



NORTHERN  
MIDLANDS  
COUNCIL


# PERTH EARLY LEARNING /CHILD CARE CENTRE UPGRADE AND EXPANSION PROJECT

## COST BENEFIT ANALYSIS



15 NOVEMBER 2018

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## 1. Purpose of the Cost Benefit Analysis

Cost Benefit Analysis (CBA) assesses the merit of investing in a project i.e. it assesses if the project is worth doing when a broad societal perspective is taken. CBA contrasts the project's economic, social and environmental benefits with its costs, to establish if the benefits outweigh the costs.

If this is the case, the project is considered worth doing from a broad community welfare (or economic efficiency) perspective.

## 2. Perth Early Learning Centre

In 1999 the Department of Family and Community Services identified the Northern Midlands as an area of high priority for the development of child care services for the area's rural and remote communities. The Northern Midlands Council was approached to sponsor the proposed innovative mobile rural and remote child care service. Council agreed to sponsor the service and worked with key stakeholders to develop the service.

The service commenced operation one day/week in Avoca, Campbell Town and Cressy in early 2001. The service was highly successful, as measured by utilisation rates and customer satisfaction. Demand for the service was overwhelming, far in excess of the expectations indicated during the community consultations.

Sufficient funding was available to expand the service during 2002. Perth was identified as the priority location for this service expansion and in March 2002, the Commonwealth approved this as a new location for the service. A child care centre was constructed as an extension of the Perth Community Centre in Fairtlough Street (adjacent to Perth Primary School and Perth Recreation Ground). The Centre opened two days/week in early 2003.

Demand for the Perth service warranted investigation of the possibility of operating that service five days/week. This was achieved and the service transferred to the Long Day Care Funding Program – effective September 22<sup>nd</sup> 2003. The service initially offered child care only however, as a result of community demand, the service has expanded to provide after school care, vacation care and a toy library.



The 20 place Centre comprises a large activity room, sleep/quiet time room, small office, change/toilet facilities and an outdoor playground. Staff access the community centre kitchen, use the community centre meeting room for after school and vacation care activities, and share the use of the storeroom in the community centre's stadium.

The sharing of these community centre facilities with other community organisations creates a number of challenges that the Centre staff struggle to overcome. The after school and vacation care children have to use the community centre toilets which creates safety and supervisory challenges. Other community organisations cannot use the community centre meeting room between 3-6pm weekdays and during school holiday weekdays. This creates angst and tension between the Centre staff and the other community organisations.

The Centre consistently has a waiting list and struggles to juggle staffing to accommodate mandated staffing ratios for babies through to five year olds.

### 3. Cost Benefit Analysis Incremental Benefits

**Capital costs:** The total capital cost associated with the project is \$4,213,300, excluding any taxes.

**Recurrent costs:** These costs include the annual costs of maintaining the new infrastructure, including the depreciation allowance for undertaking cyclical maintenance work at regular intervals. An annual estimate of \$42,133 is used for estimation i.e. approximately 1% of capital cost estimates related to infrastructure work.

**Transaction costs:** These costs include the upfront planning, legal, transactions and approvals costs to be expended by Council when engaging in negotiations relating to the project. These costs have been estimated at \$3,000.

**Improved amenity and community well-being:** The Project Business Case document the extent of disadvantage in the catchment area of the Early Learning Centre. It also presents concerning data about the developmental risks being experienced by many of the young children in the catchment area, including the high number of children being raised by parents



who did not complete Year 12. This project will create the long day care places required to enable up to another 40 0-4 year olds to access early learning. Their parents can then secure employment or undertake further education/training. It is no possible to put a dollar value on this highly significant community well-being benefit of the project.

#### 4. Economic Impact.

The Northern Tasmania Economic Modelling Tool, developed by Northern Tasmania Development Corporation, was utilised to determine the economic impact of the project during construction, with the following impacts predicted:

#### Impact Summary

Northern Midlands Council area - Modelling the effect of adding \$4.2m sales in Building Construction - Inflation adjusted				
Summary	Output (\$m)	Value-added (\$m)	Local jobs	Residents jobs
Starting position Northern Midlands Council area (year ended June 2017)				
Building Construction	36.48	6.83	153	166
All industries	1,323.66	674.64	5,462	6,266
Impacts on Northern Midlands Council area economy				
Direct impact on Building Construction sector	4.20	0.79	18	
Industrial impact	1.51	0.67	7	
Consumption impact	0.10	0.05	0	
Total impact on Northern Midlands Council area economy	5.81	1.50	25	12
Type 1 multiplier (direct & industrial)	1.36	1.85	1	
Type 2 multiplier (direct, industrial & consumption)	1.38	1.91	1	
Impact on Tasmania economy				
Total impact - Tasmania outside Northern Midlands Council area	0.45	0.23	2	16
Total impact Tasmania economy	6.26	1.73	27	27
Impact on Australian economy				
Total impact outside Tasmania economy	2.32	1.03	9	9
Total impact on Australian economy	8.58	2.76	36	36

Source: [National Institute of Economic and Industry Research \(NIEIR\)](#) ©2016. Compiled and presented in economy.id by [.id](#), the population experts.

Note: All \$ values are expressed in 2015-16 base year dollar terms.



The Early Learning Centre currently has 20 places. The upgraded and expanded Centre will have the capacity for 60 places, initially we intend to open 40 places. The after school care program currently has a 24 place capacity. The expanded Centre will enable the capacity to increase to 40. The vacation care program currently has a 24 place capacity. The expanded Centre will enable the capacity to increase to 40.

This doubling of places will create nine new FTEs: (educators, admin, cleaners etc.....). It is anticipated the majority of these new staff members will live in the Northern Midlands, thus this increase in salary cash will flow into the local economy through expenditure at local businesses.

Given that Aboriginal people comprise 3.6% of the Tasmanian population, it can be assumed that possibly one job created during construction will be filled by an Aboriginal person, and possibly one of the ongoing jobs created.

### **Cost Benefit Analysis Outcome**

Working parents need safe, reliable and affordable child care. For low-income parents moving from welfare into the workforce, that can be hard to find. The upgraded and expanded Early Learning Centre will assist such parents, as Council operates the Centre as a not-for-profit, and maintains the fees at the lowest rate possible to cover costs. Thus another positive economic benefit of the project will be a reduction in welfare payments as these parents move into the workforce.

There is a growing body of research that documents the importance of children's early experiences for their healthy development and academic success. Each child at the Centre has an individualised educational program that is constantly under review to ensure it maintains currency. The Centre program also is structured to instill societal values in the

children such as working together in a collective tradition. The economic benefit to these children will be recognised as they progress successfully through the education system and into the workforce.

Currently an Australian adult on Newstart Allowance receives \$489.70 per fortnight, and a couple \$884. This equates to \$12,732 annually for a single person, and \$22,984 for a couple.

The new Early Learning Centre will offer an additional 40 long day care places. If this releases 40 couples to seek employment and no longer require Newstart Allowances, this is a saving to the Australian Government of \$919,360 annually.

The total cost of the project is \$4,143,300, and Council is seeking a BBRF grant of \$2,106,650.

Given the above data, it will only take 27 months for the government to recoup the cost of the grant requested for this project. That is assessed as highly significant value for money

**On this basis, the investment is assessed as highly worthy from a socio-economic perspective.**





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## BUSINESS CASE



15 NOVEMBER 2018

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## 1. Purpose of the Business Case

This business case has been prepared to underpin our Council's application to the third round of the Building Better Regions Fund – Infrastructure Projects Stream - for funding to enable the upgrading and expansion of the Perth Early Learning Centre ('the Centre').

## 2. Perth Early Learning Centre

In 1999 the Department of Family and Community Services identified the Northern Midlands as an area of high priority for the development of child care services for the area's rural and remote communities. The Northern Midlands Council was approached to sponsor the proposed innovative mobile rural and remote child care service. Council agreed to sponsor the service and worked with key stakeholders to develop the service.

The service commenced operation one day/week in Avoca, Campbell Town and Cressy in early 2001. The service was highly successful, as measured by utilisation rates and customer satisfaction. Demand for the service was overwhelming, far in excess of the expectations indicated during the community consultations.

Sufficient funding was available to expand the service during 2002. Perth was identified as the priority location for this service expansion and in March 2002, the Commonwealth approved this as a new location for the service. A child care centre was constructed as an extension of the Perth Community Centre in Fairtlough Street (adjacent to Perth Primary School and Perth Recreation Ground). The Centre opened two days/week in early 2003.

Demand for the Perth service warranted investigation of the possibility of operating that service five days/week. This was achieved and the service transferred to the Long Day Care Funding Program – effective September 22<sup>nd</sup> 2003. The service initially offered child care only however, as a result of community demand, the service has expanded to provide after school care, vacation care and a toy library.

The 20 place Centre comprises a large activity room, sleep/quiet time room, small office, change/toilet facilities and an outdoor playground. Staff access the community centre



kitchen, use the community centre meeting room for after school and vacation care activities, and share the use of the storeroom in the community centre's stadium.

The sharing of these community centre facilities with other community organisations creates a number of challenges that the Centre staff struggle to overcome. The after school and vacation care children have to use the community centre toilets which creates safety and supervisory challenges. Other community organisations cannot use the community centre meeting room between 3-6pm weekdays and during school holiday weekdays. This creates angst and tension between the Centre staff and the other community organisations.

The Centre consistently has a waiting list and struggles to juggle staffing to accommodate mandated staffing ratios for babies through to five year olds.

### **3. Catchment Area for the Perth Early Learning Centre**

Perth is at the 'top end' of the Northern Midlands and is the only early learning service in this area (Northern Children's Network operates a long day care centre at Campbell Town). Thus the Centre caters for children from Perth, Evandale, Devon Hills, Longford, Cressy, Bishopsbourne and the surrounding rural district. Parents from Launceston working in the Northern Midlands also enrol their children at the Centre.

The Northern Midlands is renowned for its productive agricultural land and has a reputation as a prime growing area for wool, cereals, vegetables, poppies and dairy production. The area is also renowned for its heritage with the Northern Midlands having two World Heritage Listed convict-built estates and with Ross widely acclaimed as the state's finest heritage village. A new comer to the area could easily gain the impression that this is an area of socio-economic advantage.

An accepted measure of socio-economic disadvantage is the Socio-Economic Index for Areas (SEIFA). Tasmania's SEIFA index of Relative Socio-economic Disadvantage is 948 (source: Public Health Information Development Unit 2011). This index ranks Tasmania as the most disadvantaged of all states. At a local government level the Northern Midlands LGA rates comparatively well against other Tasmanian local government areas with a SEIFA index score

of 962. However, it is vitally important to note that this figure does not reflect the significant number of pockets of disadvantage within the Local Government Area.

