



PART 5 - Workforce Management Strategy

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5.1 Overview

The Department of Local Government advocates that workforce planning will help ensure that the community's strategic goals are met. The development of an effective workforce management strategy will enable Council to focus on the medium and long term and also provide a framework for dealing with immediate challenges in a consistent way.

An effective workforce strategy aims to provide Council with the people best able to inform its strategic direction, develop innovative approaches to complex issues and deliver appropriate services – effectively and efficiently.

The benefits of ensuring a diverse workforce include better local representation, improved communication and a better understanding of the issues affecting local communities. It also means that there is an optimal pool of workers in place to address the issues facing councils. These issues include skills shortages, ageing workforce and business succession planning, as well as the challenges involved in invigorating local communities and economies.

When developing Council's *Workforce Management Strategy 2014-2024*, strategic issues to consider included the analysis of council's workforce requirements based on the commitments in the *Community Strategic Plan* and *Delivery Program*. This involved developing an appropriate workforce structure to meet those objectives, encapsulating workplace equity and diversity as a tool to benefit Council, strengthening Council's workplace governance, and supporting and developing Council staff.

The *Workforce Management Strategy 2014-2024* is consistent with and aligned to the Department of Local Government's integrated planning and reporting requirements and is a key component of the Council's *Resource Strategy*. It is strongly aligned and integrated with our *Asset Management Strategy* and *Long Term Financial Plan*.

Overall, the *Resource Strategy* determines Council's capacity to manage its finances, its assets and its workforce in delivering the programs and priorities in our *Community Strategic Plan - Sustainable Blue Mountains 2025*.

5.2 Scope and Purpose

Blue Mountains City Council's *Workforce Management Strategy 2014-2024* takes a long-term view in determining the workforce needs over a 10-year horizon. This is to ensure Council's workforce is structured to respond to and has the capacity to deliver the programs and priorities in the community strategic plan - *Sustainable Blue Mountains 2025*.

The purpose of the strategy is to provide the platform to identify, consider and respond to the significant issues and risks facing the organisation now and into the future. In particular, it takes into account the increasing financial pressures facing the Council by strategically positioning our workforce to respond quickly to changing needs of the organisation. Ultimately, implementation of the strategy will deliver a highly safe, skilled and engaged workforce that provides "value for money" services to the Blue Mountains community.

5.3 Workforce Challenges

5.3.1 Technology

Tomorrow's workplace will look very different to that of the past – the desk-per-employee office model is fast becoming a thing of the past.

While the need for human recognition and interaction will remain, the tools used will continue to change dramatically, thanks to technological advances. As they continue to emerge at an increasingly rapid pace, it will be these advances that will most directly affect the workplace.

Around the world, the dominant driver of this phenomenon is the expanding connectivity capability for individuals, communities and business. More and more, this ease of connectivity is allowing people to deliver and access services, obtain information and perform transactions – anytime, anywhere. At the same time, outmoded traditional sources are being undermined and discarded. In Australia, the roll-out of NBN will only strengthen this trend.

An important consideration is people's ability to adapt. For organisations, it is imperative that this ability is harnessed effectively.

5.3.2 Ageing population

It is no secret that Australia, like many other countries, has an ageing population. The City of the Blue Mountains is no exception. In fact, the Blue Mountains has a reasonably static population with a greater ageing population proportion than those LGAs in the Sydney Basin. The census data highlights the increase in people over 50 years of age, particularly those between 50 and 65. At the same time, there has been a decline in the under 50 years of age population – in particular, in the 18 to 24-years-old group. It is no surprise that more recent census data shows a continuation of this trend.

Despite the inherent challenges of an ageing population, this trend can provide an opportunity for the City – by better utilising the wealth of skills, knowledge and wisdom of the older generation, our community can reap added benefits.

5.3.3 Superannuation changes

In an effort to increase benefits to Australians on retirement, the Australian Government has introduced the *Superannuation Guarantee (Administration) Amendment Act 2012* (SGC), which has increased employer obligations in regards to superannuation for all employees. The SGC contribution recently increased from 9.0% to 9.5% and will continue to increase as follows:

- July 2014 – 9.5%
- July 2015 – 9.5%
- July 2016 – 9.5%
- July 2017 – 9.5%
- July 2018 – 10%
- July 2019 – 10.5%
- July 2020 – 11%
- July 2021 – 11.5%
- July 2022 – 12%

These increases are to be met by the employer and will increase the employment costs to Council substantially. The current annual superannuation cost to Council is approximately \$3.25M. While these increases are to be phased in over time, moving to a 12% SGC will increase the organisation's overall superannuation bill by approximately \$1.0M annually – a 30% increase.

