SHIRE OF LAKE GRACE WORKFORCE PLAN 2023-2027

Contents

1. Introduction

We are pleased to present the Shire of Lake Grace Workforce Plan 2023-2027. The Plan assists the Shire to respond to its workforce challenges in a strategic way as we work with the community to build a sustainable future and a capable workforce.

The Shire's Strategic Community Plan and Corporate Business Plan outline the community's hopes and aspirations and the Workforce Plan plays an important part as we seek to ensure the Shire has the right people, in the right place, at the right time, to meet the needs of our community.

The Shire faces a range of workforce challenges and opportunities with a diverse mix of demographics in the workplace. With 33% of our workforce under 45 years the Shire has a pool of young talent, yet at the same time places increased pressure on the organisation to develop this group.

We also have a significant number of mature employees (over 55 years) whose knowledge, experience and expertise is essential to our capacity to service the community. Overall, the Shire seeks to maximise employment opportunities for local residents whilst meeting the needs of employees at the various stages of their careers and working life.

The Shire continues on its journey to meet the changing service demands of its community. This requires a skilled, flexible and productive workforce across the organisation to deliver the Shire's Strategic Community Plan objectives. It also requires us to build a culture of innovation and continual improvement to make it happen.

Alan George
Chief Executive Officer

2. Integrated Planning Framework

2.1 What is workforce planning?

Workforce planning is a process of analysis to ensure the Shire has the right people, in the right place, at the right time to achieve the objectives set out in the Shire's Strategic Community Plan.

Workforce planning assists management to anticipate change, identify the important issues driving workforce activity and implement the strategies to support positive workforce development and strategic outcomes.

2.2 Key principles of workforce planning

- Building workforce strategies aligned to and supporting the Shire's strategic direction and values;
- Ensuring the workforce planning process is joined to the Shire's Integrated Planning Process;
- Actively involve managers, employees and other stakeholders in developing, communicating and implementing the workforce strategies;
- Utilising a risk management approach to workforce planning and identifying 'Mission Critical' areas of operations;
- Establishing effective implementation processes to ensure the successful execution of core strategies; and
- Continually monitoring and evaluating the progress towards implementing the workforce strategies and measuring its contribution towards meeting the Shire's strategic goals.

2.3 Integration with the Integrated Planning and Reporting Framework

Workforce planning responds to the requirements under the State Integrated Planning and Reporting Framework which is a planning obligation on all local governments in Western Australia. The four elements of the framework are:

- Strategic Community Planning;
- Corporate Business Planning;
- Budgeting; and
- Reporting.

The Shire has developed a Strategic Community Plan and Corporate Business Plan with these plans informed and supported by a Strategic Resource Plan (incorporating long term financial and asset management planning) along with this Workforce Plan.

3. Shire of Lake Grace Analysis

3.1 Demographics

Lake Grace is situated in the south-east of Western Australia and is one of the largest agricultural Shires in the State, incorporating the communities of Lake Grace, Newdegate, Lake King, Varley and part of Pingaring. The Shire administration centre is located in the town of Lake Grace, 340 km from Perth and 250 km from Albany.

The Shire of Lake Grace has developed significant public infrastructure over the years in response to community needs. There are a number of museums showcasing the rich history of the district and one of two remaining Australian Inland Mission hospitals - and the only one in WA. Visitors experience this early twentieth century rural hospital that, in its time, serviced approximately 16,000 km^2.

Today, there are two medical centres in the district, located in Lake Grace and Newdegate. High quality sport and recreation facilities are located throughout the district, servicing the sporting clubs and community groups. The transport network is extensive with 232 km of sealed roads and 2049 km unsealed roads through the Shire. This network is essential to the economic and social fabric of the district.

3.2 Population distribution

On the Census night in 2021, the Shire of Lake Grace resident population was 1,342. The age distribution trends from 2016 to 2021 for both the Shire of Lake Grace and Western Australia show minor change, as indicated by the green (2016 demographic) and yellow (2021 demographic) lines in the chart below.