The following tables provide ABS Census (2016) information on the towns in the Northern Midlands and illustrate the levels of disadvantage in these communities.

*Population by census years in towns and localities*

Area	1991	1996	2001	2006	2011	2016
Longford	2,601	2,829	2,827	3,027	3,053	3,863
Perth	1,573	1,863	1,984	2,239	2,411	2,965
Evandale	772	1,033	1,057	1,059	1,086	1,345
Campbell Town	820	816	755	772	781	996
Cressy	616	637	648	670	676	1,111
Ross	282	275	266	272	271	404
Other	4,580	3,918	3,890	4,052	3,950	2,138
<b>Total</b>	<b>11,244</b>	<b>11,371</b>	<b>11,427</b>	<b>12,091</b>	<b>12,228</b>	<b>12,822</b>

Source: urban centre/locality ABS census

*Towns by Age Brackets, 2016*

Town	% aged 0-4yrs	% aged 5-14yrs	% aged 15-24yrs	% aged 25-54yrs	%aged 55-64yrs	% aged 65 & over	Median age
Longford	5.7	10.5	11.2	33.2	14.7	24.6	47
Perth	5.8	13.0	10.5	38.2	15.2	17.6	42
Evandale	4.4	11.6	11.1	33.1	16.9	22.7	48
Campbell Town	5.1	9.5	11.7	31.1	16.2	26.6	50
Cressy	7.4	13.8	10.4	38.9	14.9	14.7	39
Ross	4.7	10.8	6.2	34.6	14.5	35.7	50
Municipal wide average	5.5	11.6	10.8	35.1	15.5	21.3	46
Australia wide average	6.3	12.4	12.1	41.2	11.8	15.8	38

*Household type: Occupied private dwellings 2016*

Town	Family household (%)	Lone person household (%)	Group household (%)	Average household size (no.)
Longford	97.2	30.3	2.5	2.2
Perth	71	27.3	1.7	2.4
Evandale	73.5	25	1.6	2.4
Campbell Town	64	33.3	2.8	2.2
Cressy	74.1	25.2	3.0	2.5
Ross	62.9	35.3	1.8	2.2
Northern Midlands average	69.4	28.5	2.1	2.4
Australian average	71.3	24.4	4.3	2.6



*Median monthly loan repayments, weekly rents and weekly and individual incomes by communities 2016*

Community	Monthly loan repayment (\$)	Weekly rent (\$)	Median household weekly income (\$)
Longford	1,207	223	1,006
Perth	1,391	228	1,212
Evandale	1,300	250	1,071
Cressy	1,164	150	1,084
Campbell Town	867	147	781
Ross	921	96	814
Northern Midlands average	1,300	200	1,042
Australian average	1,755	335	1,438

*Household Income 2016*

Household income	Northern Midlands	Tasmania	Australia
Less than \$650 gross weekly income	26.6	26.3	20
More than \$3,000 gross weekly income	5.9	8.3	16.4

Perth is rapidly growing, with the population increasing by close to 60% between 1996 and 2016. The town's strong population growth has outstripped the ability of the town's facilities to meet community needs. The current primary school configuration is barely adequate for the current school population, let alone the increasing enrolments in forthcoming years. The early learning centre which is collocated with the community centre is at capacity and having to compete with other community groups for use of the community centre rooms and amenities. The recreation ground has an array of ageing sporting facilities, a tired skate park and an inadequate sized oval. The town's public tennis courts are inappropriately located between the community centre and the school, and have to access the community centre kitchen and toilet facilities.

For many years there has been a call for the Midland Highway to bypass Perth, ending the historical cutting of the town in two by the highway. In 2017 the State Government announced the Perth Bypass had been given high priority and would be complete by 2021. Stage One, from Breadalbane to Perth has been completed, and Stage Two, around the north and west of Perth to connect with the Perth Bridge is underway.

#### 4. Progress to date

Thus by 2021, the Midland Highway traffic will no longer travel through Perth. Other towns in Tasmania have been bypassed (Ross in 1971, Oatlands in 1981 and Deloraine in 1989), with varying economic and social impacts – positive and negative – being experienced by these communities post-bypass. Learnings from these experiences drove the desire by Council and the State Government to



commence planning for Perth's future post the bypass. The resultant plan, the Perth Structure Plan, developed after extensive community and business consultation, values the town's existing attractions and natural assets, encourages the enhancement and growth of businesses, re-invigorates the town centre, establishes a preferred pattern for urban consolidation and the future residential growth, and improves physical and social connectivity.

In parallel with the development of the Perth Structure Plan Council has collaborated with the Department of Education and the Perth community to develop the Perth Community Centre and Early Learning Precinct Masterplan. Council has also collaborated with the Perth community and sporting organisations to develop the Perth 2030 Recreation Ground Masterplan.

The implementation of these masterplans will enhance Perth's natural charm and reinforce its unique character. Significantly more families will be attracted to choose Perth as their home, given its planned redevelopment and growth, and close proximity to Launceston and the airport (it is predicted that the town's population will double over the next ten years).

The community centre is on land owned by the Crown (Education Department) and the lease is currently up for renewal. The existing early learning centre is on council owned land (undeveloped road reserve) however the expansion of the centre will require use of further Crown land.

## 5. Vision

That Perth will have an upgraded and expanded Early Learning Centre (catering for child care, after school and vacation care, and the toy library), and Community Centre which necessitates the relocation of the town's tennis courts to the recreation ground, expansion of the adjacent car park and significant landscaping around the community centre. Further, the aged skate park will need to be demolished to make room for the relocated tennis courts, and a new multi-purpose concrete loop track for use by local young children and youth developed.

## 6. Merit Criteria

### 6.1 Economic Benefit

This project will result in significant new infrastructure at Perth including the upgrade and expansion of the Early Learning Centre and Community Centre, relocation of the town's public

tennis courts to the recreation ground, demolition of the skate park and development of a multi-purpose concrete loop track.

The Northern Tasmania Economic Modelling Tool, developed by Northern Tasmania Development Corporation, was utilised to determine the economic impact of the project during construction, with the following impacts predicted:

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Given that Aboriginal people comprise 3.6% of the Tasmanian population, it can be assumed that possibly one job created during construction will be filled by an Aboriginal person, and possibly one of the ongoing jobs created.

Working parents need safe, reliable and affordable child care. For low-income parents moving from welfare into the workforce, that can be hard to find. The upgraded and expanded Early Learning Centre will assist such parents, as Council operates the Centre as a not-for-profit, and maintains the fees at the lowest rate possible to cover costs. Thus another positive economic benefit of the project will be a reduction in welfare payments as these parents move into the workforce.

There is a growing body of research that documents the importance of children's early experiences for their healthy development and academic success. Each child at the Centre has an individualised educational program that is constantly under review to ensure it maintains currency. The Centre program also is structured to instill societal values in the children such as working together in a collective tradition. The economic benefit to these children will be recognised as they progress successfully through the education system and into the workforce.

The 2015 Australian Early Development Census, an Australian Government Initiative, reports that only 29.3% of Northern Midlands' parents of children aged 0-4 years old have completed Year 12 (the Tasmanian average is 39.5% and the national average is 53.6%). A sound early learning environment is essential for the children of these parents, to ensure the children



prosper in the education system and progress to at least complete Year 12, if not into further education to obtain post-school qualifications. This all odes well for the Tasmanian economy in the future as there will be a more highly skilled workforce and less Tasmanians reliant on the welfare system for financial support.

Perth residents will realise economic returns from the project as their property values increase due to the increased public investment in the town.

## 6.2 Social Benefit

Carr et al (1992)\* included a literature review on the social benefits of public spaces and reported the following:

- Public spaces provide a meeting place to build and strengthen social ties that have been disappearing in many communities;
- These social ties can instil a sense of community: a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together;
- People's sense of connection is critical to well-being;
- Social connection provides a platform for communities to share information, resources and skills, making them dynamic and more resilient;
- Physical health benefits accrue when public spaces are within walking distance of town residents' homes; they contribute to creating an inviting, walkable environment for residents;

All these social and cultural benefits will be delivered for parents utilising the Centre, and Perth residents using the new tennis courts and multi-purpose concrete loop track.

The upgraded and expanded Early Learning Centre will also increase community volunteering. More local residents will have the opportunity to assist with the operation of the Centre through fundraising activities, assisting with the after school and vacation care programs and manning the toy library.

Further community members voluntarily manage the tennis court booking system and maintenance of the courts, and will be involved with the use and maintenance of the loop track.

The 2015 Australian Early Development Census data was utilised to create Community Profiles for each Local Government Area. The Northern Midlands profile includes the following concerning data:

AEDC Domain	2012 Developmentally on track (% of children in first year at school)	2015 Developmentally on track (% of children in first year at school)	2012-2015 change in percent on track
Physical health and well-being	91.3%	81.1%	-10.2%
Social competence	80.4%	75.8%	-4.7%
Emotional maturity	81.2%	75.8%	-5.4%
Language and cognitive skills (school-based)	84.1%	82.6%	-1.5%
Communication skills and general knowledge	90.6%	84.8%	-5.7%

It is vitally important that young children in the Northern Midlands have access to high quality early learning experiences so that these concerning statistics can be turned around.

The upgraded and expanded Early Learning Centre will be able to cater for an additional 20-40 children each day – and a particular focus will be on enrolling children from families with parents who did not complete Year 12, and where the children are known to be exhibiting signs of developmental delay.

### 6.3 Project Delivery

Our Council is in a sound financial situation, as evidenced in recent audited financial statements (available on Council's website [www.northernmidlands.tas.gov.au](http://www.northernmidlands.tas.gov.au)). Council has

the funds committed in the 2017/2018 Council Budget to meet its obligations as stated in the funding application.

This project is investment ready. Council has engaged consultants to manage the Development Application and approval, detail design, tendering and construction processes. This work will commence in March 2017 and the development application will be ready to submit when Council is advised of the outcome of this funding application. The project will be commenced well and truly within twelve weeks of executing the Grant Agreement with the Department of Infrastructure and Regional Development and the Department of Industry, Innovation and Science.

