

# ADDITIONAL ITEM

12 June 2013  
To the Ordinary Council Meeting

General Manager's Report  
General Manager's Unit

## 4.6 Organisation Structure

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TRIM REFERENCE: F2006/01686 - D03299054

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### SUMMARY

A new organisation structure was endorsed by Council 28 November 2012. Council also delegated power to the General Manager to undertake continuous improvement to the WSC organisation structure to further enhance customer service satisfaction and financial savings if deemed appropriate.

In addition various initiatives within the organisation such as the Service Standard Review, staff survey, DLEP and various strategy plans have highlighted the need for further organisation structure change and are outlined in the body of the report. An example is during the 2013 Special Rate Variation process it was requested possible reductions be reviewed with a specific focus on middle management on the proviso all permanent Award staff be guaranteed job security through this process.

In response, an improved organisation structure with minor changes is now being presented to Council which reflects continuous improvement and a review of middle management numbers.

Generally there has been an increased focus on aligning budgeted FTE to actual FTE. An initial budgeted FTE of 1,150 was established in 2010/11 and has been reduced to 1048 with an estimated savings of \$7,140,000. Furthermore a target of 1035 budgeted FTE is planned for 2013/14 with a continual reduction to a budgeted FTE of 1000 by 2016/17. Over the last 11 months we have operated on a monthly average of 1002 actual FTE.

There has also been a 34.5% reduction in Service Unit Manager representation since 2011 decreasing from 29 Service Unit Managers in 2011, to 26 Service Unit Managers in 2012 to 19 Service Unit Managers in the proposed structure.

If adopted the Consultative Committee, Unions and staff will be provided 21 days to provide comment on the approved structure to be considered at the 12 June 2013 Council meeting for final endorsement.

### RECOMMENDATION

- 1 That Council adopts the organisation structure as presented in Attachment 2 as the Wyong Shire Council Organisation Structure and resolve no Award staff be impacted in the resolution.**
- 2 That Council invite staff, Consultative Committee and the Unions to make submissions on this structure for 21 days.**

- 3 ***That Council gives consideration to those submissions on 10 July 2013.***
- 4 ***Council designate the positions of Manager Building, Certification, Compliance and Health, Manager Property Development, Manager Property Management, Manager Commercial Enterprises as Senior Designated Officers due to the reduction in Service Unit Managers from 26 to 19.***
- 5 ***That Council note budgeted FTE will reduce from 1048 to 1035 in 2013/14.***

## **BACKGROUND**

At the 28 November 2013 Council meeting, Councillors endorsed a new structure and delegated power to the General Manager to undertake continuous improvement to the WSC organisation structure to further enhance customer service satisfaction and financial savings.

In addition, various initiatives within the organisation such as the Corporate Strategic Direction, Service Standard Review, staff survey, DLEP and various strategy plans have highlighted the need for further organisation structure change to meet business needs.

One of the key areas highlighted from the strategic direction of Council and is supported by the proposed organisation structure is to ensure business strategies align with the outcomes of the service standards review and the Community Strategic Plan and systematic attention in key business areas occur .

The proposed organisation changes also reflect key objectives of the adopted Workforce Strategy including:

- Ensure the development of a capable workforce to effectively and efficiently deliver quality and sustainable services to the community;
- Ensure we have the right people in the right places with the right skills doing the right jobs at the right time within budget
- Enable Council to focus on medium and long term , and also provide a framework for dealing with immediate challenges in a consistent way; and
- Create a workforce where people are best able to inform our strategic direction and develop innovative approaches to complex issues

During the 2013 Special Rate Variation process it was requested possible reductions be reviewed with a specific focus on middle management and on the proviso all permanent Award staff be guaranteed job security through this process.

Management have been and remain committed to rightsizing the organisation and to continuing to decrease costs through improved FTE management whereby budgeted and actual FTE is much more closely aligned. Upon the commencement of FTE management in 2010/11 budgeted FTE was 1150 and we are now operating with a budgeted FTE of 1048. Based on an average salary of \$70K this has resulted is a reduction of approximately \$7,140,000. It is planned to further reduce budgeted FTE in the following phased approach:

2013/14 – 1048 budgeted FTE to 1035 budgeted FTE;  
2014/15 – 1035 budgeted FTE to 1020 budgeted FTE;  
2015/16 – 1020 budgeted FTE to 1010 budgeted FTE;  
2016/17 – 1010 budgeted FTE to 1000 budgeted FTE.

