

10.5.2 - Infrastructure Directorate Review (SJ514)	
Responsible Officer:	Chief Executive Officer
Senior Officer:	Chief Executive Officer
Disclosure of Officer's Interest:	No Officer involved in the preparation of this report has an interest to declare in accordance with the provisions of the <i>Local Government Act 1995</i> .

Authority / Discretion

Executive	The substantial direction setting and oversight role of the Council such as adopting plans and reports, accepting tenders, directing operations and setting and amending budgets.
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Report Purpose

The purpose of this report seeks Council approval to a variation to the organisational structure, including the creation of an Executive Manager role for a two-year period in response to significant increase in workload in the Infrastructure Directorate.

Relevant Previous Decisions of Council

Nil.

Background

Adjustments have been made to the organisational structure over the past 4 or 5 years as the need has arisen.

When the Infrastructure Directorate Structure was reviewed in 2021 Officers identified at the time the potential need for a 5th Directorate to manage the workload in the infrastructure and operations areas. However, at the time this was not recommended and did not progress due to costs and to allow time to assess the volume of work.

Officers believe this workload has now reached a magnitude that warrants consideration of this but are proposing a trial and interim step for a two-year period funded using savings from last financial year.

Community / Stakeholder Consultation

Staff have been advised of this proposal and consultation on this new role (Executive Manager Operations) is being undertaken, pending Council approval.

If the new structure and positions are approved by Council, staff will be consulted on the details and any changes to reporting relationships below this position.

Contact Us

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Statutory Environment

Section 5.2 of the Local Government Act 1995 states:

5.2. Administration of local governments

The council of a local government is to ensure that there is an appropriate structure for administering the local government.

This role is not proposed to be a Senior Officer in accordance with the Local Government Act 1995 although it will report to the Chief Executive Officer.

Comment

Over recent years at various points in time and during previous organisational restructure Officers have considered recommending Council introduce a 5th Directorate to effectively manage the workload and growth across the organisation.

However, either the timing has not been right, or Officers have been concerned about the ability of the organisation to afford a 5th Directorate.

There are five main drivers for considering a review and potential change to the Infrastructure Directorate Structure at this time, namely:

1. The volume and complexity of capital projects to be delivered over the coming 5 years.
2. Major State Government Projects occurring in the Shire.
3. Major Operational requirements and changes
4. The need for more detailed Strategic Asset Management and forward capital works programming.
5. How the natural environment is managed across the Shire.

These issues will be further explained below.

Capital Projects.

Currently funded plus future projects in the next 5 years (2024 – 2029) are as follows:

- Hypergrowth Roads - \$14M (remaining to be delivered from initial \$18M)
- MRRG rehabilitation road projects (annually) \$1.5M = \$7.5M over next 5 years
- Road reseals (Annually - RtR funded) \$0.75 (estimated) = \$3.75M
- Keirnan Park Stage 1A - \$22M
- Admin Office and Chambers \$9M
- Oakford Fire Station – estimated \$3.5M
- Keirnan Park Stage 1B (BMX – DCP) - \$8.7M
- Black Spot projects - \$10M
- Skate Park - \$1M
- Indigo Parkway (DCP) - \$6M
- Briggs Park pavilion (DCP) - \$3.73M
- Glades District Community Facility (DCP) \$4.24M
- Upgrade to the Pound (\$ TBD)
- Principal shared path – Soldiers Road - \$3M
- New Depot (\$ TBD)
- Byford train station toilets and change room – estimated \$800k



- Various other capital projects which are in the planning phase, including lighting at 2 x ovals, depot upgrades, footpaths, drainage upgrades etc over the next 5 years estimated at \$10M

These projects have a combined value in excess of \$100 million. Many of these projects were either just advocacy positions or not confirmed projects at the last review of the Infrastructure Directorate. This list does not include any of the current State and Federal Government Election Advocacy priorities endorsed by Council for the 2025 elections.

As can be seen from the above the Shire is increasingly being successful at attracting funding for projects such as road upgrades.