Council has a long and proud track record of sound and effective management of complex projects. This has been demonstrated by Council's managing, expending and acquitting funding in accordance with grant agreements for projects including:

- Bridges Renewal Program Rounds 1, 2 and 3: close to \$5 million
- Roads to Recovery Grant Program - \$715,000 per annum
- Disaster Mitigation Program – Longford Flood Levee System \$1,500,000
- National Heritage Trust - Longford Water Treatment Plant construction \$400,000
- Department of Health – Longford Velodrome refurbishment - \$150,000
- Department of Education - Rural & Remote Childcare Service - \$167,058 per annum
- Department of Transport - Campbell Town Bridge Connection Project - \$113,750

Council is developing all the supporting documentation required, has staff with the skills and experience to manage the project and will engage contractors with the proven ability to deliver the desired project outcomes. Council has full confidence that the Perth Early Learning Centre Infrastructure Project will be delivered on time, on budget and to the required standard.

The Perth Early Learning Centre Infrastructure Project Asset Management Plan has been uploaded to the BBRF Attachment Folder. This plan articulates the management and



maintenance strategies Council will employ to ensure the project assets meet the required service standard in the most cost effective manner for present and future consumers.

The Project Management Plan has been uploaded to the BBRF Attachment Folder. This plan articulates how Council will manage project execution of the Perth Early Learning Centre Infrastructure Project. It comprehensively covers the project scope, implementation methodology and timelines, project financials and risk management.

#### **6.4. Impact of Grant Funding**

The total cost of the project is \$4,213,300 GST exclusive. Council has committed \$2,106,650 to the project and is requesting a matching grant of \$2,106,650 from the Building Better Regions Fund.

The Australian Government's contribution of 50% of the project cost will leverage 50% of the project cost from Council: a clear demonstration of value for money.

Over and above the economic value of the project, are the highly significant social and cultural benefits accruing from the project including instilling a sense of community, increased social connection, positive impact on health and well-being, and enrichment and enlivening of peoples' lives.

These project economic, social and cultural values clearly demonstrate the benefit to the local community is well and truly commensurate with the value of the grant requested.

Partnerships will be leveraged by the project: within and beyond the Perth community. Community members, businesses and community organisations will partner to refine the project plans and to assist with the project implementation and evaluation.

The project will not go ahead without the grant as Council does not have the financial resources to fully fund the project. It needs to be noted that Council will also have to fund the fitout of the Centre as these unfixed furnishing items are ineligible expenditure under the BBRF guidelines.

## 7. Alignment with Council's Strategic Plan

Council's 2017-2027 Strategic Plan has four key result areas of relevance to the Perth Early Learning Centre Project:

Key Result Area	Strategic Outcomes	Core Strategies
Money matters	Budgets are responsible yet innovative  Improve community assets responsibly and sustainability	Flexible fiscal plans enable new projects to be explored  A 20-year asset management plan to maintain assets
Strategic delivery project	Strategic, sustainable infrastructure is progressive  Proactive engagement drives new enterprise	Flexible project priorities build competitive advantage  Plan and embed 'sense of place' principles
Economic development	Maximise external funding opportunities  Minimise industrial environment impact on amenity	Secure high levels of external funding for projects  Capture town character through 'sense of place' projects
Leaders with Impact	Management and Elected Representation	Council is connected to the community.  Management is efficient, proactive and responsible

## 8. Implementation Strategy

### 8.1 Outputs

- Upgraded and expanded Early Learning Centre catering for up to 60 long day care places, 40 out of school and vacation care places
- 2 new tennis courts with lighting, fencing, seating and landscaping
- Demolition of the skate park

- Multi-Purpose concrete loop track for wheeled play (skateboards, scooters, inline skates, bicycles and wheelchairs either separately or all at the same time)- of varying widths, turns, low berms, humps and the inclusion of skate park elements such as a fun box and grind rails

## 8.2 Work Plan

Task	Start Date	Completion Date
Project detailed design plans	4 March 2019	17 May 2019
Building permit and development application approved	17 May 2019	28 June 2019
Site preparation (10% project completion)	28 June 2019	31 Oct 2019
50% project completion: \$2,106,650 expended	31 Oct 2019	30 Jan 2020
100% project completion \$4,213,300 expended	30 Jan 2020	31 July 2020
Handover: completion of works, defect rectification	31 July 2020	31 July 2021

## 8.3 Budget

The total project cost is \$4,213,300. Council has committed \$2,106,650 to the project and is seeking to secure a grant of \$2,106,650 from the Building Better Regions Fund to enable the project to come to full fruition.

# 9. Project Management Framework

## 9.1 Governance

The roles and responsibilities of the parties involved in the project are detailed below.

Role	Description
Council	Council approves all major plans, ensures that required resources are committed, arbitrates on any conflicts in the project or negotiates a solution to any problems between the project and external bodies.

<p>Project Director: Council's General Manager</p>	<p>The Project Director provides a single point of accountability to deliver the project in accordance with the project commitments and has full project authority within the limits of the budget and quality.</p> <p>The Project Director's role is to manage and direct assigned resources, make decisions about the project direction and ensure the project is properly managed and staffed. The Project Director is also responsible for ensuring the project delivers in accordance with the terms and conditions of the Grant Agreement with the Departments of Infrastructure and Regional Development, and Industry, Innovation and Science.</p>
<p>Project Manager: Council's Works Manager</p>	<p>The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Director, within the constraints laid down by the Project Director.</p> <p>The Project Manager's prime responsibility is to ensure that the project produces the required deliverables, to the required standard of quality and within the specified constraints of time and cost.</p>
<p>Project Team: Council Engineer &amp; Engineering Officer: Works Supervisor: Accountant: Executive Assistant Works</p>	<p>The Project Team members carry out the tasks and activities assigned to them in accordance to the project's roles and responsibilities. They are responsible for identifying and escalating any risks or issues encountered during the course of the project.</p>
<p>Third Party Suppliers</p>	<p>Contractors/Suppliers (Third Parties) carry out activities assigned to them as per the agreed contract/engagement terms and conditions.</p>



Project Support: Council Office staff, Outdoor Workforce	Assist the Project Director, Manager and Team in undertaking project management functions
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## 9.2 Quality Management

The following are the quality objectives of the project that reflect the overall intentions to be applied with regard to quality throughout the project.

### a) Procurement/Tender

A complete and fully detailed tender document is to be prepared to encompass all the design objectives, ensure suitable Contractor(s) are in place, and that there is no significant design, cost or timeline extension risk for the project.

### b) Construction

Council's suitably qualified technical staff will ensure the Contract is administered and carried out, within budget and the selected time frame.



NORTHERN  
MIDLANDS  
COUNCIL

# PERTH EARLY LEARNING /CHILD CARE CENTRE UPGRADE AND EXPANSION PROJECT

## RISK MANAGEMENT PLAN



15 NOVEMBER 2018

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## 1. Perth Early Learning Centre

In 1999 the Department of Family and Community Services identified the Northern Midlands as an area of high priority for the development of child care services for the area's rural and remote communities. The Northern Midlands Council was approached to sponsor the proposed innovative mobile rural and remote child care service. Council agreed to sponsor the service and worked with key stakeholders to develop the service.

The service commenced operation one day/week in Avoca, Campbell Town and Cressy in early 2001. The service was highly successful, as measured by utilisation rates and customer satisfaction. Demand for the service was overwhelming, far in excess of the expectations indicated during the community consultations.

Sufficient funding was available to expand the service during 2002. Perth was identified as the priority location for this service expansion and in March 2002, the Commonwealth approved this as a new location for the service. A child care centre was constructed as an extension of the Perth Community Centre in Fairtlough Street (adjacent to Perth Primary School and Perth Recreation Ground). The Centre opened two days/week in early 2003.

Demand for the Perth service warranted investigation of the possibility of operating that service five days/week. This was achieved and the service transferred to the Long Day Care Funding Program – effective September 22<sup>nd</sup> 2003. The service initially offered child care only however, as a result of community demand, the service has expanded to provide after school care, vacation care and a toy library.

The 20 place Centre comprises a large activity room, sleep/quiet time room, small office, change/toilet facilities and an outdoor playground. Staff access the community centre kitchen, use the community centre meeting room for after school and vacation care activities, and share the use of the storeroom in the community centre's stadium.

The sharing of these community centre facilities with other community organisations creates a number of challenges that the Centre staff struggle to overcome. The after school and vacation care children have to use the community centre toilets which creates safety and supervisory

challenges. Other community organisations cannot use the community centre meeting room between 3-6pm weekdays and during school holiday weekdays. This creates angst and tension between the Centre staff and the other community organisations.

The Centre consistently has a waiting list and struggles to juggle staffing to accommodate mandated staffing ratios for babies through to five year olds.

## 2. Vision

That Perth will have an upgraded and expanded Early Learning Centre (catering for child care, after school and vacation care, and the toy library), and Community Centre which necessitates the relocation of the town's tennis courts to the recreation ground, expansion of the adjacent car park and significant landscaping around the community centre. Further, the aged skate park will need to be demolished to make room for the relocated tennis courts, and a new multi-purpose concrete loop track for use by local young children and youth developed.

## 3. Tasks and Schedule

The overall project has been broken down into six key areas for which concept designs and estimates are being produced. A summary of outcomes based on current designs for each of these areas is as follows:

Task	Start Date	Completion Date
Project detailed design plans	4 March 2019	17 May 2019
Building permit and development application approved	17 May 2019	28 June 2019
Site preparation (10% project completion)	28 June 2019	31 Oct 2019
50% project completion: centre upgrade and expansion underway, Tennis courts and loop track completed	31 Oct 2019	30 Jan 2020
100% project completion Early Learning Centre, car park and landscaping upgrades and expansion completed	30 Jan 2020	31 July 2020
Handover: completion of works, defect rectification	31 July 2020	31 July 2021

#### 4. What is Project Risk Management?

Project risk management is the culture, processes and structures, adopted by an organisation, directed towards the effective management of risks in a project. It is an invasive management discipline that is integrated with all other project disciplines.

The goal of risk management is to ensure informed decisions are made at the right time, and that there is visibility of sources of uncertainty that may impact on the success of the project.

From a project management perspective, risk management seeks to identify, prevent, contain and reduce negative impacts and maximise opportunities and positive outcomes in the interests of the project and stakeholders. It is a systematic approach that allows risks to be embraced, avoided, reduced or eliminated through a logical, comprehensive and documented strategy.

