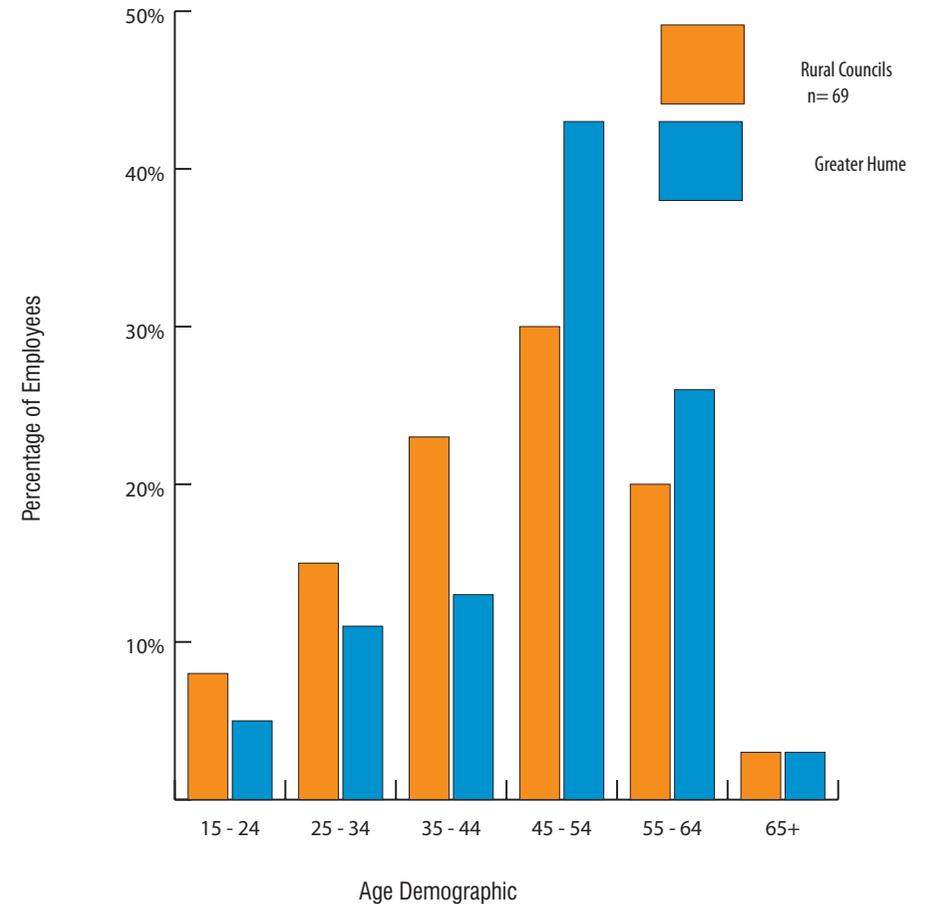
Greater Hume has a higher percentage of males in the overall workforce and depending on the department the percentage will alter respectively eg Engineering has a higher male percentage and Corporate & Community Services has a high female percentage. With 56% of our female staff being PPT/Casual there is a good indication of work/life balance employment conditions throughout Greater Hume, but there are still areas for improvement in this area. One area to be addressed in this WFP is the female percentage in senior positions. Currently there is only one female at the management level.

