



**KEMPSEY**  
Shire Council

## **GENERAL MANAGER'S REPORT**

14<sup>th</sup> August 2007

**GM8**

**WORKFORCE PLANNING**

**FILE: \***

**PJG**

**{Folio No. \*}**

### **SUMMARY:**

To provide Council with information relating to the benefits of effective workforce planning

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### **DESCRIPTION:**

Kempsey Shire Council's innovative Human Resources Strategy demonstrates Council's commitment to excellence in workforce planning.

Kempsey Shire Council has positioned itself at the forefront of workforce planning in local government by recognising effective workforce planning is a continuous process of shaping the workforce to ensure that it is capable of delivering community and organisational objectives now and in the future.

Council engaged in a process with the objective of shaping our workforce to anticipate current and future business directions and goals. We recognise that workforce planning is a crucial element of this approach and its success.

With accountability to the community and budget restrictions being the focus, effective workforce planning is essential and Council's Human Resources Strategy manages the people factor in a way that is cognisant of the importance of linking people management and the development of organisational capability to business success.

Since the introduction of the Human Resources Strategy in 2005 significant savings have been realised with benefits flowing back to the community as well as to the organisation.

A direct indicator has been Council's employee turnover rate which has reduced from 21.7% in 2004 – 2005 to 4.75% at the end of 2006 – 2007. As a conservative rule of thumb turnover costs between 0.75 and 1.5 times an employees salary.

Savings of approximately \$1,600,000 have been realised over two years by decreasing the employee turnover rate through initiatives including recognising employee performance by way of introducing an effective

performance management system, including reward and recognition. Additional savings are being generated by reviewing the way we approach our work resulting in increasing employee productivity.

Additional, significant savings have been achieved in the area of workers compensation of approximately \$450,000. This notable result has been achieved by effective injury prevention and management coupled with a commitment by staff to the awareness of occupation health and safety which is a key practice area of our Human Resources Planning Framework.

These factors demonstrate excellence in the value delivered to the community.

Apart from the financial savings, an indicator of the success of the strategy is evident in the annual employee satisfaction surveys conducted since the introduction.

The survey results indicate that the level of employee satisfaction across Council is strong at 76%. Most people feel free to express their views, are treated with respect, valued as an employee, proud to work at Kempsey Shire Council and feel that they make a significant contribution to its success.

**REPORT IMPLICATIONS:**

- ***Environmental***

***Nil***

- ***Social***

***Employee satisfaction has increased with the majority of people feeling that they are treated with respect, valued as an employee and proud to work at Council whilst making a significant contribution to its success.***

- ***Economic (Financial)***

***Significant savings to the community estimated at more than \$2,000,000 have been achieved through reducing employee turnover and the Workers Compensation premium.***

- ***Policy or Statutory***

***Council continues to fulfil its obligations under OH & S and associated legislation.***

**RECOMMENDATION:**

**That the information be noted.**

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**A V Burgess**  
**GENERAL MANAGER**