

# Penrith

*Regional City*

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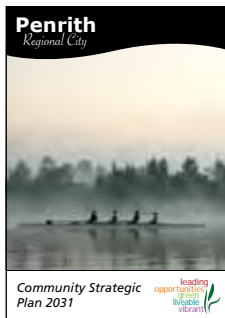


## *Resource Strategy 2011-2021*

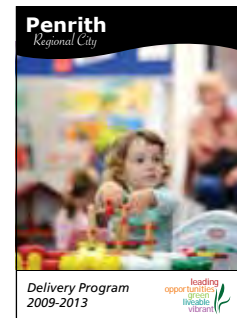
leading  
opportunities  
green  
liveable  
vibrant



# Strategic Planning Framework



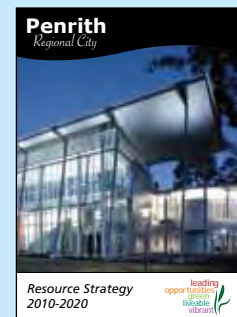
The **Community Strategic Plan** identifies the long term aspirations our communities want to see delivered in the City. The Strategic Plan stretches beyond the next ten years, identifying the outcomes and long term strategic responses needed to achieve the agreed directions. It demands strong leadership from Council in working with others to grow our Regional City into the future.



The 4 Year **Delivery Program** links the 'planning' in the long term Strategic Plan with the 'implementing' in the annual Operational Plan. It is the strategic document that guides the organisation's work program over the Councillors' four year term. The Delivery Program sets out clear priorities, ongoing activities and specific actions Council will undertake, within its responsibilities and capacity, towards achieving the communities' outcomes.



The annual **Operational Plan** is the 'implementing' part of Council's key strategic documents, and outlines all of Council's services. All services deliver a range of ongoing service activities, and may also identify specific tasks to be undertaken in the year ahead. Both ongoing activities and specific tasks contribute to the implementation of Council's Delivery Program.



The **Resource Strategy** outlines Council's capacity to manage assets and deliver services over the next ten years. The Resource Strategy includes three key elements - a Workforce Plan, an Asset Management Plan, and a Long Term Financial Plan. To prepare the Resource Strategy, Council determines its capacity and how to effectively manage its finances, the sustainability of its workforce, and the overall cost of its community assets.



The **Community Engagement Strategy** outlines how Council will engage with its communities and relevant stakeholders in developing and finalising the Community Strategic Plan. Over time it will be reviewed to outline how Council will ensure regular engagement and discussion with our communities about their needs and aspirations for the City.

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## Welcome

At Penrith City Council we value our communities and understand the importance of the services that we provide, and our role in making Penrith a better place into the future. Being able to provide services to our communities depends on money, people and assets such as parks, buildings and equipment. The nature and level of the services we provide as a Council supports and contributes to the City as a place to live, work and play, now and in the future.

Like any business, Council has a responsibility to manage its operations within its budget. Given the constraints within which we operate, and the need to ensure that our services can be accessed by everyone in our communities, it is critical that we use our resources wisely, and plan for the future.

This Resource Strategy outlines how we, as an organisation, are planning to maintain our assets, manage our finances and support our staff so that we can implement Council's adopted four year Delivery Program. The Resource Strategy details the information on which we have based our future planning, and summarises the strategic actions which will ensure we are responsible in our approach to managing our assets, workforce and finances.

The Resource Strategy has been prepared in accordance with the requirements of the Local Government Amendment (Planning and Reporting) Act 2009 and the associated Guidelines and Manual. It was initially adopted by Council in June 2010, and has now been amended in response to the Division of Local Government's recent release of more detailed guidelines on preparing these documents. It comprises an Asset Management Strategy, Workforce Plan and Long Term Financial Plan that together identify Penrith Council's capacity to deliver on its responsibilities, which are outlined in the Community Strategic Plan 2031 and Council's four year Delivery Program 2009-2013.

It provides Council with the opportunity to respond to agreed Community Outcomes and Delivery Program priorities, and establish its capacity to respond now and into the future.

# Executive Summary

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Penrith is but one part of greater Metropolitan Sydney, which is expected to grow to six million people by 2036. Increasing life expectancy also means that in the next 25 years the number of people aged 65 and above will more than double to just over one million, requiring new, more varied housing, social infrastructure and community services. But while Sydney's population is growing, the average household size is falling, creating demand for more – but smaller, more affordable – homes. As a result, Sydney will need 770,000 additional homes by 2036. In the next 25 years, Sydney's growth will also require an additional 760,000 more jobs. Penrith will play a key role in managing this growth.

The State Government's Metropolitan Plan for Sydney 2036 identifies Penrith as one of Western Sydney's two Regional Cities. Penrith has to accommodate around 25,000 new dwellings and 40,000 new jobs by 2036 to meet the needs of its growing communities. Under the State Government's metropolitan and sub-regional plans Penrith, together with five other 'growth' councils in Western Sydney, will be responsible for delivering nearly 50% of the new houses and new jobs Sydney needs by 2036.

