



Wollondilly
Shire Council
Resource Strategy

2022/23 – 2032/33



Acknowledgement

Wollondilly Shire Council acknowledges the traditional custodians of the land in Wollondilly, the Dharawal and Gundungurra peoples.

We acknowledge the living culture and spiritual connections to the land for the Dharawal and Gundungurra people and that Wollondilly is remarkably placed as the intersection of these two tribal lands.

We recognise the traditional Custodians have occupied and cared for this Country over countless generations and celebrate their continuing contribution to the Shire.

We also acknowledge and remember the Dharawal and Gundungurra peoples who were killed in the Appin Massacre on 17 April 1816.

**We acknowledge our collaboration with the Tharawal Local Aboriginal Land Council*

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Long Term Financial Plan

Like other Councils across NSW, Wollondilly Shire Council faces many challenges funding ongoing operations and adequately maintaining our community assets. The growth in the cost of labour and materials, increasing demand for services and cost shifting from other levels of government, combined with a legislated cap in revenue generated from rates, have created a challenging financial environment.

The Long Term Financial Plan demonstrates Council's long term financial sustainability and allows early identification of financial issues and their longer term impacts. The plan outlines the steps Council will take to realistically address the major financial challenges and opportunities which will impact on the way we do business over the next ten years.

Workforce Management Strategy

Our Workforce Management Strategy has been developed to build an even higher performing culture at Wollondilly Council. Our Workforce Management Strategy outlines how we will achieve the community's goals and objectives under the Wollondilly Community Strategic Plan and Delivery Program. It provides a strategic basis for making decisions related to our people.

A significant challenge for Wollondilly is resourcing our organisation to meet the needs of our growing community. So the ongoing focus for this Strategy is to ensure we attract the best people to our organisation and retain existing talent in order to build and sustain a high performing, values driven organisation.

An agile, engaged and adaptable workforce combined with innovative, new ways of working and collaborating is needed to respond to rapidly evolving internal and external change and stakeholder demands and expectations.

The Workforce Management Strategy is an essential tool to ensure we can meet the current and future service needs of our community.

Asset Management Strategy

Council manages a significant and varied asset portfolio and these assets are a necessary part of providing services to our community. It is essential that Council provide transparency and good governance in their management.

This Asset Management Strategy acts as the essential link between Council's policy direction and more detailed asset management planning and delivery. It highlights major issues which need to be addressed for each of the asset classes over the next few years along with the actions necessary in order for Council move towards a best practice approach to asset management. The Strategy will be monitored and updated regularly to ensure its currency and consistency with Council's directions.

ABOUT OUR STRATEGY

The Wollondilly Shire Resourcing Strategy supports the Community Strategic Plan 2023-2033, the Delivery Program 2022-2026, and the annual Operational Plan. While the Community Strategic Plan describes the long-term goals of our community, the Resourcing Strategy outlines how we will help achieve these in terms of time, money, assets and people. The Resourcing Strategy is the critical link between the Community Strategic Plan and the Delivery Program, detailing the resources needed to implement the strategies.

The Wollondilly Resource Strategy consists of three components:

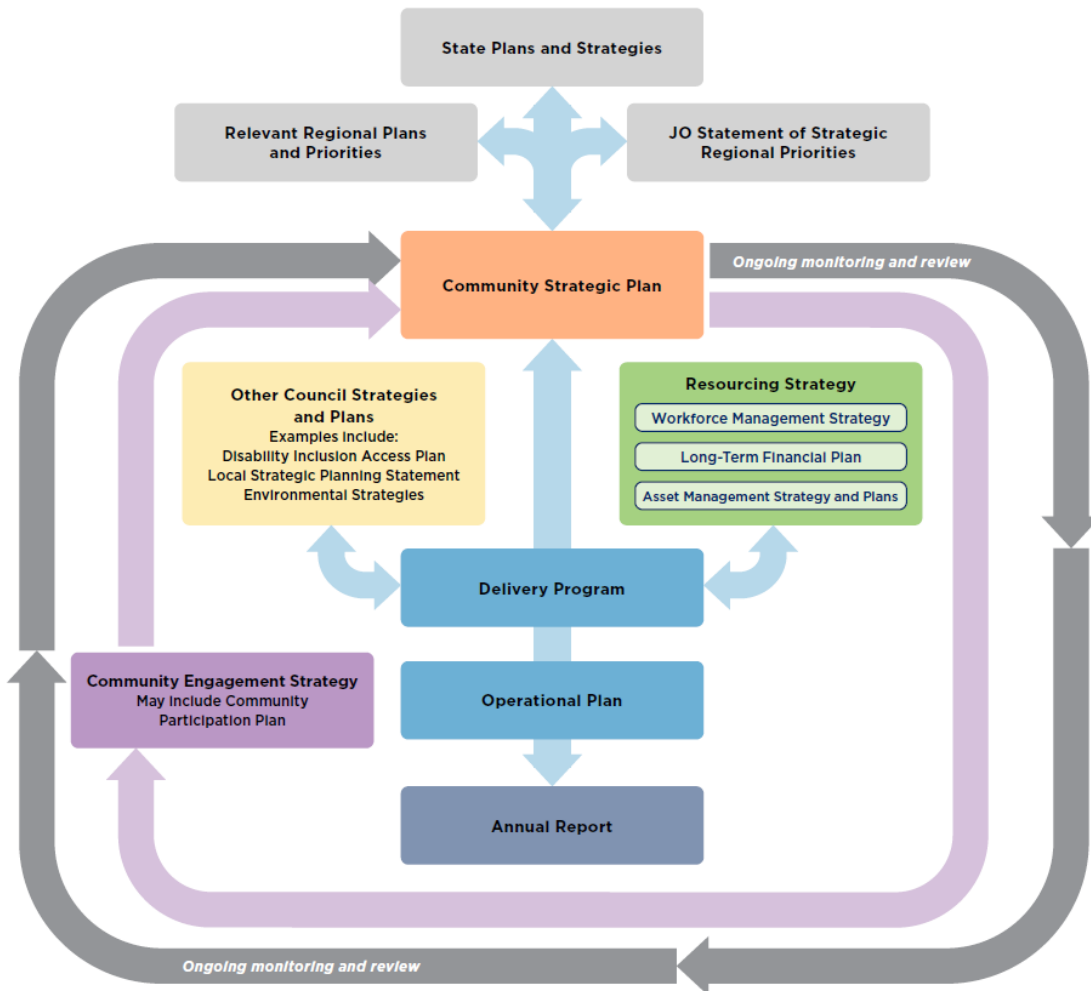
The **Long Term Financial Plan** shows the way Council proposes to manage its financial commitments and maintain financial sustainability while delivering quality services to the community.

The **Asset Management Strategy** provides a plan for the future management of assets and reflects Council's intention that our community's infrastructure network and services are maintained in partnership with other levels of Government to meet the needs of local residents.

The **Workforce Management Strategy** outlines how our organisation will build and sustain a high performing, values driven workforce into the future. The strategy considers growth and resourcing pressures, local government reform and continuous improvement, an ageing workforce, investment in skills, attraction and retention and opportunities to develop leadership capability.

1.2 INTEGRATED PLANNING AND REPORTING FRAMEWORK

The NSW Local Government Integrated Planning and Reporting Framework recognises most communities share similar aspirations but the difference lies in how we respond. The framework has been developed with the understanding that council plans and policies should not exist in isolation – they are interconnected. It allows NSW councils to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically and sustainably for the future.



The IP&R Framework is designed to give Council and the community a clear picture of:

1. Where we want to go (Community Strategic Plan)
2. How we plan to get there (Delivery Program, Operational Plan and Resourcing Strategy)
3. How we will measure our progress (Quarterly, Annual and End-of-Term Reporting)

Wollondilly 2033 – Our Plan for the Future (Community Strategic Plan 2022-2033)

The CSP is the highest-level plan that Council will prepare on behalf of the community. The purpose of the CSP is to identify the community's aspirations for the future and to detail key strategies for achieving these goals. It guides all remaining strategies and plans and is developed by councils with and on behalf of the community.

The timeframe for the CSP is 10 years and it addresses:

1. What is the current context?
2. What key outcomes do we want to see in 10 years' time?
3. What do we need to do help us get there?
4. How do we know we're there? (Measuring performance and progress).

Delivery Program

The Delivery Program is a plan that covers the 4 year term of an elected Council. To create the program, we look at the Community Strategic Plan and ask what key actions and projects we can achieve over the coming term to bring us closer to the community's vision and values, using the resources identified in the Resourcing Strategy. The Delivery Program also details whether these actions are funded or unfunded recognising limited resources and competing priorities.

Operational Plan

The Operational Plan confirms the services and priority actions and projects Council will undertake in the coming year to achieve the aspirations in the CSP and the Delivery Program under each key focus area. The Operational Plan confirms what is programmed and funded for the year ahead.

Monitoring and reporting

When developing its plans, Wollondilly Council considers community feedback provided through an annual community survey and other community consultations, as well as issue specific strategies that have been developed and adopted.

A regular program of checking in with the community and reporting on progress will ensure Council demonstrates transparency and accountability as it delivers high quality service and great outcomes for the community.

What is a Long Term Financial Plan

The Long Term Financial Plan (LTFP) sets out Council's objectives and recommendations for ensuring that Council is and remains financially sustainable. Council is also required to prepare a Resourcing Strategy, under the Integrated Planning & Reporting Framework (IP&R).

The LTFP is a necessary component of this strategy and acts as a tool for stakeholders (Council and the community) to use in deciding what resources Council needs to apply to deliver the outcomes contained within the Community Strategic Plan.

The LTFP is a financial decision making and problem-solving tool. It is the point at which long-term community aspirations are tested against financial realities. It consists of modelling expenditure and revenue projections, based on a number of market based and internal assumptions.

It projects the financial impacts of significant growth within the Wollondilly Local Government Area and helps to identify the additional resources (people, time and finances) required to plan for new communities whilst continuing to deliver the services and standard of service our community expects.

The LTFP is prepared for a period of ten years and includes the following:

- the planning assumptions used to develop the plan,
- projected income and expenditure, balance sheet and cash-flow statement,
- sensitivity analysis and testing,
- financial modelling for different scenarios, if required
- methods of monitoring financial performance.

What is the Purpose of this Long Term Financial Plan

The primary purpose of this Plan is to facilitate effective financial decision-making which is informed by the short, medium and long term expectations of the community and seeks to answer the following questions:

- Can we survive the financial pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?

The plan assists in long term decision making regarding the prioritisation of the services delivered by Council and what assets and financial resources are required to provide those services and serves as a guide to Council's future financial position.

The projections contained in the LTFP are subject to change from external factors and the decisions made by the Council. It is necessary to regularly review and monitor these factors and if necessary, revise the projections. In keeping with the legislative requirements outlined below, the LTFP is revised annually as part of Council's annual budget process. Any external changes to corporate assumptions are considered quarterly as to the impact on the adopted LTFP.

LONG TERM SUSTAINABILITY

How do We Define Financial Sustainability

A financially sustainable Council is one that has the ability to fund ongoing service delivery and the renewal and replacement of assets without incurring excessive debt or rate increases. This definition has been translated into four key financial sustainability principles:

- Council transitions to a fully funded operating position reflecting that Council collects enough revenue to fund operational expenditure, repayment of debt and depreciation, noting that as a growth council, depreciation on newly constructed assets distorts the operating performance of Council,
- Council maintains sufficient cash reserves to ensure that it can meet its short-term working capital requirements,
- Council has a fully funded capital program, where the source of funding is identified and secured for both capital renewal and new capital works,
- Council maintains its asset base, by renewing ageing infrastructure and by ensuring cash reserves are set aside for those works which are yet to be identified.

How Long Term Financial Sustainability is measured

The Office of Local Government (OLG) has developed a set of criteria and benchmarks to measure if councils are strategic and fit for the future. The indicators were developed and based on work by NSW Treasury Corp, IPART and the Independent Local Government Review Panel.

LONG TERM FINANCIAL PLAN

This Plan is used to inform the 2022/23 – 2024/25 Delivery Program and 2022/23 Operational Plan. It includes a summary of Council's key financial strategies and funding priorities over the course of the plan.

Financial Management Strategies

Council's Long-Term Financial Plan is based on the following aspirations:

- Council's financial position and performance is secure and financial indicators are within (or moving towards) industry benchmarks (as adopted by Council),
- Council maintains existing service levels to residents,
- Council will continue to advocate a "whole of Government" approach to funding the capital infrastructure requirements and service provision within new urban development areas,
- Services and Infrastructure in new areas will be provided when they are needed,
- Council's capacity to fund its recurrent operations and renew critical infrastructure is improved through sustainable financial decision making.

In conjunction with these principles, Council's Long-Term Financial Plan is guided by a number of policies and strategies which are outlined over the next several pages.

Rating Income Strategy

Rating Income is generated by a levy on properties within the Council area for the provision of local government services. Council is committed to the implementation of a fair and equitable rating system, where each rating category and property will contribute to the rate levy according to the demands placed on Council's resources.

Council has the following categories for rateable land in the Wollondilly Local Government Area:

1. Residential Town Centre
2. Rural Residential
3. Residential
4. Farmland
5. Business
6. Business Light Industrial
7. Mining

Wollondilly Council's rates consist of a minimum charge and an ad-valorem charge. The ad-valorem rate is applied to the property valuation. The minimum charge amount is a standard amount which is applied to each category of rateable land. The land valuation calculated for each property is determined by the Valuer General's Department and is reviewed every three years. The last review was conducted in 2019.

Introduction of Population Growth Factor into the Rate Peg

In October 2021, the Minister for Local Government announced that the State Government had accepted the Independent Pricing and Regulatory Tribunal's (IPART) recommendation for the inclusion of a population factor into the rate peg.

IPART has developed a methodology that enables councils to maintain per capita general income over time as their populations grow. Maintaining per capita general income will help councils to maintain existing service levels and provide the services their growing communities expect.

The approach developed by IPART amends the existing rate peg calculation to include a population factor in the rate peg that is calculated as the change in residential population, less any increase in general revenue from supplementary valuations.

In the development of a population growth factor for the rate peg, IPART undertook research which indicated councils currently only recover approximately 60% of the cost of population growth through supplementary rate income.

The methodology will apply to all councils experiencing population growth, even at low levels, but not impact councils with stable or declining populations. The methodology will allow rating income to increase to provide councils with a greater ability to manage the cost of population growth.

In December 2021, IPART announced that the rate peg for the 2022/23 financial year would be set at 0.7%. IPART also applied a growth factor for Wollondilly of 0.6%, after considering the supplementary rate income council would receive and the change in population growth.

The total rate peg approved by IPART for the 2022/23 financial year is 1.3%

Special Rate Variation

Wollondilly Council has not applied for a special rate variation for 2022/23. Council has not factored in any future special rate variations into this Long Term Financial Plan.

Stormwater Management Levy

Council currently levies \$25 p.a. per occupied allotment for the provision of additional stormwater management services to residents in urban areas who benefit from Council provided stormwater services. The amount of \$25 is set by legislation and has not changed for the 2022/23 rating year.

The levy can only be charged in areas where Council provides a stormwater management service. Income from the levy can only be used by Council for the purpose for which it is collected. Council must also maintain its existing stormwater management program.

Council has taken the approach that this levy will be used to educate and promote awareness in the community, ensure a better flow of stormwater through the LGA and an improvement in the quality of water flowing into our streams and rivers. Ratepayers who currently receive a pension rebate will be exempt from this levy providing they qualify for the pension rebate at 1 July of any given rating year.

Discretionary & Regulatory Fees & Charges

Council has the ability to generate revenue through the adoption of a fee or a charge for services or facilities. Fees and charges are reviewed on an annual basis in conjunction with the preparation of the annual budget.

The fees and charges which Council can charge can be split into two categories:

1. Regulatory fees – These fees are generally determined by State Government Legislation, and primarily relate to building, development or compliance activities. Council has no control over the calculation, and any annual increases of these fees and charges.
2. Discretionary Fees - Council has the capacity to determine the charge or fee for discretionary works or services such as the use of community facilities and access to community services.

The general principles under which Council sets its fees and charges take into account the works and services provided, the comparable commercial value, and the ability of residents to pay at the pricing level determined appropriate. The general principles that Council supports in its pricing policy are to:

1. ensure the community receives the maximum possible benefit from the services provided and from the limited resources which are used to provide that service,
2. recognise that there is an element of community benefit in Council providing certain works and services, and as such that a level of general fund contribution be incorporated into the determining of some fees and charges,
3. where a service is provided which is considered a commercial activity, that an appropriate fee be charged which recovers the cost of the service, the consumption of assets and an appropriate return on investment, which is in no way subsidised by the community.

Developer Contributions

"Developer Contributions" or "Section 7.11 Contributions" are a levy that Council can impose on development consent to help fund the delivery of infrastructure that is needed for that development. They can only be imposed as a condition of consent.

In order to levy a contribution, Council must first adopt a Contributions Plan. The plan sets out what infrastructure is needed, the likely timing of its construction, the cost of the works and how the cost is to be shared by developers and Council. Council can only levy a contribution which is in accordance with an adopted Plan.

The *Environmental Planning and Assessment Act* sets out the rules for development contributions. The Minister for Planning may issue directions that can provide further detail to the legislation, such as imposing a cap on the contributions.

When permitted, developers can construct works, or dedicate land in lieu of paying a cash contribution to the Council. Where this happens, the developer enters into either a Works In Kind Agreement or a Voluntary Planning Agreement. For example, a developer may have an agreement with Council where they will dedicate land for a park and provide the park embellishment (such as playground equipment, BBQ, paths, landscaping and parking). In these cases, the works are required to be completed prior to the developer receiving a Subdivision Certificate for their development.

In October 2021, the Department of Planning, Industry and Environment (DPIE) and the Independent Pricing and Regulatory Tribunal (IPART) released a number draft policy documents regarding proposed reforms to the NSW infrastructure contributions system.

Council provided a formal response to these draft position papers and will continue to closely monitor the impact of changes to the infrastructure contributions system and how they impact the Wollondilly LGA both in the short and long term.

Loan Borrowings

Proposed loan borrowings including within this plan (in the year the funds are required) are shown in the table below:

Purpose	2022/23	2023/24	2024/25	2025/26
Renewal Program	\$2.51M	\$2.58M	\$2.64M	\$2.69M
Precinct	\$0.85M	\$7.4M	\$7.4M	\$0
Total	\$3.36M	\$9.98M	\$10.04M	\$2.69M

Loan borrowings are indicative and revisited as part the final funding package for all infrastructure projects. What is important to understand as a growth Council is the capacity to sustain debt and service debt now and into the future.

Council has considered the impact of its proposed loan borrowings program and is satisfied that this level of debt is within the recommended levels for a growth Council. The associated debt servicing (loan repayments) has been included in Council's LTFP and is secured against rate income as required under the *Local Government Act 1993*.

Asset Disposal & Property Investment Strategy

Council has a limited portfolio of property holdings which are not engaged in the delivery of essential services to the community. The majority of Council's property assets deliver on services such as:

- Transport Infrastructure,
- Environmental services, such as stormwater management,
- Community Facilities,
- Operational Assets, including administration buildings.