Understanding risk management entails comprehending the underlying factors that contribute to project risks. Fundamentally, this requires consideration of the common sources of risk:

##### Common Sources of Risk

Source of Risk	Example
Political	Parliamentary support, community support, government endorsement, policy change
Economic	Economic growth, exchange rate variation, inflation
Socio-Cultural	Community expectations, pressure groups
Technological	Technological change, technology and obsolescence, communications or network failure
Legal	Change in legislation
Commercial and Strategic	Competition, market demand levels, stakeholder perceptions, market share private sector involvement
Organisational	Industrial relations, resources shortage, management capabilities/structures, operational policies, work practices, personnel skills



Environmental	Site availability/zoning, approval processes, endangered species, conservation/heritage, degradation/contamination, visual intrusion, force majeure events, natural events/disaster
Procurement and Contractual	Contract selection, client commitment, consultant/contractor performance, negligence of parties, damages and claims, errors in documentation, insurance and indemnities
Construction and Maintenance	Contractor capability, design viability, geotechnical conditions, quality controls, equipment availability and breakdowns, OH&S procedures

## 5. Council's Approach to Risk Management

Risk management is critical to Council's ability to achieve the Strategic Objectives contained in the Strategic Plan. The Council has limited human, financial and material resources. Prudent decision making in relation to their use is critical to the Council's achievement of its endorsed vision of developing the Northern Midlands communities as 'vibrant, sustainable and resilient, promoting their diversity and conserving the heritage values of our towns.'

Our Council is committed to systematically managing risk is embodied in Council's Risk Management Policy. The objectives of the Policy are to:

- Identify and analyse Council's liability associated with risk
- Promote and support risk management practices throughout the Council
- Encourage the identification and reporting of potential risks
- Recognise that successful risk management relies on input from ALL employees & stakeholders
- Protect Council's corporate image as a professional, responsible and ethical organisation.

Council's Risk Management Policy is held at Attachment One.

## 6. Project Risk Management Process

### 6.1 Risk Rating Methodology

The risks associated with the project are identified in Section 6.3. The Risk Rating Methodology detailed below has been used to quantify the potential of each risk occurring and the potential impact should the risk occur (consequence legend detailed at 6.2).

		Consequence				
		Insignificant	Minor	Moderate	Major	Catastrophic
Rating	<b>Almost certain</b> - controls unsatisfactory to mitigate the risk	High	High	Extreme	Extreme	Extreme
	<b>Likely</b> - Controls inadequate to mitigate the risk and require improvement	Medium	High	High	Extreme	Extreme
	<b>Possible</b> - Controls reasonable / adequate to mitigate the risk but may still require improvement	Low	Medium	High	Extreme	Extreme
	<b>Unlikely</b> - Controls robust and adequate to mitigate the risk	Low	Medium	Medium	High	Extreme
	<b>Rare</b> - Controls strong to mitigate the risk	Low	Low	Medium	High	High

## 6.2 Consequence Legend

Rating	Description
Insignificant	Impact can be easily absorbed without requiring management effort
Minor	Impact can be readily absorbed but some management effort is required
Moderate	Impact cannot be managed under normal operating conditions; requiring moderate level of resource and management input
Major	Impact requires a high level of management attention / effort and resources to rectify
Catastrophic	Disaster with potential to lead to business collapse and requiring almost total management attention / effort to rectify

## 6.3 Risk Identification

This section contains a succinct description of the known risks and their mitigants. Pre and post mitigation ratings are provided.

### 6.3.1 Economic Risks

Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Interest/inflation rate volatility	Interest/ inflation rate volatility impacts negatively on project finances	Medium	Council contingency arrangements in place to cover any cost overruns	has	Low



**6.3.2. Legal Risks**

Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Grant Agreement terminated	Breach of terms and conditions of the Grant Agreement with the Australian Government results in the agreement being terminated & funding withdrawn	Extreme	Council officers well-versed in the terms & conditions & committed to working within these parameters.  Funding body notified ASAP when a breach of terms & conditions is likely/occurs & win-win outcome negotiated		Low

**6.3.3 Organisational Risks**

Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Poor project management	Poor project management results in project failure or compromised project outcomes.	High	Project management plan developed, endorsed by all team members and adhered to throughout the life of the project.  Project Director is a skilled project manager.		Low



Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Project risks not managed	Poor risk management results in project failure or compromised project outcomes.	High	Project management plan developed, endorsed by all team members & adhered to throughout the life of the project  Project manager utilises 'Risk Management Checklist' (Attachment Two) to keep track of risks & their management	risk plan	Low

**6.3.4. Environmental Risks**

Adverse weather	Adverse weather conditions result in unacceptable delays in meeting project milestones	High	Negotiate extension of project completion date with Australian Government and contractor(s), or negotiate acceleration of work with contractor(s).	Low
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### 6.3.5 Procurement and Contractual Risks

Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Procurement process deficiency	Deficiencies in the procurement process result in project waste, poor value for money or ultimately project failure		Project procurement plan developed, endorsed by all team members & adhered to throughout the life of the project.		Low

### 6.3.6 Construction and Maintenance Risks

Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Design deficiency	Final design does not achieve the stated objectives	High	Works extensively surveyed before design started; design done by competent consultants and reviewed by competent third party		Low
Contractor/supplier insolvency/default	Contractor(s) encounter circumstances which inhibit their ability to deliver the contracted services to specification or at their projected cost	High	Council ensures best practice contract administration and performance management.		Low

Risk Summary	Description	Preliminary Risk Rating	Risk Description	Mitigation	Residual Risk Rating
Assets not maintained	Project fails to deliver the desired outcomes	High	Council has , endorsed and will adhere to Council's Asset Management Plan		Low

## 7. Risk Management Processes

### 7.1 Organisation

The roles and responsibilities of the parties involved in the project are detailed below.

Role	Description
Council	Council approves all major plans, ensures that required resources are committed, arbitrates on any conflicts in the project or negotiates a solution to any problems between the project and external bodies.
Project Director: Council's General Manager	<p>The Project Director provides a single point of accountability to deliver the project in accordance with the project commitments and has full project authority within the limits of the budget and quality.</p> <p>The Project Director's role is to manage and direct assigned resources, make decisions about the project direction and ensure the project is properly managed and staffed. The Project Director is also responsible for ensuring the project delivers in accordance with the terms and conditions of the Grant Agreement with the Department of Infrastructure and Regional Development.</p>

Project Manager: Council's Works Manager	The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Director, within the constraints laid down by the Project Director.  The Project Manager's prime responsibility it to ensure that the project produces the required deliverables, to the required standard of quality and within the specified constraints of time and cost.
Project Team: Council Engineer & Engineering Officer; Works Supervisor; Accountant: Works Executive Assistant	The Project Team members carry out the tasks and activities assigned to them in accordance to the project's roles and responsibilities. They are responsible for identifying and escalating any risks or issues encountered during the course of the project.
Third Party Suppliers	Contractors/Suppliers (Third Parties) carry out activities assigned to them as per the agreed contract/engagement terms and conditions.
Project Support: Council Office staff, Outdoor Workforce	Assist the Project Director, Manager and Team in undertaking project management functions

## 7.2 Risk Management Process and Reporting

A risk register will be established for the project in accordance with Council's Risk Management Policy and based on AS/NZS ISO31000:2009 Risk Management – Principles and Guidelines.

The Project Director will ensure all parties involved with the project enter all risks identified onto the register and that action plans for addressing the identified risks are developed in accordance with Council's Risk Management Policy.

The Project Director will ensure the risk register is reviewed at each Project Team Meeting.



## Attachment One: Risk Management Policy

<b>Policy Name:</b>	<b>Risk Management</b>
<b>Originated Date:</b>	Adopted 28 June 1999 – Min. No. 285/99 (as Policy 21)
<b>Amended Date/s:</b>	Revised 28 August 2000 – Min. No. 377/00 Revised 2 May 2005 – Min. No. 124/05 Revised 21 April 2008 – Min. No. 76/08 Revised 21 January 2013 – Min. No. 08/13 Revised 12 December 2016 – Min. No. 363/16
<b>Applicable Legislation:</b>	Reference: AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines
<b>Dataworks Reference:</b>	44/001/001
<b>Objective</b>	The objectives of the Policy are to: <ul style="list-style-type: none"> <li>• Identify and analyse Council's liability associated with risk</li> <li>• Promote and support risk management practices throughout the Council</li> <li>• Encourage the identification and reporting of potential risks</li> <li>• Recognise that successful risk management relies on input from ALL employees &amp; stakeholders</li> <li>• Protect Council's corporate image as a professional, responsible and ethical organisation.</li> </ul>

### 1. POLICY STATEMENT

Northern Midlands Council is committed to systematically managing risk which arises from daily business activities providing and maintaining a healthy and safe living environment for the general community within all Council controlled areas. Council recognises that risk management is an essential tool for sound strategic and financial planning and the ongoing physical operations of the organisation.

Council recognises that risk management is an essential tool for sound strategic and financial planning and the ongoing physical operations of the organisation.

In order to achieve these objectives, this Risk Management Policy has been introduced and adequate funds and resources will be provided to ensure the following outcomes:

- Identify and analyse Council's liability associated with risk;
- Encourage the identification and reporting of potential risks;

- Minimise any potential liabilities;
- Protect the community against losses that are controllable by Council;
- Reduce the cost of insurance premiums;
- Provide a basis for higher standards of accountability;
- Set performance standards and regularly review practices and procedures;
- Allow for more effective allocation and use of resources;
- To promote and raise the awareness of Risk Management practices throughout the organisation; and
- Protect Council's corporate image as a professional, responsible and ethical organisation.

The above objectives will be achieved by managing risks in accordance with the AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. This involves logically and systematically identifying, analysing, assessing, treating and monitoring risk exposures that are likely to adversely impact on Council's operations. Specifically, this includes the following areas of losses:

- Personnel (Workplace Health and Safety);
- Plant and Property
- Liability (including Public Liability and Professional Indemnity);
- Financial;
- Business interruption.

The purpose of this policy is to provide a framework for the management of risk, and define the responsibilities of staff and management in the risk management process.

## **2. LINK TO COUNCIL'S STRATEGIC PLAN**

The management of risk is integral to achieving Council's mission as outlined in its Strategic Plan:

- it enables the information of contemporary risk management initiatives across all levels of the Council;
- it facilitates and initiates innovation, co-operation and sharing of resources;
- it enhances Council's programs of economic development, environmental management, urban enhancement, community well-being, quality management and customer service.

Many of Council's key values have relevance to the Risk Management Policy:

- Concern for citizens;
- Respect for the rights of others;
- Responsiveness to customer needs.

### 3. RESPONSIBILITIES

Councillors, management, employees and contractors all have a joint responsibility of making risk management a priority as they undertake their daily tasks in the operations of Northern Midlands Council. Management and staff are to be familiar with and competent in the application of Council's Risk Management Policy and are accountable for adherence to that policy within their areas of responsibility.

