

Stratford & District Centennial Library

Activity Management Plan 2006

Stratford District Council

Appendix I of LTCCP

Stratford and District Centennial Library Activity Management Plan

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1. Introduction

1.1 Background

The Stratford District Council owns and manages the Stratford and District Centennial Library (here within the “Library”) under the provisions of the Local Government Act 1974 and 2002 and to meet the community outcomes of:

- Affordable high quality health and educational facilities and services accessible to all.
- Local jobs and training for local people.
- Comprehensive social, recreational and cultural facilities accessible to all.

The Library is located in Prospero place directly adjacent to the district Art Gallery, Information Centre and a cafe. Prospero Place is a key cultural centre within the Stratford Township.

The original library was established in 1886 and continued for the next 80 years to provide a reading and reference service to the district at a various locations within the township.

In 1976, the Library Committee of the Stratford Borough Council suggested that a new library would be an appropriate project to mark the Stratford & District Centennial. However it was not until 1980, the new Stratford and District Centennial Library was officially opened on its current site.

An extension was added to the library in 1998. The extension lifted the ceiling, extended the floor area by a third and provided an internal upgrade. Included in this extension was a room for the archives and photographs held by the Stratford District Council.

Income is directly derived from user charges and the general rate.

Council has traditionally adopted the role of provider and manager of the district library as there has been no alternative provider in the Stratford District.

1.2 LTCCP Community Outcomes

In preparing the first LTCCP Council has used both current and new information concerning community outcomes. To arrive at the Regional outcomes research was undertaken in conjunction with our two neighbouring Local Authorities, New Plymouth District Council and South Taranaki District Council and the Regional Authority, Taranaki Regional Council. The four Councils appointed AC Nielsen Ltd to identify community desired outcomes for the regional community; those desired outcomes that will add to or sustain the communities well-being.

The community was actively engaged in the process to identify what they considered important and which five outcomes they thought required most attention over the next five years. While the primary focus was on outcomes common to the regional community each district was required to identify any local preferences.

The Stratford community was directly consulted on key outcomes for the district and these have formed the basis for Councils LTCCP.

The Regional and Stratford community outcomes to which the Library primarily contributes are addressed in Volume One, Chapter "Levels of Service/Performance Measures" of the LTCCP.

1.3 Library Goal and Principal Objectives

The Library activity goal is:

“Ensuring the district community has affordable and equitable access to information, knowledge and life long education, through the provision of written and recorded information managed in a lending and reference collection.”

and the principal objectives are:

- (a) To encourage as many people as practical to use the Library by providing a comprehensive range of up to date books and resources that appeal to a wide section of the community;
- (b) To provide a safe, healthy, stimulating and supervised environment for access to reading and reference resources;
- (c) To promote the Library as a fun and interesting place to visit particularly by young people;
- (d) To plan for, and forecast, the investment for future library resources and to anticipate demand trends that may effect this investment;
- (e) To ensure that the facility is maintained to meet adequate safety and service standards;
- (f) To provide the facility in a cost effective manner for the benefit of district ratepayers;
- (g) To maintain an adequate management system for all matters relating to the Library; and
- (h) To provide for informed community consultation on all matters with regard to the Library.

2. Levels of Service and Detailed Activities

The levels of service and performance measures are discussed in Volume One of the LTCCP under the chapter "Levels Of Service/Performance Measures".

2.1 Provision

The “Standards for New Zealand Public Libraries 2004” provide guidelines for the quantity of books to be provided per population and the appropriate collection proportions for key age groupings.

These guidelines assist the provision, planning and management of the collection benchmarked against nationally accepted trends.

2.2 Customer Service

Customer service is an important part of the Library operation. For the community and Council to obtain the best value from the Library investment, users have to feel welcome and willing to return. This measure monitors customer’s perception of service through user complaints and surveys.

2.3 Disabled Access

All the community has the right to access the Library. The building and facility should comply with access standards for the disabled as outlined in the Building Act and other related legislation.