Beyond the above list (which are due for completion on or before 2030) the table following identifies the additional community infrastructure which is scheduled for delivery between 2030 to 2035.

Project	Timeline (Completion)	2023/24 current capital cost est. (millions)
Byford Library	Medium Term: 2030 to 2035	6.56
Briggs Park Youth Centre		3.42
Orton Road DSS		4.06
Lindt St Playground		0.43
Whitby (Reilly Road) DSS		3.07
Mundijong Dog Park		0.67
Keirnan Park Youth Centre		3.33
Whitby Playground		0.43
Briggs Park Recreation Centre Extension		4.99
Cardup Brook Playground		0.43
Mundijong Whitby Skate Park		3.87
Hopkinson Road DSS	Long Term: 2036	4.06



More than ever it is important for the Shire that these capital projects are delivered well, on time and budget as this will impact upon the ability of the Shire to attract further funding into the future.

External State Government Major Projects

The State Government projects including MetroNet and Tonkin Highway Extension are now ramping up into construction phases. During this time Officers are predicting an increased involvement/liason with the Shire on the detail of these projects and impact upon the local community and roads.

Operational and Waste major initiatives

At the June 2023 Ordinary Council Meeting, Council adopted the recommendations from the Glen Flood Review for operations centre and waste transfer station. Significant progress has been made implementing these recommendations particularly for the Operations Centre as can be seen from the progress report at **attachment 1**. However more work is needed and the greater risk to the organisation is that the Infrastructure Directorate is focused upon delivering the above-mentioned capital projects that the operations area does not get the focus of someone senior in the organisation to drive and solidify the improvements made.

In addition to this the closure late last year of the Waste Transfer Station has created a significant volume of work which was not planned for in this Directorate. The successful implementation of the short/medium term issues together with implementation of whatever the final decision Council makes in terms of the future of the WTS will only see this work continue. The WTS and green and hard waste collections is of great importance to the community and Officers want to be able to ensure the resources are available at a senior level in the organisation to implement Councils decisions in a timely manner. Failure to do this could impact upon the brand of the organisation in the community.

Strategic Asset Management and forward Capital Works Plans

The Shire is on a journey to improve it's Strategic Asset Management. This has focused for the past two years on collecting asset data and recording it in One Comm. The focus is now moving to creating meaningful Strategic Asset Management Plans for all asset classes and 10-year capital works programs.

These are particularly needed for Roads and Footpaths which are currently not in existence or very poor quality. Such programs based upon sound strategic asset management planning will increase the Shire's success in attracting funding for roads and footpaths across the Shire and ensure ratepayer funds are spent appropriately on demonstrated priorities and needs.

Management of the Natural Environment

Officers are concerned that as an organisation the management of the natural environment does not currently align with the community's expectations and priorities.

Increasingly clearing approvals associated with capital projects are being accompanied by the requirement to provide environment offsets to the clearing occurring. The Shire has not been required to do this in the past nor does the organisation currently have a strategic plan for how this will be managed across all capital projects over the coming years. This work needs to be done at a strategic level to ensure the Shire is able to deliver its capital program.

What is proposed?



As can be seen from the above there is an increasing level of strategic work required in the current Infrastructure Directorate. However, Officers are unsure if this current workload will continue past two years and if a 5th Directorate can be afforded by the organisation without placing undue pressure on ratepayers.

Therefore, it is proposed to create a position of the Executive Manager Operations role for a period of two years. This is proposed to split the Infrastructure Directorate into two areas as outlined as follows:

- Infrastructure
 - Capital Projects
 - Engineering
 - Strategic Projects
 - Strategic Asset Management
- Operations
 - Parks and Gardens
 - Waste (TBD from 1 July)
 - Fleet
 - Civils Maintenance
 - Facility Maintenance
 - Natural Environment (TBD)

The final makeup of the teams would be subject to further consultation with the organisation over the coming months. It is anticipated that the final structure will be presented to Council as part of the 2024/25 financial year budget.