#### 3.1 Councillors

- Are committed to best practice risk management in order to benefit the community and manage costs;
- Provide the support and basis on which the risk management policy can be implemented. This includes listing risk management as a priority in Council's Strategic Plan.
- Ensuring risk management issues are considered in decision making
- Ensuring there is adequate budgetary provision for the implementation and maintenance of this policy.
- Responsible for approving the risk management policy and risk management strategy.

#### 3.2 General Manager

- Recognising and adopting risk management as a key function of the organisation
- Ensuring risks are managed in accordance with the AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines.
- Development and provision of awareness and training throughout Council and
- Provide risk management related information, as requested by Council.

#### 3.3 Business Unit Managers

- Ensuring that Council's assets and operations, together with liability risks to the public, are adequately protected through appropriate risk financing and loss control programs and measures.
- Maintaining overall responsibility for the effective management of all types of risks related to this policy across Council's operations.
- Providing risk management related information as requested by Council.
- Preparing and implementing documented procedures for each aspect of operations under their control and/or direction.
- Monitoring and auditing practices and processes to ensure they are appropriate to current conditions and practices.

- Immediately act upon information provided by employees or residents who are reporting a hazard or incident through the Customer Request system to ensure the risk is eliminated or mitigated so far as reasonably practicable.

### **3.4 Supervisors**

- Providing assistance and requested information in relation to any insurance claim or risk management issue, in a timely manner.
- Ensuring that Council responds immediately to any report of a hazard or incident received from a resident, employee or visitor.
- Advising of any risk management matter that should be incorporated in forthcoming budgets.

### **3.5 Employees**

- Familiarising themselves with Council's risk management policy, principles and procedures.
- Making loss control/prevention a priority whilst undertaking daily tasks in Council's operations.
- Reporting and acting on where reasonably practicable any hazard or incidents as soon as possible that may have a potential risk exposure to Council, employees, contractors or the public.
- Providing risk management related information as requested by their business unit manager.

### **3.6 Contractors**

- Familiarising themselves with Council's risk management policy, principles and procedures.
- Reporting and acting on where reasonably practicable any hazard or incidents as soon as possible that may have a potential risk exposure to Council, employees, contractors or the public.

### **3.7 Risk Management and Employee Safety Committee**

- Coordinating and facilitating risk management operations within the framework provided by AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines.
- Providing advice and assistance to management and employees in the management of risk within their areas of responsibility.
- Developing and providing risk management awareness training throughout Council.
- Monitoring the recommendations and outcomes from risk management audits.

## **4. IMPLEMENTATION**

A comprehensive review of all Council's activities is to be undertaken in order to assess the level of compliance with this policy. Progressive adjustment of practices will be undertaken including



the documentation and recording of those practices to achieve full compliance with this policy.

The objective is for Council to be ultimately recognised as achieving and maintaining best practice standards for managing risk within local government.

## **5. PERFORMANCE REVIEW**

This policy will become effective immediately upon approval by Council.

Council will ensure that there are ongoing reviews of its management system to ensure its continued suitability and effectiveness in satisfying the requirements of AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. Records of all reviews and changes shall be documented for future reference.

## RISK MANAGEMENT STRATEGY

### STATUTORY AUTHORITY

Reference AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines

AS 4000:1997 General Conditions of Contract

### POLICY

Workplace Health & Safety Policy No. 13

Risk Management Policy No. 21

“Mapping Our Direction” 2007 – 2017 Strategic Plan

## 1. DEFINITIONS

- Risk: “effect of uncertainty on objectives”.
- A risk is often specified in terms of an event or circumstance and the consequences that flow from it.
- A risk is measured in terms of a combination of the consequences of an event and their likelihood.
- Risk may have a positive or a negative impact.
- Consequence: “the outcome or impact of an event”.
- There can be more than one consequence from one event.
- Consequences can range from positive to negative.
- Consequences can be expressed qualitatively or quantitatively.
- Consequences are considered in relation to the achievement of objectives.
- Likelihood: “used as a general description of probability or frequency”.
- Can be expressed qualitatively or quantitatively.
- Risk Management: “the culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects”. (AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines).
- Stakeholders: Councillors, Managers, All Staff, Contractors, Volunteers, Community Members.

## 2. INTRODUCTION

Risk Management is critical to the Northern Midlands Council’s ability to achieve the Strategic Objectives contained in the Strategic Plan. The Council has limited human, financial and material resources. Prudent decision making in relation to their use is critical to the Council’s achievement of its endorsed vision of developing the Northern Midlands communities as “vibrant, sustainable and resilient, promoting their diversity and conserving the heritage values of our towns”.

To this end, not only must Council staff identify and minimise threats to the safe and effective

employment of Council resources, they also have an obligation to identify and exploit opportunities to make such employment more efficient. By fostering a vibrant Risk Management culture that encourages all staff to systematically apply the principles and procedures outlined in this strategy, the Council seeks to minimise resource waste and ensure that all Council events, activities and projects are undertaken with minimal risk to staff and the general public.

### **3. STATEMENT OF COMMITMENT**

The major risk for most organisations is that they fail to achieve their strategic, business or project objectives, or are perceived to have failed by their stakeholders. The Northern Midlands Council is committed to managing this risk by logically and systematically identifying, analysing, evaluating, treating, monitoring and communicating all risks that directly or indirectly impact on the Council's ability to achieve the vision and strategic objectives outlined in the Council's adopted Strategic Plan.

This strategy, when read in conjunction with Council's adopted Risk Management Policy, Risk Register and Strategic Plan demonstrates the Council's commitment, by detailing the Risk Management framework to be employed by all staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in the Risk Management process. The Council believes that good Risk Management is essential for the successful implementation of the Council Plan, as it:

- Directly supports the achievement of Part 1 – Governance: Strategy 1.2 Human Resource Management; 1.5 Risk Management; 1.11 Insurance Risk Management; 3.8 Community Recovery; 5.6 Emergency Management.
- Indirectly supports the achievement of the Council's other strategic objectives, through:
  - Facilitating innovation, cooperation and the sharing of resources;
  - Enhancing the development and delivery of Council programs;
  - Supporting the Council's key values and ethics;
  - Encouraging a closer working partnership between the Council and the community;
  - Ensuring consultation with all Stakeholders on key issues;
  - Encouraging a proactive approach to problem solving.

### **4. SCOPE**

This Risk Management Strategy will be implemented by all Council departments and across all Council services, functions and activities, whether directly controlled by Council or delivered through third party arrangements.

All employees, contractors, partner organisations and volunteers engaged in the conduct of Council business are to apply consistent, proactive and systematic Risk Management practices in the employment of Council resources and the delivery of Council services. Successful Risk Management relies on input from all stakeholders and ownership of identified risks by responsible staff. To manage risks in accordance with best practice, the Council will observe the principles contained in AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. The Council's established business practices, policies and procedures will be reviewed, to ensure that they are not in conflict with this Standard.

## 5. STRATEGY PRINCIPLES

The principles of the Strategy are to:

- Identify evaluate and prioritise the Council's risk associated opportunities and threats, with a view to:
  - Exploiting opportunities.
  - Reducing, mitigating, transferring or eliminating threats.
- Promote and support Risk Management processes throughout the Council.
- Recognise that successful Risk Management relies on input from ALL employees and Stakeholders.
- Allow for more effective allocation and use of resources.
- Provide a basis for higher standards of accountability.
- Protect the Council's corporate image as a professional, responsible and ethical organisation and an employer of choice.

## 6. RISK MANAGEMENT REQUIREMENTS

Risk Management principles shall be a consideration in all Council decision making processes. In accordance with its common law 'duty of care', statutory responsibilities and Council Policy, the Council will ensure that resources are allocated to:

- Minimise the Council's exposure to loss and litigation;
- Protect and enhance the Council's reputation;
- Protect the Council's financial and physical assets;
- Maintain employee Health & Safety programmes.

## 7. RESPONSIBILITIES

All employees, contractors and volunteers are to be familiar with and competent in the application of the Council's Risk Management Policy and Strategy.

Business Unit managers and supervisors are accountable for adherence to this Strategy within their areas of responsibility. Detailed responsibilities are listed at Annexure A.

## 8. RISK MANAGEMENT PROCEDURE

The Risk Management procedure to be applied within the Northern Midlands Council is based on AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. As these procedures are developed, they will be detailed at Annexure B.

## 9. RISK MANAGEMENT PRIORITIES AND RESOURCES

The Council accepts that it does not have the resources to immediately address all of the risks it faces. The Executive Management Team (EMT) will annually review and reprioritise all of the risks identified, determine those which must be afforded the highest priority and determine the

resources required to address those risks.

These risks will represent the Council's corporate focus for the following 12 months and be included in the Council's budget as a discrete line item. All staff members should note that the absence of a risk from this Strategy does not preclude its management from within departmental resources. Nor is the annual review process inflexible: extreme and high priority risks identified at any time will be assessed and treated in accordance with the procedure described in this Strategy.

## **10. STRATEGY IMPLEMENTATION**

The Council recognises that the implementation of this Strategy represents a significant, but necessary short term workload for all staff involved. A comprehensive review of all the Council's activities will be undertaken in conjunction with the Strategy's implementation, through the development and approval of success measures for all the Council events, projects and activities. This is a significant Council undertaking, but integral to the success of an integrated, comprehensive Risk Management Strategy.

## **11. PERFORMANCE REVIEW**

This Strategy takes effect immediately upon adoption by the Council. It is to be reviewed on an annual basis by the Executive Management Committee, to ensure its continued suitability and effectiveness against the requirements of AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines and the Council's Risk Management Policy. The General Manager shall be responsible for ensuring this review occurs.

Records of such reviews are to be maintained on file. The Risk Management responsibilities detailed at Annexure A are to be incorporated into all Council Position Descriptions and the success measures developed for all staff are to form the basis of annual performance appraisals.

It is important that all staff are made aware of the risk management strategy. Training is a key method for communicating with staff and volunteers about risk management. A Risk Management Strategy is a "working" document. This means that there is a need to constantly monitor, review and update the document.

Although 'monitoring and reviewing' might generally be understood to be one of the last steps in the risk management process, in reality, it's a constant task even before any analysis or assessment is made. In some cases, a manager may be presented with existing risk management arrangements, or a partly completed risk analysis. Nevertheless, the manager must take responsibility for the risk management process.

The imbedding of the Risk Management responsibilities is under the direction of the General Manager and will be incorporated into the annual Staff Appraisal process and Annual preparation. These processes will also assist in the development of a training matrix and programme for the next financial year. This training matrix will assist in identification and closure of potential risk management deficiencies.