3.3 % of Population by Age
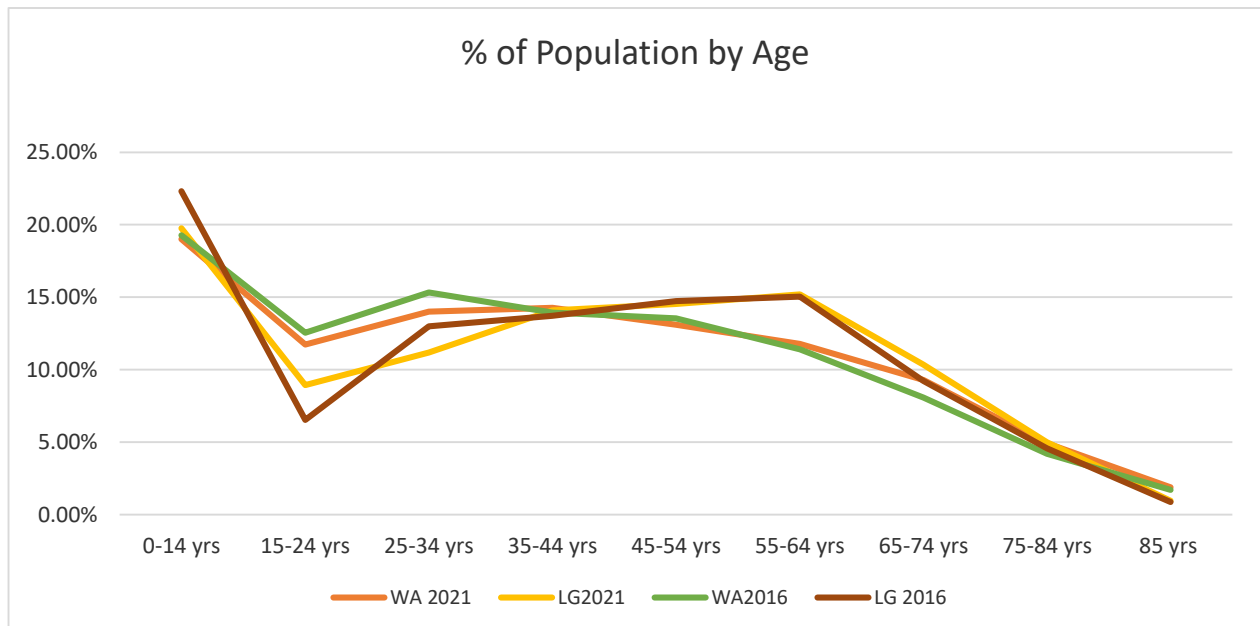
When comparing the Shire's demographic to Western Australia, (reflected by the yellow and brown lines in 2021) there is lower proportion of younger residents in the 15-24-year-old age, with many in this group leaving for schooling and early career opportunities. Making up approximately 22% of the resident population, children under 14 are the largest demographic, indicating a demand for relevant services. With the number of residents aged between 25 and 64 making up 55% of the resident population, there is large scope for the growth, development and leadership of this community.

4. Shire of Lake Grace Analysis

4.1 The External Environment

There are a range of external trends and challenges that influence and determine the key strategies developed in this Workforce Plan. These key trends include:

Socio Demographic Trends

- A multi-generational workforce, each with their own needs, aspirations and expectations;
- High percentage of 25-54-year old within the Shire; and
- Greater work/life balance expectations. Competition

- Projected talent and skill shortage; and
- Demand for mining workforce competing for talent.

Economic

- Cost of living and inflationary pressures within WA; and
- Global and national economic uncertainty resulting in a reducing availability of external grants and contributions.

Political

- The implementation of initiatives in relation to the Integrated and Reporting Framework may require additional local resources as well as new capabilities; and
- Increasing expectation in relation to corporate governance standards and transparency of decision making, bringing with it a range of workforce considerations.

Technology

- The pace of change and emerging technology trends present local governments with both challenges and opportunities in managing information, delivering services, improving processes and decision making;
- Technology provides a range of tools to assist workforce management including communicating with employees, e-learning, employee monitoring and connecting employees across locations; and
- Trends such as social media, cloud-based applications, robotic automation will be of particular importance and application in the future.

Industry

- There is an increasing lack of sustainability in financing renewal of assets, with ageing community infrastructure playing a major role. There is a heavy reliance on state or federal funding; and
- Significant cost shifting from other level of governments to the local level without the associated resources.

Customers

- Many customers are becoming better informed and assertive about their rights.

4.2   The External Labour Market

The external labour market demand indicates difficulties in attracting and retaining staff in key occupations due mainly to continuing labour demand in the Mining, Construction and Professional Services, Scientific and Technical Service, Public Service, Community and Health Sectors. This is based on the Occupations in High and Medium Demand research around industry critical occupations; areas of high growth forecasts in the WA State Priorities Occupation List 2021[1] produced by the Department of Training & Workforce Development.

Some of the specific positions that are regarded as being in high demand, which may impact the Shire in regards recruitment and retention include:

- Chief executive;
- Surveyor;
- Engineers; and
- Environmental health officer.

It is noted that the external market is somewhat volatile due to changing economic conditions in the mining, manufacturing and construction industries.

The Shire identified the following skills as challenging to source:
- Finance Officers
- Plant Operators;
- Grader Operators; and
- Community Development Officer.

4.3   Shire of Lake Grace Internal Operating Environment

Service Delivery

The Shire provides a number of services to the community as listed below:

- Co-ordination of Council activities and functions;
- Co-ordination of management functions;
- Liaison with Government and Ministerial offices;
- Corporate | strategic planning;
- Business | economic development;
- Statutory compliance;
- Executive support to Council;
- Special projects;
- Financial administration;
- Human resources | occupational health | safety;
- Information | communication;
- Community development;
- Library | information services;
- Procurement;
- Asset management;
- Sport | recreation;
- Support for volunteers;
- Information | tourism services; and
- Event support.
- Roads | streets;
- Shire buildings maintenance | heritage assets;
- Parks | gardens | reserves;
- Cleaning;
- Ranger services;
- Emergency services;
- Cemetery;
- Health administration | inspection services;
- Building | planning services; and
- Private works.

