



Shire of
Peppermint Grove

CORPORATE BUSINESS PLAN

2014/15 TO 2018/19

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OVERVIEW

The Corporate Business Plan (CBP) activates the 2013 - 2022 Strategic Community Plan (SCP) by linking the Shire's operations to the community's aspirations identified in the SCP. This is achieved by outlining the priorities and actions to be undertaken over each of the next four years (as well as the remainder of the current year).

This CBP is the first annual review conducted since the inaugural plan adopted in 2013 and coincides with the first strategic review of the SCP.

To achieve operational sustainability the CBP integrates the following informing strategies:

- Long-Term Financial Plan;
- Asset management plans covering buildings, plant, furniture and equipment and infrastructure;
- Workforce Plan;
- Other issue-specific plans.

The CBP is the basis for each year's budget with the priorities and actions identified in 2015/16 being incorporated into the draft budget due for presentation to Council in June 2015. Each priority/action details the timeframe, officer responsibility and indicative cost to enable annual performance and progress reporting.

SHIRE VISION

Council has adopted the following vision:

“To remain a Shire valued for its ambience and independence”

SHIRE MISSION

Council has adopted the following mission:

“To guide the Shire's future developments and to provide a range of personalised services to residents in order that our unique community and its environment is maintained, enhanced and protected”

STRATEGIC KEY RESULT AREAS

The 2013 – 2022 Strategic Community Plan identifies the following six key result areas:

1. Community Development;
2. Infrastructure;
3. Governance;
4. Organisational Capacity;
5. Built Environment; and
6. Natural Environment.

The following tables outline the priorities and their relationship to the outcomes and objectives in the SCP.

Each priority identifies the corresponding performance indicator, responsible officer, annual budget allocation and timeline.

PRIORITIES

Community Development

1 - Community Development								
Building a sense of community								
Outcomes Sought:								
1 - A Connected Community								
2 - Community Needs and Services Addressed								
PRIORITIES	PERFORMANCE INDICATOR	RESPONSIBLE OFFICER	BUDGET (\$000's)					
			14/15	15/16	16/17	17/18	18/19	
1.1.1	Promote community participation in Council-managed events, festivals & entertainment	Successful staging of events	CDO	5	5	5	5	5
1.1.2	Provide a quarterly newsletter to all residents	Delivery of newsletter four times per year	EA	8	8	8	8	8
1.1.3	Actively encourage residents use of the Grove Library & Community Centre	Increasing patronage	MLS/CCC	2	2	2	2	2
1.1.4	Pursue creation of a heritage trail	Completion of trail	MDS	-	-	5	-	-
1.1.5	Develop plan to protect Peppermint Trees on road verges and reserves	Completion & implementation of plan	MWS	-	10	5	5	5
1.1.6	Support literature prizes and competitions within the Grove Library	Annual awarding of literature prize	MLS	6	6	6	6	6
1.2.1	Facilitate community safety, security & a sense of well-being	Community Safety Month activities	CDO	3	3	3	3	3
1.2.2	Develop processes for the community to communicate needs to Council	Creation of a customer relations management system	MCS/CDO	-	2	10	2	2
1.2.3	Support partnership arrangements with aged service providers to ensure older residents have access to services	Business Plan compilation for Wearne Hostel	CEO	-	1	-	-	-
1.2.4	Conduct regular surveys to engage the community for the provision of services to all demographics	Completion of bi-annual community surveys	CDO	-	-	2	-	2