### Staff - Male/Female Ratio as at 1 February 2012

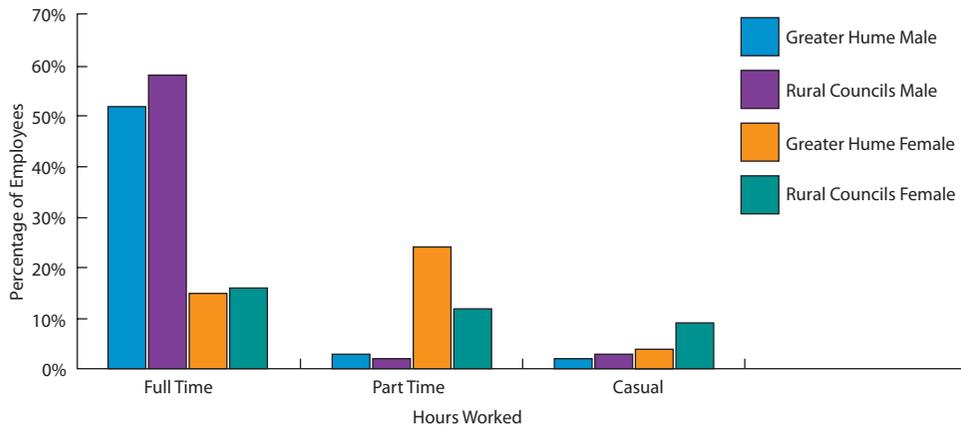


## Age

The age representation of Greater Hume is noticeably higher between the 45 to 65 age bracket with 46% of Council's employees between 51 and 70. This figure would give the expectation that 46% of the current workforce will retire within the next 15 years and 26 employees expected to retire within the next 5 years.



## Hours Worked



## Recruitment & Retention

Approximately 79% of Greater Hume's employees have 10 years service or less, with 52% having been with the organisation for less than 5 years. These figures are slightly above the modern trend but considerations such as amalgamation and the subsequent restructures of departments have a significant influence.

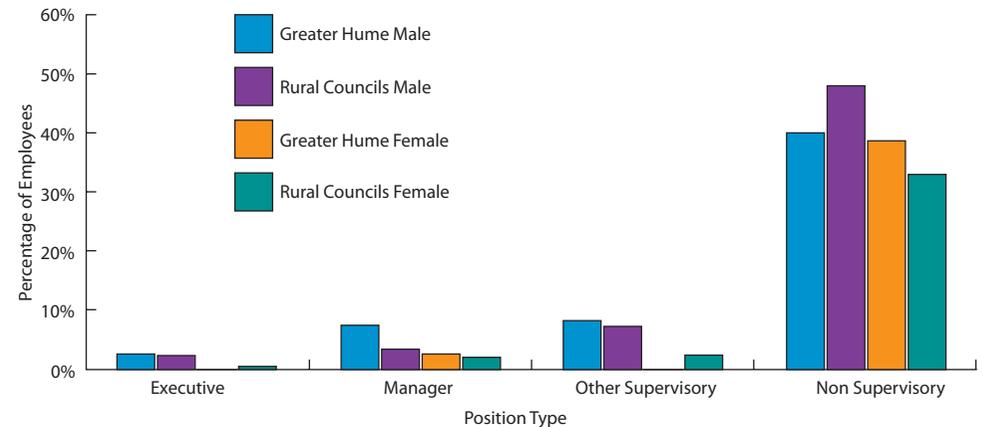
Greater Hume has had a turnover rate over the last three years of between 13% and 15%, which is reasonably high compared to market comparisons. The major contributing factor is the high turnover rate in the Aged Care Industry, and as Council currently operates three Aged Care Facilities this has increased these percentages considerably with other areas of Council averaging out to 10% turnover during the last 3 years and the turn over rate for the Aged Care Facilities averaging out to 23% over the three years.

## Current Structure By Job Categories

The initial analysis consisted of a basic categorisation of our existing staff structure and then including male and female. The staff were categorised into groups to identify areas of greater risk and any future training and development needs.

The groups comprise:

- Unskilled staff (little or no formal qualifications)
- Skilled staff (staff with specific expertise and qualifications but not trade certificates)
- Trade qualified
- Administration positions
- Semi-professional (staff with some qualification)
- Professional
- Coordinators
- Managers



## Key Organisational Challenges

Greater Hume will face a number of challenges both now and into the future. The diversity of our organisation, location and the expectations of the community of Greater Hume Shire highlighted in our recently completed Draft Community Strategic Plan will feature extensively in these challenges. Some of the key issues are:

1. Regional location
2. Ageing workforce
3. Skill shortages in specific areas
4. Effective leadership development
5. Financial sustainability
6. Environmental sustainability responsibilities
7. Technology
8. Succession planning
9. Being seen as an employer of choice
10. Legislative requirements
11. Employee development

Not all these challenges will be addressed solely in this Workforce Plan. This Workforce plan will compliment Council's Community Strategic Plan, Asset Management Plan and Financial Plan by developing a workforce that is suitably skilled, professional and sustainable.