5.3.4 Salary increases

A new Local Government (State) Award has recently been negotiated for the next three years. The new Award provides for the following wage increases: 2.6% at 1 July 2014; 2.7% at 1 July 2015; and 2.8% at 1 July 2016. These increases add approximately \$1.0M to the annual wages bill (in today's terms).

5.3.5 Safety laws

The process to harmonise safety laws and regulations across Australia took effect on January 2012. In NSW, this consisted of the *Work Health & Safety (WHS) Act 2011*, and the Work Health and Safety Regulations 2011, along with the Codes of Practice. The purpose of harmonising the work health and safety laws throughout Australia was to:

- Provide a consistent level of safety for all Australian workers while maintaining existing standards
- Ensure all involved in work have a duty of care by moving away from the employment relationship as the basis of obligations
- Enhance protection against discrimination, coercion, inducement and misrepresentation
- Broaden rights for representation, including union right of entry to workplaces
- Make provision for graduated enforcement, with alternative options for WHS improvement
- Significantly increase the maximum fines and introduce categories of offence.

For the Council, it was determined an assessment of the safety management systems and processes was prudent to determine compliance with the new laws. An independent third party was engaged to undertake a comprehensive gap analysis of the safety management systems and processes within the organisation. This work culminated in the development of an improvement plan, which is being implemented over a three-year timeframe. The cost of implementing the improvement plan is in the order of \$1.0M, however, it will guarantee compliance with the new WHS laws.

5.3.6 Workers compensation

In June 2012, the NSW Government introduced changes to the Workers Compensation Scheme in NSW. While the reforms improve the return to work process, the key driver of the reform is to return the scheme to financial sustainability without large increases in employer premiums.

It is the responsibility of individual organisations to effectively manage their Workers Compensation costs and Injury Management processes, the schemes ongoing viability needs due consideration in the context of workforce planning, as any future increases are likely to be substantial and have a major cost impact.

In anticipation of future premium increases, Blue Mountains City Council has undertaken a major review into its Workers Compensation and Injury Management processes. This exercise led to the organisation being admitted into WorkCover NSW's Retro-Paid Loss Scheme in 2011. While participation in this scheme requires a more proactive management approach, it has seen a

significant reduction in workers compensation premiums in the order of 60% and is delivering savings to the organisation in excess of \$1.0M annually.

5.3.7 Work organisation

While the development of an effective resourcing strategy is critical, the way in which resources are organised and deployed is vital to ensuring the effective and efficient delivery of any strategy. As such, a comprehensive review of the organisational structure was undertaken in 2011, resulting in a change in the delivery model designed specifically to:

- Better support the delivery of the organisation’s delivery plans in response to the Community Strategic Plan
- Improve and strengthen service delivery and responsiveness within our financial capacity
- Clarify accountability for strategy, outcome setting and operational activities
- Reinforce continuous improvement and innovation and minimise risk across the organisation.

As part of the development of the current four-year delivery plan, a further review was undertaken in 2013 to ensure alignment is maximised between activity and strategy. This process has involved consultation with the stakeholders and the workforce.

5.4 Council’s Long Term Financial Strategy

Underpinning and driving the *Workforce Management Strategy* is Council’s adoption of a responsible financial strategy to ensure Council is viable over the long term (*Long Term Financial Strategy*). The key to this strategy is the development of a focused six-pronged approach to achieve financial sustainability for the organisation. This approach has a series of actions under each of the following areas:

1. Avoid shocks
2. Balancing the budget
3. Managing borrowings responsibly
4. Increasing income
5. Review and adjust services
6. Increasing advocacy and partnerships

In response to the outcomes of these strategies we are continuing development of a highly skilled, flexible and engaged workforce to respond appropriately to either improving, decreasing or maintaining service levels.

5.5 Resourcing our future

A critical indicator of the Long Term Financial Strategy is the outcome of the financial options for our future resourcing. As part of the Long Term Financial Strategy, three future funding scenarios are considered and the impact on resourcing has been identified as follows:

5.5.1 Option 1: Service levels improved

Under this funding option, the Environment Levy is reinstated in 2015-2016 and rates increase of 40.4%, resulting in additional \$98M by 2024, This option will allow council's infrastructure to improve from 21% to 17% in poor condition as well as some targeted service improvements.

This additional funding will require the need for additional skills in the order of 30 full time employees over the 10 year period. However, through natural attrition the size of the workforce reduces by an average of 3 full time employees a year. Overall there will be a neutral impact on the size of the workforce.

5.5.2 Option 2: Service levels maintained

Under this funding option, the Environment Levy is reinstated in 2015-2016 and 3 rate increases of 7.4% each, resulting in an additional \$70M by 2024. This option will see council's infrastructure remain at 21% in poor condition with no service improvements.