2.4 Cost of Service

Council offers Library membership freely to its community although it is funded through rates. It is important that the Library costs are managed and are not a burden on the community. This measure will provide an indication of the costs for the users in relation to similar facilities throughout New Zealand.

2.5 Quality of Collection

In any Library collection it is important that is up to date and provided with new materials on a continued basis, otherwise the collection can get outdated and user interest and benefits will decrease. Council seeks to maintain a continued investment in new materials.

2.6 Levels of Service Issues

This plan has been prepared on a continuation of the current levels of service and opening hours.

A recent survey of ratepayers (May 2005) identified the main issues of why people did not use the Library besides factors such as limited time, travel, or lack of interest.

The two main issues were opening times not suitable (10% of respondents) and the range of books and services not suitable 14% of respondents). Both these factors are briefly addressed in the following scenarios.

(a) **Public Opening Hours**

The current level of service is opening hours of Monday to Friday 9.30 am to 5.30 pm and Saturday 9.00 am to 12.00 noon. The actual hours are a 8.30 am start for staff.

Hours have been changed over past years to reflect changing customer requirements. Members of the community have asked why the hours are not extended in the weekends so Library management is considering reviewing whether the current opening hours are suited to today's community.

The options being considered and their financial impacts are outlined below. The current provision in the long term financial plan for the Library is to maintain the current level of service (see Appendix 3).

	Lower Level of service	Current Level of Service	Increased Level of Service
Change in Service	9.30- 5.30 Mon to Fri not open weekends, therefore saving of 364 staff (fte's) hours.	No change – 6604 staff (fte's) hours per year.	Open hours 9.30-5.30 Mon to Sat, therefore increase of 572 staff (fte's) hours (Assumption that 2 staff on duty at all time.)
Change in Costs per annum	Saving in annual cost in labour and energy of approx \$8162 Decrease in total operating expenditure of the Library by approx 9%	No change	Increase in annual cost in labour and energy of approx \$12,955. Increase in total operating expenditure of the Library by approx 3%
Impacts	Community dissatisfaction. No access on weekends for full time workers Less overtime and shift responsibilities for staff. Less Staffing requirements. Contract reviews.	No change Limited access on weekends Continued community requests for extended hours	More options for weekend users – rise in satisfaction and increase use of facility. More opportunities for families to visit together. Contract reviews.

(b) **Book Purchases**

The “Standards for New Zealand Public Libraries 2004” recommend an annual investment of 20% of Library operation costs to be used for the purchase of new books.

Stratford currently invests 12.5% annually.

The provision of new books has been linked to an increase in usage by the community as new material attracts new and increased use. It is important to retain and grow membership to ensure the community is maximising the benefit it receives from the resources available.

The following table outlines the effect on the coats of increasing the annual investment to 20%.

	Current Level of service	Medium increase in Level of Service	NZ Standards Increase Level of Service
Change	No change maintained at 12.5%	Raise investment to 16.5%	Raise Investment to NZ Standard of 20%
Change in Costs per annum	No change	Increase in annual cost in book purchases by approx \$15,000 Increase in total operating expenditure of the Library by 4%	Increase in annual cost in book purchases by approx \$26,000 Increase in total operating expenditure of the Library by 7%.
Impacts	No change Less than NZ National Standard for Libraries provision Less choice of new materials User numbers not stimulated greatly to increase.	Closer to NZ National Standard for Libraries provision. Improved choice of new materials User numbers increased. Improved Community Value	Achieving NZ National Standard for Libraries provision. Greater choice and quality of materials. User numbers increased. Improved Community Value

(c) **DVD Collection**

One of the services requested frequently by customers is a video or DVD collection. Both New Plymouth District Council and South Taranaki District Council Libraries offer rental videos or DVD's and this has raised expectations with Stratford library users.

The following table outlines the effects on the costs of adding a DVD collection.