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[1] *Department of Training & Workforce Development: SPOL year: 2021 www.dtwd.wa.gov.au/workforce-development#the-state-priority-occupation-list*

4.4   Current Organisation Structure

The current organisational structure is reflected below. The current structure is not expected to change significantly during the term of this Plan.
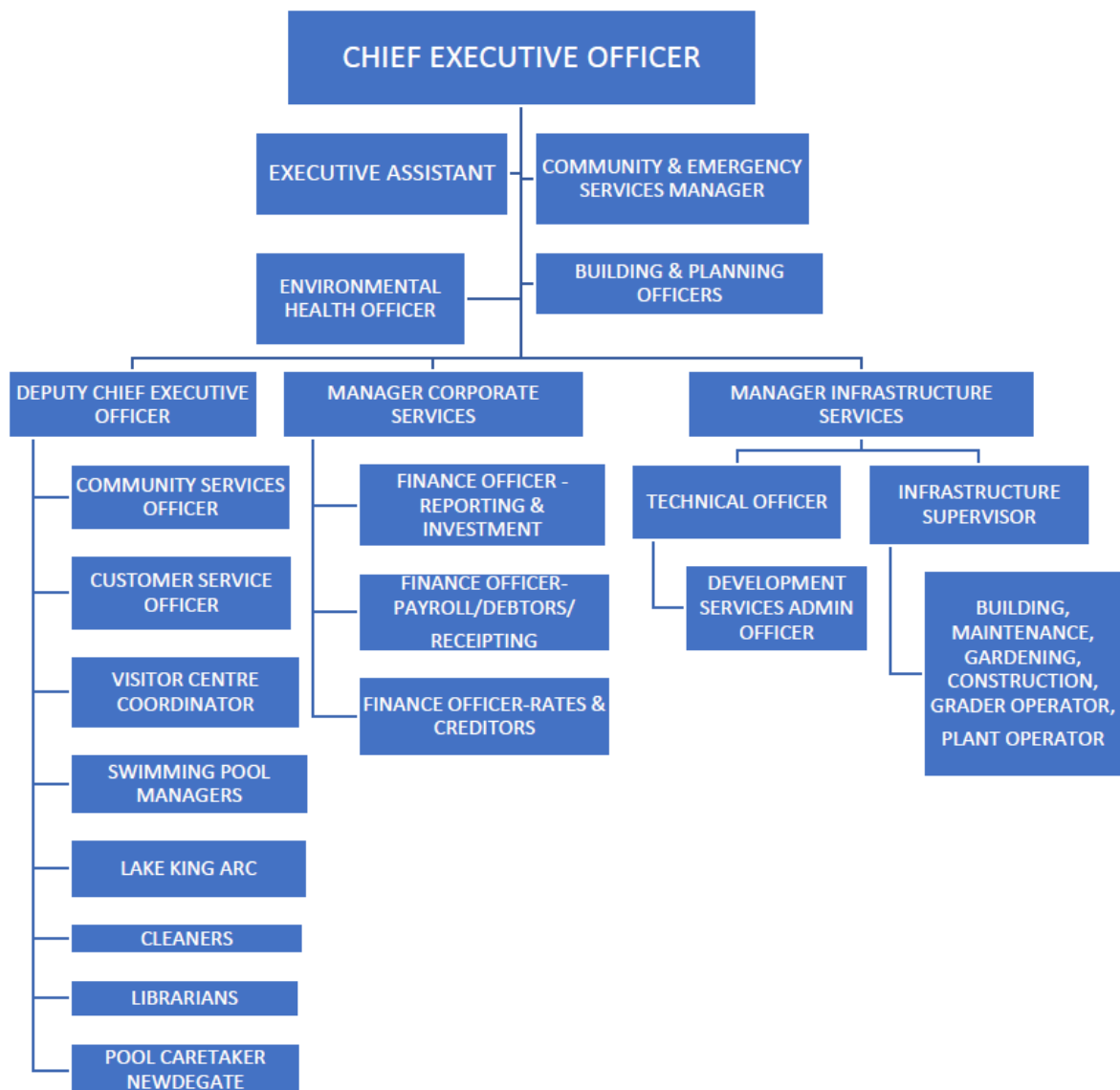
4.5   Workforce profile

Information	Shire of Lake Grace - as at November 2022
Number of employees	41
Full time equivalent employees	31
Gender	61% female 39% male
Total annual wages	$2.22m
Employment type	There is a range of full time, part time, fixed term contract and casual staff employed
Annual/LSL liability[2]	Current $390,075 Non-Current $51,043
Awards and Agreements	Local Government Officers (Western Australia) Interim Award 2011
Age profile	The average age of current employees is 43 years
Years of Service	The average length of service is 6 years

[2] *Shire of Lake Grace Annual Financial Statements 2017-18*

4.6   Workforce Demographics

This section contains an analysis of some key workforce metrics such as age, gender and terminations. Included in this analysis are full time, part time and casual staff as well as those on leave, including long service and maternity leave, however contractors, agency staff and group apprentices are excluded.