Council does not actively participate in the purchase of property as an investment. The limited number of property investments which Council currently owns primarily relate to land holdings within industrial and residential areas within the Wollondilly LGA.

Council will consider the sale of surplus land where funds are required for capital purposes. Council's criteria for the sale of property assets are as follows:

- The asset is no longer used, or is not required for the provision of a core community service,
- The asset has reached the end of its useful life and provides no further tangible benefit to the community,
- Market conditions indicate that the asset could provide a substantial return which could be used to fund other capital investments,
- The asset is incurring a higher level of maintenance cost than would normally be expected.

While revenue generated from the sale of land assets could be used to alleviate operational budget pressures, this is a financially unsustainable measure as the funding would only provide a short-term solution.

External Influences on Council's Plan

There are a range of external influences which are considered in this Long Term Financial Plan. These external factors represent issues or factors which Council has no control over, or where Council has limited capacity to predict their impact over the long term course of this plan.

Rate Capping

Local Government's ability to align rating revenue with the increased cost of providing services has been restrained for many years by rate pegging. Rate pegging is a legislative instrument whereby the maximum increase in rating revenue is set by IPART. Any significant change to the rate capping process will require Council to review this plan.

In October 2021, the Minister for Local Government announced that the State Government had accepted the Independent Pricing and Regulatory Tribunal's (IPART) recommendation for the inclusion of a population factor into the rate peg.

In December 2021, IPART announced that the rate peg for the 2022/23 financial year would be set at 0.7%. In recognising this significant amount of growth in the Wollondilly Local Government Area, IPART applied an additional 0.6% population growth factor for the 2022/23 financial year. The total rate peg approved by IPART for the 2022/23 financial year is 1.3%.

The Long Term Financial Plan has been updated to reflect an increase in rate income for the 2022/23 financial year of 1.3%.

Economic Conditions

Market based assumptions which have been used in this plan are sourced from Access Economics Business Outlook Report. Council's revenue forecasts for investment income, development income and rating income (through growth) are heavily influenced by the wider economy in general, and as such any significant change from the market assumptions adopted in this revised plan will require Council to review this plan.

Urban Development – Population Growth

The impact of population growth is factored into Council's Long Term Financial Plan. A range of stakeholders are consulted in projecting future land release, including Developers and State Agencies.

Population growth and the timing of growth has a significant influence on Council's LTFP.

Proposed Reforms to the NSW Infrastructure Contributions Systems

In October 2021, the Department of Planning, Industry and Environment (DPIE) and the Independent Pricing and Regulatory Tribunal (IPART) released a number draft policy documents regarding proposed reforms to the NSW infrastructure contributions system.

In summary, the key areas of the reforms include:

- The introduction of Land Value Contributions (LVC),
- New rates for Section 7.12 contributions,
- Changes to the Environmental Planning & Assessment Regulation that seek to make the system, fairer, more efficient and improve transparency,
- Replacing Special Infrastructure Contributions (SIC) with the Regional Infrastructure Contributions (RIC) framework, and

- Two new Ministerial Directions that outline when contributions plans are to be developed and the efficient use of public purpose land.

The LVC is a new mechanism that Councils may choose to adopt within contributions plans as a mechanism to assist in the early acquisition of public land.

Under the current practice, contributions are required from a developer during the Development Application (DA) process and fulfilled via a monetary contribution or the dedication of land to Council. This can often see the price of public land escalate, creating significant funding shortfalls for Local Government.

The introduction of an LVC proposes to shift the timing of when the contribution is due, as well as who is responsible for the contribution. Under this proposed system, an LVC is required when a landowner sells land or during the DA process, whichever comes first.

Council provided a formal response to the draft position papers and will continue to closely monitor the impact of changes to the infrastructure contributions system and how they impact the Wollondilly LGA both in the short and long term.

Other Influences

Council's budget continues to face significant pressures from:

- increasing expenditure as a result of cost shifting from other levels of Government,
- increases in the cost of procuring goods and services, have been consistently higher than rate pegging increases as determined by IPART,
- greater competition in the allocation of external funding, such as the Financial Assistance Grant,
- government policy on grants and contributions to Local Government (in general).

Council includes estimates in its Long Term Financial Plan using the most up to date information available at the time of preparing the plan.

LONG TERM FINANCIAL PLAN ASSUMPTIONS

The Long Term Financial Model uses the current operational budget as its base point. It then uses a number of internal and market driven assumptions to project revenue and expenditure for the following ten years.

A comprehensive analysis of all internal and external factors affecting those assumptions is undertaken as part of preparing the annual budget to ensure there is a level of confidence in the outcomes provided in the Long Term Financial Plan.

In preparing the 2022/23 Long Term Financial Plan, the following underpinning principles have been adopted:

- the range and standard of existing services offered to the community is maintained,
- Council's financial position remains secure and that Council's financial performance is within industry benchmarks (or trending positively),
- The need to closely monitor the current economic climate which continues to be impacted by conflict in Europe, uncertainty regarding inflation and supply chain concerns for goods and materials. Any significant changes will be identified at quarterly reviews of the budget.

Population Growth

The expected population growth which will occur as a result of land releases in Wilton and potentially Appin will be the largest challenge this Council will face. There remains a difficulty in determining the timing of residential development as there is a multitude of factors which influences the release of land.

Despite these difficulties, Council has estimated that 585 new dwellings will be delivered per annum for the next 4 years.

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Additional Dwellings	585	585	585	585	838
	2027/28	2028/29	2029/30	2030/31	2031/32
	838	838	838	838	838

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Population Projection	54,000	54,700	55,400	56,200	57,300
	2027/28	2028/29	2029/30	2030/31	2031/32
	58,700	60,200	61,900	63,800	65,900

Inflation (Consumer Price Index)

In determining the inflationary increase assumption for this Long Term Financial Plan, Council has used the most recent Access Economics Data which indicates that inflation projections for the next ten years will be as follows:

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Underlying Inflation	2.90%	2.20%	2.30%	2.30%	2.30%
	2027/28	2028/29	2029/30	2030/31	2031/32
	2.30%	2.30%	2.30%	2.30%	2.30%

This assumption has been used for preparing estimates in this plan where inflation (CPI) has been identified as the trigger for contract or material price increases.

Given the current uncertainty regarding inflation and the impact of global events such as conflict in Europe on the broader economy, Council will closely monitor changes to inflation and will identify any budgetary impact as part of the quarterly review process.

Interest Rate Movements

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Return on Investment	1.20%	1.70%	2.10%	2.60%	3.00%
	2027/28	2028/29	2029/30	2030/31	2031/32
	3.00%	3.00%	3.00%	3.00%	3.00%

Council has used Access Economics 90-day commercial bank bill rate to determine forecast projections for interest on investments. Notwithstanding this projection, Council has in recent years consistently achieved better returns than the official cash rate. As a result of this, an investment target of 1.2% has been set for 2022/23.

Borrowing Costs

Borrowing cost projections have also been determined on the basis of Access Economics Data. The interest rate obtained within the Economic Outlook has been used in calculating the interest costs of Council's proposed loan borrowings included within this plan.

Council will secure the most competitive interest rates when borrowings are required through obtaining loan quotes, which will include obtaining rates from NSW Treasury (TCorp).

Financial Year	2022/23	2023/24	2024/25	2025/26	2026/27
Borrowing Costs	3.30%	3.30%	3.80%	4.20%	4.50%
	2027/28	2028/29	2029/30	2030/31	2031/32
	4.50%	5.00%	5.00%	5.00%	5.00%

Revenue and Expenditure Assumptions

The below tables outline Council's financial assumptions by revenue and expenditure types. Also included is a brief description as to how Council has determined the assumption.

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Rates & Annual Charges										
Rate Peg including Growth	1.30%	1.00%	1.50%	1.50%	2.40%	2.60%	3.10%	3.40%	3.80%	4.20%
Special Rate Variation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Supplementary Rate Income	\$752K	\$760k	\$771K	\$784K	\$1.14M	\$1.17M	\$1.2M	\$1.24M	\$1.28M	\$1.31M
Domestic Waste Service Charge	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Stormwater Levy Charge	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Comments:										
Council calculates its waste management service charges to ensure that its total income can fund the operating and maintenance costs associated with providing the service, including provisions for major plant replacement. Domestic Waste Management Charges are determined through the use of a dedicated ten-year waste management financial model, which considers the impact of growth on service delivery over the long term horizon.										
Council levies a charge on properties within the LGA which have a stormwater service. The Stormwater Levy charge for 2022/23 is \$25 for a single dwelling. This is the maximum amount which can be levied under the Stormwater Management Levy.										

Revenue Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
User Fees & Charges (Including Lease Income)										
Statutory Fees & Charges	Increase is not determined by Council – Increases are in accordance with relevant legislation									
Other Discretionary Fees	2.50%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%

Loan Borrowings	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Loan Borrowings (indicative)	\$3.36M	\$9.98M	\$10.04M	\$2.69M	\$0	\$0	\$0	\$0	\$0	\$0

Expenditure Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Employee Costs & Overheads										
Industry Award Increase	2.50%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Superannuation Payments	10.50%	11.00%	11.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Workers Comp Target (% Wages)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Expenditure Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Materials & Contracts										
Underlying Inflation	2.90%	2.20%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%

Expenditure Budget Assumption	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Depreciation & Amortization										
Projected Depreciation Cost	\$16.6M	\$18.5M	\$19.5M	\$20.6M	\$21.7M	\$22.7M	\$23.8M	\$24.8M	\$25.9M	\$26.9M

LONG TERM FINANCIAL PLAN – SCENARIO ANALYSIS

Long Term Financial Plan Base Model

Council has updated its long term financial plan base model to reflect the changes outlined in the assumptions described earlier in this document. The financial model is for a period of 10 years. It considers current services and service levels, workforce planning and asset management. The model also includes increases in income and expenditure as a result of growth.

Like all businesses, Council must budget and prioritise the allocation of its resources. Council has determined the community's priorities through both community consultation and Council's draft Community Strategic Plan.

	Base Model
Existing Service Levels	Maintained
Rate Peg Inclusive of Population Growth Factor	Included
Workforce Planning Requirements	Funded
Asset Management Maintenance & Renewal	Funded

Maintaining Existing Service Levels

This plan allows for:

- the existing range of services provided by Council,
- maintaining the existing standards and levels of these services.

While it is anticipated that service priorities will change as population grows, it is not envisaged the range of services, nor the standards at which they are delivered will change significantly. Council will engage with the community as part of the Integrated Planning and Reporting Framework to validate this assumption.

Rate Peg Inclusive of Population Growth Factor

In December 2021, IPART announced that the rate peg for the 2022/23 financial year would be set at 0.7%. IPART also applied a growth factor for Wollondilly of 0.6%, after considering the supplementary rate income council would receive and the change in population growth. The total rate peg approved by IPART for the 2022/23 financial year is 1.3%.

For future years, Council has taken a more conservative view, projecting a rate peg of 1.8% per annum and a population growth factor of 1.2% per annum. This results in a combined rate income increase projection of 3% per annum.

Workforce Planning

Council's Workforce Management Plan aims to ensure that as an organisation, Council has the right people, in the right place, at the right time.

The Workforce Management Plan plays an important role in achieving the goals outlined in Council's Community Strategic Plan, as it is through our largest and most important resource, our people that we will achieve these goals. The Workforce Management Plan allows for an additional 74 positions over the next ten years. These positions are critical in ensuring that Council is able to provide the range of services and maintain service levels to a standard the community expects.

Asset Management Maintenance & Renewal

Funding has been allocated in Council's Long Term Financial Plan to reflect this additional expense. The funding required has been phased in over time to align with the Council's Asset Management Plan. Additional funding requests for asset maintenance and infrastructure renewal are considered annually as part of the budget process and is informed by the timing and handover of assets to Council.

Sensitivity Analysis and Risk Assessment

The major risk factor in each of these financial models continues to be the growth assumptions. Wollondilly is part of the South West Growth Sector. Our population is expected to increase to approx. 150,000 residents over the next 30 years, the timing of this growth is critical to the outcomes of this plan.

In preparing this plan, Council has taken careful consideration of the following factors:

- State Government Land Release Policy (land rezoning),
- Housing schemes that promote sales,
- Economic conditions and the impact on developers and home buyers,
- Council's capacity to deliver subdivisions (staffing),
- The relationship between population growth and land release,
- The impact growth has on service levels,
- Feedback from developers on current market conditions,
- The difference in timing between increases in expenditure and the realisation of additional income through rates.

Council has very little control over many of these factors and therefore must respond to change quickly. To assist in managing this risk Council has developed the following strategies:

- Quarterly meetings with key Strategic and Development staff to discuss corporate assumptions about growth,
- Council's LTFP is updated annually.
- Liaise with State agencies to discuss the timing of land release,
- Historical analysis of financial outcomes (what can we learn from past assumptions).

Other risk factors which have been assessed in this plan include:

Dedication of assets to Council

The majority of infrastructure (roads, bridges, drainage and buildings) and open space is dedicated to Council through a Works in Kind Agreement, Voluntary Planning Agreement or as a condition of development consent (S80A).

The magnitude of assets dedicated to Council is in the millions. The value and timing of these assets is extremely difficult to predict. Although Council has some control over when it will accept assets from developers, Council must still plan for increases in its operational budget (including workforce planning) to maintain the new assets. This is considered a key risk factor and is continually monitored to ensure long-term planning estimates are accurate.

Depreciation Expense

From a recurrent operations perspective, the increasing depreciation expense is a significant issue for Council. The impact of depreciation expense is significant due to a unique environment of substantial growth, Council's current economies of scale and the method used to calculate depreciation expense. Council is currently constructing or receiving dedicated assets that provide for a population in the future. The straight-line method of calculating depreciation expense does not consider growth or the current population, meaning the expense is representative of a higher capacity to pay or greater economies of scale. There is also a timing issue to consider, Council must provide for infrastructure now, this cannot be done after the population arrives. There is a delicate balance between what the current population is responsible for and those who are not yet part of our community. It is not as simple as increasing revenue tomorrow to off-set the expense.

Section 7.11 Cash Reserves

Council continues to review Section 7.11 plans to ensure cash flow is consistent with the timing of planned capital works programs. Plans are assessed for cash shortfalls and if required other funding sources identified. The Section 7.11 cap placed on contributions from developers and the removal of some infrastructure (non-essential) able to be funded through Section 7.11 has made delivering Greenfield sites challenging.

State Government Policy and Local Government Reform

Council considers the impact of State Government Policy and Local Government Reform, which both have significant impact on Local Government. Currently the Infrastructure Contributions framework in NSW is under review and therefore it is difficult to determine the financial impact at this stage.

Economic Uncertainty/Global Events

Council will closely monitor the current economic climate which continues to be impacted by conflict in Europe, uncertainty regarding inflation and supply chain concerns for goods and materials. Any significant changes will be identified at quarterly reviews of the budget.

Conclusion

Wollondilly's extraordinary growth is a challenge but also brings great opportunity for the future, with well planned communities and smart sustainable infrastructure. The LTFP has been prepared on the basis of local knowledge and economy, respected economic publications and historical data.

The LTFP assists Council to understand its financial capacity, financial sustainability and supports the outcomes in the Community Strategic Plan. It ensures Council can meet service demand and service levels now and into the future.

While COVID-19 and current world events continue to influence our lives, Council is well positioned financially to continue to support our community through the pandemic and meet the challenges of the future.

Long Term Financial Plan – Alternate Scenarios

This Long Term Financial Plan contains a range of alternate scenarios which focus on the level of rate income generated in the 2022/23 Financial Year. As the 2022/23 financial year was the first year that the rate peg has included a population growth factor, these alternate models have been developed to emphasise the importance of this population growth factor to ensure long term financial sustainability.

Scenarios have been developed based on a rate peg increase of 1.3% +/- 10% for growth in new lots for the 2022/23 financial year.

Model	2022/23 Rate Peg	Revenue change over 10 years
Worst Case	-10% growth	-\$3.4m
Baseline	1.3%	\$0
Best Case	+10% growth	+\$3.4M

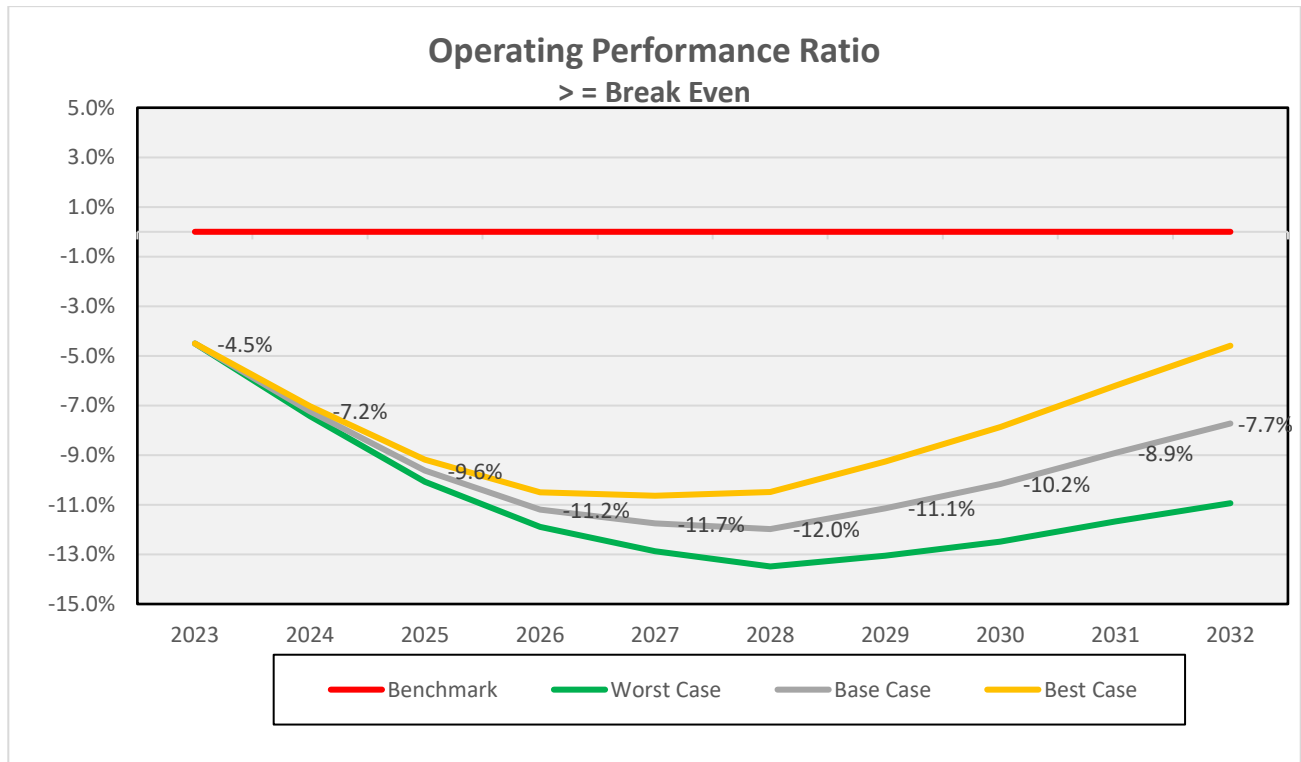
The next section of this document outlines the impact each of these scenarios have on Council's financial performance indicators that demonstrate long term financial sustainability.