Current Level	Increased Level
Change in Service - No DVD's	<u>Year One</u> - Purchase 100 DVD's. - Rental change \$3.00 per week. - Weekly Issues. <u>Year Two</u> - Purchase 50 DVD's. - Rental change \$3.00 per week. - Weekly Issues.
Change in Costs per annum - No Change	<u>Year One</u> - Costs are \$3,900. <u>Year Two</u> - Costs are \$2,400.
Impacts - Community Dissatisfaction. - No increase in use of library.	- Community Satisfaction. - Increased use of library. - Greater choice and quality of information.

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3. The Existing Situation Described

3.1 The Facility and Service

The Library complex is located in the Stratford township at Prospero Place, off Broadway and Miranda Street. This is the sole district library and no other library facilities are provided throughout the district.

The Library serves a 60% urban and 40% rural district population. It is classified as a “level 3” public Library and has an annual average distribution of some 120,000 issues.

There are three full-time staff and two casuals. Current service is 9.30 am - 5.30 pm weekly and Saturday 9.30 am - 12.00 noon.

The building itself is 287 m² of public open planned space with one large functional space allocated into category and activity areas. Other than public toilets, archive and storage rooms, no other areas are available for public use. There is 92 m² of staff and management facilities.

The library has been the beneficiary of collections of books and videos.

1. **“Milne Collection”** donated in the 1960’s by Ralph D Milne (a nationally significant collection of nearly 500 NZ history first editions for reference use only).
2. **“Masters Collection”** donated by Mr Robert Masters MP in the 1960’s or 1970’s (a collection of quality reference editions).
3. **“Barbara Gordon Art Collection”** donated in the will of Mrs Barbara Gordon in late 2001 (approximately 400 art books for lending and reference).
4. Video Ezy video donation in 2003 (a collection of community information videos).

Other than its main role of lending and reference reading materials, the Library offers a range of services and programmes including the following:

- Children’s and pre-schoolers programmes
- Database reference system
- Educational holiday programmes
- Housebound visitations
- Internet Access
- Loans – regional and national inter-loaning system
- Photocopying facilities
- Purchases (books removed from the collection due to value, age and condition)
- Schools co-ordination
- Talking books, videos

Membership is free but there are charges for services that are outside the core activity of the library such as photocopying and internet access, as well as overdue and damage/loss fees and costs associated with book loans from other sources.

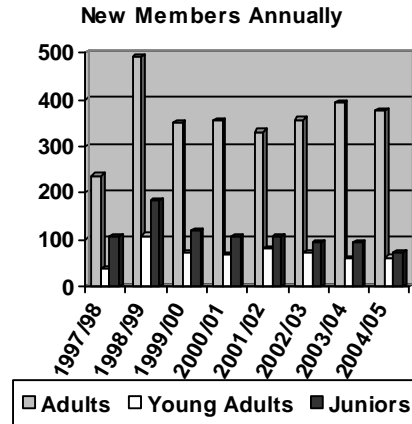
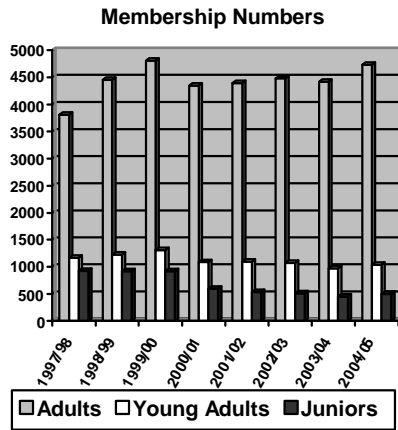
3.2 Use

(a) **Membership**

Membership has followed national trends with a fall off in younger users. However adult users have remained reasonably stable with modest increases. In 2000/2001 a concerted effort was made in updating membership records and removing inactive memberships. This resulted in a subsequent fall in member numbers.

New members reflect similar trends. The new renovations in 1998 resulted in a boost for membership and since then a steady increase in adults and fall off in youth has been evident. This has prompted activities and promotions aimed at recapturing the youth sector.