### Directors Input

Directors within the organisation are in the best position to assess their organisational and related workforce needs, and therefore have overall responsibility for providing input into workforce planning within their Department and in assisting in the overall process of workforce planning which is coordinated by Human Resources.

Director's focus on the principal issues relating to their field of expertise, such as service delivery changes, proposed legislative and technological changes or restructures or changes in skill requirements within their department.

To achieve this, Directors were asked for their comments in MANEX and these comments are reflected in the strategies below or in their own internal decision making on workforce issues.

### Strategies and Action Plan

Given the information outlined above Greater Hume Shire Council is in a similar situation to many employers which is an ageing workforce. While Council is not facing a skill shortage in the immediate future, it will still need to compete with other councils in respect of conditions of employment especially in niche areas such as Asset Management. This highlights the needs for Council to be proactive in implementing a range of attractive and desired employment conditions. These include initiatives to facilitate the working careers of women, carers and the older workers. Council's Community Strategic Plan presents Council with a number of challenges in a range of areas including a workforce planning perspective.

The following pages outlines the strategies - i.e. current and recommended actions, responsibility and timeframe for each objective.

Objective	Delivery Program Strategy Reference	Recommended Actions	Responsible Officer	Time Frame
<b>1.0 Develop HR Management Systems and structures that assist Council to better meet the needs of the organisation and its key stakeholders.</b>	5.1 5.2 9.4	1.1 Develop and implement systems for workforce planning which include: <ul style="list-style-type: none"> <li>• identification of critical/core positions and replacement timeframes</li> <li>• formal succession plans</li> <li>• predicted training requirements</li> <li>• predicted replacement/recruitment plans.</li> </ul>	HRO	30 June 2014
		1.2 Provide support to managers to enable them to identify and address strategic staffing needs, taking into account ageing workforce demographics, to ensure business continuity and organisational goals are met.	HRO	1 July 2012 & ongoing
		1.3 Implement systems to ensure our ageing and diverse workforce transfer their skills and knowledge to others in the organisation through the development of a mentoring program.	HRO/supervisors	30 June 2014
		1.4 Develop relevant benchmarks for key HR performance measures.	DCCS/HRO	31 December 2012
		1.5 Provide ongoing development for HR, industrial relations, and learning and development practices.	HRO	1 July 2012 & ongoing
<b>2.0 Engage and align the workforce with Council's mission, vision and values.</b>	7.1	2.1 Conduct staff workshops for review of Council's values.	DCCS/HRO	30 June 2013
		2.2 Promote Council's values.	Manex/all staff	1 July 2012 & ongoing
		2.3 Maintain mission, vision and value themes in induction and ongoing training for all staff.	HRO	31 December 2012
		2.4 Incorporate reference to Council values and behaviours in performance agreement.	HRO	30 June 2013
		2.5 Include reference to mission, vision and values in dealings with suppliers and partners (MOU's, RFP's, contracts).	Manex	30 June 2014
		2.6 Examine correlations between employee wellbeing, satisfaction and motivation with key business results.	DCCS/HRO	30 June 2015
<b>3.0 Enhance Council's recruitment and selection through provision of practical resources, guidance, and personnel systems.</b>	2.1	3.1 Review and develop existing recruitment and selection policies, and procedures to ensure our processes meet current best practice and the requirements of EEO legislation.	DCCS/HRO	1 July 2012
		3.2 Develop a competency based recruitment process for outdoor staff.	DCCS/HRO	30 June 2013
		3.3 Review the effectiveness of our behavioural interview process for indoor roles and implement changes as required.	DCCS./HRO	30 June 2015
		3.4 Review and further develop existing exit interview process to better understand employee exit reasons.	HRO	30 June 2014