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## Annexure A to

**NORTHERN MIDLANDS COUNCIL**

**RISK MANAGEMENT STRATEGY**

### **RISK MANAGEMENT RESPONSIBILITIES**

#### **A.1. The Council**

The Council will:

- Develop and maintain the Council Strategic Plan.
- Adopt a Risk Management Policy and Strategy to support the Council Plan.
- Ensure that funding is made available to adequately manage the risks identified in the Council's Risk Register.

#### **A.2 General Manager**

The General Manager will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction.
- Ensure that the Council meets its "duty of care" to all staff, volunteers, contractors and the general public and protects its assets and operations through:
  - Education.
  - Appropriate risk financing.
  - Adequate loss control programs and measures.
- Monitor and evaluate the performance of Business Unit Managers against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents (in excess of \$10,000 or more than one night in hospital).
- Lead Executive Management Team in the maintenance of the Council's Business Continuity recovery program.
- Assist the Council in the development and maintenance of the Council Strategic Plan.
- Develop agreed and assessable success measures with all Business Unit Managers, to support the Strategic Objectives contained in the Council Plan.
- Assist Business Unit Managers in the identification, evaluation and mitigation of risks associated with their success measures.
- Lead the Executive Management Team in the development and implementation of Risk

Action Plans for all risks assessed as Extreme.

- Promote Risk Management as a vital business principle.

### **A.3 Executive Management Team**

The Executive Management Team will:

- Monitor the implementation of the Risk Management Policy and this Strategy across the organisation.
- Approve or modify all entries in the Council's Risk Register.
- Approve or modify the Council's Risk Management training program.
- Direct actions to be taken in relation to annual Risk Management Audit Reports.
- Oversee the Council's Business Continuity recovery program.
- Assist the Council in the development and implementation of the Council Strategic Plan.
- In conjunction with the General Manager, develop and implement Risk Action Plans for all risks assessed as Extreme.
- Approve and monitor Plans once developed.

### **A.4 Business Unit Managers**

Individual Business Unit Managers will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction.
- Ensure that proposed events and projects within their jurisdiction are not approved without a formal risk assessment that effectively identifies and manages all the risks associated with them.
- Monitor and evaluate the performance of managers against their Risk Management responsibilities through the annual appraisal system.
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- The Community and Economic Development Manager will lead Departmental input into the Council's Business Continuity recovery programme.
- Assist the Council in the development and maintenance of the Council Plan.
- Develop approved Departmental Plans to support the Council Plan, linking all Departmental Objectives to the Council's Strategic Objectives.
- Develop agreed and measurable success measures in conjunction with all subordinates, to support Department Plan objectives.

- Assist managers in the identification, evaluation and mitigation of risks associated with their success measures.
- Monitor all risks and associated Risk Management Plans entered into the Council's Risk Register which fall within their jurisdiction.
- Promote Risk Management as a vital business principle.
- The Manager of Corporate Services will lead the management Council insurance policies, to ensure that the Council has adequate cover for:
  - ◆ Public Liability.
    - Professional Indemnity.
    - Fidelity.
    - Industrial Special Risks/Property.
    - Motor Vehicle.
    - Other general insurance, as required.
    - Manage all under excess insurance claims on the Council's behalf.
    - Coordinate the Council's cooperation with insurers and/or solicitors in the investigation and defence of over excess claims.

#### **A.5 Managers/Foreman/Supervisors**

Individual managers/ supervisors will:

- Provide a safe and healthy work environment, in accordance with the Workplace Health and Safety legislation and related Codes of Practice and Australian Standards.
- Understand the principles of Risk Management, including their application to resource conservation and incident/claim reduction.
- Monitor and evaluate the performance of Team Leaders against their Risk Management responsibilities.
- Contribute to the analysis of all potential and actual high loss incidents within their jurisdiction (in excess of \$10,000 or more than one night in hospital).
- Contribute to the maintenance of the Council's Business Continuity recovery programme.
- Assist their Business Unit Manager in the development and maintenance of the Department Plan.
- Develop approved Management Plans to support their Departmental Plan, linking all Management Objectives to Departmental Objectives.
- Develop agreed and measurable success measures in conjunction with all subordinates, to support Management Plan objectives.

- Assist subordinate staff in the identification, evaluation and mitigation of risks associated with their success measures.
- Enter all risks within their jurisdiction onto the Council's Risk Register and manage them.
- Contribute to the development and implementation of Risk Action Plans for all risks within their jurisdiction assessed as Extreme.
- Keep staff appropriately informed of all changes relating to registered risks.
- Advise of any risk issues within their jurisdiction that should be incorporated in forthcoming budgets.
- Ensure that the induction process for all new employees in their area includes:
  - The Council's Risk Management Policy and Strategy.
  - An overview of the Council's cascading plans and their contribution to the relevant objectives at each planning level.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Ensure that the Council responds immediately to any report of a hazard or incident received from a resident, employee or visitor.
- Promote Risk Management as a vital business principle.

#### **A.6 All Staff**

All staff members are to:

- Understand and observe the Risk Management Policy, Strategy and related procedures.
- Assist their manager in the development and maintenance of the Management Plan.
- Develop agreed and measurable success measures to support the Management Plan's objectives.
- Assist their manager in the identification and management of risks to be entered into the Council's Risk Register.
- Contribute to the development and implementation of Risk Action Plans and strategies within their jurisdiction.
- Identify, evaluate and mitigate risks associated with their agreed success measures.
- Provide timely assistance and requested information in relation to any insurance claim or Risk Management issue.
- Make loss control/prevention a priority whilst undertaking daily tasks in the Council's operations.
- Perform their duties in a manner which does not represent an unacceptable level of risk to the health and safety of:

- Themselves.
  - Other employees including volunteers.
  - The Council's customers or visitors.
  - Contractors.
  - The wider community.
- Report any illness, injury, hazard, near miss or incidents and losses as soon as they are detected to their manager or supervisor. Individuals should take steps to eliminate or mitigate hazards identified where reasonably practicable prior to reporting.
  - Encourage the public to respect Council property

#### **A.7 Event and Project Managers/Engineers**

In addition to their generic responsibilities under this Strategy, Event and Project managers/engineers are to undertake and document a formal risk assessment for all proposed events/projects, prior to their submission for funding consideration. This assessment must:

- Consider known risks identified for similar events/projects.
- Identify unique risks associated with a particular event/project.
- Where possible, modify the event/project's design to eliminate or at least minimise these known risks.
- Where risks cannot be eliminated through redesign or re-engineering, establish plans to mitigate the risk to an acceptable level during an event or after a project's completion or implementation.

#### **A.8 Contract/Tender Managers**

In addition to their generic responsibilities under this Strategy, Contract/Tender managers are to:

- Ensure that tenders issued and contracts let by the Council comply with the risk management, insurance and indemnity requirements of Australian Standards and conform to the intent of the Council's Risk Management Policy and Strategy.
- Manage contracts to ensure their compliance with the above.

#### **A.9 Risk Management Coordinator**

In addition to his or her generic responsibilities under this Strategy, the Risk Management Officer will:

- Provide advice and assistance to all the Council staff in relation to the development and implementation of an effective Risk Management System that observes the principles of AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines.
- Encourage all Council staff, business partners, contractors and volunteers to actively



employ Risk Management in their decision making processes.

- Assist all staff with the procedural aspects of Risk Management.
- In conjunction with the General Manager:
  - Develop and review the Council's Risk Management Policy and Strategy.
  - Review and respond to annual Risk Management Audit Reports.
  - Develop a Risk Management training program for the Council.
  - Develop a report on Council's achievements against its Risk Management Policy and Strategy over the previous year, for inclusion in Council's Annual Report.
- Maintain the Council's Risk Register:

#### **A.10 Workplace Health and Safety Committee**

The Workplace Health and Safety Committee will monitor the Council's risk environment, as part of its functions. Members of the Committee will receive training appropriate to their role. The Committee will:

- Ensure the Council's Risk Management practices operate within the framework provided by AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines, relevant legislation and Council policy.
- Review annual Risk Management Audit Reports and make recommendations to EMT.
- Develop, implement and review a Risk Management training program for the Council utilising information received from the staff appraisal process.
- Report progress to the EMT after each meeting.

#### **A.11 WHS Responsibilities**

WHS and Risk Management are closely linked, but separate functions within the Council. The Workplace Health and Safety Committee will be comprised of individuals selected to ensure coverage of the Council's key risk areas. Broadly, these risk areas are:

- Physical Assets
- Recreation / Open Space
- Corporate Governance
- Human Services
- Fiduciary Control
- Contract Management
- Operations
- Planning and Compliance
- Information Management

## Annexure B to

### NORTHERN MIDLANDS COUNCIL

### RISK MANAGEMENT STRATEGY

#### RISK MANAGEMENT PROCEDURE

This procedure is based on the Australian Standard AS/NZS ISO31000:2009 Risk Management - Principles and Guidelines. It details the common methodology to be used to assess and address the level of risk inherent in the Northern Midlands Council activities. For guidance in relation to the application of this procedure or assistance in the conduct of risk assessments, contact the Risk Management Officer.

##### **B.1 Communicate and Consult**

Has everybody who needs to know been contacted, involved, informed and kept up to date?

Communication and consultation are important considerations at each stage of the Risk Management process. They should involve a dialogue with all stakeholders (both internal and external) with a focus on consultation, rather than a one-way flow of information from the decision maker to the stakeholders. All Stakeholders must be confident that their views have been appropriately considered and that they have been kept informed of the actions being taken and the reasons behind those actions. This may extend to sending a report to all Stakeholders, regarding the success or otherwise of risk controls put in place as a result of the Risk Assessment being conducted. Broad "ownership" of the risk and the plans to manage it is essential to a successful Risk Management outcome.

##### **B.2 Establish the Context**

The first step in Risk Management is to establish the context of the risk. This can be done by asking a series of questions, such as:

- What do we want to do or achieve? Define the desired outcomes of the event, activity or project.
- How will we know we have been successful? Identify the success measure or measures for each desired outcome. For established activities, success measures should have been developed and agreed during the development of the Council's hierarchy of plans.
- Who will be involved in or affected by what we want to do? Identify the major Stakeholders for this activity, both internal and external to the Council.
- Do any of the Stakeholders need to be involved in the Risk Assessment? All Stakeholders who may feel that they have a right to be consulted should be. A formal risk assessment should not proceed until all appropriate Stakeholders can be assembled and/or consulted. All Stakeholders who are actively involved in the achievement of your success measures must be involved in the Risk Assessment.
- What records do we need to keep? The likely consequences of the decisions to be made

and the importance of future stakeholders (including the Courts) being able to understand why these decisions were made, will dictate the level of record keeping required. As a minimum, the electronic Risk Assessment Form mentioned earlier should be used for all risks assessed as moderate or above. Decisions concerning the making and capturing of records should take into account:

- The legal and corporate governance needs for records.
- The cost of creating and maintaining records.
- The benefits of re-using information in the future.
- What criteria will we use to analyse the risk? Criteria may be either qualitative or quantitative in nature.
- How will the rest of the risk management process be structured? Determine the elements or steps that the activity/event/project can be subdivided into to create a logical framework that helps ensure significant risks are not overlooked.