Infrastructure

2 - Infrastructure								
Protecting our Assets								
Outcomes Sought:								
1 - Improved Quality of Assets								
2 - Sustainable Management								
PRIORITIES	PERFORMANCE INDICATOR	RESPONSIBLE OFFICER	BUDGET (\$000's)					
			14/15	15/16	16/17	17/18	18/19	
2.1.1	Develop & implement asset management plans throughout the district	Completion of plans	MIS/MCS	5	-	-	-	-
2.1.2	Apply best practice safety systems to transport infrastructure including roads, footpaths & cycle paths	Application of Australian Standards	MIS	-	-	-	-	-
2.1.3	Develop & implement landscaping plans for roundabouts, non-trafficable nodes & the river foreshore	Maintenance of public areas to a high standard	MIS	105	107	109	113	115
2.1.4	Apply highest standard maintenance to all parks & gardens	Maintenance of public areas to a high standard	MIS	145	148	152	156	160
2.2.1	Develop long-term strategies to fully document stormwater drainage that maximises water re-use & minimises run-off into the Swan River	Construction of gross pollution traps	MIS	-	5	5	-	-
2.2.2	Advocate for funding for riverwall maintenance and upgrades	Renewal & extension of riverwall as funds allow	MIS	-	-	-	-	-
2.2.3	Implement peppermint tree maintenance programs focussing on retention and replacement.	Continued implementation of plan	MIS	200	100	50	50	50
2.2.4	Develop a footpath audit and enhancement program in conjunction with State Government priorities	Renewal & extension of footpaths as funds allow	MIS	5	-	-	-	-

Governance

3 - Governance

Strengthening Shire Leadership

Outcomes Sought:

1 - Sustainable Resource Management

2 - Council and Community Leadership

	PRIORITIES	PERFORMANCE INDICATOR	RESPONSIBLE OFFICER	BUDGET (\$000's)				
				14/15	15/16	16/17	17/18	18/19
3.1.1	Develop & maintain a long-term financial plan to support annual budgets	Achievement of minimum key financial performance measures	MCS	-	-	-	-	-
3.1.2	Implement asset management plans for all Shire asset categories	Capital renewal and replacement expenditure greater than depreciation expense	MCS/MIS	-	-	-	-	-
3.1.3	Compile a human resource plan focussing on attraction & retention of quality staff	Staff turnover < 10% per annum	MCS	-	-	-	-	-
3.1.4	Revise Corporate Business Plan annually	Adoption of revised plan in May each year	MCS	-	-	-	-	-
3.1.5	Revise Risk Management Plan	Revised plan adopted bi-annually	MCS	7	-	3	-	3
3.1.6	Investigate benefits and costs of creating a Regional Subsidiary with the Towns of Clarendon & Cottesloe	Creation of Regional Subsidiary	CEO	-	10	-	-	-
3.2.1	Develop partnerships & relationships which enhance community service delivery	Creation of further relationships outside of regional subsidiary	CEO	-	-	-	-	-
3.2.2	Advocate for grant funding to improve community infrastructure and services	Receipt of grants to fund new capital works	CEO	-	-	-	-	-
3.2.3	Develop community engagement plan to ensure community has an effective voice in the decision-making process.	Enhanced community participation in decision making	CDO	-	-	-	-	-
3.2.4	Support volunteer organisations which operate within the Shire	Maintenance of, and increase in, volunteering	CDO	-	-	-	-	-
3.2.5	Review roles, responsibilities & accountability of administrative processes to ensure transparency	Completion of review annually	CEO/MCS	-	-	-	-	-

Organisational Capacity

4 - Organisational Capacity

Meeting Community Expectations

Outcomes Sought:

1 - Full complement of Quality Staff

2 - Statutory Obligations

	PRIORITIES	PERFORMANCE INDICATOR	RESPONSIBLE OFFICER	BUDGET (\$000's)				
				14/15	15/16	16/17	17/18	18/19
4.1.1	Enhance the annual performance review process for all Shire staff	Annual review	MCS	-	-	-	-	-
4.1.2	Renew the enterprise bargaining agreement for non-contract staff	Ratification of EBA by Fair Work Commission	MCS/CEO	-	5	-	-	5
4.1.3	Provide opportunities for training & skills enhancement & promote a philosophy of promotion from within	Documented staff development plan	CEO	-	-	-	-	-
4.1.4	Create an environment where all staff are accessible to the community	Implementation of CRM system	CEO	-	-	-	-	-
4.2.1	Ensure asset management plans relate directly to fair value principles	Asset renewal & creation per LTFP	MCS	-	-	-	-	-
4.2.2	Develop a calendar of compliance requirements reviewed by the senior management team monthly	Presentation of calendar to SMT monthly	CEO	-	-	-	-	-
4.2.3	Implement a fully-electronic records management system accessible for all relevant administrative & library staff & which complies with the State records Act.	Implementation of HP Records via Town of Cottesloe by 1 July 2015	MCS	-	10	-	-	-
4.2.4	Liaise with the Town of Cottesloe for the provision of contract services in the areas of rangers, health & building administration & financial functions	Expansion of services to include core financials & EDMS	CEO/MDS/MCS	-	-	-	-	-

Built Environment

5 - Built Environment								
Preserving Our Heritage								
Outcomes Sought:								
1 - Rentention of the Character of Peppermint Grove								
PRIORITIES	PERFORMANCE INDICATOR	RESPONSIBLE OFFICER	BUDGET (\$000's)					
			14/15	15/16	16/17	17/18	18/19	
5.1.1	Finalise local planning strategies for inclusion in Local Planning Scheme # 4	Adoption of TPS #4	MDS	10	-	-	-	-
5.1.2	Develop a masterplan through the Shire's heritage advisor which retains the character of Peppermint Grove	Completion of Heritage Masterplan	MDS	-	-	-	-	-
5.1.3	Completion of lease arrangement for the Keanes Point Café including redevelopment of the building and removal of the existing amenities block	Construction of new Café	CEO	10	-	-	-	-
5.1.4	Develop strategies which provide for higher density development to occur along the Sirling H'Way corridor	Adoption of TPS #4	MDS	-	-	-	-	-
5.1.5	Develop strategies for the upgrading of street lighting	New street lighting where need is identified	MIS	-	-	-	-	-
5.1.6	Establish heritage areas within the Shire	Adoption of a Precinct Plan	MDS	-	-	-	-	-
5.1.7	Investigate partnerships with other tiers of government for the betterment of the community	Receipt of grants to fund new capital works	CEO	-	-	-	-	-

Natural Environment

6 - Natural Environment								
Preservation & Sustainability								
Outcomes Sought:								
1 - Preserved Natural Environment								
PRIORITIES	PERFORMANCE INDICATOR	RESPONSIBLE OFFICER	BUDGET (\$000's)					
			14/15	15/16	16/17	17/18	18/19	
6.1.1	Develop a river foreshore management plan to ensure future generations have access	Implementation of plan	MWS	10	-	-	-	-
6.1.2	Ensure that parklands, streetscapes and open spaces reflect the amenity & character of Peppermint Grove	Ongoing mangement	MWS	-	-	-	-	-
6.1.3	Explore options for improving the Shire's energy & water use	Installation of LED lights to office & Grove	MDS	-	-	-	-	-
6.1.4	Participate in a regional waste management partnership to minimise waste going to landfill & provide a cost-effective sustainable service	WMRC membership	MDS/MWS	285	295	305	315	325
6.1.5	Promote a dinghy storage facility on the foreshore to minimise degradation and erosion	Continuation of dinghy registrations	MWS	3	3	3	3	3

OPERATIONS

The operations of the Shire of Peppermint Grove determine the following resource requirements:

- Overall staffing requirements contained in the Workforce Plan;
- Asset requirements to deliver services as outlined in the various asset management plans; and
- Funding requirements as outlined in the long-term financial plan.

The Shire of Peppermint Grove has had a close working relationship with its three neighbours – Claremont, Cottesloe and Mosman Park - for many years and currently contracts the provision of the following services to the Town of Cottesloe:

- Ranging, including parking and animal control;
- Environmental Health; and
- Building Control.

In addition, Peppermint Grove, Cottesloe and Mosman Park share a public library and community centre as well as a child health centre with Claremont at the Grove precinct.