The workforce gender composition at November 2022, was 61% female and 39% male. As indicated above, this composition includes full time, part time and casual staff.

Age Distribution of Total Organisation

A considerable proportion (56%) of employees are over 45 years of age. Attracting and retaining younger employees is an important challenge as this cohort are often a source of innovation as well as representing the talent pool for the future.

With 23% of employees over 55, there is potential issues relating to knowledge retention and business continuity should these staff, often with years of experience, exit the organisation at short notice. Strategies to address this issue include identifying and training potential successors for business-critical jobs. There is also potential to develop a range of strategies to continue to retain mature workers within the Shire (e.g. flexible work arrangements, transition to retirement, etc.).

Age Distribution
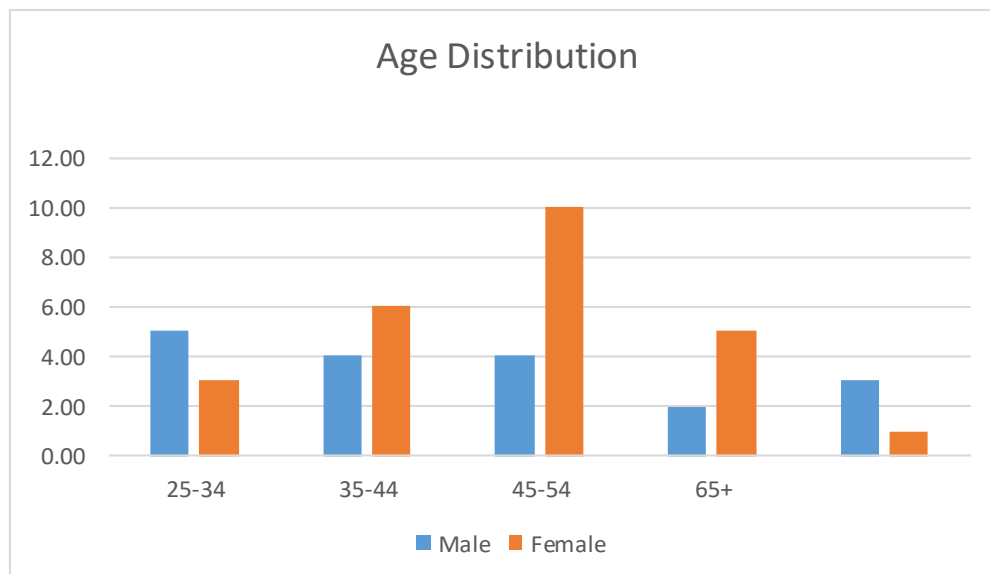
The Shire has maintained a fairly stable workforce over the past three years with five to six staff having left the Shire for varying reasons it has been very difficult to attract and recruit replacements across the board including finance, management and outside work crew. This is an ongoing issue for many local governments in regional and remote locations.

5. Strategic Community Plan Workforce Implications

5.1 Overview

This section addresses:

- The Strategic Community Plan and Corporate Business Plan;
- Key risk areas;
- Future workforce demand and requirements; and
- Workforce Supply Demand Analysis.

5.2 Strategic Community Plan and Corporate Business Plan

The Shire will be reviewing and updating its ten-year Strategic Community Plan early 2023. As an integral part of this review process, the community will be consulted and their feedback used to clarify community expectations and guide the strategies detailed in the updated Strategic Community Plan. A summary of priorities from the last Strategic Community Plan were incorporated into the Shire's Corporate Business Plan.

The Workforce Plan is part of a broader integrated planning framework aimed at achieving the Shire's Vision as identified in the Strategic Community Plan; 'One proud, inclusive sustainable community welcoming growth and opportunities.'

This Plan is being driven by four key objectives:

ECONOMIC

- A prosperous agricultural based economy, supporting diversification of industry

ENVIRONMENT

- Protect and enhance our natural and built environment

SOCIAL

- A valued, healthy and inclusive community and life-style

LEADERSHIP

- Strong governance and leadership, demonstrating fair and equitable community values

There are a range of challenges impacting on the Shire and potential strategic shifts in business operations that may occur that will directly impact the way services are delivered and resourced.