RATIO ANALYSIS AND LONG TERM FINANCIAL SUSTAINABILITY

This section of the plan summarises the key financial ratio's that assist councils to determine their financial health and sustainability.

Operating Performance Ratio

This ratio measures Council's ability to fund operations now and into the future. The benchmark for this ratio is to be greater than or equal to break-even - average over 3 years



Financial Year :	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Worst Case	-4.5%	-7.4%	-10.1%	-11.9%	-12.9%	-13.5%	-13.1%	-12.5%	-11.7%	-10.9%
Base Case	-4.5%	-7.2%	-9.6%	-11.2%	-11.7%	-12.0%	-11.1%	-10.2%	-8.9%	-7.7%
Best Case	-4.5%	-7.0%	-9.2%	-10.5%	-10.6%	-10.5%	-9.3%	-7.9%	-6.2%	-4.6%

Total continuing operating revenue (exc. capital grants & contributions) less operating expenses

Total continuing operating revenue (exc. capital grants & contributions)

Comments

The Wollondilly LGA is one of the growing areas in NSW. This brings the challenges of planning and delivering service demand and infrastructure sometimes years before additional income is

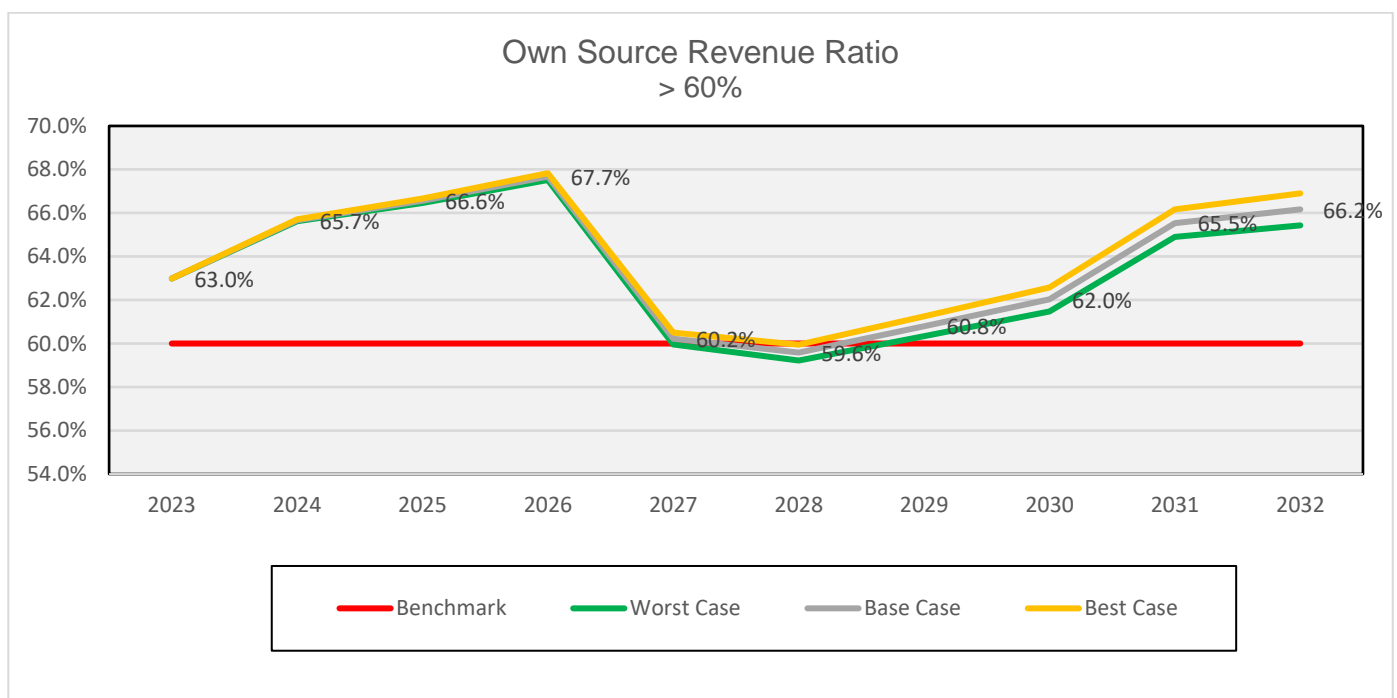
realised through growth. Rates and annual charges income is expected to increase significantly over the next 10 years, providing greater economies of scale in the later years of the long term financial plan. The Operating Performance Ratio remains below breakeven predominately due to high depreciation expense, resulting from infrastructure constructed for future growth in the area. A Council undertaking greenfield developments cannot decide to deliver infrastructure once the population is fully realised, it must deliver services and infrastructure from the time growth commences. It is expected that this ratio will improve over time as Council's economies of scale catches up growth.

It is important to note that the operating performance ratio is not a measure of the Council's budget or cash position. Council has a history of adopting balanced or surplus budgets and prudently managing expenditure throughout the year to ensure at each quarterly budget review the budget remains in a balanced or surplus position. Council's cash reserves and ability to fund debt (borrowings) are in a strong position.

Under the scenarios, the operating performance ratio is impacted where different rating income models are considered.

Own Source Revenue Ratio

This ratio measures Council's reliance on external funding (fiscal flexibility). The benchmark for this ratio is to be greater than 60 % - average over 3 years.



Financial Year :	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
Worst Case	63.0%	65.6%	66.5%	67.5%	60.0%	59.2%	60.3%	61.5%	64.9%	65.4%
Base Case	63.0%	65.7%	66.6%	67.7%	60.2%	59.6%	60.8%	62.0%	65.5%	66.2%
Best Case	63.0%	65.7%	66.7%	67.8%	60.5%	59.9%	61.3%	62.6%	66.2%	66.9%

Total continuing operating revenue less all grants & contributions

Total continuing operating revenue incl. of capital grants & contributions)

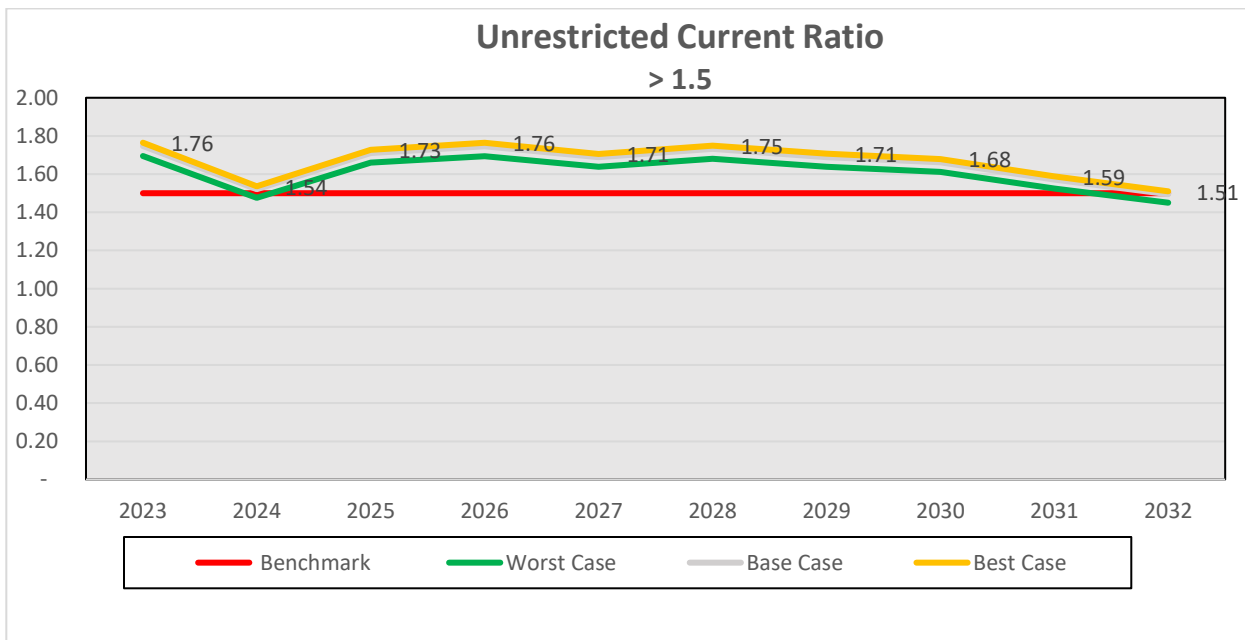
Comments

Wollondilly Council receives a significant amount of non-cash capital income which distorts this ratio. The non-cash capital income is due to the high level of development infrastructure delivered through Works In-Kind Agreements or Voluntary Planning Agreements and Section 80A.

It is unlikely Council will always meet this benchmark in the future. If Council removes the non-cash income for dedicated assets from this ratio calculation, Council would meet the benchmark in all years.

Unrestricted Current Ratio

This ratio measures Council’s ability to fund short term financial obligations such as loans, payroll and leave entitlements (measures liquidity). The benchmark for this ratio is greater than 1.5: 1.



RATIO CHECKS	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Worst Case	1.69	1.48	1.66	1.69	1.64	1.68	1.64	1.61	1.52	1.45
Base Case	1.75	1.52	1.71	1.75	1.69	1.73	1.69	1.66	1.57	1.49
Best Case	1.76	1.54	1.73	1.76	1.71	1.75	1.71	1.68	1.59	1.51

Current assets less all external restrictions

Current liabilities less specific purpose liabilities

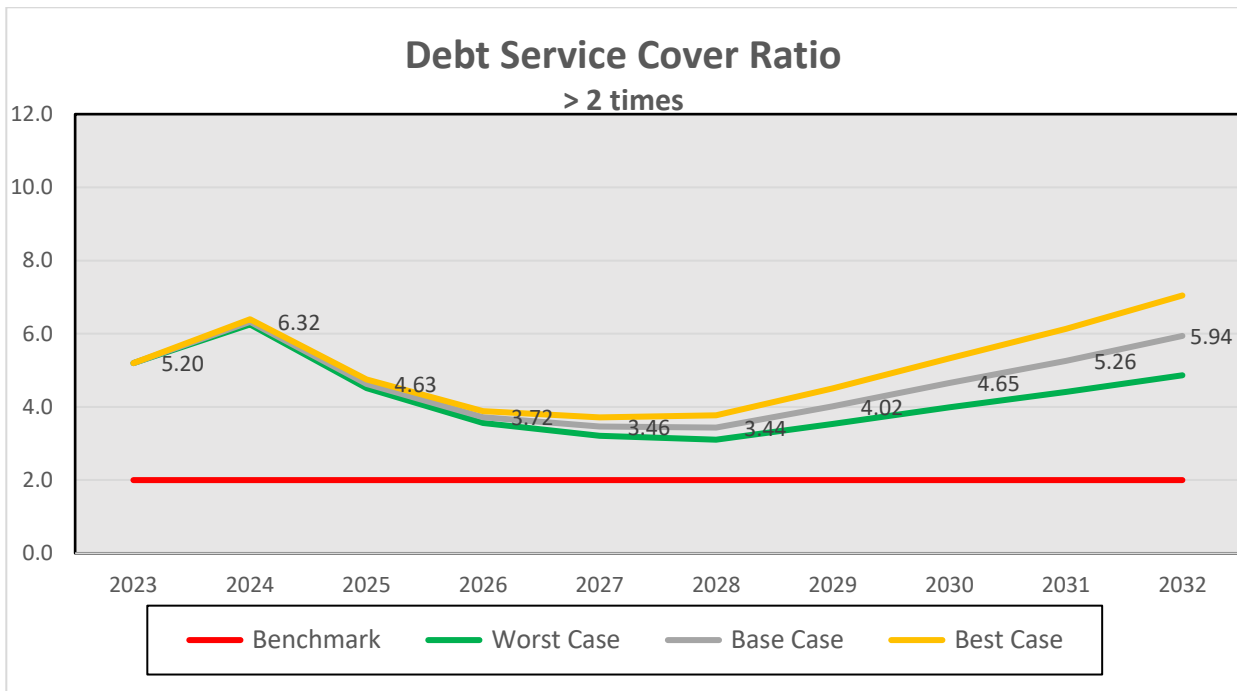
Comments

This indicator measures a Council's ability to fund its short-term liabilities. It is estimated in 2022/23 that Council will have \$1.75 to fund every \$1 of liability. Forecasts indicate that Council will remain above or on benchmark levels over the life of the plan, showing strong financial sustainability.

There is a negligible difference in this ratio under the different scenarios.

Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark for this ratio is greater than 2.



Financial Year :	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Worst Case	5.20	6.25	4.51	3.56	3.21	3.10	3.54	3.99	4.41	4.87
Base Case	5.20	6.32	4.63	3.72	3.46	3.44	4.02	4.65	5.26	5.94
Best Case	5.20	6.39	4.75	3.88	3.71	3.77	4.51	5.33	6.13	7.04

Operating result before capital excl. interest, depreciation, impairment & amortisation

Principal repayments and borrowing costs

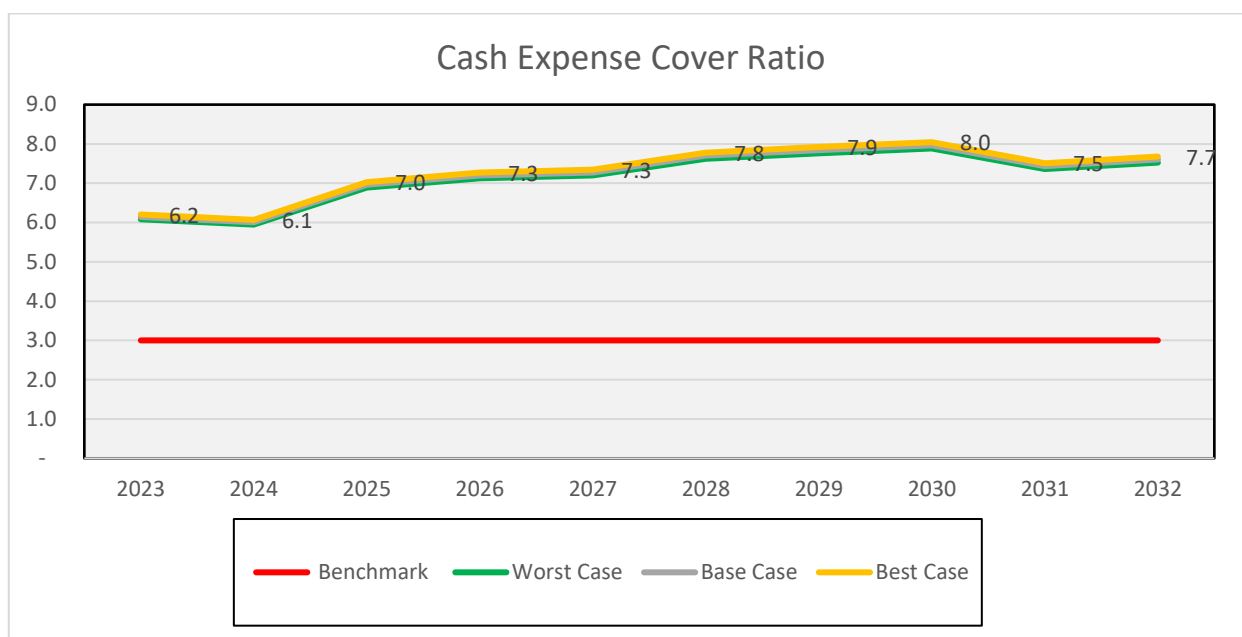
Comments

Council's Long Term Financial Plan considers existing loans and proposed new loans. With the inclusion of the proposed borrowings, Council's forecast position remains above benchmark and steadily improves over the life of the plan.

This ratio is impacted by the scenario modelling with a lower debt service cover ratio for each of the scenarios compared to the base model.

Cash Expense Cover Ratio

This ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow. The benchmark for this ratio is greater than 3 months.



Financial Year :	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Benchmark	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Worst Case	6.1	5.9	6.9	7.1	7.2	7.6	7.8	7.9	7.4	7.5
Base Case	6.1	6.0	7.0	7.2	7.3	7.7	7.8	8.0	7.4	7.6
Best Case	6.2	6.1	7.0	7.3	7.3	7.8	7.9	8.0	7.5	7.7

Cash and cash equivalents incl. term deposits

Payments of operating & financing activities

Comments

Council's result is well above the benchmark over the life of the long-term financial plan. The timing of the receipt of cash (including loans) and expenditure will also impact this ratio.

This ratio is not impacted by the alternative rate income scenarios.