This additional funding will require the need for additional skills in the order of 25 full time employees over the 10 year period. However, through natural attrition the size of the workforce reduces by an average of 3 full time employees a year. Overall there will be a small reduction in the size of the workforce of approx. 5 full time employees.

5.5.3 Option 3: Service levels reduced

Under this funding option, there is no special variation to rates, resulting in a loss of \$17M revenue by 2024 and a reduction of service levels are being considered as a result of the Environmental Levy expiring. This option will see council's infrastructure in poor condition increase from 21% to 37%.

This reduction in funding will have an impact on the workforce directly engaged in Environmental Levy work and result in a reduction of approximately 8 full time employees immediately. When coupled with the natural attrition of an average 3 full time employees a year, the overall size of the workforce will reduce by some 38 full time employees over the 10 year period.

In summary, by ensuring we continue to develop a highly skilled, flexible and engaged workforce to respond appropriately to either improving, maintaining or reducing service levels, the council is well positioned to resource appropriately in a planned manner.

5.6 Workforce Profile

5.6.1 At a glance

Blue Mountains City Council has a highly flexible workforce made up of the following:

- 49% permanent full-time employees
- 18% permanent part-time employees
- 26% casual employees
- 7% temporary employees

While the workforce is involved in all the services provided to the Blue Mountains community. *Table 5-1* provides a snapshot of the workforce by key direction:

Table 5-1 Percentage of workforce by key direction

Key Direction	% of Workforce	Services	Skill level
Looking after Environment	16%	Natural Environment Waste Resource Management Water Resource Management	Professional – Degree Para-Professional – Associate Diploma Pre Trade – Cert II & III Admin – Cert II & III
Using Land	13	Burials & Ashes Placement Building Certification Land Use Management	Professional – Degree Para-Professional – Associate Diploma Pre Trade – Cert II & III Admin – Cert II & III
Moving Around	8%	Town Centres	Professional – Degree Para-Professional – Associate Diploma Pre Trade – Cert II & III Admin – Cert II & III
Looking after People	30%	Aquatic & Leisure Centres Blue Mountains Cultural Centre Community Development Cultural Development Emergency Management Environmental Health & Regulatory Compliance Family Day Care Libraries & Information Sport & Recreation	Professional – Degree Para-Professional – Associate Diploma Post Trade – Diploma Trade – Cert IV Pre Trade – Cert II & III Admin – Cert V Admin – Cert II & III
Sustainable Economy	5%	Economic Development & Tourism Commercial Activities	Professional – Degree Para-Professional – Associate Diploma Admin – Cert II & III
Civic Leadership Strategic	13%	Corporate Planning & Reporting Governance & Risk Asset Planning City-wide Strategic Planning	Professional – Degree Para-Professional – Associate Diploma Post Trade – Diploma Trade – Cert IV Pre Trade – Cert II & III Admin – Cert V Admin – Cert II & III
Civic Leadership Operational	15%	Finance Management People & Safety Information Solutions Corporate Communications & Marketing Administrative Property Portfolio Central Warehousing & Purchasing Customer Service Fleet	Professional – Degree Para-Professional – Associate Diploma Post Trade – Diploma Trade – Cert IV Pre Trade – Cert II & III Admin – Cert V Admin – Cert II & III

5.6.2 Employment costs

A significant component of Council delivering high quality services to the community are the employment costs associated with the establishment and development of a highly skilled and responsive workforce. Some 45% of the current operational expenditure (excluding capital expenditure) costs are employment costs, which have remained reasonably static over time due to the nature of Council's operations. That said, the actual cost of the workforce continues to increase at a far greater rate than the organisation's revenue capability.

While a solution would be to simply reduce the size of the workforce, this is highly problematic, as there is a direct correlation between employment costs and service levels. Essentially, any reduction in staff numbers will lead to a reduction in the level of service.

The drivers of increased employment costs are predominately external factors outside the control of Council such as wage increases, superannuation increases, workers compensation costs, sick leave and leave entitlements. These increases in employment costs have been factored into *Council's Long Term Financial Plan*.

However, the key premise of Council's *Workforce Management Strategy* is to maximise workforce productivity by **ensuring a highly safe, skilled and engaged workforce**. Such a holistic approach has a significant flow-on effect and leads to a reduction in turnover, workers compensation costs, leave liabilities and absenteeism – all of which impacts positively on both costs and levels of service.

Pragmatically, this can be best evidenced with Council's requirement, over recent years, to deliver activities previously provided by other tiers of government, without increasing the overall size of the workforce. As discussed later in this section, the factors mentioned above will also produce real savings of significant order.

5.6.3 Age

Good practice suggests the optimum demographic of any workforce should be reflective of the community in which it serves. As a Local Government organisation and the largest employer in the Blue Mountains, the Council takes such responsibility seriously. As the most significant demographic within the community is the ageing population and given that 90% of the workforce lives locally, this provides unique challenges and risks for the organisation.