NOTE: Adult (18 yrs or over), Young Adult (11-18yrs), Junior (0-11)

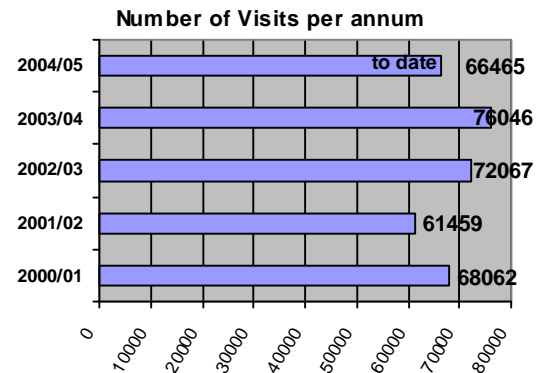
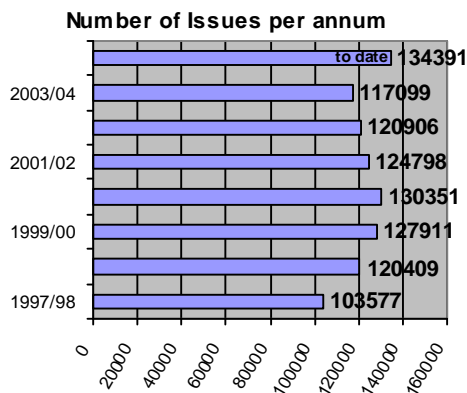


(b) Items Issued and Visitor Numbers

The numbers of visits (people through the Library door) and items issues (books, magazines, videos) from the library have shown increasing trends although there has been no significant increase in membership numbers.

The numbers of visits are on average increasing and this is not directly related to numbers of issues.

Therefore the assumption can be made that on average there are more visits by the public to the Library and that alternative services offered by the Library are being utilised in these visits. Such services include educational programmes and activities, various groups, internet use, reference materials and added services such as photocopying.



An indication of frequency of use can be drawn for a May 2005 ratepayer's survey. Questionnaires were sent out to every ratepayer and over 16% responded. The following indicators were received:

Frequency of Use	Weekly	Monthly	Yearly	Bi-annually	Never
Percentages	23	38	13	11	13

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3.3 Financial Summary

(a) **Asset and valuation listing (Telfar Young Taranaki Ltd - July 2003)**

Asset Description (main assets only)	Estimated Life	Residual Life	Estimated Replacement Value	Depreciated Value
Site Specifics	80	51	4970	3168
Building Structure/envelope	80	51	304165	193905
Building Fit out	20	15	106458	79843
Building Services				
Electrical Services	30	25	40555	33796
Balance of Services	35	30	157152	134702
Fixed assets				
Alarm and Installation	-	-	377	336

The useful lives of the assets are covered in the Statement of Accounting Policies.

(b) **10 year Financial Summary**

The current forecast is detailed in the financial sections of the LTCCP and is for a generally flat level of funding. Fluctuations relate to minor scheduled maintenance activities. There is no provision for capital or renewal works for the next 10 years.

3.4 Issues

(a) **Information Technology**

Modern libraries are developing towards provision of digital technologies and services to access information. This trend is continuing and such initiatives as the “2005 Government Digital Strategy” are providing a platform for future development.

Stratford currently provides internet access, a digital library reference system, and an information CD reference collection. It also offers access to “epic”, a collaboration of over nearly 200 New Zealand Libraries providing access to thousands of high quality electronic publications. This service is being expanded in 2006 and an additional \$1,000 has been added to the 2006/07 budget to include this.

One other option to improve the service is “BookFind-Online” a database for librarians and booksellers. This will enable access to digital information on what resources are available for the community. This is currently being investigated. If a collaboration with South Taranaki District Council Libraries and Wanganui Public Library is undertaken the cost for this service will be \$1,196 per annum.