APPENDICES: LONG TERM FINANCIAL PLAN – FINANCIAL STATEMENTS

Wollondilly Shire Council Long Term Financial Plan 2022/23 - 2031/32										
Income Statement Projections										
	Delivery Program 2022/23 - 2024/25			Delivery Program 2025/26 - 2028/29				Delivery Program 2029/30 - 2032/33		
Year Ending	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
Income from Continuing Operations										
Rates and Annual Charges	52,825	54,957	56,743	58,576	61,809	64,875	68,391	72,241	76,554	81,231
User Charges and Fees	10,114	10,662	11,195	11,755	12,343	12,960	13,608	14,288	15,003	15,753
Interest & Investment Revenue	1,263	1,327	1,393	1,463	1,536	1,612	1,693	1,778	1,867	1,960
Other Revenues	1,307	1,372	1,441	1,513	1,589	1,668	1,752	1,839	1,931	2,028
Grants & Contributions for Operating Purposes	9,546	9,937	10,132	10,330	10,533	10,740	10,951	11,166	11,385	11,609
Grants & Contributions for Capital Purposes - Cash	11,403	7,752	6,896	5,664	12,622	15,703	14,847	13,991	7,938	8,552
Contributions for Capital Purposes -Non Cash (S7.11 ,S80A)	17,550	18,033	18,529	19,024	27,885	28,583	29,297	30,030	30,817	31,474
Total Income from Continuing Operations	104,008	104,040	106,329	108,325	128,317	136,141	140,539	145,333	145,495	152,607
Expenses from Continuing Operations										
Employee Costs	30,718	32,622	34,418	36,287	38,811	40,778	42,661	44,654	46,724	48,871
Borrowing Costs	412	477	1,398	1,664	1,731	1,945	1,769	1,613	1,470	1,331
Materials and Contracts	23,956	25,284	26,380	27,527	28,722	29,968	31,264	32,617	34,027	35,564
Depreciation	16,604	18,434	19,081	19,770	20,766	21,708	22,596	23,484	24,372	25,422
Other Expenses	6,745	7,095	7,414	7,748	8,097	8,461	8,842	9,240	9,655	10,090
Total Expenses from Continuing Operations	78,435	83,912	88,691	92,996	98,127	102,860	107,132	111,608	116,248	121,278
Operating Result from Continuing Operations Surplus/(Deficit)	25,573	20,128	17,638	15,329	30,190	33,281	33,407	33,725	29,247	31,329
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes Surplus/(Deficit)	(3,380)	(5,657)	(7,787)	(9,359)	(10,317)	(11,005)	(10,737)	(10,296)	(9,508)	(8,697)

**Wollondilly Shire Council Long Term Financial Plan 2022/23 - 2031/32
Balance Sheet Projections**

	Delivery Program 2022/23 - 2024/25			Delivery Program 2025/26 - 2028/29				Delivery Program 2029/30 - 2032/33		
Year Ending	2023 \$000s	2024 \$000s	2025 \$000s	2026 \$000s	2027 \$000s	2028 \$000s	2029 \$000s	2030 \$000s	2031 \$000s	2032 \$000s
Current Assets										
Cash & Cash Equivalents	5,000	5,150	5,292	5,424	5,560	5,699	5,841	5,987	6,137	6,290
Investments	30,794	31,120	38,925	42,955	46,160	51,530	54,861	58,315	56,506	60,610
Receivables	10,544	10,706	11,020	11,337	12,883	13,616	14,133	14,687	14,844	15,704
Inventories	2,292	2,419	2,523	2,633	2,747	2,867	2,991	3,120	3,255	3,402
Other (Includes Assets Held for Sale)	261	275	287	300	313	327	341	356	372	388
Total Current Assets	48,891	49,670	58,048	62,649	67,663	74,038	78,166	82,465	81,113	86,394
Non-Current Assets										
Investments	28,900	26,700	17,000	13,500	11,500	9,000	9,000	9,000	9,000	9,000
Right of Use Assets	2,610	2,690	2,765	2,830	2,900	2,975	3,050	3,130	3,210	3,295
Infrastructure, Property, Plant & Equip.	667,948	698,831	728,017	744,811	771,921	801,540	830,988	860,590	901,190	907,242
Total Non-Current Assets	699,458	728,221	747,782	761,141	786,321	813,515	843,038	872,720	913,400	919,537
Total Assets	748,349	777,891	805,830	823,789	853,983	887,554	921,204	955,185	994,513	1,005,932
Current Liabilities										
Payables	14,110	14,832	15,468	16,063	16,679	17,301	17,946	18,622	19,327	20,083
Contract Liabilities	501	465	463	456	665	717	717	719	653	672
Lease Liabilities	350	370	200	240	200	250	300	325	350	400
Borrowings	1,558	1,048	1,581	1,736	1,737	1,622	1,569	1,638	1,710	1,786
Provisions	8,059	8,336	8,627	8,929	9,241	9,567	9,856	10,153	10,459	10,772
Total Current Liabilities	24,578	25,051	26,340	27,424	28,522	29,457	30,389	31,457	32,499	33,714
Non Current Liabilities										
Lease liabilities	2,341	2,341	2,291	2,316	2,376	2,401	2,426	2,481	2,536	2,571
Borrowings	4,839	13,776	22,231	23,185	21,448	19,825	18,257	16,619	14,908	13,122
Provisions	21,229	21,234	21,842	22,410	22,993	23,944	24,801	25,572	26,267	26,894
Total Non Current Liabilities	28,409	37,351	46,364	47,911	46,816	46,170	45,483	44,672	43,711	42,586
Total Liabilities	52,987	62,402	72,703	75,335	75,338	75,628	75,872	76,129	76,210	76,300
Net Assets	695,362	715,489	733,126	748,454	778,645	811,926	845,332	879,056	918,302	929,631
Equity										
Retained Earnings	472,925	493,052	510,689	526,017	556,208	589,489	622,895	656,619	695,865	707,194
Revaluation Reserves	222,437	222,437	222,437	222,437	222,437	222,437	222,437	222,437	222,437	222,437
Total Equity	695,362	715,489	733,126	748,454	778,645	811,926	845,332	879,056	918,302	929,631

Our Strategy

In the context of the challenges faced by Council, we have identified three overall strategic actions relating to our people, which form the foundation of the Workforce Management Strategy. These priorities have been developed to align with our Business Enhancement Plan as well as to achieve the objectives of the Community Strategic Plan. In addition, there are many 'business as usual' activities that compliment or add further value to enhance the performance of our workforce.

Our three priorities:

1. We are strategic in how we attract and retain the best people
2. We embrace growth and change while also enhancing the agility and capability of our people
3. We lead at all levels to enable a culture of high performance and collaboration

The diagram below shows the links between priorities for our people, the Business Enhancement Plan, the Workforce Management Strategy, the Community Strategic Plan (CSP), the Delivery Program, Operational Plan, Business Plans and Individual Staff Plans (My Plan).



The key objective of this Strategy is to consider what staff capabilities, skills and expertise we require to implement the four-year Delivery Program and meet the growth imperative.

Workforce planning helps ensure that we achieve the community's strategic goals, as expressed in the Community Strategic Plan. The development of an effective workforce strategy will establish a framework for dealing with immediate and emerging challenges in a consistent way while considering the medium and long term needs of the organisation

OUR VISION

In January 2021 a new organisational vision was adopted by Council. Our people told us they were committed to the community, acting as one team and driven to do their best for Wollondilly. From this feedback, we created the following vision:

To make Wollondilly an even better place, together.

Our vision statement means that whether you are a customer, resident, business owner, employee or part of the community we serve, Council exists 'to make Wollondilly an even better place, together'. Our purpose will enable us to deliver stronger and more consistent services for the community.

OUR VALUES

Our Values are what we, as an organisation, believe in and stand for. They are at the heart of what we do and they guide our actions, decisions and behaviours.

Our Values are embedded in our recruitment processes, our Performance System, our organisational policies and procedures and all aspects of how we work with our people.

Our Values are:

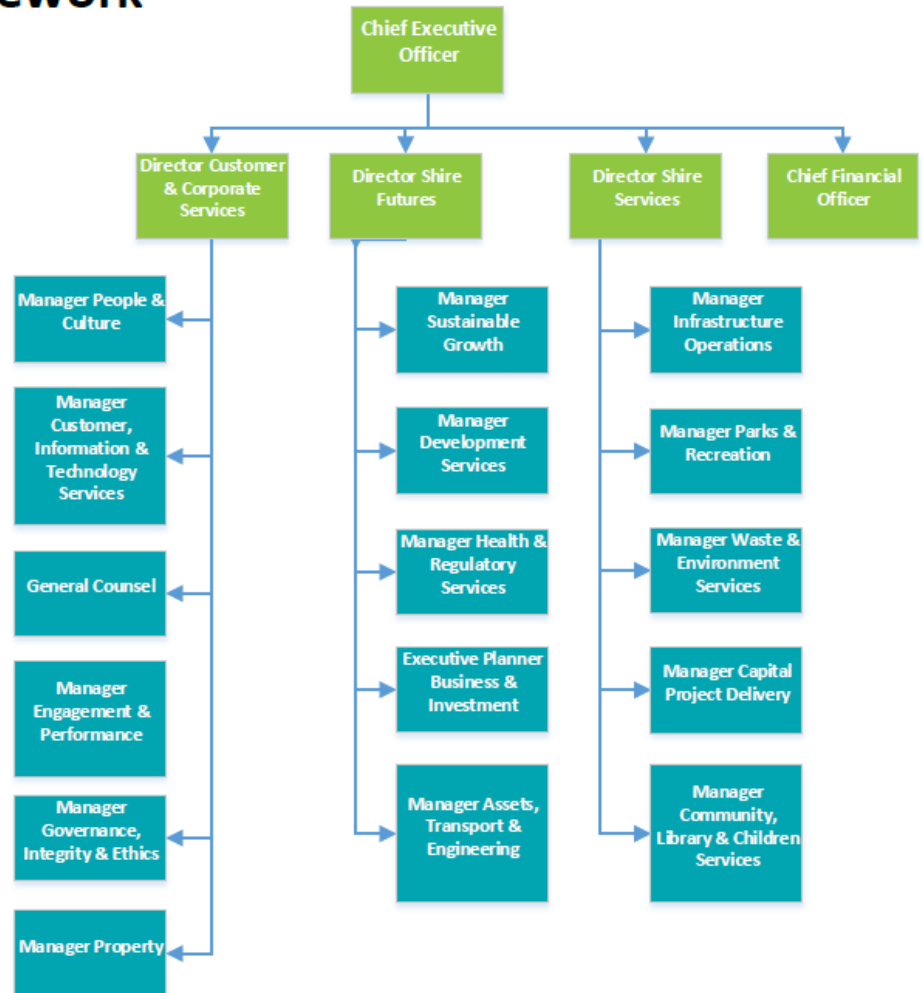


ORGANISATIONAL FRAMEWORK

Council delivers services to the community through four divisions, overseen by the Chief Executive Officer. The activities undertaken by these Directorates are guided by our Delivery Program Operational Plan.



Organisational Framework



Council's organisational framework is consistently reviewed and evolves to maintain high performance in-service delivery and the best customer experience in everything we do.

Framework reviews focus on key strategies including:







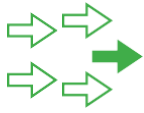



- Building on strengths
- Enabling organisational success
- Customer centricity
- Formalised and structured collaboration
- Maintaining strong links between planning and service delivery
- Organisational development and improvement
- Core service delivery

The organisational framework will continue to evolve and change as we grow to respond to the challenges and opportunities that arise in the future.

OUR CURRENT SERVICES

Section	Service
<i>Engagement and Performance</i>	Business enhancement, corporate strategy, integrated planning and reporting, communications and engagement, public relations and media, advocacy, grants and awards, tourism and business support
<i>People and Culture</i>	Human resources, industrial relations, learning and development, work health and safety, payroll, recruitment and selection
<i>Customer, Information and Technology</i>	Information technology, data and records management, gippa, customer service, and GIS
<i>Community Services</i>	Community development, community projects, Dilly Wanderer service, library services, children's services, arts and culture, events, community recovery and resilience
<i>General Counsel</i>	All legal matters
<i>Integrity and Governance</i>	Corporate Governance, Councillor Support, Council meetings, Enterprise Risk Management, Audit Risk and Improvement Committee, Public Liability and Insurance and Complaints Management
<i>Sustainable Growth</i>	Strategic planning, planning proposals, developer contributions, growth centre planning
<i>Development Services</i>	Development applications, building surveying and approval, pre-lodgement services, construction certification, fire safety inspections, subdivision application approvals, planning certificates, duty planning
<i>Health and Regulatory Services</i>	Ranger and animal services, compliance and parking enforcement, Illegal dumping enforcement (private and public land), animal shelter, fire permits, approval to operate (ATOs), public health and food shop management
<i>Business Investment</i>	Significant development applications, business investment and job creation strategy
<i>Infrastructure Operations</i>	Road design, civil construction and maintenance, building maintenance, fleet, emergency management, driveway approvals
<i>Parks and Recreation</i>	Area maintenance, sporting fields, public toilets, trees, facilities planning and management, halls, cemeteries
<i>Waste and Environmental Services</i>	Environmental and sustainability services, biodiversity, biosecurity, community nursery, waste collection and management
<i>Property and Project Delivery</i>	Council property management , leases and licenses, civil and building major project management
<i>Assets, Transport and Engineering</i>	Road and transport planning, strategy and management, subdivision assessment, inspections and certifications and asset acceptance, asset management strategy and planning, floodplain and stormwater management, road safety, street lighting
<i>Finance</i>	Procurement strategy, financial management, rates, investment management, accounting and financial reporting

CURRENT WORKFORCE SNAPSHOT

 Head Count 314	 Male Female 52% 48%		 Diversity 																														
			% People with Disability	% ATSI	% Multilingual																												
			1.1%	2.1%	3.6%																												
Full Time Equivalent 278 	Average Length of Service 8.9 years 		Permanent Staff Age Profile <table border="1" data-bbox="917 459 1484 873"> <thead> <tr> <th>Age</th> <th>No. of Staff</th> </tr> </thead> <tbody> <tr><td>15-19</td><td>0</td></tr> <tr><td>20-24</td><td>8</td></tr> <tr><td>25-29</td><td>17</td></tr> <tr><td>30-34</td><td>28</td></tr> <tr><td>35-39</td><td>26</td></tr> <tr><td>40-44</td><td>29</td></tr> <tr><td>45-49</td><td>33</td></tr> <tr><td>50-54</td><td>42</td></tr> <tr><td>55-59</td><td>38</td></tr> <tr><td>60-64</td><td>26</td></tr> <tr><td>65 or older</td><td>8</td></tr> <tr><td>Total</td><td>255</td></tr> </tbody> </table> <table border="1" data-bbox="917 907 1484 940"> <tr> <td>Total Average Age</td> <td>46.55</td> </tr> </table>			Age	No. of Staff	15-19	0	20-24	8	25-29	17	30-34	28	35-39	26	40-44	29	45-49	33	50-54	42	55-59	38	60-64	26	65 or older	8	Total	255	Total Average Age	46.55
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Turnover 14.8% 	Our People who live in the Shire  170																																
Apprentices and Trainees 16 	Total Casual Staff 19 Total Temporary Staff 25																																
 Women in permanent leadership positions	People Leaders 8	Team Leaders 18	Managers 2	Directors 2																													

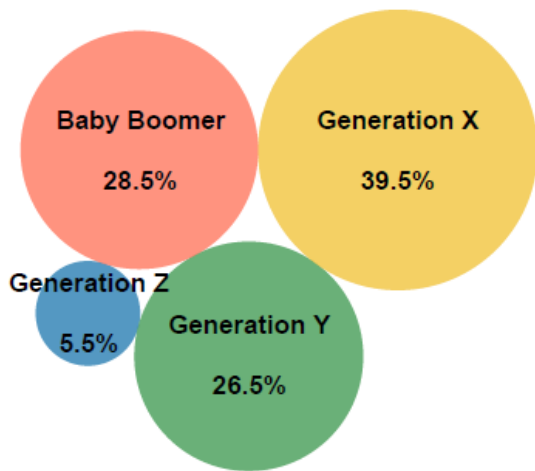
\$ What does our workforce cost?

Current employee costs and future forecasts



INVESTMENT IN LEARNING AND DEVELOPMENT

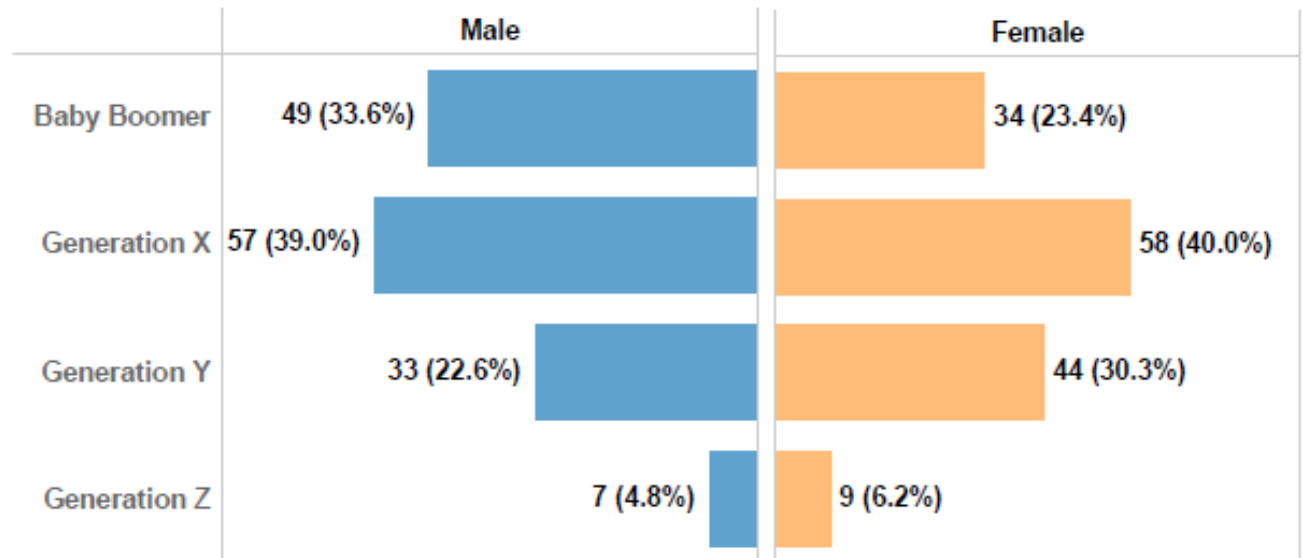
Council is committed to the ongoing development of our people. In 2021, our investment in training was \$303,037. Council spent an average \$1090 per full time equivalent employee which is comparable to the NSW Council average of \$1084. We support our people to attend a range of formal and informal learning activities, conferences, and courses and provide a mechanism for educational assistance support for formal qualifications and further education.



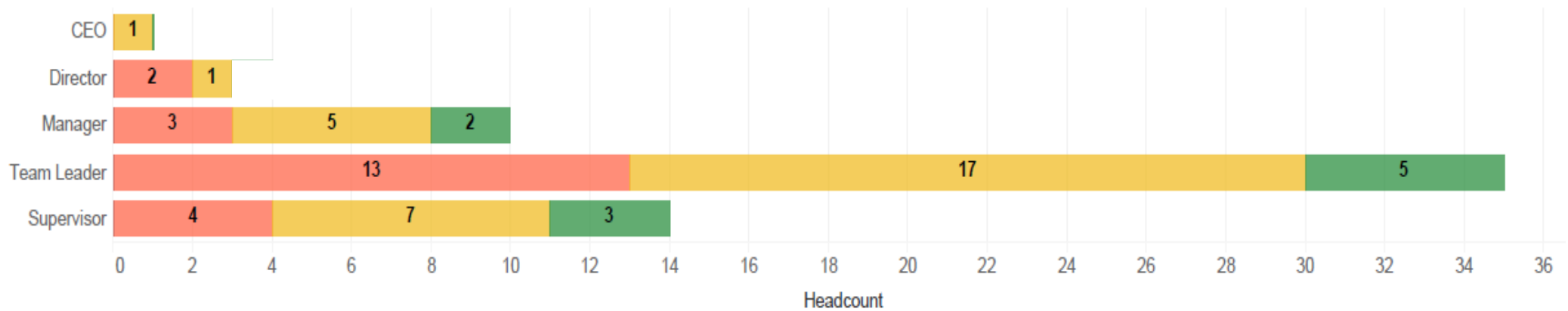
Definition:

Baby Boomer (1943 - 1966)
Generation X (1967 - 1980)
Generation Y (1981 - 1994)
Generation Z (post 1994)

Gender by generational split



NB: The above chart sums to 100% by gender



■ Generation Z
 ■ Baby Boomer
 ■ Generation X
 ■ Generation Y

WHAT ARE THE RISKS WE FACE?

RESOURCING IN A HIGH GROWTH CONTEXT

A key challenge for Wollondilly is the management of pressures caused by the increasing workload on our existing workforce. This increased workload can be attributed to a variety of different factors, particularly the increased growth of the Shire and changing service expectations from our customers. Currently our Planning section is experiencing a particularly large increase in workload, with increases in the number of development applications, compliance requests, and planning proposals. There are also significant and understandable expectations from our community to prioritise resources towards roads maintenance. Feedback from our latest Community Survey supports these growing demand areas and highlights the need to improve our communication and engagement with the community on our future strategic direction.

Skill shortages in key positions such as Development Assessment Planners and Building Surveyors, coupled with the substantial growth in the housing and construction sector has led to difficulty recruiting these positions. Service demand has also increased in Council's engineering and asset project delivery streams, which are fundamental to the efficient processing and delivery of development proposals and the delivery of infrastructure renewal and maintenance.

Growth and increased demand also add pressure on our support services including People Services, Finance and Information Technology.