Census data of the City shows a reasonably static population. However, the Census highlights the increase in the people over 50 years of age, particularly those between 50 and 65. At the same time, there has been a decline in the under 50 years of age population, and in particular in the 18 to 24-years-old group. It is no surprise that the more recent census data shows a continuation of this trend.

The age demographic of the Blue Mountains City Council workforce is that 60% of employees are over 45 years of age and of this 30% are over 55 years of age. At the same time, only 14% of the workforce is under the age of 35 with less than 3% under 24.

As the data shows, the age demographic impacts the workforce at both ends of the employment cycle. It is therefore critical to develop strategies to not only make the workplace attractive to the

younger generation, but at the same time develop innovative programs to encourage and extend the baby-boomer generation in employment.

5.6.4 Length of service

Length of service is closely aligned to the age demographic, and with the stability of the workforce. Apart from the obvious costs associated with high staff turnover, the advantage of having a stable workforce is the organisation's ability to maintain continuity of existing relationships and understand the needs of the community more effectively. However, responding in an innovative, creative and flexible way to the ever changing needs of the community and the environment, unless managed effectively, can emerge as a weakness with a static workforce. As a result, the development of strategies that allow the workforce to react in fast and responsive way are a vital component of the workforce strategy.

The current length of service profile at Blue Mountains City Council is for males 50% have been with the organisation less than 10 years, 35% between 10 and 20, with 15% over 20 years. This has been stable for the last three years.

Sixty per cent of the female component of our workforce has been with the organisation less than 10 years, 30% between 10 and 20, with 10% over 20 years. This represents a 10% increase in the less than 10-year category and a 10% decline in the 10 to 20-year category in the last three years.

5.6.5 Diversity

Diversity refers to the workforce participation of different groups within our society. Attracting these cohorts into employment is therefore critical in achieving an organisation that is truly reflective of the community it represents and serves. Presently, only 48% of the workforce is female and less than 3% identify as Aboriginal.

At Blue Mountains City Council, the development of a wide-ranging *Workforce Participation Strategy* in 2010 – which positions Council as leader in such programs – is a strong demonstration of Council's civic leadership responsibilities. The Blue Mountains City Council *Workforce Participation Strategy* has a vision "*to be recognised as a leader in workforce participation programs*" and has four core components:

1. Aboriginal Employment
2. Women in the Workforce
3. People with a Disability
4. Economically Disadvantaged

A phased approach has been adopted to ensure effective delivery of the overall strategy. To date, the Aboriginal Employment component has been developed and is currently being implemented. A key element of the development of this program has been the extensive consultation with the Aboriginal community of the Blue Mountains.

5.6.6 Employee retention

Retention of the workforce is not only a key measure of the overall health of the workforce, but is also a key driver in effectively managing employment costs. In recent years, retention rates have

improved significantly and are well ahead of the industry average, suggesting the impact of the overall *Workforce Management Strategy* is starting to pay dividends.

Historically, Council's retention rate has fluctuated between 85% and 90%. However, in recent years there has been significant improvement and is currently tracking better than 97%. Conservative estimates place the cost associated with an employee leaving an organisation at the equivalent to the annual cost of the individuals' salary. In a workforce of 500 permanent employees a 1% change represents five employees. At an average salary of \$50,000 – an improvement of 1% delivers a saving of \$250,000. In the past five years there has been an improvement in retention of some 10%, which represents a saving in the order of \$2.5M to the community.

5.6.7 Skills & competencies

Ensuring up-to-date skills and competencies is essential to the ongoing effectiveness and performance of the organisation in serving the Blue Mountains community. A skills audit in 2007 revealed, that despite worldwide shortage in experienced Town Planners, Engineers and Building Surveyors, there was significant depth in the technical areas. However, there were significant gaps in the areas of project management, business planning, management and leadership.

In 2007, Blue Mountains City Council developed and implemented a critical skills shortage strategy to fill identified skill gaps in the workforce. This strategy has been successful in filling the gap in the technical areas mentioned above.

The revised workforce strategy identifies the need to undertake another skills analysis due to the changing landscape. The strategy is also now focusing on the non-technical areas and several initiatives are designed to strengthen these areas.

The design and implementation of the Learning Management System (LEARN) is allowing the organisation to take a more sophisticated and planned approach to resource planning and employee development.

5.6.8 Behaviours & culture

Contemporary organisational knowledge now acknowledges the importance of values and behaviours in building a strong high performing organisational culture.

Hewitt is an Australian organisation, which has been studying the attributes of high performing organisations for over two decades. They believe: *“a high level of trust is necessary to ensure employees commit and engage with the organisation's purpose, values, and vision”*

As management guru Steven Covey suggests *“trust is based on what leaders do ... it is the leaders' behaviours, not what they say or intend to do”*.