5.3 Redefining Core Business and Methods of Service Delivery

Over a period of years, the Shire has been subject to a considerable increase in the number of core and non-core services it is required to deliver. This increase has occurred through a variety of means including natural growth, higher ratepayer expectations and significant cost shifting to local government. Not only has this placed pressure on current resources to deliver existing services, it further limits the opportunity to focus resources on emerging areas of strategic importance such as community development, economic development and increasing its advocacy and strategic leadership and facilitation role.

As part of the overall planning process, elected members and the executive have redefined the range of core and non-core areas that form the basis of its delivery of its services to its community. They have also identified core and non-core services that potentially could be:

5.3.1   Outsourced to an external provider;

5.3.2   Insourced from other Shires; and

5.3.3   Open to collaborative opportunities with other Shires to provide services on one another's behalf.

The above strategic issues have significant implications for workforce planning including:

- Reallocation of resources as collaborative, insourcing and outsourcing arrangements are identified and acted upon;
- New or enhanced skill requirements to operate in a more collaborative manner, manage projects and contracts in future insourced or outsourced delivery models; and
- Management of staff during associated change processes.

5.4 Key Risk Areas

An analysis of the current workforce identified eight relevant risks areas. These risks have been assessed using the risk-based approach as set out in Appendix A. A scoring system was used to determine a risk category of extreme, high, moderate, low or very low.

The risk events are scored according to their likelihood, and consequence and risk mitigation strategic actions

have been developed.

The result of the assessment is presented in the table on the following page with the last column being cross referenced to the primary mitigation strategies set out in Section 5.9 of the Plan.

5.5   Workforce Risk Assessment

Risk Issues	Likelihood	Strategic Consequences	Operational Consequences	Combined Consequences	Risk Category[3]	Cross Ref: Section 7.9 Workforce Strategies and Objectives
Knowledge loss due to staff turnover	Likely	Minor	Major	Major	High	2.3.1 | 3.4.1 | 4.2.1
Physical and financial constraints limit staff numbers	Likely	Minor	Major	Major	High	1.1.1 | 1.2.1 | 4.2.1
Sudden unplanned loss of a high number of key staff	Possible	Major	Major	Major	Moderate	3.4.1 | 4.2.1
Organisational capacity insufficient to meet future needs	Possible	Major	Major	Major	Moderate	1.1.1 | 2.2.1 | 4.1.1 | 4.2.1
High staff turnover due to organisational cultural issues	Possible	Major	Major	Major	Moderate	2.1.1 | 2.2.1 | 2.3.1
Selection, recruitment and training costs increase	Possible	Insignificant	Minor	Minor	Moderate	1.2.1 | 1.4.1 | 1.5.1 | 3.2.1
Operational procedures not followed due to lack of staff training	Unlikely	Minor	Major	Major	Low	1.3.1 | 3.1.1 | 3.2.1
Long leave absences of key staff due to large accrued leave entitlement	Unlikely	Minor	Minor	Minor	Low	3.4.1 | 4.1.1 | 4.2.1

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3   Appendix A – Risk Assessment Methodology

6.   Strategies to Meet Future Workforce Needs

6.1   Workforce Supply Demand Analysis

Corporate and Community Services

In meeting future challenges, the Shire continually reviews its core functions in terms of potential outsourcing, insourcing and collaborations.

The initiatives identified below will have an impact upon the corporate and community services section, in terms of:

- Reviewing internal processes and procedures with the goal of gaining greater transactional efficiencies and strengthening governance practices; and
- Providing strong integrated planning and reporting outcomes and operational advice to the Elected Members and the executive.

Community services are predicted to see a continuation of high demand for services and consideration will need to be given to maintaining current resources in light of this demand.

The staffing resource for executive services remains relatively unchanged over the term of the Plan, with no forecast increases or decreases.

Technical Services

Infrastructure services are stable, although of note due to the remote location, attracting and retaining employees in this area is an ongoing challenge. Required resource capacity is forecast to be adequately maintained at current levels.

6.2   Workforce Profile

24% of the workforce are over 55 years of age. Whilst this figure is not as high as some local governments, it highlights a significant knowledge loss risk if mature workers exit or retire.

Relevant workforce strategies to consider include establishing systems to capture and retain corporate knowledge and the establishment of flexible work arrangements to retain older workers.

The small percentage of young employees (i.e. currently only one employee is under 24 years) may limit the Shire's future replacement workforce pool. A lack of young staff can also impact on innovation that comes along with a different perspectives and fresh ideas. Workforce strategies to consider include providing interesting and challenging work, mentoring and accelerated development.

The 25 to 54-year-old age groups represent 76% of the workforce which offers a good source of long-term talent. However, if there is a significant turnover of staff in this age group, retention issues associated with this group may need to be addressed. Workforces Strategies to be considered include more flexible work arrangements, mid-career development for employees who may have plateaued and the provision of interesting and challenging assignments.

6.3 Strategic Shifts

There has been a significant shift over the last few years in the delivery of core and non-core business of Local Government, due to federal and state government cost shifting and this is being evidenced within the Shire.