The organisation does not currently have sufficient resourcing to fund additional positions in response to these pressures. Rate pegging, along with State Government functions being transferred to councils, continues to be a significant impost. Financially, we need to consider new and innovative ways to meet these challenges including investing in more smart technology, position redesigns, service reviews and shared service arrangements.

Having clearly defined roles and responsibilities in our work processes and practices is also critical to ensure our services are operating as efficiently and effectively as possible. Increased advocacy from councils for additional resourcing from the State Government should also be an important consideration. Council will continue to deliver services through a combination of internal and external resourcing. Opportunities for position redesigning, multiskilling, automation of work practices and streamlining of work processes will be investigated prior to additional positions being approved. Our focus will be on the on the major priorities of Council, rather than stretching into new services or areas which are not core priorities. This approach will ensure we are investing our available resources effectively and aligning our operations with community expectations.

Refer to Action Plan 1.1 and 2.7 for details of our strategies to address this risk.

LEARNING AND PEOPLE CAPABILITY

During the next four years, there is a strong need to support our workforce to adapt to new ways of working by increasing the skills and capabilities of people at all levels.

The National Industry Insights Report, Department of Education, Skills and Employment (2020/21) identifies an increased cross sector demand for the following priority skill areas:

- Adaptability and learning

- Collaboration
- Digitisation
- Industry and occupation specific skill areas

The LinkedIn Workplace Learning Report 2021 also clearly identifies resilience and adaptability as the number one power skill for success in the new world of work.

In addition, our own internal consultation and external benchmarking has identified a number of immediate people capability priority areas, including:

- Customer centricity
- Emotional intelligence
- Contract/project management
- Regulatory services
- Mental health resilience
- Grant funding and advocacy
- Change management
- Financial acumen

It is clear we will need a highly skilled workforce to support our growth into the future. In 2021, Council commenced development of an organisational Capability Framework, which outlines the expected attributes, behaviours and skills for each role within Council. This corporate initiative will continue to develop in line with emerging research and the needs of the organisation.

Changes ushered in by COVID-19 have impacted the learning and development industry in many ways. Council is likely to face more disruption ahead, with the organisation set to function more as a hybrid workplace over the coming years, with some employees working remotely and some onsite. Corporate learning programs and activities will need to be easily accessible, adaptable and flexible, with blended online learning options (a mix of virtual instructor-led training and online learning) will need to be available and readily accessible for all staff.

The creation of Learning and Development Plans each year assists in the identification of current and emerging skill and knowledge requirements, budgeting, career planning and succession planning. This is undertaken through the annual performance management review process and detailed learning needs analysis.

Council will also need to develop mentoring programs. The mentoring programs will support future leaders to acquire the experience, knowledge and skills to advance their careers within Council and better define career paths through succession planning and the introduction of intermediate roles that bridge the gaps between management and leadership.

Refer to Action Plan 2.1, 2.2, 2.4 and 2.5 for details of our strategies to address this risk.

LEADERSHIP DEVELOPMENT

The management and leadership approaches that worked in a smaller organisation are no longer appropriate for a growing, more complex and sophisticated Council.

People seek to be valued and engaged, to understand the big picture, to work across multiple fields and to have opportunities for career advancement. When significant organisational change is occurring, leaders need to set and communicate a clear vision and direction so that teams can achieve their goals.

Council has a strong commitment to building leadership capacity and capability. To ensure that our leaders of the future have the skills they need, we should support them to develop the capabilities and mindset required for managing and leading a modern and diverse workforce. We need to have the right leaders mentoring and guiding us through a rapidly evolving world.

Refer to Action Plan 1.7, 2.4, 3.3 and 3.5 for details of our strategies to address this risk.

SKILL SHORTAGES

According to the Local Government Workforce and Future Skills Report New South Wales – September 2018 the top five (5) fields experiencing skill shortages are Development Engineers, Town Planners, Building Surveyors, Project Managers and Environmental Health Officers.

To date, Council has certainly faced challenges attracting suitably qualified applicants in these areas, especially in professional roles. In addition, it has been difficult to fill the positions of:

- Coordinator Civil Construction
- Recreation Planner
- Information Technology Staff

There are also emerging sectors experiencing difficulty in operational fields including arboriculture, turf management and supervisors of field staff. Competition for skilled staff is expected to increase as the Wollondilly Shire grows, requiring a stronger focus on attraction and retention. We should investigate ways to clearly market the fantastic opportunities that are on offer in a growth council. It should also be recognised that whilst the current growth does present challenges for our Council, it also presents opportunities as more people move into the area and want to avoid the long commute to workplaces. There is a need to offer more competitive market allowances and other incentives in order to be competitive with the open market. It is essential that we develop a more contemporary marketing and employee proposition statement to give us a competitive edge to attract the best candidates.

Refer to Action Plan 1.4, 1.5 and 1.6 for details of our strategies to address this risk.

AGEING WORKFORCE AND SUCCESSION PLANNING

Council continues to have an ageing workforce with staff entering into the age brackets of 50 – 54 and 55 - 59. 29% of the workforce is over the age of 55. According to the recent Pulse Employee Engagement Survey data, staff at this age bracket 60 – 64 group or older are less engaged than other age groups at Council. The highest concentration of permanent staff over the age of 55 are in outdoor operations, specifically Works Construction. This is due to employees now falling into the 60-64 bracket, with some now in the 65 or older bracket.

In order to make sure that the corporate knowledge within our ageing workforce is

retained, our leaders need to enable employees within this age bracket to mentor less experienced employees. The process of information and knowledge sharing has commenced through goals within individual Development Plans.

Refer to Action Plan 1.6 for details of our strategies to address this risk.

ATTRACTION AND RETENTION IN A COMPETITIVE LABOUR MARKET

The attraction and retention of the right people for Council's workforce is vital to the success of the organisation. Without the right employees, Council would not be able to meet its business expectations. It is important to recruit quality staff and retain high performing staff. The resignation of employees, particularly employees with short lengths of service, comes at a significant cost to Council including recruitment, advertising, on-boarding, induction and training costs (including the investment of employee hours to coordinate these activities). The cost of recruiting and retraining is estimated on average at being \$5,000 per new employee. When long term employees leave the organisation there is additional risk surrounding the loss of corporate knowledge, the gap left behind and potential expectations on replacement staff.

As we have responded to the Covid 19 pandemic, there have been a lot of adjustments made to the way we complete our work. In turn, this has opened up alternate ways in which we view our 'normal' working environment. More employees are looking for a hybrid arrangement when looking for employment. Flexible working arrangements also provide the opportunity to attract potential employees who may have resisted a longer commute for the entire working week.

Council recognises that attracting and retaining quality employees is based around several competing factors. These factors are supported through our exit interview process as well as our annual staff surveys:

- Flexible working arrangements, including hours of work, and the ability to work from home.
- Effective and attractive recruitment campaigns to highlight Council as a growth council offering considerable experience and development of skills.
- Competitive salary within the market, with consideration around attraction and retention allowances,
- Clear career projection with the required learning available to support professional development.

Employee recognition is an important element of successful work practices and features strongly in the engagement and satisfaction level of employees. Employees respond positively to appreciation and recognition of not only their commitment and high performance but the recognition of others' good work. It reinforces that high performance is valued, not only by immediate management but also publicly. When employees and their work are valued, satisfaction and productivity rise, and all employees are motivated to maintain or improve their commitment and performance.

We recognise that attracting younger employees and retaining their talent requires a flexible approach and strong support for them in furthering their career prospects. A workplace that can offer an innovative and technologically adept environment is

necessary to retain this segment of the workforce. Development opportunities through training and education as well as coaching and mentoring programs will be increasingly valuable for this group of employees.

Refer to Action Plan 1.2, 1.3 and 1.4 for details of our strategies to address this risk.

HEALTH, SAFETY AND WELLBEING

We believe the safety, security, physical and mental wellbeing of our people is central to the ability of all staff to contribute to the achievement of Council's objectives. Our current work health and safety systems and processes are exceptional for our workforce. We continue to make positive improvements with the way we safely perform our work, however, as we continue to grow and we see an increase in workloads and service expectations the challenge will be to maintain our exemplary safety record. With changing technology and work practices, new work health and safety risks will be inevitable including physical and psychological risks. Employees who are in good physical, mental, and emotional health are more likely to deliver optimal performance in the workplace than employees who are not. Healthy and engaged employees have a better quality of life, a lower risk of injury, increased work productivity, and a greater likelihood of contributing to their communities than employees with poorer wellbeing. A continued focus on employee wellbeing is vital for enhancing our organisational performance going forward.

Refer to Action Plan 2.8 and 3.3 for details of our strategies to address this risk.

CORONAVIRUS (COVID 19)

The United Nation's Development Program (UNDP), March 2021, reports that the impact of the pandemic on the workforce and its future has been tremendous, listing key impacts as:

- Shining new light on pre-existing social inequalities
- Significantly blurred work-life boundaries
- Elevating the fragility of mental health issues
- Creating serious wellbeing and life-work balance challenges
- Compelling many people to re-examine and re-evaluate their personal and professional lives

Likewise, the pandemic has been a major disruption to our workforce and operations. The following impacts are already occurring as a result:

- More staff working remotely and needing to be flexible
- Increased pressure on resources, focused on supporting staff and supervisors in relation to Coronavirus workforce matters as we ensure delivery of essential services to the community are able to continue
- Impact on staff mental health and greater use of the Employee Assistance Program (EAP)
- Social distancing impacts requiring changes to work activities
- Technology impacts caused by more people working remotely
- Long term impacts may include increased staff turnover and a more competitive labour market.

Refer to Action Plan 2.5, 2.6 and 3.4 for details of our strategies to address this risk.

THE CONTEXT OF THE LOCAL LABOUR MARKET

The Wollondilly Shire has been (and will remain) one of the fastest growing local government areas in New South Wales.

While often seen as predominantly a rural area with 30% of the local economy coming from three coal mines in the Shire. Manufacturing is the third largest sector in the economy and 1.5 times the size of the local agriculture sector. Roughly 70% of manufacturing is represented by four local businesses (i.e. Boral, Allied Mills, Inghams and Meatworx). While large mining and manufacturing companies exist in the local economy, 99% of local businesses are small businesses (employing less than 20 people) and roughly half of these small businesses are owner/operator.

Almost three quarters of resident workers leave the Shire for work every day, but most of these people travel to adjoining local government areas (i.e. Camden, Campbelltown and Wollongong). Very few local residents (~3%) travel into the Sydney CBD for work.

In the future, the local population will continue to grow, and grow rapidly. Some parts of the economy that directly service the local population are also likely to grow, such as local retail, food services, healthcare and education. An increase in public administration roles in government, health and education services will increase competition for skilled staff. Coupled with increasing retirements due to ageing, Wollondilly will need to be able to compete with other agencies to attract and retain talent and employ innovative strategies to market itself as an employer of choice.

Refer to Action Plan 1.2, 1.3 and 1.4 for details of our strategies to address this risk.

STATE GOVERNMENT LEGISLATIVE REFORM AND IMPACT ON COUNCIL

Ongoing legislative reform and the shifting of State Government responsibilities to local government continues to have significant impact on Council's operations. Some examples of this over the past four years include:

- Local Planning Panels
- Crown Land Management
- Underground Petroleum compliance
- Emergency Services Levy collection
- Changes to Audit Risk and Improvement Committee's

It is forecast that State Government Reform will continue over the next four years. Known policy changes that are likely to impact Council's operations include Developer Contributions reform, Development Assessment Methodology, Animal Management regulation, additional regulatory compliance activities and the requirement for councils to undertake mandatory service reviews as part of the IPR framework. It will therefore be necessary for us to be agile with our workforce and demonstrate resilience in order to manage the increasing workload with limited resources.

Refer to Action Plan 1.1 and 2.7 for details of our strategies to address this risk.

FUTURE OF WORK

The 'future of work' is already here. Traditional models and ways of work will continue to evolve and develop as our organisation and community changes. Although the main driver behind the recent disruption was the pandemic, demographic shifts, rapid technological development and environmental challenges all have an impact. Going forward, the speed at which our residents will consume new technology and their expectations about the way we provide services will continue to grow and change.

The United Nations Development Program (UNDP), March 2021, finds that planning for workplace disruption is critical to enable a rapid response to external shocks, noting that:

- The pandemic has highlighted the emphasis we need to put on wellbeing
- Digital technology will change the way we work forever
- The world of work is no longer centred around traditional employment patterns
- The right conditions at work can help foster inclusion

The capacity to learn, unlearn and re-learn skills and technologies will become critically important for Council in both the short and long-term future. In this shifting environment, it is essential that we develop systems and strategies that support and enable our people to learn and retrain.

The OECD estimates that as a result of technological change 13 percent of existing jobs will not exist in 15-20 years and 32 percent will be significantly changed. Local Government NSW reports that 40.9 percent of NSW jobs are in the highest risk category for being computerised within 10-15 years (in Council that equates to 176 positions).

The types of technologies being rolled-out across government include:

- Field equipment and technology
- Field based GPS technology
- Greater use of drone technology
- Data sensors

Council needs to continue to review and implement new forms of technology to improve service delivery and efficiency in response to community expectation.

We have an obligation to grow our employees' skills and capabilities for the future as the nature of their work changes. In the context of increased competition for skilled labour, we need to identify those roles that are likely to be impacted, identify the right capabilities people will need, and develop learning and development programs to ensure everyone is equipped to thrive in a changing workplace. This includes evaluating new organisational models and team-based approaches that allow staff to build experience and knowledge outside their traditional areas of expertise.

Refer to Action Plan 2.2, 2.4 and 2.6 for details of our strategies to address this

risk.

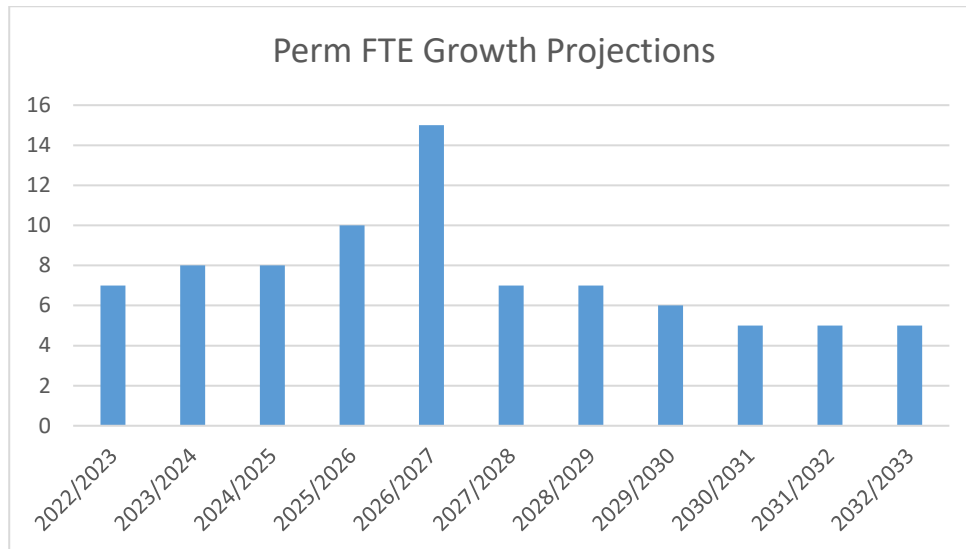
FUTURE STAFFING FINANCIAL CONSIDERATIONS AND FORECASTING

Description of Cost	Forecasted Financial Implications
Staff Salary / Wage Increases over life of Industrial Award	2.5% to 3.5% salary increase (or possibly more dependent on negotiations with local government unions) over the next 3 years
Salary Progression Increases	3.8% increase contingent on high performance standards being achieved (for eligible staff)
Federal Government Superannuation increases	Increases of 10.5% in July 2022, 11% July 2023, 11.5% July 2024 and 12% from July 2025
Market Forces / Retention Premiums in Skill Shortage Area	0.5 - 1% increase for targeted positions over the next 3 years
Leave Liabilities	Forecasted increase in leave liabilities due to increase in staff numbers and potential to inherit further liabilities in a competitive local government labour market as a result of leave portability within Award.
Forecasted Staff Number Increase	Average 5 – 10 new positions per year for next four years, increasing Council's FTE from 278 to potentially around 310.

The full staffing forecast costs are included in the Long Term Financial Plan (LTFP). This proposes employee positions for the next ten years with information from this costed within the Long Term Financial Plan.

Each year a forecast of future staffing needs is considered. Proposed positions are considered annually by Executive through the budget development process and are then included in the following year's budget.

It is projected that the largest permanent FTE increase will occur in the next 4 years with modest growth after 2027. The modest growth projections post 2027 are on the basis of uncertainty around the timing of future land release areas of Greater Macarthur. Accordingly, the impact of Greater Macarthur on our staffing projections have not been factored into the table below.



The above forecast table is a high-level projection. What needs to occur now is more detailed planning at the service area level each year as growth impacts are better understood on specific service areas and service area planning and reviews realise opportunities for efficiencies.

The growth in FTE within the next 4 years is due to several factors including:

- Expanded library services
- New pre-school service
- New performing arts centre
- Increase in the number of development applications as a result of the Wilton Growth Centre
- Strategic planning for Greater Macarthur
- Increased communications and engagement requirements for the growing and changing community,
- Increased demand for operational services
- The need for new systems to be implemented to limit manual processes
- Increase in demand for procurement and contract management services
- Increasing demand for internal enabling services including People and Culture, Finance, Customer Service and Information Technology services

Our projected population growth within the next 4 years will be an additional 10,000 or approximately 65,000. By way of comparison, Councils with equivalent demographics and population (Cessnock and Tamworth Councils) have 400 staff and 542 total staff respectively. Wollondilly's current population is approximately 55,000 and we have 314 total staff (278 FTE). It is noted that the services provided by these comparison Councils are different to the service provision at Wollondilly (for example, Wollondilly does not manage Water, Sewer and contracts its Waste collection service). Over the next 4 years it is projected that our staff establishment will grow to potentially around 360 staff (overall staff numbers not FTE).

WORKFORCE DIVERSITY

The proportion of First Nations People (Aboriginal and Torres Strait Islanders), people living with disabilities, and people from non-English speaking backgrounds is expected to grow, reflecting the changing face of our community, industry and workforce composition.

EEO Group	Wollondilly Community Profile (ABS Census 2016 %)	Wollondilly Council Number	Wollondilly Council %	NSW Public Sector Workforce Profile 2020	NSW Councils Median
Aboriginal & Torres Strait Islanders	3.2	7	2.23%	3.5%	1.98%
People who speak a language other than English	5.6%	13	4.14%	18.3%	1.45%
People With a Disability	4.6%	5	1.59%	2.5%	0.98%

New policies to encourage population distribution to regions, increase overseas student numbers and decentralisation of services will all increase diversity. Council will need to develop inclusion strategies to support a more diverse workforce and community.

Council's Equal Employment Opportunity (EEO) Management Plan, which outlines our commitment to developing and promoting a culture that is supportive of Equal Employment Opportunity (EEO) principles and embraces workplace diversity and inclusion, will be reviewed as part of this strategy.