The compelling outcome of the ANZ Hewitt research is that high performing organisations continually have a 30% better bottom line results when compared to average organisations. When coupled with the tightening labour markets and the increasing cost of labour, organisations need to focus on the existing workforce and design and implement strategies that deliver a highly skilled and engaged workforce to ensure the productivity of the workforce is maximised.

At Blue Mountains City Council this is the central tenet of our *Workforce Management Strategy*.

5.7 Strategies and actions

The Division of Local Government (DLG) has identified six key strategic workforce issues that will require consideration in any workforce strategy to ensure a resilient and sustainable workforce for the future. These six areas are:

1. **Investment in development** - the development and up-skilling of existing employees.
2. **Labour retention** – exploring wider issues affecting individual employees.
3. **Business succession planning** – current and future organisational capability and needs.
4. **Non-traditional labour pools** – access to such different pools of labour including women, Indigenous people and people with a disability.
5. **Promoting local government as an employer of choice** – strengthening community understanding of the important role of local government and various professions and positions.
6. **Resource sharing** – collaborative partnerships between councils.

These components are integral to the Blue Mountains City Council *Workforce Management Strategy*. The vision of the Blue Mountains City Council Workforce Management Strategy is to maximise workforce productivity by ensuring a **highly safe, skilled and engaged workforce**. Such a holistic approach has a significant flow-on effect and will lead to an increase in employee satisfaction and a reduction in turnover, workers compensation costs, leave liabilities and absenteeism – all of which impact positively on both costs and levels of service.

The Blue Mountains City Council's *Workforce Management Strategy* has five key strategic directions. These strategic directions are known as areas of priority focus and form the basis of the Council's People & Safety Service plan:

Priority Focus 1 – Safe & Healthy

Our people work to the highest safety standards and their wellbeing is paramount.

This priority focus is more than simply meeting our obligations; it is about the development of safety and wellbeing programs to assist the workforce in leading a healthy and productive life.

Priority Focus 2 – Skilled & Responsive

Our people are highly skilled and have the ability to adapt to the ever changing environment.

This priority focus is about ensuring the workforce has the skills and competencies not only to perform their roles today but also to plan and prepare them for the future.

Priority Focus 3 – Committed & Engaged

Our people are highly engaged and committed to the services we deliver and the community we serve.

This priority focus recognises that people will be at their best when they understand what is expected of them and where the organisation is heading. It also acknowledges the critical role leadership plays in delivering success and the need for open and transparent communication mechanisms.

Priority Focus 4 – Systems & Processes

Our people and safety processes are effective and efficient and we meet our compliance obligations.

This priority focus recognises the need to have robust systems and processes to support and enable the workforce to operate at their optimum. It is also important to have clear, documented and

transparent internal policies and procedures, which are easily accessible, regularly reviewed and consistently followed.

Priority Focus 5 – Plan & Review

Our approach is regularly reviewed and monitored to ensure ongoing success and business integration.

This priority focus is about ensuring the organisation takes a structured, planned and integrated approach that is aligned to the organisations’ vision, objectives and long-term plans and strategies. It also recognises the need for ongoing monitoring to track progress to ensure success.

Within each of these Priority Focus areas, a series of key actions has been developed (*Table 5-2*). These are designed to achieve the overall objective of **ensuring a highly safe, skilled and engaged workforce** that delivers “value for money” outcomes for the community.

Table 5-2 BMCC Key actions - workforce management strategy 2014-2024

BLUE MOUNTAINS CITY COUNCIL WORKFORCE MANAGEMENT STRATEGY 2014-2024		
Priority Focus Area	Key Actions	Key Performance Indicators
Safe & Healthy Our people work to the highest safety standards and their wellbeing is paramount	<ul style="list-style-type: none"> Safety Behavioral Program Safety Awareness & Training Workforce Wellbeing Program Work Life Balance Program Injury Management Process 	Balanced Budget Current = Meet Target = Meet Quality of Leadership Current = 75% Target = 80%
Skilled & Responsive Our people are highly skilled and have the ability to adapt to the ever changing environment	<ul style="list-style-type: none"> Succession Planning Model Skills Gap Model Employee L & D Process Performance Management System Employee Development Plans Management Development Program Trainee, Apprentice & Cadet Program 	Community Satisfaction Current = 78% Target = 80% Delivery Plan Outcomes Current = 96% Target = 100%
Committed & Engaged Our people are highly engaged and committed to the services we deliver and the community we serve	<ul style="list-style-type: none"> Workforce Engagement Program Workplace Values & Behaviours Leadership Development Program Workforce Participation Strategy Reward & Recognition Program 	Employee Satisfaction Current = 76% Target = 80% Workplace Injuries Current = 22 Target = NIL
Systems & Processes Our people and safety processes are effective and efficient and we meet out compliance obligations	<ul style="list-style-type: none"> Resourcing Process Workplace Relations Process Workplace Relations Practices Audit Safety Management System Learning Management System Payroll Services EEO Management Plan 	Premium Costs Current = \$0.7M Target = \$0.5M Employee Retention Current = 97% Target = 95%
Plan & Review Our approach is regularly reviewed and monitored to ensure ongoing success and business integration	<ul style="list-style-type: none"> Workforce Management Strategy Employee Survey People Metrics Service Standards Workforce Profiles Workforce Forecasting System 	Employee Attendance Current = 97.5% Target = 98% Compliance Rate Current = 100% Target = 100%