Objective	Delivery Program Strategy Reference	Recommended Actions	Responsible Officer	Time Frame
<b>4.0 Establish learning and development systems that equip all staff for their respective roles by achieving measurable results, behaviours, learnings, and reactions.</b>		4.1 Develop and implemented arevised induction program that exceeds our legislative requirements. Program to include * new employee handbook * 30 and 90 day new employee mini survey.	DCCS/HRO	31 July 2012
		4.2 Review, develop and/or implement an effective annual performance appraisal process and system with SMART objectives.	DCCS/HRO	30 June 2014
		4.3 Review existing LanD guidelines including education assistance progream to ensure they match the workforce planning needs of the Council.	HRO	31 December 2012
		4.4 Develop and implement individual learning plans for staff to assist in succession planning.	HRO	1 July 2012 & ongoing
		4.5 Investigate, development and implement opportunities for internal and external exchange programs.	HRO	30 June 2015
<b>5.0 Develop strong and effective leaders through enhancement of systems to assess staff for their leadership and management potential, including improved performance appraisals.</b>	2.2	5.1 Develop and implement leadership competencies to measure and assess individual performance.	DCCS/HRO	30 June 2015
		5.2 Develop and implement strategies to address succession planning for identified critical positions.	DCCS/HRO	30 June 2014
<b>6.0 Establish innovative HR practices responsive to workers' needs and providing competitive employment conditions.</b>	2.1	6.1 Regularly monitor and review the appropriateness and application of existing policies.	Manex/HRO	1 July 2012 and ongoing
		6.2 Conduct an internal employee opinion survey to seek feedback from staff.	Manex/HRO	30 June 2014
		6.3 Regularly conduct external research of 'best practice' strategies in a range of employment areas such as career divesty, professional and personal development, work/life balance, reward and recognition, job flexibility, etc.	HRO	1 July 2012 & ongoing
<b>7.0 Review overall reward and recognition system.</b>		7.1 Review and develop our existing salary system in line with a competency based performance appraisal system to ensure our people are rewarded and that the system meets the needs of the organisation, and is competitive within the employment market.	DCCS/HRO	30 June 2013
<b>8.0 Implement an effective Employee Recognition Program.</b>		8.1 Review, develop and implement a broader employee recognition program to reinforce the importance of reognising the contribution of staff to the organisation's achievement of goals.	DCCS/HRO	30 June 2015

Objective	Delivery Program Strategy Reference	Recommended Actions	Responsible Officer	Time Frame
<b>9. Family friendly conditions of employment to remain attractive to all segments of the labour market and retain existing high quality employees.</b>	2.1	9.1 Where practicable offer flexible working arrangements.	Manex/HRO	1 July 2012 & ongoing
<b>10. Policies that encourage continuous learning and development opportunities for staff.</b>	9.4	10.1 Promote participation in performance review process which involves a structured approach to individual development and training.	All supervisors	1 July 2012 & ongoing
		10.2 Survey of current staff to identify career aspirations.	All supervisors	1 July 2012 & ongoing
		10.3 Encourage staff to act in higher level positions as opportunities arise.	All supervisors	1 July 2012 & ongoing
		10.4 Increase staff to leadership/management training.	HRO	1 July 2012 & ongoing
		10.5 Encourage the utilisation of Council's education assistance policy.	All supervisors	1 July 2012 & ongoing
<b>11. Promote Council as preferred employer.</b>	2.1 7.1	11.1 Ensure Council's conditions of employment are maintained to meet market expectations in rural areas.	DCCS/HRO	1 July 2012 & ongoing
		11.2 Regularly update Council's salary system together with job evaluation and staff review in an objective format.	DCCS/HRO	30 June 2013
		11.3 Remain abreast of current issues affecting prospective employees and about appropriate policies required.	DCCS/HRO	30 June 2013
		11.4 Market the benefits of working for Council by developing promotional brochures to hand out to job candidates, school advisors, tertiary institutions, etc.	DCCS/HRO	30 June 2013
<b>12. Develop the capability of our organisation and our people to effectively implement and manage change.</b>		12.1 Develop and implement a change management methodology and train all senior and middle managers in this methodology.	DCCS/HRO	30 June 2013
		12.2 Research and develop a succession management policy which insures succession plans are developed for senior and critical positions.	DCCS/HRO	30 June 2014
		12.3 To develop and implement a coaching/mentoring program for staff with key skills and/or future leadership potential.	DCCS/HRO	30 June 2015