The EEO Management Plan also supports the actions identified in Council's Disability Inclusion Action Plan (DIAP) which outlines clear actions in which Council can enable more inclusion and accessibility for people with disability in the workplace and community. The DIAP aims to remove barriers that prevent people with disability from participating fully in our community. Council is committed to supporting increased access to meaningful employment opportunities and to encourage local business and industry employers to employ people with disability.

Refer to Action Plan 3.6 for details of our strategies to address this risk.

PEOPLE ACCOMODATION

As an organisation, we are working towards a new Government Services Building which is part of the Wollondilly Cultural Precinct project. This will become our new home for staff from 2026 onwards. In the interim, we have developed a People Accommodation plan to manage demand for workspaces in our current administration building and increase supply, while still delivering for the community and remaining flexible. Under the Plan:

- Working remotely will form part of our usual business practices.
- We are transitioning to activity-based working to cater for the evolving functions and duties of our organisation.
- We are enabling greater flexibility for our people to work varying hours where operationally possible.
- We will maximize the use of our existing spaces and adopt new

technology to monitor work health and safety capacity limits

We will also need to scope options a new/relocated depot facility to be able to effectively service our growing community.

Refer to Action Plan 3.4 for details of our strategies to address this risk.

MEASURING ENGAGEMENT THROUGH WORKPLACE CULTURE

Organisational culture is a key driver in the success of any organisation. Culture is a combination of the values and behaviour of all staff including leaders – it is the way organisations work, day to day, and how they conduct their business. High staff engagement leads to commitment, enthusiasm and higher levels of performance with staff delivering higher quality services to the community.

As part of how we measure the success of our people and culture strategies, we undertake independent staff engagement surveys. These surveys are designed to measure whether the day to day operations of an organisation are aligned with its strategic goals and employee engagement. Leading human resource literature shows that highly engaged employees deliver higher performance and customer outcomes.

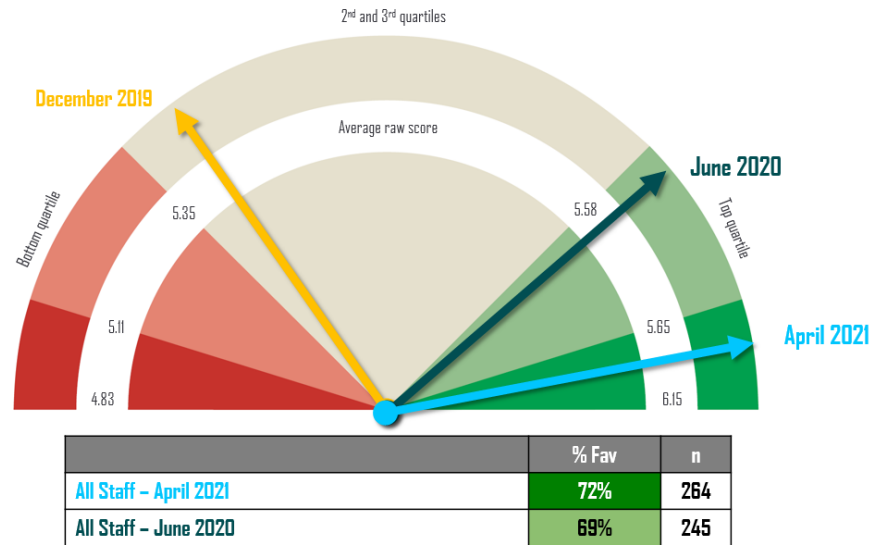
Council engaged an independent survey provider, Insync Surveys Research and Consulting, to undertake our latest staff engagement survey in April 2021. Our overall staff engagement is within the top 10% of benchmark councils, at 72% favourable (agree or strongly agree with the questions). This is a significant increase from the 2019 Survey, when Council was in the bottom 50% and 2020 when Council was in the top 25% of councils.

Council has a very high survey participation rate of 85%, compared to an average rate for other organisations of 65%, suggesting staff are engaged and committed to the future of Wollondilly.

Survey results show staff will go above and beyond in their service for the community, are proud to work at Wollondilly Shire Council and believe that Council cares about and is committed to them. Trust amongst staff and between staff and management is high and building. Staff feel Council cares about and is committed to them and see a fulfilling future here for themselves.

Our staff strongly consider that Council has helped them achieve a work life balance and 91% believe Council responded well to keep staff and the community safe and supported during the Covid-19 pandemic.

'I happily go the extra mile to help Wollondilly Shire Council succeed' was the highest rating response at 84%, demonstrating the strong service culture and commitment to the Shire. A graphical extract of the results of this survey is shown below. The colours in the first graph represent benchmarking when compared to other surveyed councils in the respective measurement area.



As can be seen from the table below, the questions that measure the level of staff engagement have all increased in the past year, and are up significantly from December 2019. Five of the ten questions are in the top 10% of councils and a further four are in the top 25%.

Engagement Item	December 2019	June 2020	April 2021	Difference (2020 vs 2021)
I would recommend Wollondilly Shire Council as a workplace to my family and friends	61%	68%	74%	+6
I believe that my success is important to the success of Wollondilly Shire Council	64%	69%	73%	+4
I volunteer to do extra work on special projects and initiatives at work	62%	66%	70%	+4
I foresee a fulfilling future for myself at Wollondilly Shire Council	50%	63%	67%	+4
I look forward to coming to work every day	58%	60%	63%	+3
I happily go the extra mile to help Wollondilly Shire Council succeed	80%	82%	84%	+2
I am proud to be working here	71%	76%	77%	+1
Overall, I am satisfied with my job	64%	71%	72%	+1
I have a strong sense of belonging to Wollondilly Shire Council	68%	69%	70%	+1
Most challenges I face at work are good learning experiences	59%	65%	66%	+1
Engagement Factor Score	64%	69%	72%	+3

Council has a strong focus on continual improvement and as with any organisation there is further room for enhancing the organisation and improving performance. The survey results indicate the need to improve efficiency and processes, invest more in our people through additional resourcing, better systems and technology to enhance the quality and efficiency of services for our community. Positively, staff are ready to embrace the changes we will need to make, with 81% agreeing we need to change the way we do things to become a higher performing council as we grow.

WHERE ARE WE HEADED AND HOW DO WE GET THERE?

STATEMENT OF DESIRED WORKPLACE CULTURE

Our staff feel valued and are highly engaged, we protect all that makes us special while embracing the future, and delivering exceptional service for our community.

ENHANCING OUR BUSINESS THROUGH OUR BUSINESS ENHANCEMENT PLAN (BEP)

In response to unprecedented growth within our Shire, a Business Enhancement Plan has been developed, setting out a clear pathway for us to be a high performing Council to serve a growing and changing community. To ensure that pathway is realised, actions have been developed with clearly articulated measures and timeframes for completion. The BEP includes:

- A purpose and guiding principles
- An improvement framework adapted from the Australian Business Excellence Framework, enhanced for Wollondilly through significant consultation across the organisation
- An overview of what the vision means for staff and what it means to be a high performing council
- Eight action tables which form a suite of prioritised corporate improvement actions which aim to build sustainable high performance. There was a great deal of organisational engagement involved in preparing the BEP with over 40% of staff at all levels and from all Directorates and teams involved in discussion groups or workshops. Councillors, Managers and Executive staff were also interviewed and 85% of staff responded to a staff pulse survey.

AREAS OF ACTION

1.	1. leadership and culture	2.	5. people
3.	2. teamwork and communication	4.	6. customers and other stakeholders
5.	3. strategy and planning	6.	7. process management, improvement and innovation
7.	4. information and knowledge	8.	8. results and sustainable performance

IMMEDIATE FOCUS AREAS FOR 2022

The priority categories or action areas under our Business Enhancement Plan for 2022 are:

- Leadership and culture - leading at all levels: a high performing, collaborative culture.
- Teamwork and communication - we are ONE team; many teams working as one, communicating well.
- Strategy and planning - clear and well-resourced plan for the future (Corporate Strategy) with resources aligned and everyone kept on

track.

- Information and knowledge - accelerate technology improvements, first planning how to generate, gather and analyse the right data to deliver the best business decisions.
- People - build high performance through people; attract, retain, develop flexibility and value the right people.
- Customers and other stakeholders - understand our customers to better focus our changing service delivery; capture the voice of all customer and stakeholders.
- Process management, improvement and innovation- accelerate process improvements by identifying, documenting, improving processes, innovating using the best available technology and communicating the what, when and how.
- Resources, results and sustainable performance- increase our financial strengths, with targeted resource allocation.

RECOMMENDED ACTIONS

The following actions will be addressed each year within the Operational Plan noting the priority action in the Delivery Program ‘15.1.2 – Implement the Workforce Management Plan’.

STRATEGY 1 – WE ARE STRATEGIC IN HOW WE ATTRACT AND RETAIN THE BEST PEOPLE

	Gap/Risk	Action	2022/23	2023/24	2024/25	2025/26	Responsibility
1.1	CAPACITY AND RESOURCING IN HIGH GROWTH CONTEXT	Develop a process to review vacancies when they occur to determine if the focus or requirements of the role should change to support future directions, and to enhance the positioning of the role in the market	X				Manager People and Culture Coordinator People Services

1.2	ATTRACTION AND RETENTION IN A COMPETITIVE LABOUR MARKET	Develop and implement a plan to make it more effective and efficient to retain current and recruit new high performing, values aligned staff	×				Manager People and Culture Coordinator People Services
1.3	ATTRACTION AND RETENTION IN A COMPETITIVE LABOUR MARKET	Develop Employee Value Proposition statement and marketing campaign		×			Manager People and Culture Coordinator People Services
1.4	ATTRACTION AND RETENTION IN A COMPETITIVE LABOUR MARKET	Review our current retention strategies for staff and increase offerings		×			Manager People and Culture Coordinator People Services
1.5	CAPACITY and RESOURCING IN A HIGH GROWTH CONTEXT SKILL SHORTAGES	Develop an organisational strategy to expand our trainee, apprentice and cadet program including ways to enable staff to be broad banded across different disciplines.			×		Manager People and Culture Coordinator People Services
1.6	AGEING WORKFORCE AND SUCCESSION PLANNING	Continue to enhance our approach with succession planning and building talent pipelines through My Plan and other initiatives to support critical roles and skill gap needs.			×		Manager People and Culture Coordinator People Services

1.7	LEARNING and PEOPLE CAPABILITY LEADERSHIP DEVELOPMENT	Continue to enhance My Plan, our employee high performance system	×	×	×	×	Manager People and Culture Coordinator People Services
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STRATEGY 2 – WE EMBRACE GROWTH AND CHANGE WHILE ALSO ENHANCING THE AGILITY AND CAPABILITY OF OUR PEOPLE

	Gap/Risk	Action	2022/23	2023/24	2024/25	2025/26	Responsibility
2.1	FUTURE OF WORK LEARNING and PEOPLE CAPABILITY	Increase skills development and skills flexibility for identified high priority areas relating to industry and occupation specific areas identified in the BEP.	×	×	×	×	Manager People and Culture Coordinator People Services Organisational Learning and Development Officer
2.2	FUTURE OF WORK LEARNING and PEOPLE CAPABILITY	Review and test organisational values with a focus on high performance		×			Manager People and Culture Organisational Learning and Development Officer
2.3	FUTURE OF WORK LEARNING and PEOPLE CAPABILITY LEADERSHIP DEVELOPMENT	Complete development of the Wollondilly Capabilities within adopted capability framework to provide opportunities for our people to develop the essential skills and capabilities for the future. Includes establishing learning pathways for critical capabilities, self-awareness tools and resources.				×	Manager People and Culture Organisational Learning and Development Officer

2.4	FUTURE OF WORK LEARNING and PEOPLE CAPABILITY LEADERSHIP DEVELOPMENT CORONAVIRUS	Develop an organisational strategy to ensure that all our people have the technology skills to effectively operate in an increasingly digital world. This includes everything from understanding how to use Microsoft Office to advanced drone operations.				×	Manager People and Culture Organisational Learning and Development Officer
2.5	FUTURE OF WORK	Automation of key People and Culture Services including online timesheets		×			Manager People and Culture Payroll and HR Systems Supervisor
2.6	CAPACITY AND RESOURCING IN HIGH GROWTH CONTEXT	Develop a Framework and Program of rolling Service Reviews to align to IP&R Guidelines			×		Manager Engagement and Performance
2.7	WORK HEALTH SAFETY AND WELLBEING	Continue to maintain our strong safety and wellbeing culture by proactively seeking out opportunities to further enhance the physical and mental wellbeing of our staff including new systems, processes and technology.	×	×	×	×	Manager People and Culture WHS Business Partner

STRATEGY 3 – WE LEAD AT ALL LEVELS TO ENABLE A CULTURE OF HIGH PERFORMANCE AND COLLABORATION

	Gap/Risk	Action	2022/23	2023/24	2024/25	2025/26	Responsibility
3.1	LEARNING and PEOPLE CAPABILITY	Increase business partnering on People/Employee Relations matters to increase support and people leadership capability	×				Manager People and Culture Coordinator People Services
3.2	LEARNING and PEOPLE CAPABILITY	Improve the score in the staff pulse survey on co-operation between teams, including consideration of actions related to improving tools (e.g. technology, equipment).	×				All Managers
3.3	PEOPLE CAPABILITY LEADERSHIP DEVELOPMENT	Develop a dedicated leadership program of development for all leaders, focusing on enhancing leadership capability in customer experience, change management, financial acumen and collaboration.	×				Manager People and Culture Organisational Learning and Development Officer
3.4	LEARNING and PEOPLE CAPABILITY	Continuing to evolve modern 'style' of flexible working through our leadership which is aligned with new administration building development				×	Manager People and Culture Coordinator People Services
3.5	LEADERSHIP DEVELOPMENT WORKFORCE DIVERSITY	Develop a Strategy to manage both diverse and a generational differing workforce			×		Manager People and Culture Coordinator People Services

3.6	WORKFORCE DIVERSITY	Review Council's EEO Management Plan with a view to increasing participation from various demographics		×		Manager People and Culture Coordinator People Services
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HOW DO WE KNOW WE ARRIVED?

STRATEGY IMPLEMENTATION

While many actions identify the People and Culture team as responsible for implementation, all staff have a role to play in ensuring that outcomes are realised.

MONITOR, EVALUATE AND REVIEW

The monitoring, evaluation and review process is embedded into the annual workforce planning cycle. In the development of new actions, the actions from the previous year are reviewed and reiterated if relevant. This stage also includes measuring effectiveness, determining success and reporting on key performance indicators. A range of performance indicators are also used to measure our success as part of our Workforce Reporting Cycle including:

Metric	Benefit
Annual Pulse Staff Engagement Survey	Monitors engagement level and impact of cost management strategies in relation to job satisfaction and employee priorities
Vacancy Rate	Highlights the capacity of organisation to fulfil service expectations with current FTE
Full Time Equivalent	Provides a control over the staffing establishment and organisational structure changes
Number of Loss Time Injuries	Provides an indication of safety performance
Learning and Development Investment	Measures the organisational investment in staff learning programs including qualification and capability attainment
Number of Formal Performance Management and Industrial Disputation	Provides an indication of performance management activities and effective resolution of industrial grievances
Excess Leave Liabilities	Provides an indication of acting opportunities, leave liabilities, well-being and succession planning
Employee Costs versus rate revenue	Highlights affordability of employee costs and trends
Overtime hours and costs	Effectiveness of rostering, planning and resourcing

Sick Leave Taken	Staff satisfaction, engagement and well being indicator
Rookie Rate	Assists in informing succession planning, diversity and employer of choice
Turnover rate	Measures the number of employees retained from the beginning of a set period until the end.

Workforce Management Strategies are reviewed by the People and Culture Team during the annual budget preparation, and amended to recognise any change in organisational needs, corporate priorities and available resources.

The Workforce Management Strategy – Action Plan is reviewed by the Staff Consultative Committee on an annual basis to validate ongoing relevance and progress towards objectives and timeframes.

RESPONSIBILITIES

The Management Team has overall responsibility for developing and implementing the Workforce Management Strategy. The People and Culture Team’s role is to provide business partnering services to our leaders to ensure the successful implementation of this Strategy.

The Staff Consultative Committee also has a key role in assisting in the implementation and monitoring progress of the Plan.

All employees play an important role in assisting the implementation of this Plan and providing feedback

NOTES

- Local Government Workforce and Future Skills Report, Australian Local Government Association (ALGA), September 2018 https://alga.asn.au/app/uploads/Skills-Plan_ALGA-1.pdf
- Workplace Learning Report, LinkedIn Learning, 2021
https://learning.linkedin.com/content/dam/me/business/en-us/amp/learning-solutions/images/wlr21/pdf/LinkedIn-Learning_Workplace-Learning-Report-2021-EN-1.pdf
- The Changing Nature of Work, UNDP (2021)
<https://acceleratorlabs.undp.org/content/acceleratorlabs/en/home/library/changing-nature-of-work-emerging-signals-sustainable-future.html>
- Skills Priority List, National Skills Commission, 2021
https://www.nationalskillscommission.gov.au/sites/default/files/2021/6/Skills%20Priority%20List%20Occupation%20List_0.pdf
- NSW Local Government Workforce Strategy
https://higherlogicdownload.s3.amazonaws.com/IPWEA/398684b1-a847-4978-a52f-3bcf188f3e09/UploadedImages/EBulletin/LGA_LGWorforceStrategy_LR%20-%20final%20PDF%20for%20email.pdf

ASSET MANAGEMENT STRATEGY 2022 - 2026

Our Asset Management Strategy (AMS)

Asset management planning is a comprehensive process to ensure that assets are managed and maintained in a way that enables 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, then developing an Asset Management Strategy linked to a long-term financial plan.

The AMS forms a key component of Council's Resourcing Strategy. The Community Strategic Plan provides a vehicle for the community to express its long term vision and the Delivery Program and Operational Plan provides the actions and initiatives to deliver on this.

However, these aspirations will not be achieved without sufficient resources to carry them out – time, money, assets and people. The Resourcing Strategy is a critical link when it comes to translating strategic objectives into actions. The AMS ensures Council can effectively manage its assets, determine future requirements, fund improvements and repairs, as well as maintain them to a high standard.

Council manages a significant and varied asset portfolio and these assets are a necessary part of providing services to our community. It is essential that Council provide transparency and good governance in their management.