5.8 Implementation

The General Manager is ultimately accountable for the delivery of the Blue Mountains City Council *Workforce Management Strategy*, however, everyone in the organisation plays an integral part in ensuring its success.

While the People & Systems Group has carriage for facilitating and coordinating the implementation of the associated programs and initiatives across the organisation, the leadership team and line management will take an active role and be responsible for ensuring integration of the *Workforce Strategy* with respective business plans and activities.

Underpinning the workforce's involvement in the overall strategy is an effective communication process, which includes appropriate consultation and feedback mechanisms. The communication process needs to ensure the workforce understands the rationale of the strategy, the respective programs and initiatives and most importantly, how it will affect them.

5.9 Monitor and Evaluate

The *Workforce Management Strategy* needs to be monitored and evaluated on a regular basis to ensure it remains relevant, is delivering the outcomes expected and meets the objectives in the Council's Delivery Program and ultimately the Community Strategic Plan - *Sustainable Blue Mountains 2025*.

This process will be undertaken in the context of the organisation's risk management framework that will monitor the changing external and internal environment and regularly review and assess emerging risks. This approach recognises that the development of a strategy is not a "set-and-forget" exercise and will ensure adjustments and changes to the strategy will be undertaken in an effective and timely way.

The key indicator of a successful workforce plan is that Council's overall delivery program, in response to *Sustainable Blue Mountains 2025*, is able to be resourced and met. To monitor progress and evaluate the success and strength of the Blue Mountains City Council *Workforce Management Strategy*, a suite of key metrics has been developed and implemented.

Modern organisational research suggests what separates a high performing organisation from the pack is the creation of an environment in which individuals feel empowered and valued where they have a sense of purpose about how they can make a difference to the community they serve.

Essentially, this means the way people are led is a vital ingredient to success. Therefore, the ultimate measure of success of any workforce strategy is the level of workforce engagement and satisfaction of the workforce. At Blue Mountains City Council this is measured through an annual survey process that all employees are encouraged to participate in. The two key measures from this process are Employee Satisfaction and Quality of Leadership.

As shown in (Figure 5-1) below, **Employee Satisfaction** at Blue Mountains City Council has improved 13 per cent over the last five years and is currently at 76%. Since **Quality of Leadership** has been measured there has been an improvement of 7% per cent and is currently 75%.



Figure 5-1 Employee satisfaction at Blue Mountains City Council

There are other key measures that have been developed, which essentially are productivity measures. These are designed to measure effectiveness of the various workforce initiatives and to demonstrate “value for money”. The key measures are: Employee Retention and Employee Attendance.

Employee Retention at Blue Mountains City Council has improved by more than 10% in the past five years to a rate of 97.5% in 2013 (Figure 5-2). Blue Mountains City Council is now considered one of the top performers in relation to the retention of staff when benchmarked against other NSW Councils, as evidenced in the NSW Council LGSA Survey - Retention Rate Average of 90.3%.