The two new roles requested (Executive Manager – Operations and Personal Assistant) are proposed to be funded from savings in last year's surplus. Allocating \$750,000 of this surplus to the Operations Optimisation Reserve will mean that funds can be drawn over the coming two years from this reserve and not from rate rises.

Any new roles in addition to these roles will be considered like any other positions as part of the 2024/25 FY budget process.

At the end of the two-year trial a report will be presented to Council to evaluate the effectiveness of this change and options moving forward.

Officers now believe this change is needed to effectively manage the workload in the Infrastructure Directorate and it can be afforded without an impact upon rates by using an allocation from the previous year's surplus to fund the two-year trial.

If approved by Council an internal EOI process will be concluded first to fill the role of Executive Manager Operations. If this doesn't result in any suitable candidates an external advertising process will be undertaken. This is a process which has been undertaken with other internal roles across the organisation in an effort to improve career and succession pathways providing for greater retention of high performing employees and retention of valuable corporate knowledge.

Options

Option 1

That Council:



1. APPROVES the creation of a two-year Executive Manager Operations and Personal Assistant roles as outlined in this report reporting to the Chief Executive Officer.
2. NOTES that funding for these positions will be drawn down from the Operations Optimisation Reserve.
3. RESOLVES that any additional positions resulting from this change are considered by Council as part of the 2023/24 FY budget process.

Option 2

That Council DOES NOT APPROVE these new positions or change to the organisational structure at this time.

Conclusion

The Shire is at a critical time of growth. There is a requirement to successfully deliver the committed capital projects on time and budget to address community priorities and assist in attracting future funding.

This report proposes a two year trial of a new structure to meet the current and future demands of the organisation as outlined in this report.

The use of savings from the previous financial years will mean that ratepayers will not need to accommodate this increase in salary levels as part of the next two financial years.

Attachments (available under separate cover)

- **10.5.2 - attachment 1** – Progress Reporting - Glen Flood Review Operations and Facilities

Alignment with our Council Plan 2023-2023

Thriving
1. Plan for the sustainable growth of the Shire of Serpentine Jarrahdale
4. Ensure sustainable and optimal use of Shire resources and finances
Liveable
2. Improve maintenance and investment in roads and paths
3. Preserve and enhance our natural places, parks, trails and reserves
4. Invest in facilities and amenities to meet current and future needs
5. Increase our capacity to reduce, recover and recycle waste to improve sustainability and reduce impacts on the environment
Connected
2. Contribute to a well-connected, accessible and health community

Financial Implications

It is recommended the following new positions are funded from the proposed Operations Optimisation Reserve (see report 10.3.5 on this agenda):

- Executive Manager Operations
- Personal Assistant

Any other new positions in addition to the above will be considered by Council as part of the normal budget process.



Risk Implications

Risk has been assessed on the Officer Options:

Officer Option	Risk Description	Controls	Principal Consequence Category	Risk Assessment			Risk Mitigation Strategies (to further lower the risk rating if required)
				Likelihood	Consequence	Risk Rating	
1	Disruption from change which may impact on staff morale and performance.	Consultation and engagement with staff	Organisational Performance	Unlikely	Minor	LOW	Nil
2	<p>Several impacts as described in this report including.</p> <ul style="list-style-type: none"> • Business continuity • Staff turnover • Customer complaints • Funding bodies dissatisfaction and loss of future opportunities • Lack of strategic asset management plans <p>Ultimately this would have a significant effect on the organisation's performance, reputation and community outcomes.</p>	Existing structure	Organisational Performance	Likely	Major	HIGH	Nil



Continued

Ordinary Council Meeting – 19 February 2024 – 10.5.2 – Infrastructure Directorate Review (SJ514)

Voting Requirements: Simple Majority

Officer Recommendation

That Council:

1. **APPROVES** the creation of a two-year Executive Manager Operations and Personal Assistant roles as outlined in this report reporting to the Chief Executive Officer.
2. **NOTES** that funding for these positions will be drawn down from the Operations Optimisation Reserve.
3. **RESOLVES** that any additional positions resulting from this change are considered by Council as part of the 2023/24 FY budget process.