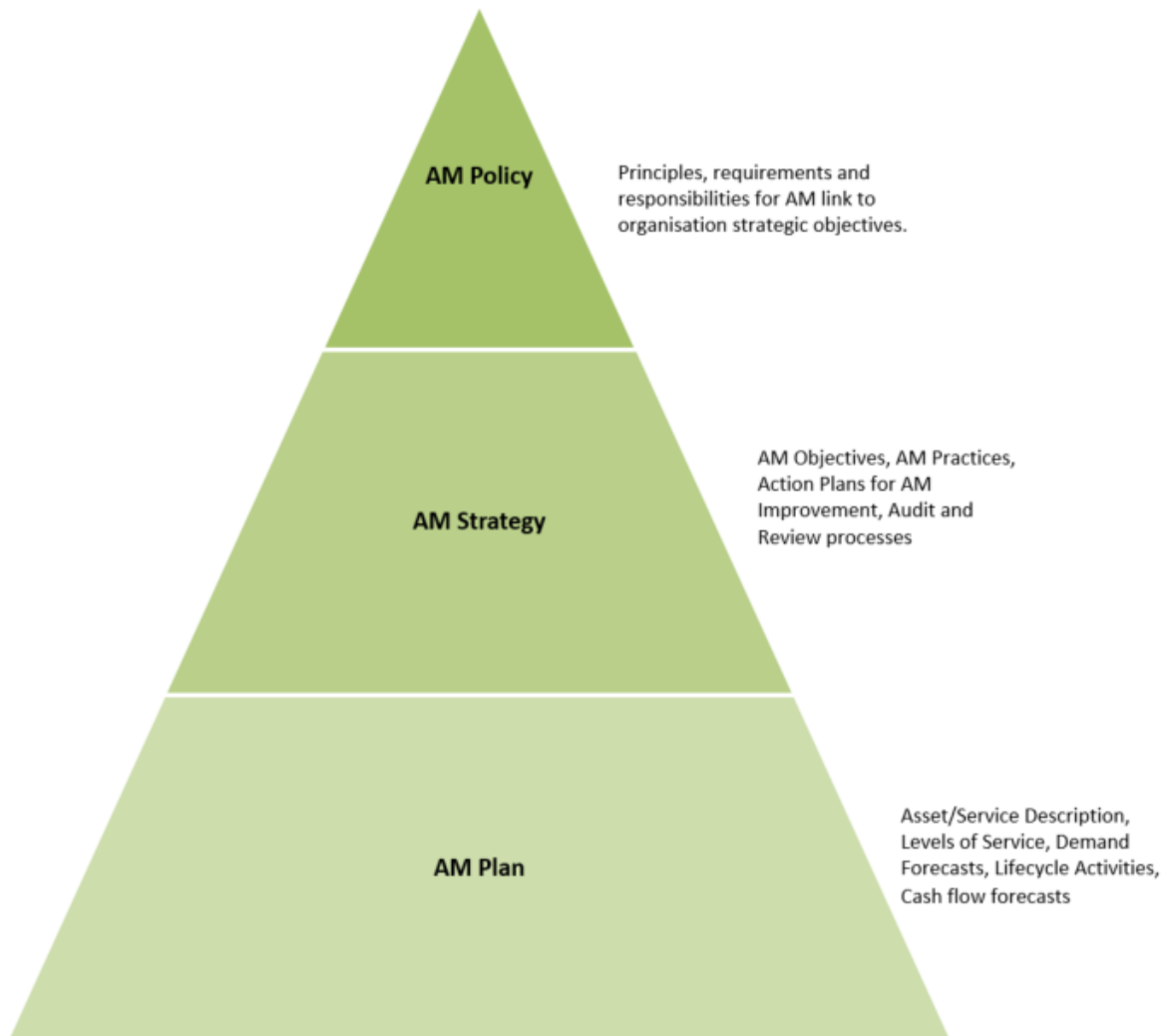
This AMS acts as the essential link between Council's policy direction and more detailed asset management planning and delivery. It highlights major issues which need to be addressed for each of the asset classes over the next few years along with the actions necessary in order for Council to move towards a best practice management approach. Council will provide the necessary resources and undertake the programs recommended in this AMS and will continue to monitor and update it regularly to ensure its currency and consistency with Council's policy directions.

Council's asset management is supported by three key documents:

1. Strategic Asset Management Policy
2. Asset Management Strategy
3. Asset Management Plans

When undertaking its asset management planning, Council reviews its assets to determine that they are fit for purpose; that is, that they support the Council's achievement of the Delivery Program and community goals and outcomes identified in the Community Strategic Plan

Asset Management Framework



The Organisation's Assets and Their Management

This section of the strategy details what assets Council owns and manages, the asset condition and the value of the assets. It also details the current operation, maintenance and renewal cost of the assets.

Asset base, including value and condition

Council classifies assets to facilitate delivery of services into classes as shown in Table 1. Each class and in some instances sub classes, are subject to regular condition assessment. The current value of the asset base stands at approximately \$833M¹. Fair value assessment for each of the asset classes has now been completed and is what has informed this value.

Regular inspections are carried out of assets, as determined by a risk assessment process described later in this strategy. Staff undertake inspections and use the guides in the handbook to determine condition ratings. The condition ratings, as indicated in Table 2, are

¹ This is based on the 2020-2021 estimates and includes the value of land under assets such as roads.

used to describe the condition of all asset classes and sub classes. As an example, road condition is assessed by a consultant, data is verified by Council's in-house staff prior to being imported into the Corporate Asset Management System (Conquest) as well as the Modelling System (SMEC PMS).

Table 1: Summary of replacement costs by asset class as at 2020-2021

Asset class	Replacement cost	Overall condition
Transport Infrastructure (includes Roads, Car Parks, Footpaths, Road Bridges and Major Culverts, Kerb & Gutter and Traffic Islands etc.)	\$ 614 million	Average to Good
Buildings and facilities	\$ 98 million	Average to Good
Public spaces	\$ 51 million	Average to Good
Stormwater and drainage	\$ 61 million	Good
Land (Operational Land, Community Land)	\$ 70 million	Not Applicable

Appendix 1 contains replacement cost and quantities/volumes information about each asset class.

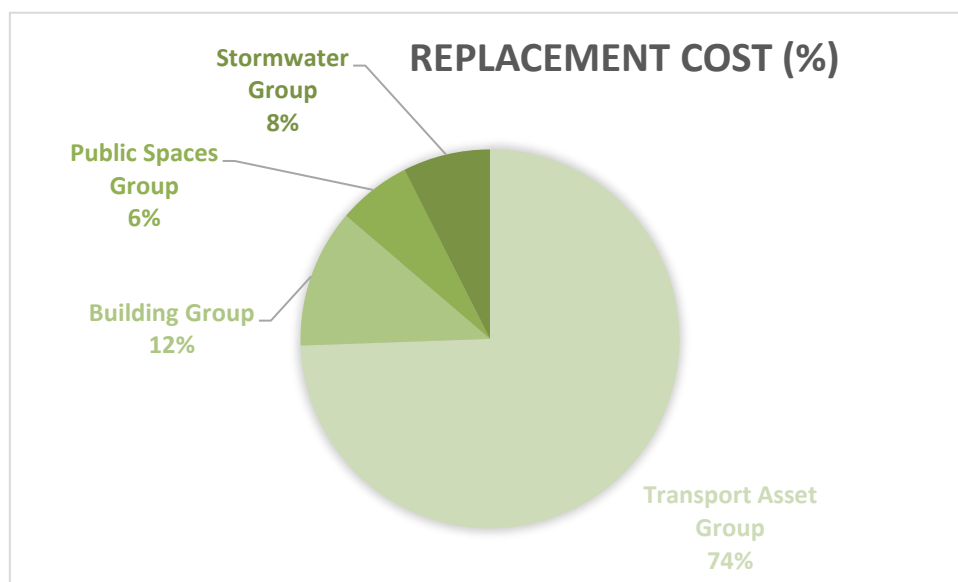


Figure 1: Replacement cost by Asset Class

Council continues to refine the asset condition assessment process and setting of optimum condition ratings for each asset class and sub class. This information will be used to provide a sound basis for determining the level of expenditure that is required to maintain assets to continue to meet the needs of the community.

Table 2: Condition Ratings and Description

Condition Level	Condition Description	Residual life (estimated % of asset's design life remaining)
0	New or recently rehabilitated	90 to 100
1	Very good condition - no work required	70 to 90
2	Good condition - minor maintenance required	45 to 70
3	Average condition - some work required	25 to 45
4	Poor condition - renewal required within one year	10 to 25
5	Very poor condition - urgent renewal required	0 to 10

The financial status of Council's assets is shown in Table 3 below:

Table 3: Financial State of Assets

Asset Management Plans	Replacement Cost	Accumulated Depreciation	Written Down Value	Depreciation Expense
Transport	\$614,219,081	\$215,769,403	\$398,449,678	\$10,908,852
Building and Facilities	\$97,620,599	\$53,530,154	\$44,090,444	\$1,880,698
Stormwater	\$51,832,492	\$16,159,269	\$35,673,223	\$2,098,603
Public Spaces	\$61,490,397	\$13,214,301	\$48,276,096	\$474,103

Council uses infrastructure assets to provide services to the community. The range of infrastructure assets and the services provided from the assets is shown below:

Asset Class	Description	Service Provided
Transport	Roads, bridges, footpaths, cycle ways, kerb & gutter, car parks, street furniture and street lighting etc.	Transportation of goods and services from production to market and to consumers, Movement of people around the Shire for business, education, recreation and leisure.
Stormwater	Underground pipe and pit network, open channels, detention basins, stormwater quality improvement devices.	Collection of stormwater drainage runoff, conveyance and return to the environment to allow continued

		and safe use of private and public property.
Buildings and Facilities	Community, cultural, commercial, council operational and leisure facilities.	Community interaction, development and recreation.
Public Spaces	Active and passive recreation parks and reserves, playgrounds, play equipment, BBQ, fencing and memorial assets, including swimming pools.	Open space provided for community recreation and leisure.

Asset Life Cycle

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 expense. The life cycle costs for the services covered in this asset management plan are shown in Table 3 below:

Table 3: Life Cycle Costs

Asset Management Plans	Operational/Maintenance Cost (2020-21 Expenditure)	2020/21 Depreciation Expense	Total Life Cycle cost/year
Transport	\$5,021,186.01	\$10,908,851.95	\$15,930,037.96
Public Spaces	\$5,002,677.96	\$2,098,602.56	\$7,101,280.52
Building and Facilities	\$2,837,363.46	\$1,880,697.95	\$4,718,061.41
Stormwater	\$384,428.06	\$474,102.52	\$858,530.58
Total	\$13,245,655.49	\$15,362,254.99	\$28,607,910.48

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 below:

Table 4: Life Cycle Expenditure

Asset Management Plans	Operational/ Maintenance Cost (2020-21 Expenditure)	Renewal Expenditure 2020-21	Total Life Cycle Expenditure/year
Transport	\$5,021,186.01	\$10,593,460	\$15,614,646
Public Spaces	\$5,002,677.96	\$1,927,301.11	\$6,929,979
Building and Facilities	\$2,837,363.46	\$834,597.00	\$3,671,960
Stormwater	\$384,428.06	\$311,971.60	\$696,400
Total	\$13,245,655.49	\$13,667,329.71	\$26,912,985.20

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 Asset Management 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 Plans and Long Term Financial Plan. The life cycle gap and life cycle indicator for services covered by this AMS is summarised in Table 5 below:

Table 5: Life Cycle Gap & Indicators

Asset Management Plans	Life Cycle Cost/Year	Life Cycle Expenditure/Year	Life Cycle Gap/year	Life Cycle Indicators (%)
Transport	\$15,930,038	\$15,614,646	-\$315,392	98%

Public Spaces	\$7,101,281	\$6,929,979	-\$171,301	98%
Building and Facilities	\$4,718,061	\$3,671,960	-\$1,046,101	78%
Stormwater	\$858,531	\$696,400	-\$162,131	81%

Asset Management Structure

The Director Shire Futures is responsible for future planning, local infrastructure planning and management whilst the Director Shire Services has responsibility for infrastructure service delivery.

The Manager - Assets, Transport & Engineering is responsible to the Director Shire Futures for delivering the service levels adopted by council for the associated budget.

The Team Leader - Assets and Transport is responsible to the Manager to provide asset management planning services for the organisation.

The Chief Financial Officer is responsible to the Chief Executive Officer to provide finance and budgetary services to the organisation.

The details of Asset Management Roles and Responsibilities are as below:

Council
<ul style="list-style-type: none"> • Key Stakeholder • Responsible for adopting the Asset Management Policy, Strategy and Plans
General Manager and Director Shire Futures & Shire Services
<ul style="list-style-type: none"> • Responsible for implementing the Asset Management Policy, Strategy and Plans
Manager Assets, Transport & Engineering, Assets and Transport Team
<ul style="list-style-type: none"> • Responsible for developing a strategic and systematic approach to the sustainable management of Council's Assets

A 'whole of organisation' approach to asset management is led by the Assets Team. This team co-ordinates with Executive, Finance, Infrastructure Operations and Information Technology Services to deliver Corporate Asset Management. The team is responsible for the following tasks:

- Strategy development and implementation of asset management improvement program
- Asset Management Plan development and implementation
- Review of data accuracy, levels of service and systems plan development
- Asset Management Plan operation
- Evaluation and monitoring of Asset Management Plan outputs
- Ongoing Asset Management Plan reviews and continuous improvement.

The benefits of an Assets team include:

- demonstrates corporate support for sustainable asset management

- coordinates strategic planning, information technology and asset management activities
- promotes consistent asset management practices across the organisation
- champions asset management process
- builds accountability for achieving and reviewing sustainable asset management practices

Asset Drivers

Growth in service demand

Wollondilly's location on the outer peri-urban fringe of Sydney means the Shire is subject to significant pressure for development and population growth. The NSW Department of Planning estimates that in order to house Sydney's growing population 725,000 new homes are needed over the next 20 years with 143,000 needed in the South West District (Liverpool, Fairfield, Camden, Campbelltown and Wollondilly). (Source: Draft South West District Plan, Greater Sydney Commission).

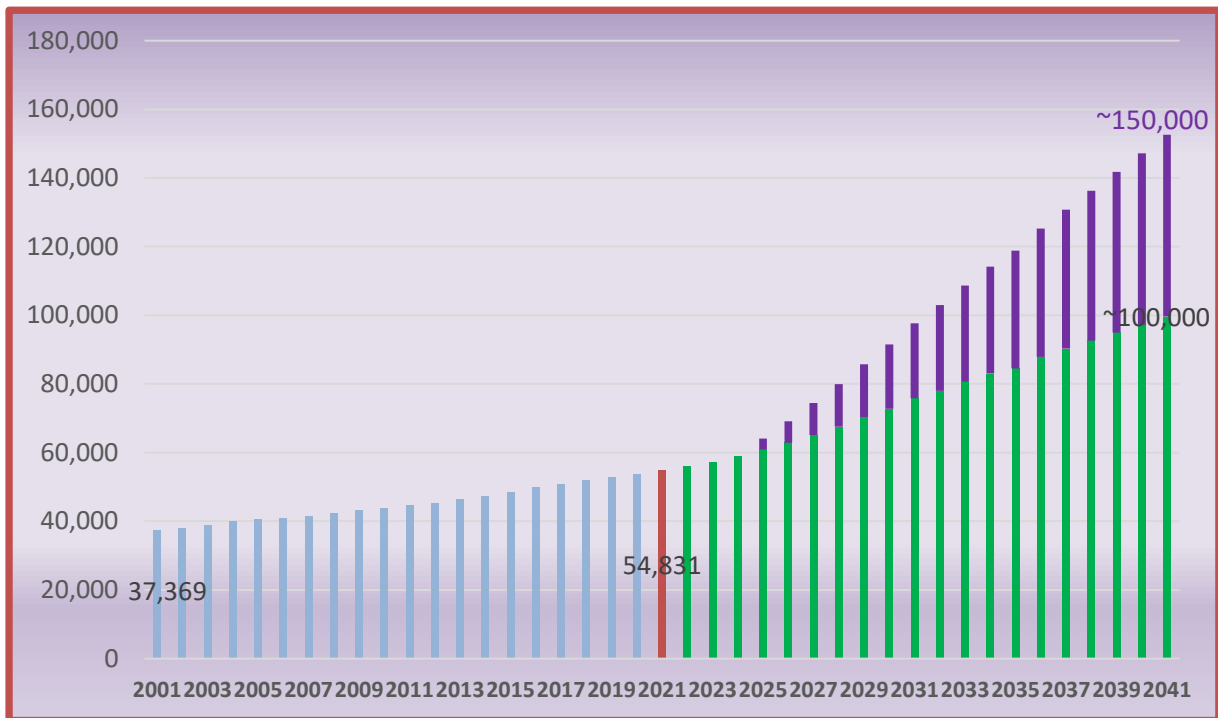
The current estimated population of Wollondilly Shire is approximately 55,000 and Council is predicting that this number could head towards 100,000 or beyond over the next 20 to 30 years. Council will be planning for this growth to occur in accordance with the following four key principles and objectives:

1. Rural Protection
2. Growth in and around our existing towns
3. Wilton New Town
4. Potential for Greater MacArthur (Appin and Surrounds), although currently not supported by Council.

This growth creates an opportunity to attract higher level services, a more diverse range of employment opportunities and additional health and education opportunities. It also helps sustain and grow our existing communities and protects the viability of existing businesses. Business confidence and growth increases the range of goods and services supplied locally enabling Wollondilly residents to purchase within the Shire, thus reducing the amount of local expenditure escaping to other areas. Council's Local Strategic Planning Statement (LSPS) Wollondilly 2040 directs growth to locations that maximise this potential. The LSPS also works to keep our centres separated so that they feel like rural communities rather than part of the expanding suburbs of Sydney.

Wilton New Town alone is proposed to increase the Shire's population by approximately 50,000 people over the next 20 to 30 years and will be the location for a vibrant new community with local access to schools, health services, public transport, shopping, jobs and recreational opportunities. However, some limited additional growth is also necessary in and around existing towns and villages to boost local economies and encourage housing affordability and diversity.

Forecast Population Growth including Wilton and Greater Macarthur



Community Engagement

Council will be developing a new Community Engagement Strategy to support the planning of engagement activities across the organisation. This framework will support Council staff to actively seek out and take into account the views of residents as part of their day-to-day decision making processes. It will also ensure that engagement processes are coordinated and result in improved services, greater confidence in Council’s decision-making and more meaningful and coordinated conversations with the community and other stakeholders.

Climate Impacts

There is a strong likelihood of increased severe weather events due to climate change leading to unpredictable impacts on our ageing assets, noting that we have had a significant number of natural disaster events since 2016. As a result, there is a risk that assets will fail or need to be renewed earlier than expected. However, it is still unclear as to the exact impact of these changes. By continuing to ensure that the Council has the best possible information about its assets, the Council is able to better monitor its portfolio and account for any potential required changes as a result of climate impacts.

Smart Technologies

Emerging technologies and influences such as smart technologies, mobility solutions, and data warehousing all have the ability to affect demand and asset management practices, however, it is anticipated that the impact of these changes will be seen over the longer term and technologies will continue to be investigated and trialed as appropriate.

Environmental Initiatives

Water and energy efficiency, waste reduction, recycling, and protection of natural areas are ways in which local government organisations are responding to climate change and reducing the impact on the environment. Asset management supports environmental sustainability by providing investment in infrastructure that supports these initiatives.

Asset Maintenance Practices

Council develops, maintains and implements priority works programs based on its asset management planning, and adopts a capital works budget each year to carry out these works. The Capital Budget, aka Major Works, is essentially investment in infrastructure, whether it be maintaining/renewing an existing asset or the construction of a new asset.

Minor works, typically less than \$10,000 in expenditure, are not seen as capital work but rather as minor maintenance e.g. potholing, broken playground swings, taps and washers etc. Council maintains operational & maintenance budgets to cover these works.

Capital investment is split into two key areas; namely, 'Renewal & Maintenance' and 'New'.

Renewal & Maintenance essentially covers works to our existing assets to ensure they are kept in a usable condition and as such may involve significant maintenance to keep the asset functioning or, when an asset has reached the end of its useful life, renewing/replacing that asset.