As part of the workforce planning process, the Shire has redefined its core and non-core services.

Whilst the core businesses of the Shire still take precedence as a fundamental service delivery priority, there has been growth in what has been considered non-core services such as community development, economic development and tourism.

These changes bring with them a significant shift in the role of the Shire - a more facilitative, advocacy, project manager role than a "doer" or direct deliverer of services.

This will have significant implications for the Shire in the mid-term. It may result in new or changing job roles, skills and additional allocation of resources to meet some of the changing requirements. Some of the emerging capability requirements will be in areas such as project management, economic development, community development, asset managers and specialized planning.

6.4 Service Delivery Models

Along with the business shifts and growth opportunities identified in the Strategic Community Plan, there is a significant need and opportunity for the Shire to analyse how it delivers services to add to efficiency and effectiveness. This may include the review and updating of processes for greater efficiency, automating, considering alternative delivery models and collaborative approaches. This will have significant implications for the corporate and community services area as they will be required to drive these processes. It will also impact on infrastructure services that have a significant number of projects to deliver.

Some of the strategies to be considered include systematically reviewing job roles and functions to gain greater efficiencies and effectiveness, realigning resources and redesigning jobs and delivery structures.

6.5 Succession Management

Currently, succession planning is managed by developing multi-skilled employees to ensure in the event of sudden loss of staff, key positions are covered to limit service delivery impact. Some succession gaps are evident and a formal succession management process is not currently active. Permanent on the job training and skills development of young staff is required to cover the succession of senior operational staff.

6.6 Service Delivery Models

The Shire has a history of sourcing local talent, representing not only a valuable workforce pool but it also contributing to the economic development of the district. Workforce strategies available to promote this aim include providing student work experience opportunities, offering apprenticeships and traineeships and providing scholarships or vacation employment to local students completing advanced study.

6.7 Housing and Other Incentives

The Shire currently offers accommodation for all employees.

6.8   Performance Outcomes and Measures

The following diagram identifies our strategic objectives and how the Shire intends to assess the effectiveness of the actions.

Diagram: Workforce Plan Performance Measurement

Attracting and selecting the right people
- Cost of recruitment per position
- Length of time to fill positions
- Number of unfilled positions

EFFECTIVE WORKFORCE

Retaining and engaging our valued workforce
- Staff turnover
- Staff satisfaction
- Accrued leave liability
- Sick leave

Building a flexible innovative and capable workforce
- Training investment
- Frequency of lost time due to injuries

A strategic workforce
- Workforce data and analysis

7.   Workforce Strategies and Objectives

Four key strategic objectives have been identified to drive the core strategies of the Workforce Plan, these are in the tables following:

Objective: 1. Attracting and selecting the right people Attracting and retaining people with the capability and commitment to contribute to the Shire of Lake Grace								
Strategic Outcomes	**Strategic Actions**	**Action Outcomes**	**Projects**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026 →**
1.1 Customised recruitment strategies that meet the needs and expectations of the organisation	1.1.1 Continue with the current recruitment strategies and identify opportunities to make improvements	Documented review with identified improvements	1.1.1.1 Undertake a review of current recruitment Strategies and Policies to identify improvements		■		■	
1.2 Continue marketing the Shire as an attractive employer	1.2.1 Identify and market the benefits of working for the Shire of Lake Grace	Documented review with identified improvements	1.2.1.1 Identify the full list of financial and non-financial rewards and benefits offered to employees	■				
1.3 An appropriate induction and orientation process	1.3.1 Review the current induction and orientation process	Documented review with identified improvements	1.3.1.1 Implement improvements identified in the review process with strategic risk management matrix		■	■		
1.4 Continue to focus on local employment where opportunities exist	1.4.1 Promote the Shire as an employer to the local community and to educational institutions	Identify and source local talent to fill vacant positions where appropriate	1.4.1.1 Communication with education institutions to identify work experience and placement opportunities within the Shire and actively participate in school career planning days	■	■			
1.5 Improved selection outcomes →	1.5.1 Review the selection process to ensure people with the right skills sets and most suitable candidate are selected for the future needs and growth of the Shire	Documented review with identified improvements	1.5.1.1 Identify areas for improvement and modify the selection process	■	■	■	■	→

Objective: 2. Retaining and engaging our valued workforce Building and retaining a highly engaged workforce, committed and connected to our Shire and community.								
Strategic Outcomes	**Strategic Actions**	**Action Outcomes**	**Projects**	**2022-23**	**2023-24**	**2024-25**	**2025-26**	**2026 →**
2.1 Improved skills in day to day leadership →	2.1.1. Ensure our managers, supervisors and coordinators continuously provide our people with sufficient job role clarity, work direction, work load management, feedback on performance and support in doing their work	Opportunities for formal training in leadership and management	2.1.1.1 Identify relevant training events in accordance with a training needs analysis (cross reference 3.2)	■	■	■	■	→
2.2 Formal executive and supervisor meetings	2.2.1 Continue a range of regular meetings between executive and supervisors	Schedule of meetings	2.2.1.1 Develop schedule of meetings	■	■	■	■	→
2.3 Ongoing communication with the workforce	2.3.1 Foster a value of openness across and between all levels of the Shire	Identify and implement the key communication issues emerging from regular staff communications	2.3.1.1 Work within the executive to identify and implement a range of team building initiatives across the directorates of the Shire	■	■			