### **B.3 Identify the Risks**

What, where, when, how and why can things happen to prevent us from achieving our success measures? Risks that have not been identified cannot be assessed. Alternative methods to identify risks include:

- A brainstorming session with all Stakeholders.
- Checklists developed for this or similar events/activities/projects.
- An examination of previous events/activities/projects of this type.
- The constitution of an Experienced Panel to consider the event/activity/ project.
- Risk areas may include, but are not limited to:
  - Management (planning, supervision, leadership).
  - People (competence, skills, experience, reliability, safety, training, insurance).
  - Property and other Assets (availability, suitability, damage, insurance).
  - Financial (funding, sponsorship, salaries, budgeting, control).
  - Regulatory/Legal (statutory requirements, committee duties and responsibilities, Duty of Care to Stakeholders).
  - Political (community participation and support, Government policies, risk of adverse publicity).
  - Weather (heat, cold, rain, fire ban, fog).
  - Communication (Memorandum of Agreement/Memorandum of Understanding required, meetings, marketing, methods and frequency of contact?).
  - Anything else you can think of (nobody knows your activity better than you!)

- All risks identified should be communicated to your immediate supervisor, if he or she not participated in the risk identification exercise.

#### **B.4 Analyse the Risks**

How big are the risks we have identified? Determine how likely a risk is to occur and how large the impact would be if it did occur. These tables are generic in nature and careful consideration should be given to their applicability for the specific risk profile being assessed.

#### **B.5 Evaluate the Risks**

Are there any controls already in place? Determine if there are any existing controls already in place to address the identified risks. Existing controls could include any policies, processes or procedures established to:

- Eliminate or reduce the likelihood of a risk occurring.
- Mitigate the impact if a risk does occur.
- Share or transfer the identified risk (eg: insurance and /or indemnity clauses).
- Once existing controls have been identified, risks need to be re-evaluated and prioritised, to ensure that the greatest risks are addressed first. The process to follow is:
  - Note any existing controls identified against the appropriate risks in the interim Risk Register.
  - Re-assess the risk in light of existing controls and adjust its Risk Level accordingly.
  - Make a recommendation as to whether the risk is considered to be acceptable or unacceptable, with the reasons why.
  - Forward a copy of the completed risk assessment and recommendation to the Risk Management Officer, who will then present all information to the Risk Management Committee for confirmation or modification of the recommendation and Risk Level.
- If the risk is deemed unacceptable (a confirmed Risk Level of moderate or above), it will then be:
  - Prioritised in relation to other registered risks (considering the confirmed Risk Level rating, the nature of the people and/or property at risk and the impact on the Council's reputation and credibility, should the risk event occur).
  - Presented to the Executive Management Team for approval or modification.
  - Entered onto the Council Risk Register.

#### **B.6 Treat the Risks**

What are we going to do about the risks we have identified? After a risk has been entered onto the Council Risk Register, options to treat it must be considered and action plans

developed. Risk Action Plans must detail:

- The actions which will be taken to address the risk.
- The manager responsible for ensuring that the Risk is addressed (Responsible Manager).
- When the specified actions are to be completed by.
- Unless actions are determined and responsibilities for them are allocated, the Risk Identification and Assessment processes will have been wasted. The outcome of any actions specified should be to (in priority order):
- Eliminate the possibility of a risk occurring.
- Reduce the likelihood of occurrence to an acceptable level.
- Mitigate (reduce) the consequences, should a risk occur.
- Transfer or share the risk, generally through insurance or contracting out.

Actions to be taken in relation to specified Risk Levels are:

- Extreme – immediate action to be initiated and Risk Action Plans to be developed and implemented under the direct control of the Executive Management Team and General Manager. All documentation must be retained for future reference.
- High – action timeframe to be determined by Executive Management Team, with Risk Action Plans developed by Responsible Business Unit Manager/s for Executive Management Team approval.
- Moderate – action timeframe determined and Risk Action Plans developed by Responsible Manager/s, with relevant Business Unit Manager/s kept informed of progress.
- Low – Responsible Managers develop or modify policy or procedure to address the risk. If necessary, a simple Risk Action Plan can also be developed,
- Insignificant – Risk noted and treated appropriately by those affected.

Remember, all risks identified as Moderate and above are to be entered into the Council Risk Register.

In a climate of constrained resources, careful consideration must be given to how resources are allocated to action plans. You may find it more valuable to reduce higher priority risks to an acceptable level, rather than eliminate them altogether and then use any resources saved to address lower priority risks. Finally, consult your supervisor and any Stakeholders who may not have been available the Risk Assessment, to ensure that you have left nothing out.

### **B.7 Monitor and Review.**

Have we got it right? Registered risks will remain open until they have been reduced and accepted, or eliminated. The Responsible Manager is to monitor the risk to ensure that agreed actions are being taken and review the risk levels, to reflect changes made. Whenever an



action is taken against an Action Plan, the Responsible Officer is to notify the Responsible Manager, who will:

- Assess the effectiveness of the action taken.
- Reassess the Action Plan to:
  - Confirm its continued applicability; or
  - Determine any changes that may now be required.
- Reassess the risk rating and notify the Risk Management Officer of the new suggested rating.
- The details of the reassessment will then be confirmed or modified to determine whether or not the risk rating should be adjusted.

Once all directed actions have been completed, the risk will be re-assessed by the Responsible Manager and a decision made as to its acceptability or otherwise. If a risk is considered to be unacceptable, further action needs to be taken to address that risk. No activity should proceed with a risk that has been identified as unacceptable. If in doubt, all Stakeholders involved with the original Risk Assessment are to be consulted, prior to a risk being closed off.

#### **B.8 Record the Risk Management Process**

Each stage of the Risk Management process must be recorded appropriately, as determined during the “Establish the Context” step. For risks assessed as moderate and above, assumptions, methods, data sources, analyses, results and reasons for all decisions should all be recorded.

During the conduct of an event, activity or project for which a Risk Assessment has been undertaken, make notes on how effective the Action Plans have been and what (if any) changes were made to the original Plans. This will allow better planning for the same or similar activities in the future.

### Attachment Two: Risk Management Checklist

Stage	Tasks
<b>Stage 1: Initiation</b>	Assemble risk management resources Assign risk management responsibilities appropriate to task
<b>Stage 2: Proposal Familiarisation</b>	Specify objectives and criteria Familiarise team with proposal, assemble documentation & define key objectives Define key elements to structure risk analysis
<b>Stage 3: Risk Analysis</b>	Identify risks Prepare a comprehensive schedule of risks for each element, Describe each risk and list main assumptions, Assess risk likelihoods and consequences, Assemble data on risk & their consequences, Assess risk likelihoods, Assess risk impacts, Identify significant risks, Rank risks to reflect impacts & likelihoods Where applicable, estimate risk factors, Discard/accept minor risks, Identify moderate risks for management measures, Identify major risks for detailed risk action planning
<b>Stage 4: Risk Response Planning</b>	Identify feasible responses For each moderate and major risk, identify the feasible responses Responses may include: <ul style="list-style-type: none"> <li>• Risk prevention</li> <li>• Impact mitigation</li> <li>• Risk transfer and insurance</li> <li>• Risk acceptance</li> </ul> Describe each feasible response & list main assumptions Select the best response Evaluate the benefits & costs for each response Select the preferred response Develop management measures & action schedules Specify risk management measures for moderate risks Develop risk action schedules for major risks <ul style="list-style-type: none"> <li>• Actions required (what is to be done?)</li> <li>• Resources (what &amp; who?)</li> <li>• Responsibilities (who?)</li> <li>• Timing (when?)</li> </ul>
<b>Stage 5: Reporting</b>	Produce the risk management plan Collate & summarise risk action schedules & measures
<b>Stage 6: Risk Management Implementation</b>	Implement measures & action strategies Monitor the implementation <ul style="list-style-type: none"> <li>• Assign responsibilities</li> <li>• Timing</li> </ul> Undertake periodic review & performance evaluation



NORTHERN  
MIDLANDS  
COUNCIL

# PERTH EARLY LEARNING /CHILD CARE CENTRE UPGRADE AND EXPANSION PROJECT

## ASSET MANAGEMENT PLAN



15 NOVEMBER 2018

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- 1. Perth Early Learning Centre**
  - 2. Vision**
  - 3. Assets Description**
  - 4. Assets Management**
-

## 1. Perth Early Learning Centre

In 1999 the Department of Family and Community Services identified the Northern Midlands as an area of high priority for the development of child care services for the area's rural and remote communities. The Northern Midlands Council was approached to sponsor the proposed innovative mobile rural and remote child care service. Council agreed to sponsor the service and worked with key stakeholders to develop the service.

The service commenced operation one day/week in Avoca, Campbell Town and Cressy in early 2001. The service was highly successful, as measured by utilisation rates and customer satisfaction. Demand for the service was overwhelming, far in excess of the expectations indicated during the community consultations.

Sufficient funding was available to expand the service during 2002. Perth was identified as the priority location for this service expansion and in March 2002, the Commonwealth approved this as a new location for the service. A child care centre was constructed as an extension of the Perth Community Centre in Fairtlough Street (adjacent to Perth Primary School and Perth Recreation Ground). The Centre opened two days/week in early 2003.

Demand for the Perth service warranted investigation of the possibility of operating that service five days/week. This was achieved and the service transferred to the Long Day Care Funding Program – effective September 22<sup>nd</sup> 2003. The service initially offered child care only however, as a result of community demand, the service has expanded to provide after school care, vacation care and a toy library.

The 20 place Centre comprises a large activity room, sleep/quiet time room, small office, change/toilet facilities and an outdoor playground. Staff access the community centre kitchen, use the community centre meeting room for after school and vacation care activities, and share the use of the storeroom in the community centre's stadium.