The four local governments are also members of the Western Suburbs Regional Organisation of Councils with the Cities of Nedlands and Subiaco undertaking joint environmental and strategic projects (including traffic studies, population demographics etc.).

The four local governments are also members of the Western Metropolitan Regional Council, together with the City of Subiaco, providing waste recycling and disposal services.

Following the demise of the State-Government's local government reform program in early 2015 Peppermint Grove, Cottesloe and Claremont have held formal discussions with a view to establishing a regional subsidiary under the *Local Government Act 1995*.

It is envisaged the new entity will provide a range of services to the three local governments and be resourced using a combination of existing and new staff, assets and funding.

In preparation for its participation, Peppermint Grove and Cottesloe have been discussing the potential hosting of Peppermint Grove's financial and electronic records management systems on Cottesloe's server from 1 July 2015. Such arrangements will likely have a significant impact on the current Workforce Plan – which will be rewritten - as well as free-up funds that can be used as Peppermint Grove's financial contribution to the proposed regional subsidiary from 2016/17 onwards.

These proposed arrangements address the following priorities:

- 3.2.1 – Develop partnerships and relationships which enhance community service delivery;
- 3.2.5 – Review roles, responsibilities and accountability of administrative processes to ensure transparency;
- 4.2.3 – Implement a fully-electronic records management system accessible for all relevant administrative and library staff and which complies with the *State Records Act*;
- 4.2.4 – Liaise with the Town of Cottesloe for the provision of contract services in the areas of ranging, health and building administration and financial functions.

INFORMING STRATEGIES

Long Term Financial Plan

The Long Term Financial Plan is a rolling plan for the next ten years to fund the objectives of the Strategic Community Plan and implement the Corporate Business Plan.

The Long Term Financial Plan outlines the Shire's financial strategies to enable it to remain financially sustainable over the long term in accordance with the following core principles:

- Achieving a fully-funded operating position such that sufficient revenue is raised to fund all operational expenditure including debt repayment and asset depreciation;
- Maintaining sufficient cash reserves to meet future capital requirements;
- Maintaining or improving service efficiencies and asset condition.

A revised Long Term Financial Plan for the years 2014/15 to 2023/24 is included at Appendix One. Note that the plan includes only capital expenditure relating to the renewal and replacement of existing assets only and that creation of new assets will be funded by a combination of transfers from reserves, borrowings, user charges and asset sales.

Workforce Plan

Council adopted its current workforce plan in August 2013.

The key objectives are to:

- Identify areas of skills shortages;
- Address issues arising from an ageing workforce;
- Identify gaps between current and future demands on the workforce; and
- Develop risk management strategies to ensure staff are in sufficient numbers and adequately trained to deliver services and projects to the community.

The Shire currently employs 24 full-time equivalent staff in administration, works and library services.

Whilst no change is foreseen regarding the latter two categories, the proposed regional subsidiary and IT arrangements with the Town of Cottesloe will have a significant impact on administration staff. Specifically it is hoped that the new arrangements will see a greater degree of job "specialisation" across the both local governments as economies-of-scale allow individual employees to concentrate on fewer tasks but greater volumes of each task. For example one person may undertake payroll and human resources tasks while another performs rating functions and so on.

In terms of employee numbers this current CBP does not foresee any significant additions or deletions; rather the type of work performed may vary. This may require re-structuring of the workforce or possibly even re-deployment to the regional subsidiary when operational.

Asset Management Framework

Despite its size the Shire of Peppermint Grove utilises many buildings and infrastructure assets from which it provides services to its community. Providing and maintaining such assets is central to the commitment by Council to the long term provision of services.

Asset management plans have been compiled for all categories of assets under the control of the Shire, with regards to the international asset management standard, ISO 55000, and the SCP.