Objective: 3. Building a flexible, innovative and capable workforce

Building a flexible, innovative and skilled workforce, committed to continual improvement and able to respond to the evolving and changing needs and growth of our community

Strategic Outcomes	Strategic Actions	Action Outcomes	Projects	2022-23	2023-24	2024-25	2025-26	2026 →
3.1 An educational and skills audit	3.1.1 Conduct a comprehensive educational and skills audit (including the recognition of higher learning) with all our staff	A review and assessment of key competencies needed now and in the future to meet the Shire's objectives	3.1.1.1 Undertake an organisational competency analysis		■			
3.2 A training needs analysis →	3.2.1 Undertake a training needs analysis and develop an affordable and collaborative training and development plan in conjunction with annual performance reviews	Documented training needs analysis and training plan on individual staff basis	3.2.1.1 Prepare a training needs assessment and schedule and seek proposals from external consultants		■	■	■	→
3.3 The offer of traineeships and workforce experience when opportunities arise	3.3.1 Offer work experience, vacation employment and traineeships when appropriate	Offer traineeships and work experience opportunities	No identifiable project	■				
3.4 Reviewed job descriptions →	3.4.1 Conduct ongoing comprehensive reviews of all job descriptions to ensure they provide sufficient flexibility to work across areas and are aligned to emerging needs	Job descriptions reviewed on a regular basis	3.4.1.1 Job descriptions reviews conducted as part of the induction and performance review process	■	■	■	■	→

Objective: 4. A strategic workforce

Ensuring the strategic capability and capacity to position the Shire to meet its strategic objectives through sound workforce analysis, planning and leadership.

Strategic Outcomes	Strategic Actions	Action Outcomes	Projects	202-23	2023-24	2024-25	2025-26	2026 ➜
4.1 Effective organisational structure	4.1.1 Maintain human resources data	Ongoing maintenance of base human resources data	No identifiable project	■				
4.2 Recognised critical positions and critical position management	4.2.1 Establish a replacement program for positions nominated as critical	A risk management plan for critical positions	4.2.1.1 Establish a risk management/backup plan for critical positions: - Identify critical positions; - assess level of risk; - identify a pool of potential emergency internal/external replacements; - prepare individualised development plan		■	■		

7.1   Key performance indicators

Key performance indicators are listed below.

STRATEGIC WORKFORCE OBJECTIVE	WORKFORCE OUTCOMES	ASSESSMENT	RATIO OR MEASURE
Attracting and selecting the right people	Recruitment	Effectiveness of recruitment processes	Cost of recruitment divided by number of positions filled during the year
			Average time taken to fill a position across the organisation (days)
Retaining and engaging our valued workforce	Staff turnover	The percentage of employee initiated separation rate	Gross number of staff resignations divided by total staff
	Staff satisfaction	Qualitative survey	Employee survey results compared across periods
	Employee leave	Accrued leave liability	Number of employees with accrued annual leave exceeding 150 hours
			Value of accrued annual leave
			Value of accrued long service leave
			Value of pro-rata long service leave
	Sick leave	The number of workplace absences due to health-related reasons	Number of sick day absences divided by number of available working days
Building a flexible, innovative and capable workforce	Training and development	The average level of investment in training	Training expense divided by number of FTE employees
	Occupational Health and Safety	Frequency and cost of lost time injuries	Total hours lost due to injury divided by number of work hours available
A strategic workforce	Data collection	A measurement of the collection and maintenance of data and systems to support decision making	The number of relevant reports provided to the executive during the year

8. Monitoring and Evaluation of Outcomes

8.1 Evaluation

The ongoing evaluation of the Workforce Plan is required to address the following:

8.1.1 The progress towards meeting the performance indicator targets and

8.1.2 The progress towards meeting strategic actions of the Workforce Plan

8.2 Implementation

Implementation of the Workforce Plan may be impacted by competitive priorities and the need for the application of dedicated resources. For a return to be achieved on the current planning investment, these matters will need to continue to be a focus in the future.

8.3 Review

Regular review of the Workforce Plan, particularly the strategies and actions contained in the tables, is required to ensure they are being achieved. The preferred timing is a review at least annually. The Long-Term Financial Plan will need to be reviewed annually and its financial impact included in the Corporate Business Plan and Annual Budget.