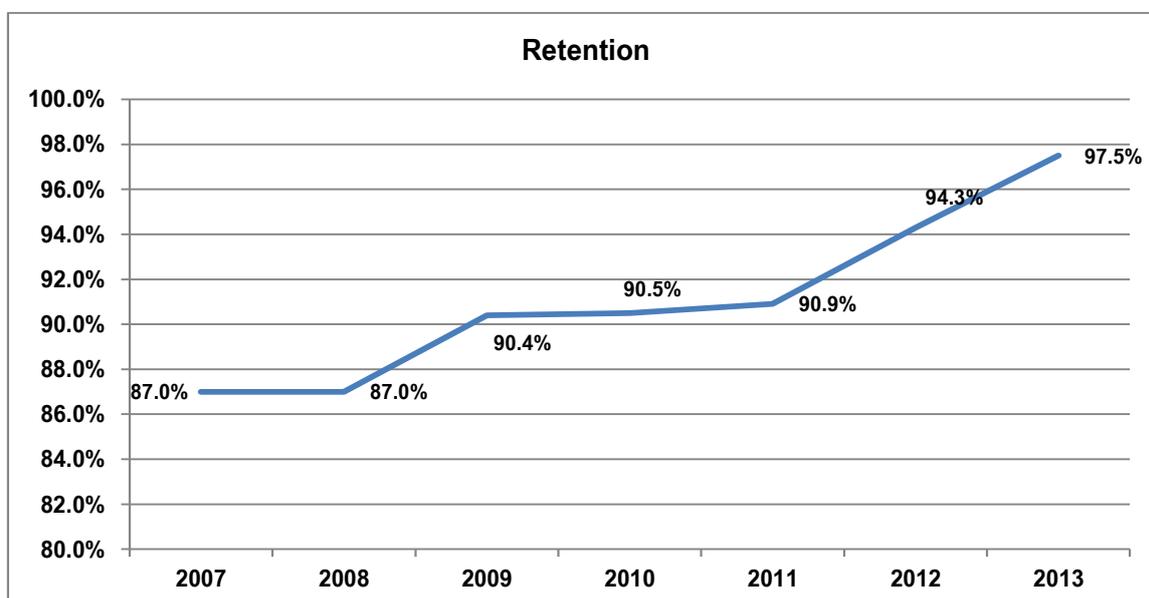


Figure 5-2 Employee retention at Blue Mountains City Council

Employee Attendance at Blue Mountains City Council measures the percentage of contracted hours, excluding scheduled leave (annual and long service), that people are at work. This measure has remained relatively stable, however has improved slightly since being measured and is currently at 96.7% (Figure 5-3). This result places Blue Mountains City Council as a top performer in relation to employee attendance when benchmarked against other NSW Councils as evidenced in the NSW Council LGSA Survey – Unplanned Absence Average of 94%.

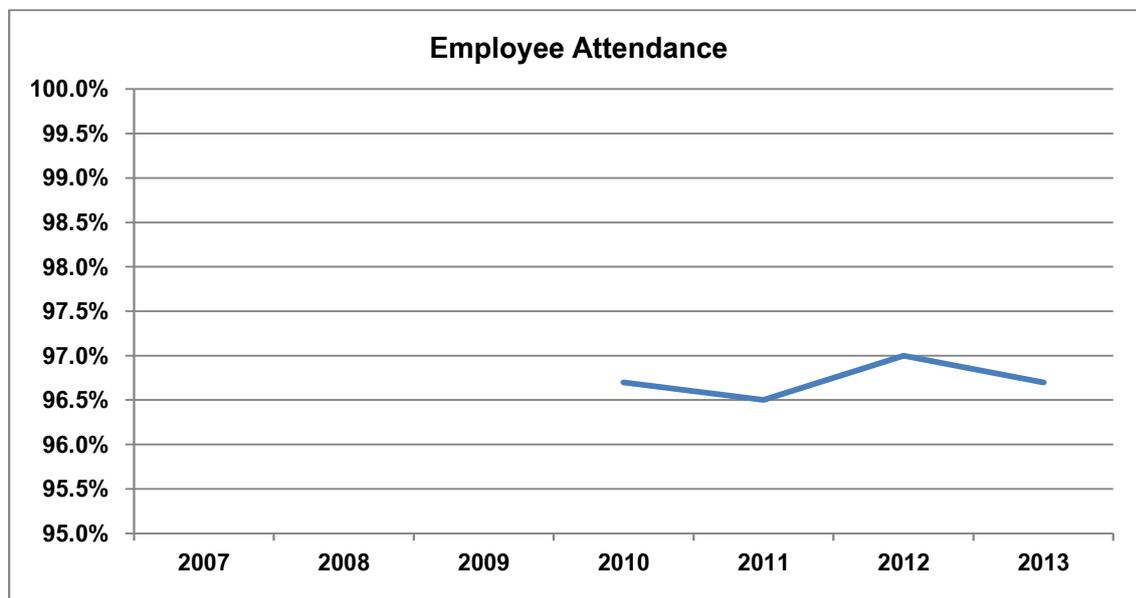


Figure 5-3 Employee attendance at Blue Mountains City Council

The other key people indicators relate to health and safety of the workforce. The two key indicators of this priority focus area are the number of lost time injuries and premium costs. While the number of lost injuries is a measure of the safety of the workforce it is also an indicator of workforce engagement and commitment. The overall premium costs is an indicator of how proactive the organisation and employees are at managing injuries.

(Figure 5-4) shows the trend of **Workplace Injuries** over recent years. As the graph demonstrates there has been considerable improvement at Blue Mountains City Council over recent years. That said, when compared to NSW Council benchmarks, the organisation still has some work to do to be considered amongst the best performing organisations.