This ensures that:

- Assets are managed in accordance with applicable legislation and recognised best practice;
- A “whole-of-life” approach to assets is taken, ensuring the use of strategies encompassing maintenance, renewal/rehabilitation and expansion are incorporated into the Long term Financial Plan;
- Risk management is incorporated into asset management strategies;
- The performance of assets is measured against defined levels of service outlined in the asset management plan;
- Asset are brought to account in accordance with relevant accounting standards; and
- Sustainable and informed decision-making with regards to assets is made using reliable data.

RISK MANAGEMENT

Local government operates in an environment that faces a broad range of risks, both internal and external.

To this end Council has developed a risk management policy and framework that aligns with the international risk management standard ISO 31000 to manage identified risks.

The adopted approach is that risk management is an integral part of the management function of the organisation and is the responsibility of each and every employee and contractor with managers having responsibility and accountability for assessing and managing risk within their respective departments.

A corporate risk register is used that closely aligns with objectives and priorities of the CBP and highlights key risks to the achievement of such objectives.

Oversight of the Risk Management Framework is the responsibility of the Senior Management Team which in turn reports to the Audit Committee.

PROGRESS REPORTING

The CBP and SCP make up the Shire’s “Plan for the Future”.

Reporting on the achievement of objectives in the SCP and measurement of performance against the CBP is included in each year’s annual report.

Implementation of the informing strategies (asset, workforce and long-term financial plans) plus any modifications to the SCP and CBP will also be detailed in the annual report.