The sharing of these community centre facilities with other community organisations creates a number of challenges that the Centre staff struggle to overcome. The after school and vacation care children have to use the community centre toilets which creates safety and supervisory challenges. Other community organisations cannot use the community centre meeting room between 3-6pm weekdays and during school holiday weekdays. This creates angst and tension between the Centre staff and the other community organisations.



The Centre consistently has a waiting list and struggles to juggle staffing to accommodate mandated staffing ratios for babies through to five year olds.

## 2. Vision

That Perth will have an upgraded and expanded Early Learning Centre (catering for child care, after school and vacation care, and the toy library), and Community Centre which necessitates the relocation of the town's tennis courts to the recreation ground, expansion of the adjacent car park and significant landscaping around the community centre. Further, the aged skate park will need to be demolished to make room for the relocated tennis courts, and a new multi-purpose concrete loop track for use by local young children and youth developed.

## 3. Assets Description

The Perth Early Learning Centre Upgrade and Expansion Project will result in the development/ acquisition of the following assets:

- An upgraded and expanded early learning centre that can cater for 60 places
- Two new tennis courts at the recreation ground
- A new multi-purpose concrete loop track
- Upgraded car park
- Landscaping/

## 4. Assets Management

Council has an Asset Management Policy (adopted 17 July 2006 and last amended 18 April 2016) with the stated objective being:

*To provide the highest level of service for current and future generations which is a balance between responsible management of assets, meeting the community's expectations and affordability. To achieve this, Assets must be planned, delivered, maintained and refurbished so that they continue to meet this Vision.*

The Policy is underpinned by Principles including:

- A consistent Asset Management Strategy must exist for implementing systematic asset management and appropriate asset management best practice throughout all areas of Council;
- An inspection regime will be used as part of asset management to ensure agreed service levels are maintained and to identify asset renewal priorities;

- Systematic and cyclic reviews will be applied to all asset classes and are to ensure that the assets are managed, valued and depreciated in accordance with appropriate best practice and applicable Australian Standards;
- Future life cycle costs will be reported and considered in all decisions relating to new services and assets and upgrading of existing services and assets.



NORTHERN  
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# PERTH EARLY LEARNING /CHILD CARE CENTRE UPGRADE AND EXPANSION PROJECT

## PROJECT MANAGEMENT PLAN



15 NOVEMBER 2018

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1. Purpose of the Project Management Plan
2. Perth Early Learning Centre
3. Vision
4. Project Objectives
5. Governance: Key Roles and Responsibilities
6. Project Key Stakeholders
7. High to Extreme Risk/Issue Management
8. Time Lines
9. Project Financials
10. Project Communication

## **1. Purpose of the Project Plan**

This Project Management Plan articulates how Council will manage project execution of the Perth Early Learning Centre Upgrade and Expansion Project.

The Project Management Plan:

- Documents the actions necessary to define, prepare, integrate and coordinate the various project activities;
- Defines how the project is executed, monitored and controlled, and closed;
- Will be progressively updated throughout the course of the project.

The Plan is also a communication vehicle for ensuring all stakeholders share a common understanding of the project.

## **2. Perth Early Learning Centre**

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#### 4. Project Objectives

The critical objectives for managing this project are:

- To ensure design objectives are met;
- To ensure the works meet time and cost targets set beforehand;
- To ensure the works are constructed safely and with minimal environmental impact.

#### 5. Governance: Key Roles and Responsibilities

The roles and responsibilities of the parties involved in the project are detailed below.

Role	Description
Council	Council approves all major plans, ensures that required resources are committed, arbitrates on any conflicts in the project or negotiates a solution to any problems between the project and external bodies.
Project Director: Council's General Manager	<p>The Project Director provides a single point of accountability to deliver the project in accordance with the project commitments and has full project authority within the limits of the budget and quality.</p> <p>The Project Director's role is to manage and direct assigned resources, make decisions about the project direction and ensure the project is properly managed and staffed. The Project Director is also responsible for ensuring the project delivers in accordance with the terms and conditions of the BBRF Grant Agreement</p>
Project Manager: Council's Works Manager	<p>The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Director, within the constraints laid down by the Project Director.</p> <p>The Project Manager's prime responsibility it to ensure that the project produces the required deliverables, to the required standard of quality and within the specified constraints of time and cost.</p>

Project Team: Council Engineer & Engineering Officer, Works Supervisor, Accountant, Executive Assistant Works	The Project Team members carry out the tasks and activities assigned to them in accordance to the project's roles and responsibilities. They are responsible for identifying and escalating any risks or issues encountered during the course of the project.
Third Party Suppliers	Contractors/Suppliers (Third Parties) carry out activities assigned to them as per the agreed contract/engagement terms and conditions.
Project Support: Council Office staff, Outdoor Workforce	Assist the Project Director, Manager and Team in undertaking project management functions

## 6. Project Key Stakeholders

The Project Key Stakeholders have been identified as:

- The Building Better Regions Fund: Australian Government Department of Industry, Innovation and Science;
- Northern Midlands Council;
- Staff and families accessing the services of the Perth Early Learning Centre;
- Residents of Perth, Longford, Evandale, Cressy, Devon Hills, Bishopsbourne and the surrounding rural district;
- Department of Education;
- Perth Recreation Ground user groups including the Perth Football and Cricket Clubs;
- Perth Tennis Club;

- Perth youth interested in wheeled play;
- Perth businesses

## 7. High to Extreme Risk/Issue Management

One extreme risk has been identified:

Risk Summary	Description	Risk Mitigation Description
Grant Agreement terminated	Breach of terms and conditions of the BBRF Grant Agreement with the Australian Government results in the agreement being terminated & funding withdrawn	Council officers well-versed in the terms & conditions & committed to working within these parameters.  Funding body notified ASAP when a breach of terms & conditions is likely/occurs & win-win outcome negotiated

Six high risks have been identified:

Risk Summary	Description	Risk Mitigation Description
Poor project management	Poor project management results in project failure or compromised project outcomes.	Project management plan developed, endorsed by all team members and adhered to throughout the life of the project.  Project Director is a skilled project manager.



Risk Summary	Description	Risk Mitigation Description
Project risks not managed	Poor risk management results in project failure or compromised project outcomes.	Project risk management plan developed, endorsed by all team members & adhered to throughout the life of the project
Adverse weather	Adverse weather conditions result in unacceptable delays in meeting project milestones	Negotiate extension of project completion date with BBRF and contractor(s) or negotiate acceleration of work with contractor(s).
Contractor/supplier insolvency/default	Contractor(s) encounter circumstances which inhibit their ability to deliver the contracted services to specification or at their projected cost	Council ensures best practice contract administration and performance management.
Assets not maintained	Project fails to deliver the desired outcomes	Council has , endorsed and will adhere to the Project Asset Management Plan

## 8. Time Lines

The overall project has been broken down into six key components/tasks and a timeline for implementation developed as follows:

Task	Start Date	Completion Date
Project detailed design plans	4 March 2019	17 May 2019



Building permit and development application approved	17 May 2019	28 June 2019
Site preparation (10% project completion)	28 June 2019	31 Oct 2019
50% project completion: \$2,106,650 expended	31 Oct 2019	30 Jan 2020
100% project completion: \$4,213,300 expended	30 Jan 2020	31 July 2020
Handover: completion of works, defect rectification (100% project completion)	31 July 2020	31 July 2021

## 9. Project Financials

The total project cost is \$4,213,300. Council has committed \$2,106,650 to the project and is seeking to secure a grant of \$2,106,650 from the Building Better Regions Fund to enable the project to come to full fruition.

The following amounts will be funded by Council as they are not included in the construction contract amount:

- Permitting;
- Project management;
- Supervision, including safety and environmental oversight.

These amounts are expected to equate 10% of construction cost: being \$421,330

The works will be put out to a competitive tendering process. A requirement of the tendering process is that all tenderers provide details of their previous experience, and this information will be considered as part of the tender selection process. Council will most likely adopt a single construction contract model to procure the works.

## 10. Project Communication

This section defines the communication requirements for the project and how information will be distributed to ensure project success. The following information is included:

- Communication requirements based on roles
- What information will be communicated
- How the information will be communicated
- When will information be distributed
- Who does the communicating
- Who receives the communication
- Communications conduct

A project team directory is included to provide contact information for all stakeholders directly involved in the project.

The Project Director will take the lead role in ensuring effective communications on this project and that communications are in accordance with Council's Policy 41: Communications Policy.

The following communications matrix will be used as a guide for project communicating.

Communication Type	Description	Frequency	Format	Participants/ Distribution	Deliverable	Owner
Monthly Status Report	Email summary of project status	Monthly	Email	Councillors, project team & relevant stakeholders	Status Report	Project Manager
Monthly Project Team Meeting	Meeting to review action register & status	Monthly	In person	Project Team	Updates Action Register	Project Director
Project Quarterly Reviews	Present project status to councillors & stakeholders	Quarterly	In person	Councillors, project tem & relevant stakeholders	Status presentation	Project Director
Media Release	Written article released to relevant media outlets	As needed	Written	Media outlets for publicity/ publication	Media releases	Project Director

Project team directory for all communications is:

Name	Title	Email	Office phone	Mobile phone
Des Jennings	Project Director	des.jennings@nmc.tas.gov.au	6397 7314	0417 848 627
Leigh McCullagh	Project Manager	Leigh.mccullagh@nmc.tas.gov.au	6397 7325	0400 120 158
Jonathan Galbraith	Project Team Member	jonathan.galbraith@nmc.tas.gov.au	6397 7332	0400 935 642
Martin Maddox	Project Team Member	martin.maddox@nmc.tas.gov.au	6397 7331	
Linda Little	Project Team Member	linda.little@nmc.tas.gov.au	6397 7326	

#### Communications Conduct:

##### i) Meetings

The Project Director will distribute an agenda at least 2 days prior to any scheduled meeting and all participants are expected to review the agenda prior to the meeting. During the project meetings, the Project Director will ensure the group adheres to the times stated in the agenda and the meeting recorder will take all notes for distribution to the team within 24 hours of meeting completion.

##### ii) Emails

All emails pertaining to the project shall be professional, free of errors, and provide succinct information. Emails shall be distributed to the correct project participants in accordance with the communication matrix above based on its content. If the email is to bring an issue forward than it shall discuss what the issue is, provide a brief background on the issue, and provide a recommendation to address the issue. The Project Director shall be included on any email pertaining to the project.

##### iii) Informal Communications

Informal communication is a part of every project and is necessary for successful project completion. Any issues, concerns or updates arising from informal discussion between team

members must be communicated to the Project Director as the appropriate actions may be taken/recorded.