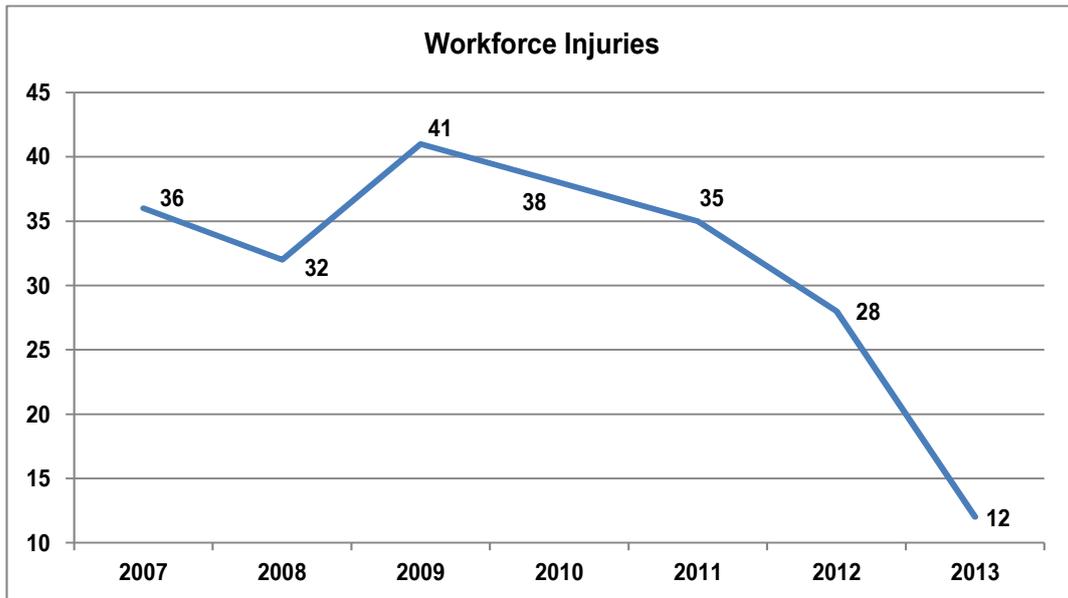


Figure 5-4 Workplace injuries at Blue Mountains City Council

On the other hand, the **Workers Compensation Premium Costs** have reduced significantly. This result is the outcome of two key drivers. Firstly, the admission of the organisation to the Retro Paid Loss Scheme, and secondly, the organisational and workforce approach to proactively managing injuries. This result positions Blue Mountains City Council as one of leading organisations when compared to other NSW Councils, as evidenced in the NSW Council LGSA Survey (Figure 5-5).

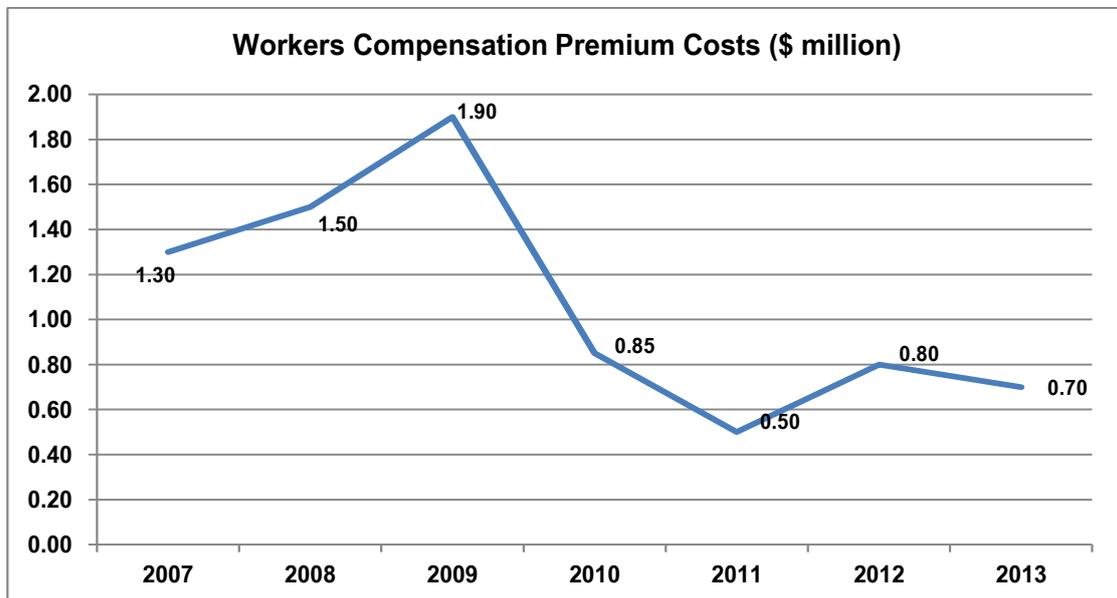


Figure 5-5 Workers compensation premium costs at Blue Mountains City Council