This will result in a budgeted savings from June 2010/11 in the vicinity of \$10,500,000 and minimising the overall % increase to the employee cost base to 3.85% in comparison to 9.54% without the reduction in FTE.

In addition a 34.5% reduction in Service Unit Manager representation has occurred since 2011, decreasing from 29 Service Unit Managers in 2011, to 26 Service Unit Managers in 2012 to 19 Service Unit Managers in the proposed structure. This decrease results in an annual savings of \$940,000 at a minimum depending on organisation requirements to meet business needs.

In respect to Infrastructure and Operations the structure allows resources to be dedicated to the areas of major concern raised through recent community consultation being roads, lakes/natural areas and drainage. The new waterways group will be in a position to dedicate resources to lake improvements and put a concerted effort into drainage issues that previously have been of a lower priority. There is no evidence from community consultation highlighting over servicing in any of the directorate areas, however, asset management on a whole may take a redirection depending on the focus taken by Council in regard to community buildings.

Community and Recreation Services has in previous years undergone a range of changes to the structure to enable the best model for service provision to be provided to the community. Further refinements during this process include the movement of Holiday Parks into the Land Management Department (2.4 FTE) and redefining the names of the teams.

Sport, Leisure and Recreation Unit will be changed to Community Business and Tourism to focus on those community services that are a business, such as pools, recreation centres, childcare and in future cemeteries. This team will also provide a central focus on tourism within the organisation which has not previously been provided. This tourism focus is not to reinvent the wheel and do the work that is already undertaken by existing tourist bodies such as Central Coast Tourism or the Visitors Centre, it is to provide one point of contact within the organisation and to identify and assist in grasping opportunities that will impact on the Wyong Shire. This tourism role is limited as there is no dedicated FTE provided for tourism.

In regard to Grant Funding the Community Benefit Grants and Community Matching Fund Program reside in Community and Cultural Development. The Council Community Improvement Grants and Local Project Funds will reside in Legal and Governance.

Open Space will be renamed Open Space and Recreation to more accurately identify its function.

In respect to the current Land Management Department which is proposed to be titled Property and Economic Development, it is expected the restructure will create Service Units that are more focused on the core functions/objectives of the department. The streamlining of management functions will result in improvements in project accountability, monitoring and reporting. The changes are expected to create improved operational efficiencies through reduced duplication and overlap of responsibilities whilst providing a more centralised, focused and flexible approach to resource management.

In summary the proposed organisation structure (see attachment 2) changes focus on Service Unit Management changes to and in Infrastructure Operations, Land Management, Development and Building and the General Manager's unit. The summarised key changes of this structure include:

- Reduction of one Service Unit Manager in Development and Building through the merger of roles. The units are proposed to be titled Building, Certification Compliance and Health and Development Assessment and Rezoning;
- The function of rezoning has been transferred from Land Management into the Department of Development and Building within the Development Assessment unit;
- Reduction of one Service Unit Manager overall in the Land Management Department now proposed to be titled Property and Economic Development through the merger of roles resulting in three service units titled Property Management, Property Development and Commercial Enterprises;
- Tourist Parks will now be located in Department of Property and Economic Development in the Commercial Enterprises unit;
- The previous service unit of Waste will be incorporated into the Commercial Enterprises unit along with Tourist Parks;
- Sport, Leisure and Recreation will be titled Community Business and Tourism to focus on those community services that are a business and also to have more focus on tourism;
- Community Buildings and Facilities Management will become one section within the Property Management unit within the Property and Economic Development Department ;
- Reduction of one Service unit Manager in Infrastructure and Operations via a lateral transfer of an existing Manager into the Manager, Contracts and Project Management; and
- Corporate Governance has been incorporated into the Legal and Risk unit now proposed to be titled Legal and Governance. A reduction of one Service Unit Manager occurred being the role of Executive Manager to the General Manager.

The restructure triggers the following positions to be filled through a merit based recruitment process in compliance with the Local Government Act as Senior Designated Officers:

1. Manager, Building, Certification, Compliance and Health
2. Manager, Property Development
3. Manager, Property Management
4. Manager, Commercial Enterprises

Including the above four roles, all Service Unit Managers (SUMSs) are either already on SDO contracts or will be commencing SDO's contracts. The exception are the five SUMs within the Community and Recreation Services Department as there is little pressure in respect to labour market forces in this realm of occupations.