Renewal of assets is predominately funded from Council funds from ordinary sources such as rates.

New covers the construction of a whole new asset or the substantial upgrade to an existing asset (such as upgrading an intersection or duplicating lanes).

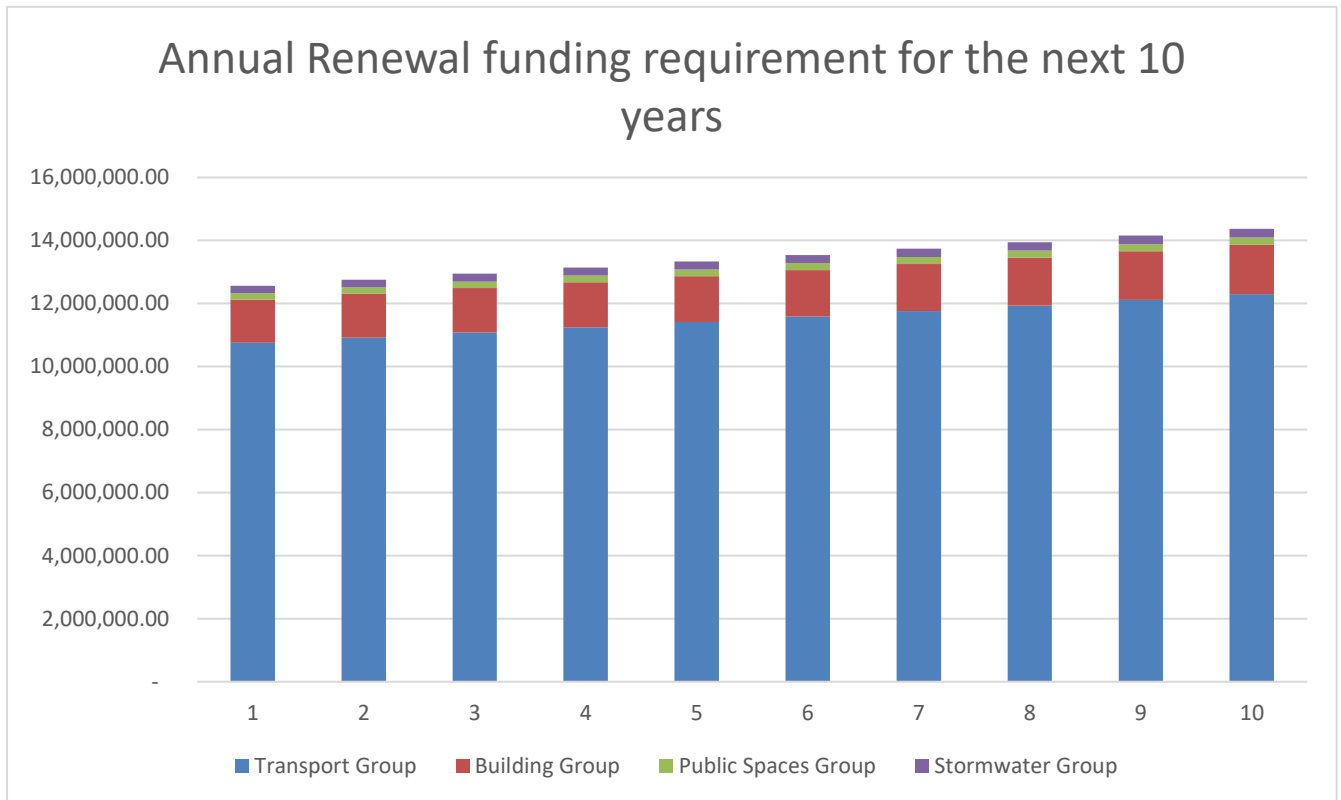
Projects are identified and prioritised through various strategies, master plans and development contributions plans and are predominately funded from grants and development contributions.

However, a vast majority of new assets will be dedicated to (transferred to) Council through development. Most dedicated assets are constructed as a direct need to service the development such as roads and drainage and parks. Work may also occur to upgrade existing assets to increase capacity as a result of the development.

The growing portfolio of new assets expands Council's total assets portfolio increasing the scale of renewal and maintenance programs over time. As such the funding of assets is an increasing challenge as the community grows.

Council currently dedicates approximately \$13.67m a year towards asset renewal. Current modelling and condition assessments indicate that Council has a maintenance gap and the backlog is increasing. Funding will need to increase by 1.5% each year to reduce the backlog to 2% in 20 years.

Figure 3: Annual Renewal Funding Requirements



The asset renewal program for each asset class is reviewed annually through the budget preparation process. It is published in Council's business papers annually.

Level of Utilisation and Customer Satisfaction

Council has commenced the development of defined service levels for each asset class. This includes the development of performance measures. These can be found in the Asset Management Plan and work on refining them will be key in the coming years. Council has developed a Priority Works Program built into council's asset management system to help prioritise capitals works from the community.

This section of the strategy describes the approach to asset management that Council has taken.

The goals of the strategy include:

- Integrate the financial and maintenance aspects of asset management
- Facilitate management of the total asset lifecycle for all assets
- Develop and facilitate a consistent works management process to ensure operational efficiencies
- Optimise the life of assets through better forecasting of required maintenance for the total lifecycle of the asset/equipment (i.e. from planning through to disposal)
- Provide information to support replacement versus rehabilitation decisions
- Facilitate reporting on asset condition, value and performance.

Council's Asset Management System is the database for asset information. The range of functions and activities that are addressed by this system include:

- Asset register
- Valuations
- Managing acquisition and disposal
- Planning long term renewal/upgrade programs
- Spatial representation of assets
- Dynamic link to asset management software for condition assessment of roads
- Links with modelling software for life cycle predictive scenarios as well as financial analysis.

Council relies on various other information systems to manage assets. Table 6 describes the information systems that are utilised to inform asset management planning.

Table 6: Reliance on information systems for Asset Planning

Asset management system	Current business system
Financial Asset Register	Conquest
Asset Register	Conquest
Spatial (Mapping)	QGIS
Maintenance Management	Roam
Asset Performance Assessment and Monitoring	Pulse
Asset Condition Monitoring	Conquest
Customer Requests	Salesforce
Asset Risk Management	Conquest
Forward Works Programing	Conquest, SMEC PMS
Document Management System	HPE Content Manager

With continued use of these systems and other systems that become available, Council continually improves the approach to the management of assets.

Current Asset Management Challenges and Vision for the Future

As a shire of 55,000 existing residents, expecting to grow to well over an additional 100,000 residents by 2041, Wollondilly Shire needs and deserves to be well planned, considered and have significantly more investment from the State to provide what we need now and into the future.

Significant development, particularly in the Wilton Growth Area and the Greater Macarthur Growth Area, will only further compound the issues with massive traffic growth; and Council's ability to adequately operate and maintain, let alone upgrade, its higher order roads is not financially sustainable for the community. Connectivity is already challenged between two major growth areas expected to house well over 100,000 people. The changing population and demographics both within the Local Government Area and in surrounding Local Government Areas will have a significant impact on transport corridors and infrastructure needs within the Shire.

These impacts in our Shire are already being felt now. We are already experiencing growth in towns and villages across the Shire and starting to see the growth of Wilton which will house some 50,000 residents in the near future along with a new town centre, putting significant pressure on the immediate need to upgrade the State road network, and immediate implementation of public transport solutions. Upgrades will serve to benefit the Shire, and the broader region for improved connectivity, resilience to natural disasters, economic prosperity and for better health and social outcomes.

Critical Infrastructure

There are significant critical infrastructure projects beyond Council's ability to pursue under ordinary budget processes, and are therefore reliant on other parties for them to be delivered. These include:

- **Duplication of Blaxland Crossing;** Duplication of Silverdale Rd between Warragamba/Silverdale and Wallacia; A route feasibility assessment has been carried by Council, noting that the most feasible path is for a 'duplication' of the existing road alignment which would see an improved road alignment up and down 'Baines Hill' and a separate bridge alongside the existing Blaxland Crossing, likely at a higher level.

However; the high level cost estimate for the project is in excess of \$100m and requires significant buy in from stakeholders such as Transport for NSW, Penrith City Council as well as Sydney Water given the significant water and sewer infrastructure along the route.

The project remains unfeasible for Council to pursue without significant additional funding assistance and remains a long term vision for Council.

- **Picton Bypass;** The Picton Town Centre is constrained by topography, the railway corridor, Stonequarry Creek and heritage considerations. Road options are constrained and there is limited ability to increase road capacity. As the Victoria Bridge on Prince Street is load and length limited, heavy vehicles can only to travel through the town centre.

Council's traffic modelling shows that traffic congestion within the Picton Town Centre will result in progressive (Level of Service) failures from 2026 with multiple intersections and general network failure by 2036. Council has developed and is implementing a plan to manage traffic up to 2026; however it will be unable to manage the issue thereafter.

The congestion will be dominated by traffic needing to get through Picton (not to Picton) as the major employment centres are north and north east of Wollondilly LGA, and can only be alleviated with a new road linkage between Remembrance Dr and the Hume Freeway/Picton Rd.

Intersection and network failures will have serious consequences on road safety, pedestrian connectivity and the economic functioning of the Picton Town Centre.

The experiences from recent multiple Picton floods, the Black Summer Bushfires and frequent Hume Freeway closures due to motor vehicle accidents, have confirmed the desperate need for an improved network capacity, especially during emergency events and evacuation circumstances.

Transport for NSW (TfNSW) released the Picton Bypass Strategic Corridor Options report in Dec 2020 including identification of the preferred 'Option 9'

As at March 2022, no funding is allocated for the next stage of detailed field studies and environmental assessment or detailed design. Based on other TfNSW projects, we expect that the next stage is expected to cost in excess of \$20m and could exceed 5 years in duration.

Council understands the strategic cost estimate significantly exceeds \$100m, noting a high allowance for contingencies and escalation as the design and approval process is expected to be extensive and hence construction is a medium to long term prospect, if funded.

- **Broughton Pass;** the villages of Wilton and Appin are joined by one road that traverses the Cataract River gorge via 'Broughton Pass'.

The Broughton Pass Bridge, although in good condition, is an aging structure and limited to one vehicle at a time. The approach roads on either side are narrow, steep and winding and restrictions for heavy vehicles are in place due to the geometric limitations. (The road becomes blocked if and when heavy vehicles attempt the road). In 2016 and 2022, storm events have seen significant failures of embankments leading to extended closures and traffic management systems.

Whilst not serving existing needs, the road will become the only link between two major growth centres at Wilton and Greater Macarthur, with the route identified as a public transport connector via buses, currently not possible.

The project remains unfeasible for Council to pursue and will have to be resolved as part of any development planning for Greater Macarthur.

As well as various road and intersection upgrades throughout the Shire, other significant works that Council will be addressing in the short to medium term include:

- Stabilisation of Douglas Park Drive
 - Stabilisation of slope and cliff issues along Remembrance Driveway, Razorback
- Council undertakes future network deficiency studies in conjunction with reviewing proposed significant re-zonings with the view of conditioning works with any development proposed or inclusion into Development Contribution Plans.

Regional Road Review

In the context of the ongoing NSW Government's Regional Road Transfer and Road Classification Review, Wollondilly is ineligible to request transfer of roads to the State on the basis that it is now designated as being within Greater Sydney and hence no longer Regional. This interpretation fails to take into account the peri-urban nature of Wollondilly and the disproportionate expectations for road maintenance and upgrades compared to our population base and the size of our road network.

Council is responsible for a large number of regional and local roads, totalling some 116km of our 870km road network, that would be more appropriately managed by the NSW Government given their traffic volumes, including Menangle Rd, Wilton Rd, Macarthur Drive, Remembrance Driveway, Finns Rd, Silverdale Road, Montpelier Dr, Barkers Lodge Rd, Avon Dam Rd, Werrombi Rd, Burraborang Rd and Woodbridge Road, with Council investing millions of dollars year on year to repair and upgrade

these regional roads that could be better invested in other priority local roads across our network.

The other key needs for Wollondilly include:

- The provision of adequate Major Public Transport
- Completion of the Maldon-Dombarton railway
- Upgrades to Picton Rd
- Upgrades to Appin Rd
- Progression of the Outer Sydney Orbital including Interconnectivity of the Outer Sydney Orbital (Stage 2) with Picton Road and Appin Road (and Hume Freeway).
- Local job creation. Lack of employment options within the region that compound the need for commuting in and out of the Shire.

The Wollondilly Community Cultural and Civic Precinct

The Wollondilly Community Cultural and Civic Precinct is a key opportunity to address the needs of both the existing and the future population of Wollondilly Shire. The Precinct will provide facilities, spaces, services, events and activities that address the community, cultural and civic needs of present and future populations.

The Precinct will provide a community focal point and gathering place to bring people together as one community in a place that literally combines the old and the new of Wollondilly Shire. The Precinct is a transformative project with significant social, environmental and economic benefits for Wollondilly Shire and the Western Parkland City.

The elements of the Precinct have been identified through a comprehensive community needs analysis involving community and stakeholder engagement, analysis of applicable benchmarks and standards of provision, comparative study and case study research. This needs analysis has then been further tested and refined through a robust process of cost-benefit analysis.

Vision for the Future - Council's Action Plan

There are a number of activities that Council will undertake over the coming years to refine and further develop the approach to asset management, which are outlined in the action plan in Table 9. The Action Plan will be reviewed and updated regularly.

The following actions will be addressed each year within the Operational Plan noting the priority action in the Delivery Program '15.5.1 – Implement the improvement actions in the Asset Management Strategy'.

Action	Responsibility	Timeframe
Action Area: Asset Management Strategy		
Review and update Asset Management policy as required	Manager - ATE	Ongoing

Continually review and refine Asset Management Strategy	Manager & Assets Team	Ongoing
Continually review and refine Asset Management Plans	Manager & Assets Team	Ongoing
Ensure implementation of the organisational framework that reflects the important role that asset management has within the organisation	CEO	Ongoing
Ensure that Asset Management Plans are reliable, aligned with actual conditions and accurately reflect future requirements and investments	Manager & Assets Team	Ongoing
Action Area: Long-term Action Area		
Maintaining Council's Transport Future Deficiencies Study in line with census data and land use forecasting	Manager & Assets Team	2023-24
Develop procedures related to the management of new buildings and facilities	Manager, Parks & Recreation	Ongoing
Action Area: Success and sustainability		
Develop 5 year and 10 year priority works program for asset renewal based on condition and service levels	Manager - ATE	Ongoing
Carry out revaluations to meet statutory requirements on an yearly cycle	Assets Team	As per program
Continue to review and refine asset condition information	Assets Team	Ongoing
Development of Capitalisation and disposal policy	Assets and Finance Team	2023-24
Action Area: Asset knowledge (information and knowledge)		
Undertake periodic reviews of asset management systems	Assets Team	Ongoing
Further refine methodologies for collection of asset data and condition assessments	Assets Team	Ongoing

Appendices

Appendix 1

Details of Road Network Assets Owned by Council

Asset Category	Sub Category	Quantity	Total Replacement Cost
Roads	Formation	4,398,260 m ³	\$60,542,056

	Pavement Base	7,149,060 m ²	\$141,348,865
	Pavement Subbase	6,759,184 m ²	\$128,253,934
	Surfacing	5,851,496m ²	\$98,288,847
Car parks	Formation	15,722 m ³	\$213,717
	Pavements	152,627 m ²	\$2,407,714
	Surfacing	76,713 m ²	\$762,607
Footpaths, cycle ways and pram ramps	Footpaths, cycle ways and pram ramps	116 km	\$29,457,181
Kerb and gutter	Kerb and gutter	368 km	\$62,712,958
Bridges and culverts	Bridges	45	\$54,106,698
	Major Culverts	34	\$14,257,616
	Causeways	3	\$335,167
Bus Shelters	Bus Shelters	96	\$1,102,091
Road furniture	Signs	9534	\$4,267,620
	Crash barrier fencing	63.1km	\$15,094,249
Totals			\$613,151,320

Details of Buildings and Facilities Assets Owned by Council

Key Assets	Total Assets	Replacement Value	Examples
Activity Area	411666 square meters	\$17,309,601	tennis courts
Activity Point	525 items	\$ 2,434,444	playground equipment
Artwork	242 items	\$ 843,623	war memorials
Barbeque	47 items	\$ 1,289,870	electric barbeque
Barrier Continuous	35 kilometres	\$ 5,153,221	fences around sports fields
Barrier Point	314 items	\$ 140,064	bollards

Concrete Paved Area	12023 square meters	\$ 987,449	shelter hardstand areas
Edging	7 kilometres	\$ 563,314	brick garden edging
Electrical Fittings	631 items	\$ 6,408,387	sports field lighting
Fixtures	424 items	\$ 931,921	drinking fountains
Gate	366 items	\$ 382,780	chain mesh gate
Irrigation	286539 square meters	\$ 764,448	rugby field irrigation
Landscape Area	48357 square meters	\$ 3,411,455	gardens
Other Structure	108 items	\$ 1,663,534	timber decking
Pool Equipment	7 items	\$ 2,837,521	swimming pools
Retaining Wall	6 kilometres	\$ 2,547,215	sandstone block retaining wall
Seat	485 items	\$ 577,842	sports benches
Shelter	150 items	\$ 1,839,984	pergolas
Sign	1211 items	\$ 580,465	ordinance and parking signage
Table	254 items	\$ 674,656	picnic settings
Waste Collection Point	234 items	\$ 490,697	general and recycling waste bins
Totals		\$ 51.83 million	

Details of Key Public Space Asset Groups and Value Owned by Council

Asset category (as determined by Council)	Number of Buildings	Total Replacement Cost
Picton	50	\$56,099,034.19
Warragamba	18	\$8,222,531.56
Tahmoor	15	\$6,309,202.63
Bargo	13	\$5,774,959.14
The Oaks	16	\$5,018,000.00
Wilton	4	\$4,437,106.84
Thirlmere	14	\$3,607,297.74

Appin	9	\$2,356,664.30
Douglas Park	7	\$1,809,724.69
Oakdale	7	\$1,346,189.59
Mount Hunter	4	\$658,855.00
Buxton	2	\$488,481.50
Menangle	1	\$245,000.00
Silverdale	1	\$241,000.00
Pheasants Nest	1	\$227,000.00
Werombi	1	\$185,000.00
Lakesland	1	\$162,000.00
Yanderra	1	\$115,000.00
Cawdor	1	\$110,000.00
Theresa Park	1	\$110,000.00
Camden Park	1	\$97,551.46
Total Number of Buildings & Facilities	168	\$195,241,197

Details of Stormwater and Drainage Assets and Values Assets Owned by Council

Asset Type	Unit	Quantity	Replacement Value
Pipes	km	113.9269011	\$44,648,010.61
Pits & End Structures	No.	4806	\$13,069,087.67
Water Quality Devices	No.	51	\$2,804,097.95
Channels	m	2352.950016	\$545,080.29
WSUD Area	square metres	5471.357483	\$424,120.46
Totals			\$61,490,396.98

Details of Other Assets Owned by Council

Asset Type	Replacement value
Community Land	\$43,710,930
Operational Land	\$26,748,345
Totals	\$70,459,275