APPENDIX ONE – LONG-TERM FINANCIAL PLAN 2014/15 TO 2023/24

	PROJECTED 2014/15	PROJECTED 2015/16	PROJECTED 2016/17	PROJECTED 2017/18	PROJECTED 2018/19	PROJECTED 2019/20	PROJECTED 2020/21	PROJECTED 2021/22	PROJECTED 2022/23	PROJECTED 2023/24
Operating Revenue										
FEES & CHARGES	287,500	242,660	247,513	252,463	257,513	262,663	267,916	273,275	278,740	284,315
GRANTS & SUBSIDIES	117,539	94,701	94,701	94,701	96,595	98,527	100,497	102,507	104,558	106,649
CONTRIBUTIONS, REIMBURSEMENTS	1,295,069	1,281,086	1,306,708	1,332,842	1,359,499	1,386,689	1,414,422	1,442,711	1,471,565	1,500,996
INTEREST ON INVESTMENTS	40,281	43,200	44,064	44,945	45,844	46,761	47,696	48,650	49,623	50,616
OTHER REVENUE	63,050	47,300	48,246	49,211	50,195	51,199	52,223	53,267	54,333	55,419
	1,803,439	1,708,947	1,741,232	1,774,163	1,809,646	1,845,839	1,882,755	1,920,411	1,958,819	1,997,995
Operating Expenses										
EMPLOYEE COSTS	(2,059,072)	(2,107,823)	(2,149,979)	(2,192,979)	(2,192,979)	(2,236,839)	(2,236,839)	(2,281,575)	(2,281,575)	(2,327,207)
MATERIALS & CONTRACTS	(1,951,701)	(1,835,751)	(1,872,466)	(1,909,915)	(1,948,114)	(1,987,076)	(2,026,817)	(2,067,354)	(2,108,701)	(2,150,875)
PUBLIC UTILITIES	(155,890)	(169,291)	(172,677)	(176,130)	(179,653)	(183,246)	(186,911)	(190,649)	(194,462)	(198,351)
DEPRECIATION	(422,603)	(250,000)	(255,000)	(260,100)	(265,302)	(270,608)	(276,020)	(281,541)	(287,171)	(292,915)
INTEREST EXPENSES	(62,283)	(61,431)	(59,843)	(58,146)	(56,329)	(54,384)	(52,302)	(50,077)	(47,694)	(45,144)
INSURANCES	(105,299)	(122,074)	(124,515)	(127,006)	(129,546)	(132,137)	(134,780)	(137,475)	(140,225)	(143,029)
	(4,756,848)	(4,546,370)	(4,634,481)	(4,724,277)	(4,771,923)	(4,864,289)	(4,913,669)	(5,008,671)	(5,058,828)	(5,157,521)
CHANGE IN NET ASSETS	(2,953,409)	(2,837,423)	(2,893,249)	(2,950,114)	(2,962,277)	(3,018,451)	(3,030,913)	(3,088,261)	(3,101,010)	(3,159,526)
Adjustments for Non-Cash (Revenue) and Expenditure										
Depreciation on Assets	422,603	250,000	255,000	260,100	265,302	270,608	276,020	281,541	287,171	292,915
	422,603	250,000	255,000	260,100	265,302	270,608	276,020	281,541	287,171	292,915
Capital Expenditure (Renewal & Replacement ONLY)										
Land & Buildings	(32,307)	(15,000)	(50,000)	(51,000)	(52,020)	(53,060)	(54,122)	(55,204)	(56,308)	(57,434)
Plant and Equipment	(27,900)	(73,000)	(80,000)	(50,000)	(20,000)	(10,000)	(50,000)	(80,000)	(150,000)	(20,000)
Furniture & Equipment	(9,085)	(10,000)	(10,000)	(10,200)	(10,404)	(10,612)	(10,824)	(11,041)	(11,262)	(11,487)
Infrastructure Assets - Roads	(105,000)	(20,000)	(130,000)	(132,600)	(135,252)	(137,957)	(140,716)	(143,531)	(146,401)	(149,329)
Infrastructure Assets - Footpaths	(50,665)	0	(25,000)	(25,500)	(26,010)	(26,530)	(27,061)	(27,602)	(28,154)	(28,717)
Infrastructure Assets - Parks & Reserves	(70,015)	0	(25,000)	(25,500)	(26,010)	(26,530)	(27,061)	(27,602)	(28,154)	(28,717)
Infrastructure Assets - Drainage	(27,430)	0	(10,000)	(10,200)	(10,404)	(10,612)	(10,824)	(11,041)	(11,262)	(11,487)
	(322,402)	(118,000)	(330,000)	(305,000)	(280,100)	(275,302)	(320,608)	(356,020)	(431,541)	(307,171)
Capital Revenue										
Proceeds from Disposal of assets	14,660	32,000	65,000	40,000	5,000	0	40,000	10,000	40,000	5,000
Debt Management										
Repayment of Debentures	(21,118)	(21,970)	(24,186)	(25,884)	(27,701)	(29,645)	(31,726)	(33,953)	(36,336)	(38,886)
Reserves and Restricted Funds										
Transfers to Reserves	(127,156)	(282,688)	(120,000)	(120,000)	(150,000)	(150,000)	(180,000)	(150,000)	(150,000)	(200,000)
Transfers from Reserves	197,518	0	0	0	0	0	0	0	0	0
	70,362	(282,688)	(120,000)	(120,000)	(150,000)	(150,000)	(180,000)	(150,000)	(150,000)	(200,000)
Net Current Assets July 1 B/Fwd	1,997	(8,807)	0	0	0	0	0	0	0	0
Net Current Assets Year to Date	(8,807)	0	0	0	0	0	0	0	0	0
Amount Raised from Rates	2,778,500	2,986,888	3,047,435	3,100,898	3,149,776	3,202,790	3,247,227	3,336,693	3,391,715	3,407,669
Percentage Rate Increase		7.50%	2.03%	1.75%	1.58%	1.68%	1.39%	2.76%	1.65%	0.47%
Operating Surplus Ratio (to be > 1.00)	0.94	1.05	1.05	1.05	1.06	1.06	1.07	1.08	1.09	1.08
Asset Sustainability Ratio (target > 0.95)	0.54	0.34	1.04	1.02	1.04	1.02	1.02	1.23	1.36	1.03
Debt Service Cover (to be > 5.00)	3.72	5.53	5.62	5.62	6.10	6.11	6.53	6.96	7.50	7.03
Own Source Revenue Coverage (to be > 0.40)	0.94	1.01	1.01	1.01	1.02	1.02	1.02	1.03	1.04	1.03