The list of SDO's (including the proposed) within Council include:

General Counsel  
 Chief Financial Officer  
 Chief Information Officer  
 Manager, Human Resources  
 Manager, Water and Sewer  
 Manager, Waterways and Asset Management  
 Manager, Roads and Drainage  
 Manager, Building, Certification and Health  
 Manager, Property Development  
 Manager, Property Management  
 Manager, Commercial Enterprises

## 4.6 Organisation Structure (contd)

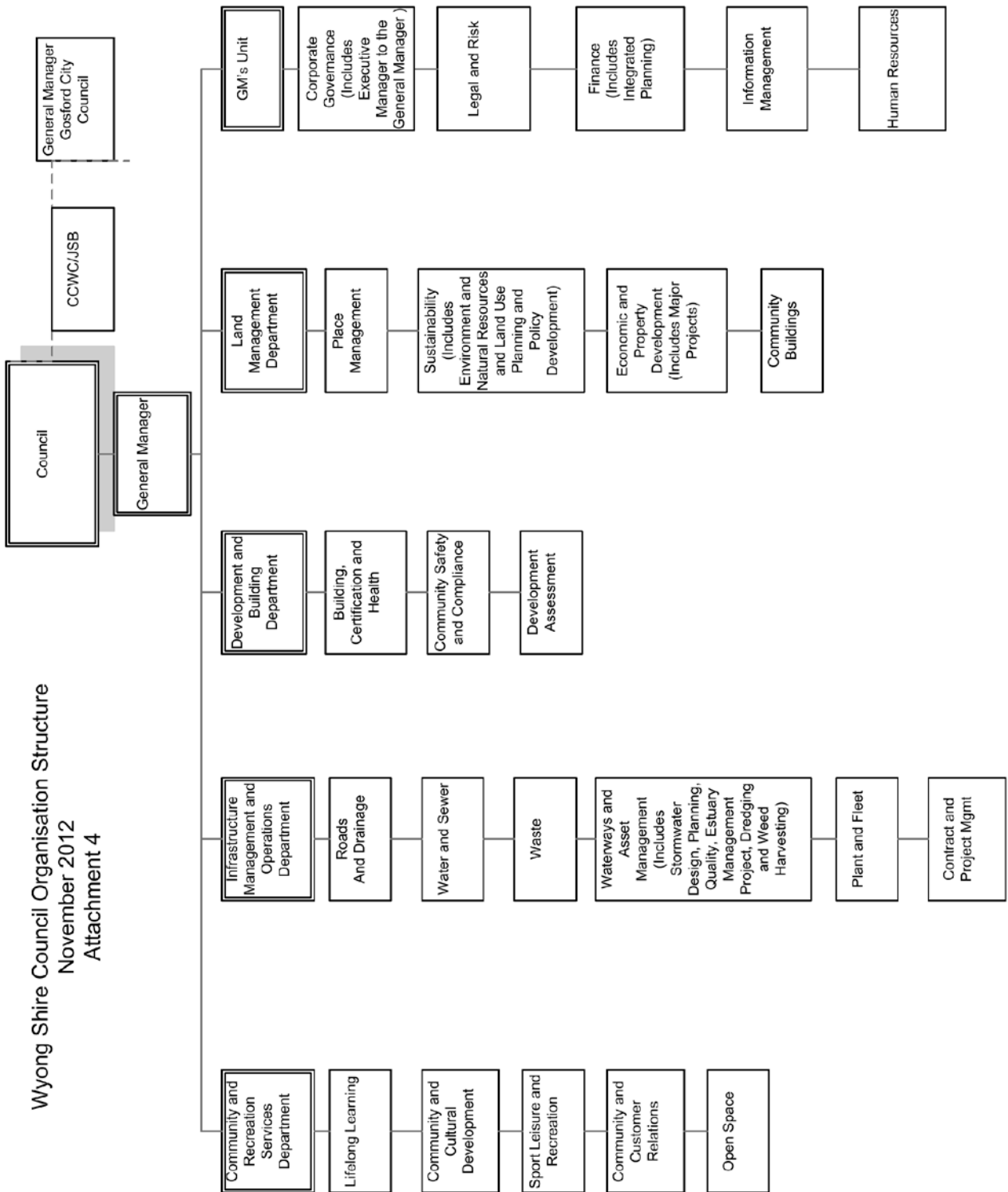
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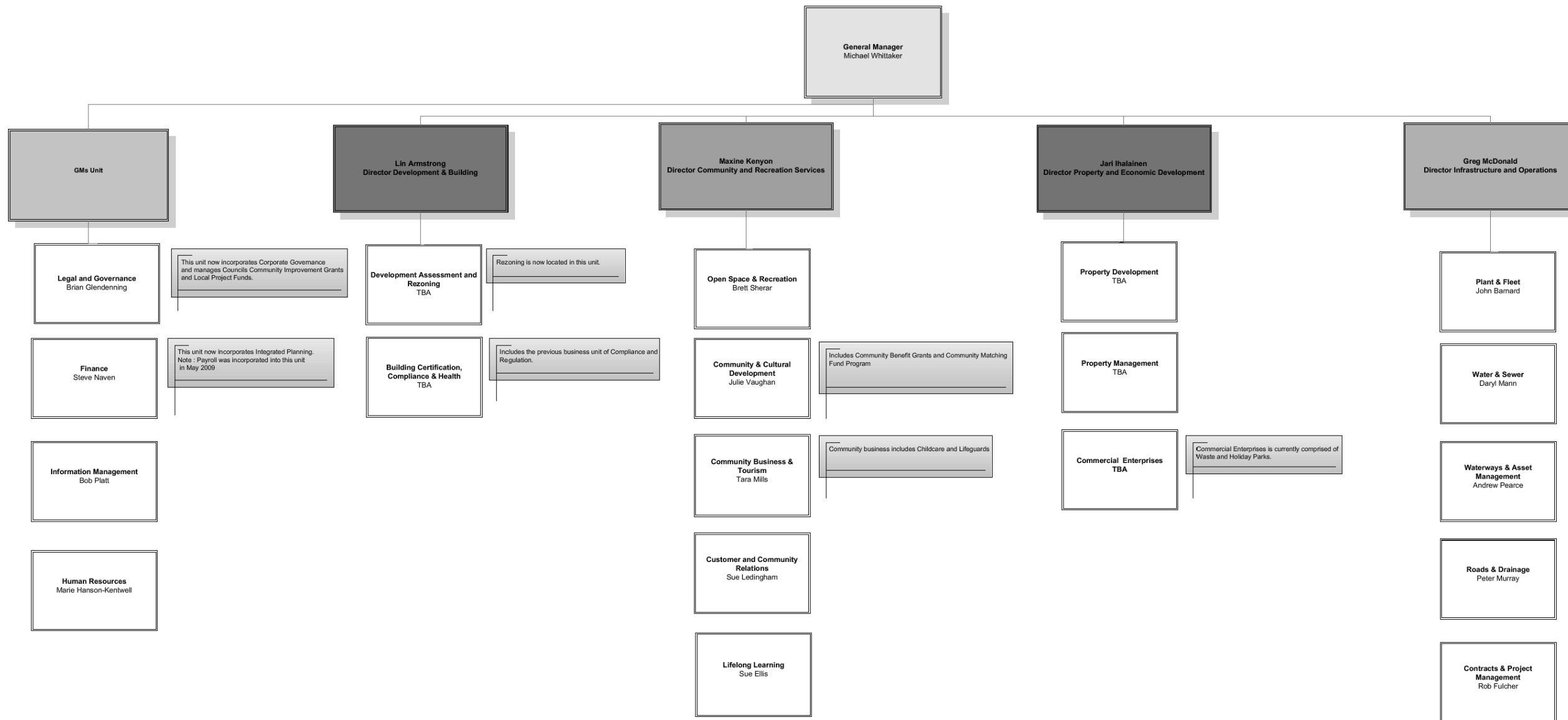
This proportion of SUMs on SDO's along with the expertise in Community and Recreation Services highlights the depth of intellectual capability within the units to best position Council into the future.

### ATTACHMENTS

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|---|---|-----------|
| 1 | Endorsed 28 November 2012 Council Structure | D03201037 |
| 2 | Proposed Structure 12 June 2013             | D03400395 |

Wyong Shire Council Organisation Structure  
November 2012  
Attachment 4





Wyong Shire Council  
June 2013