Increasing demands for access to digital information will need to be addressed through the provision of improved technology. Costs and implications should be determined and indicated in the next LTCCP.

(b) **Maximisation of Use**

Since the new extension in 1998 there has been a decline in recorded user numbers. This is a typical trend of experienced by Libraries through New Zealand.

Council needs to examine strategies to maintain and increase user numbers to ensure the maximisation of this community asset. Current initiatives include review of stock quality, provision of digital technology, and a variety of programme development.

Consideration also could be made in extending opening hours as some public comment has been made in this regard (see 2.3(a)).

There is also limited marketing and research performed and this could be an area of improvement to provide for greater community consultation leading to greater community awareness and increased use. An increase of \$2,000 has been included in the 2006/07 budget to allow for increased promotion.

(c) **Costs to the Ratepayer**

Through the current funding policy the Library costs are funded through the general rates. This amounts to approximately 90% of total costs. Revenue from direct user fees and charges are estimated at \$13,000 annually.

In most New Zealand communities Libraries are subsidised through rates at some level. It is important however that the cost to the rate payer is minimised and Council will continue to ensure this objective is met through seeking to optimise use.

4. Maintenance and Operating

4.1 Ownership

(a) **Council Ownership**

Council owns, manages, operates and maintains the Library and intends to do so in the future.

4.2 Estimated Costs over next 10 Years

The estimated cost of operations and maintenance (including depreciation, and other overheads), for the next ten years are in the financial section of the LTCCP. These costs involve insurance, overheads and general maintenance.

The trend over the last seven years has been a steady increase and this is a direct result from rises in costs of inputs and also the rises in labour cost.

5. Future Demand

5.1 Future Demand Issues

(a) **Population**

Population growth in the district has remained reasonably consistent over the last 10 years. Statistics NZ predicts slight declines over the next decade and there are no indicators that signal any change in these trends for the future.

Stratford District Council has targeted the districts population to grow by 33% to 12,000. This desire is reflective of the outcomes from the LTCCP. There is no defining timeframe for this growth and strategies will be developed over the next 12-24 months to achieve this desire. No provisions have been made for population impacts on the Library in budget forecasts.

Assuming the 33% increase would be in the urban area and that this population increase would have a similar measured percentage increase on Library activities the table below illustrates the possible impacts.

Activity per annum	Annual Average last 5 yrs	Impact of additional 33% population	Total for Activity
Visits	69,000	22,800	91,800
Items Issued	125,500	41,415	166,915
Revenue from user charges	\$13925	\$4595	\$18520

These figures would suggest that staffing would need to be increased to provide an adequate service to the increase in customers. Also the turnover and use in books and materials would increase and therefore this could impact on the numbers purchased annually and their useable life.

6. Capital, Renewal Expenditure, and Depreciation

6.1 Capital and Renewal Expenditure

A major capital upgrade of the library building was undertaken in 1998/99. This involved a \$297,864 extension and refurbishment both internally and externally and followed on from the initial development in 1980.

Therefore limited other capital or renewal works have been required since 1999 and currently there are no future capital or renewal needs identified or planned.

6.2 Depreciation

Council depreciates the building and fixed asset components of the Library.

However Council only funds the depreciation of the fixed asset component to an annual level of \$15,000 and does not fund the depreciation of the building asset.

6.3 Purchase of New Books

An annual provision of \$46,000 (\$47k from 2006/07) is made for the purchase of new books according to the collection policy of the Library (see 2.3(b)). This annual amount is funded through operations and is not accrued against the fixed asset value of the book collection. It is assumed that the sales and disposal of books annually equates to a similar level. This is based on maintaining a set number of books (approximately 30,000) and a relatively consistent value of the collection.

The value of the Library collection is based on original replacement costs and is depreciated accordingly. Periodic revaluations on replacement costs are maintained. Valuations do not account for appreciating values of some of the books within the collection.