These six council areas, including Penrith, absorbed much of Sydney's growth over recent decades without the support of adequate infrastructure such as public transport and roads, education, hospitals or social services to meet community needs. Years of underinvestment in these essential facilities and networks will be further exacerbated by future growth unless there is a concerted focus on implementing the necessary infrastructure now. Our analysis indicates that Penrith has an infrastructure backlog of \$1 billion, and will need a further \$3 billion to meet the infrastructure needs of the planned future growth. In responding to the targets outlined in the Metropolitan Plan, Council's priority is to ensure this growth is accompanied by more investment in infrastructure to ensure all the attributes that attract people to Penrith are protected or enhanced, and future growth is supported by good public transport and community facilities.

The 'big picture' plan for our City, the *Community Strategic Plan*, identifies some outcomes that are beyond Council's responsibilities. There are issues (such as affordable housing or better public transport) on which Council can advocate, inform and influence but are not within Council's direct control. The *Community Strategic Plan* recognises that others in our communities (individuals, businesses, governments and agencies) can also contribute to future outcomes. It acknowledges the NSW State Plan commitments to deliver a number

of projects (relating to the areas of education, energy, health, housing, public order and safety, transport, and water) in our City by 2016. Council will continue to advocate for the state and federal governments to take greater responsibility for addressing the region's infrastructure backlog and future needs, and implement the projects to which they have committed.

This *Resource Strategy* provides our communities with information on how Council plans to manage the City as a significant place within Metropolitan Sydney and facilitate the delivery of the services that our communities and environments need and expect. The *Resource Strategy* explains how Council will deliver the outcomes and priorities that our communities want to see in our City, now and into the future, including effective financial management, a smaller ecological footprint, infrastructure that responds to community needs, and equitable access to services and facilities.

The *Resource Strategy* outlines Council's current situation and planned long term position in relation to our assets, workforce and finances. Council has an annual budget of \$180 million, a workforce of 1,261 people (971 permanent positions) and an asset portfolio with a current replacement value of over \$1.5 billion (including buildings, drainage, parks, plant and fleet, and the transport network – mainly roads and footpaths). Council is well advanced in sustainable asset management, guided by the principles of intergenerational equity, equitable access to services and facilities and sustainable operating practices.

The most significant financial risk to Council is that we do not have the capacity to generate the funds needed to maintain all of our assets and deliver all of the services that growing communities will expect. Our ability to raise rates and other forms of revenue is limited, but Council is subjected to a continuous stream of additional obligations which need substantial funds to implement, particularly in the areas of planning, reporting and regulation.

Within this increasingly challenging environment Council continues to provide a significant range of services to our communities. Recent benchmarking against similar councils, and surveys of our communities, indicates that we provide equivalent or better services with fewer resources. This reflects the success of Council's organisational approach to continual review, acting to implement productivity improvements and adjustments to achieve service efficiencies and financial savings. The regular and structured service review program has provided an additional mechanism to ensure all opportunities for productivity and service efficiencies have been examined.



It remains critical, however, that our residents and communities are involved in decision making about the nature, extent and level of services that Council delivers, to make sure we ‘get it right’. We regularly inform, consult and involve our communities on specific strategic planning issues such as ageing populations, rural lands, future urban growth, health and wellbeing. We receive important feedback about how we are performing and which services and facilities are of most value to our communities through our biennial survey. We are also committed to continually improving our engagement processes, and establishing more regular communication with everyone in our communities. Significantly, 91% of our employees live in the region, with 61% living in our City and another 30% in adjacent council areas. This means that our employees are also an important part of our communities.

The adopted *Delivery Program* identifies 42 priorities our communities have asked Council to focus on. Most of the priorities can be implemented with existing resources. Ten of those priorities, however, rely on funding that will cease in 2012 and options for future funding are being examined. More importantly 13 priorities are not fully funded, and cannot be implemented with current resources. Chapter Two outlines the funding and resources that are needed to implement most of these significant community priorities. It highlights the gap between Council’s current capacity and our communities’ expectations.

This *Resource Strategy* demonstrates that Council is acting responsibly in planning ahead, and addressing the monumental tasks of responding to future aspirations whilst also delivering ‘every day’ services. It details Council’s current and planned management of its assets, workforce and finances, positioning us to best respond to our communities’ agreed outcomes and priorities.

The *Resource Strategy* explains that Council will not be able to rely on further productivity improvements to fund increasing demands for services (as it indicated by the currently shortfalls in the budget and unfunded community priorities). Other options will need to be considered, including reducing service levels, or disengaging entirely from non-statutory services so that we can continue to fund statutory obligations and provide the services most important to our communities. Increasing the level of funding provided from other sources such as rating, or re-allocation of current budgets should also be considered.

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