Objective	Delivery Program Strategy Reference	Recommended Actions	Responsible Officer	Time Frame
<b>13. Work/life balance.</b>	8.1	15.1 Leave and other arrangements to provide work/life balance for employees.	DCCS/HRO	1 July 2012 & ongoing
		15.2 Leaders support work/life balance principles.	MANEX	1 July 2012 & ongoing
		15.3 Ensure flexible work approaches are available, merit based and align with business requirements.	MANEX/HRO	1 July 2012 & ongoing
<b>14. Workplace diversity.</b>	7.1	14.1 Continued implementation of Council's EEO Management Plan.	DCCS/HRO	1 July 2012 & ongoing
		14.2 Review positions as they become vacant and determine if suitable redesign for part time employment or other flexible work arrangements to suit women, mature workforce, or people with a disability.	DCCS/HRO	1 July 2012 & ongoing
		14.3 Provide opportunities for women to undertake personal and professional development opportunities such as those offered by Women & Leadership Australia.	DCCS/HRO	1 July 2012 & ongoing
		14.4 Enrol at least two female staff members each year in the LGSA Springboard program.	DCCS/HRO	1 July 2012 & ongoing
		14.5 Recruitment opportunities reflect the principles of workplace diversity.	DCCS/HRO	1 July 2012 & ongoing
<b>15. Code of Conduct</b>	7.1	15.1 Code of Conduct and other policies are understood and demonstrated.	DCCS/HRO	1 July 2012 & ongoing
		15.2 Leaders address poor behaviour and standards promptly and strongly.	MANEX	1 July 2012 & ongoing
		15.3 All employees accept personal responsibility and accountability.	All employees	1 July 2012 & ongoing

Objective	Delivery Program Strategy Reference	Recommended Actions	Responsible Officer	Time Frame
<b>16. Ageing Workforce and Recruitment of Younger Workers</b>	1.4 7.1	16.1 Investigate a Phased Retirement Policy which looks at a range of flexible work options to staff approaching retirement.	DCCS/HRO	30 June 2015
		16.2 Implement enhanced work experience program thereby promoting a career with Council.	DCCS/HRO	30 June 2013
		16.3 Strengthen links with local high schools, universities and TAFE colleges thereby promoting a career with Council.	DCCS/HRO	30 June 2013
<b>17. Organisational Culture</b>	7.1 8.1	17.1 Initiate the creation of a values and ethics panel responsible for the development of a Values and Principles Statement that reflects the views of all staff.	DCCS/HRO	30 June 2013
		17.2 Ensure that leaders display the desired values and principles.	MANEX	1 July 2012 & ongoing
		17.3 Leaders demonstrate a strong commitment to their own personal development.	MANEX	1 July 2012 & ongoing
<b>18. Safe Work Environment</b>		18.1 Development of OH&S system available to all staff through intranet.	HRO/Risk Management Officer	30 June 2014
		18.2 Regular OH&S refresher training programs on staff training program.	HRO/Risk Management Officer	1 July 2012 & ongoing
		18.3 Management support and encourage initiatives aimed at improving fitness and lifestyle.	MANEX/HRO	1 July 2012 & ongoing

## To Find Out More Information

Council has developed a number of policies in relation to the human resources functions of Greater Hume Shire Council. Many of these policies are available to view on Council's website [www.greaterhume.nsw.gov.au](http://www.greaterhume.nsw.gov.au).

Council has developed a Residents' Handbook and a Community Directory. These documents are available to view on Council's web site listed above.

Should you have any further questions please direct your enquiry to:

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Director Corporate & Community Services

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Email: [dsmith@greaterhume.nsw.gov.au](mailto:dsmith@greaterhume.nsw.gov.au)