9. Other Matters

9.1 References

Reference to the following documents or sources was made during the preparation of the Plan:

- Shire of Lake Grace Strategic Community Plan 2017-2027;
- Shire of Lake Grace Draft Corporate Business Plan 2022-2026;
- Shire website www.lakegrace.wa.gov.au; and
- Shire of Lake Grace Human Resources data as at November 2022.

9.2 Document Management

Version: 2023-2027 | V1.1
Status: Draft

10. Appendix A   Risk Assessment Methodology

PROBABILITY OF OCCURRENCE OR LIKELIHOOD

LIKELIHOOD	DEFINITION	FREQUENCY OF NOTED OCCURRENCES	SCORE
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year.	5
Likely	Occurrence is noticeable or is likely to occur, an opportunity that has been explored and may be achievable.	At least once per year.	4
Possible	Occurs occasionally or may occur, possible opportunity identified.	At least once in 5 years.	3
Unlikely	Occurs infrequently or is not likely to occur, opportunity that is fairly unlikely to happen.	At least once in 10 years.	2
Rare	Only occurs in exceptional circumstances, opportunity that is very unlikely to happen.	Less than once in 20 years.	1

LIKELIHOOD		CONSEQUENCE				
		Insignificant	Minor	Moderate	Major	Catastrophic
	Score	1	2	3	4	5
Almost Certain	5	Moderate	High	High	Extreme/Exceptional	Extreme/Exceptional
Likely	4	Moderate	Moderate	High	High	Extreme/Exceptional
Possible	3	Low	Moderate	Moderate	High	High
Unlikely	2	Low	Low	Moderate	Moderate	High
Rare	1	Very Low	Low	Low	Moderate	Moderate

	ACTION REQUIRED
Extreme/Exceptional	Immediate corrective action required
High	Prioritised action required
Moderate	Planned action required
Low	Planned action required
Very Low	Manage by routine procedures

10   Appendix A   Risk Assessment Methodology (continued)

		CONSEQUENCE				
Area Impacted	**Impact**	**Catastrophic**	**Major**	**Moderate**	**Minor**	**Insignificant**
Service Delivery/ Business Disruption	Loss of service.	Major including several important areas of service and/or a protracted period.	Complete loss of an important service area for a short period.	Major effect to an important service area for a short period, brief impact on multiple areas.	Brief disruption of important service area, Noticeable effect to non-crucial service area,	Negligible impact on the effectiveness of the organisation's processes.
	Improvement to service(s).	Exceptional.	Major.	Moderate.	Minor.	Negligible.
	Disruption in business processes.	Ongoing loss of business systems.	Major.	Moderate.	Minor.	Negligible.
Financial	Loss of assets.	>15% of asset value.	5%-15% of asset value.	2%-5% of asset value.	< 2 of asset value.	Insignificant.
	Impact on annual revenues or costs (Adverse or positive).	> 15% deviation from budget.	5%→15% deviation from budget.	2%→5% deviation from budget.	<2% deviation from budget.	Negligible income and/or savings.
	External Audit issues.	Audit unable to be completed.	Audit qualification on the report and accounts.	Management letter contains significant issues.	Management letter contains minor issues.	Matters discussed with management not reported.
Physical	Level of Incident.	Extreme affecting organisation's survival.	Significant affecting multiple locations.	Localised significant effect on operations.	Localised no effect on operations.	Not notifiable or reportable.
Legislative/ Regulatory/ Policy/ OSH	Regulatory non-compliance.	Criminal.	Major Revenue or cost implications. Individuals at risk of harm.	Minor Revenue or cost implications.		
	Code of Conduct.	Extreme.	Significant.	Breach.	Minor breach.	Little or no impact.
	Personal details compromised/ revealed.	All.	Many.	Some.	Isolated.	An individual's.
	Level of Injury.	Death.	Multiple serious injuries.	Serious injury and /or illness.	First aid or minor lost time injury.	Incident with or without minor injury.

10   Appendix A   Risk Assessment Methodology (continued)

Area Impacted	Impact	CONSEQUENCE				
		Catastrophic	Major	Moderate	Minor	Insignificant
Performance	Ability to achieve key objectives.	Unable to achieve.	Major impact.	Moderate impact.	Minor impact.	Negligible impact.
	Improvement on the delivery of key strategic objectives.	Exceptional improvement.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.
	Ability to be managed with the current resources.	External resources required.	Impact cannot be managed.	Significant adjustment to resource allocation.	Additional internal management efforts required.	Impact can be managed through routine activities.
	Loss of Infrastructure.	Ongoing loss of critical infrastructure.	Long-term loss of critical infrastructure.	Loss of support infrastructure.	Interruption to support infrastructure.	Negligible interruption to support infrastructure.
Environmental	Environmental harm	Catastrophic long-term environmental harm.	Significant long-term environmental harm.	Significant short-term environmental harm.	Minor transient environmental harm.	Negligible transient environmental harm
	Improvement to environment	Exceptional improvement and/or national environment.	Major improvement.	Moderate improvement.	Minor improvement.	Negligible improvement.