7. Funding

7.1 10 Year Financial Plan

Councils Library activity 10 Year financial summary is shown in the financial sections of the LTCCP and show an allowance for inflation based on the BERL price level change adjuster.

The 10 Year programme is based on maintaining a consistent level of funding requirement with no further capital investment and minimal renewal and operations investment. Council wishes to minimise any impacts on the rate payers of the district.

7.2 Funding Policy

Activity: Library

Description of Activity:

To provide affordable and equitable access to information, knowledge and life long education, through the supply of written and recorded information managed in a lending and reference collection.”

Reason Why Activity is Engaged in: see Clause 1.1.

In the past Council had considered 25% of Library funding should be a targeted rate included in the urban services charge.

Council has now reviewed its Revenue and Financing Policy and concluded that targeted rates do not fairly represent the benefits to the targeted ratepayer and all ratepayers generally. Council has accepted the viewpoint that Stratford is one district and that the Library should be funded from the general rate using capital value rating.

The major source of funding for the next 10 years is outlined in the financial sections of the LTCCP.

All funding is based on expenditure predictions as at 30 May 2006. Fees and charges assume a static level of income and patronage. This position could be reviewed in response to the desire to increase user numbers and therefore improve community value, by providing user number targets and incentives.

Direct user charges are supposed to recover 5% of costs, they are currently forecasted to achieve 3.5%.

7.3 Schedule of Fees and Charges

The current user charges for 2005/06 are listed below. These are annually reviewed and are aligned to the funding policy rate of returns.

LIBRARY	
Replacement Fee (of lost Membership Cards)	\$5.00
Reserve Fee (includes magazines)	\$1.00
Overdue Fines	
1-6 days late	Free
7-13 days late	\$1.50
14-20 days late	\$2.50
21+ days late	\$5.00
Inter loan Charges	
Bibliographic Searching (where a list is supplied to a customer)	\$5.00
Inter loaning a Book (per item)	\$5.00
Discarded Books for Sale	
Market value	
Lost Book Fees	
Cost of the replacement book plus 10% - <i>minimum charge</i> - \$10.00.	
An administration charge of \$10.00 will apply on any refunds on replacement costs.	
Photocopying	
If assistance required	25c per page
Coin operated	20c per page
CD ROM print outs	25c per page
Internet	
¼ hour	\$1.50
½ hour	\$3.00
Printouts	25c per page

8. Demand Management

The current and foreseeable issues for demand management are aimed at increasing the levels of demand of the facility. Current annual visit numbers are around 70,000. It is considered that the existing facility could cope with an increase to 90,000 visits without any decrease in the current level of service provided.

9. Significant Forecasting Assumptions, Uncertainties, Risk Management

9.1 Assumptions and Uncertainties

General Assumptions and Uncertainties	
Asset Life	Based on industry and accounting standards.
Capital cost impact on operations	The community can assume that as it seeks improvements and additions to its assets, rises in operational costs may occur due to the additional of improved infrastructure that will exist.
Constraints of Council	The level of investment in planning, analysis and improvements is limited to what best suits the community both in practical and affordability terms.
Depreciation	Based on 2006 valuations.
Financial Values	All at 2006 values.
Funding allocations	All funding is based on expenditure predictions and as at June 2006.
GST	Not included in financial forecasts.
Historic assumptions	Up to now Council has operated on historic assumptions and has managed the district according to the level the district can afford. The LTCCP process will determine its future approach to many areas of its asset management
Inflation	An allowance has been made for inflation in forecasts.
Interest on investments	5%
Interest rate on loans	9%
Knowledge	No commitment or contingencies that Council is aware of has been excluded.
Population Growth	Assumed constant at 9,000.
Service Levels	Unless stated are remaining constant.
Valuations	Current valuations are based on 2006 figures.

Activity Assumptions and Uncertainties	
Activity management Plans (AMP)	This is the first AMP for the Library. As such it will be the subject of continual improvement as information and analysis develop.
Use Statistics	Statistic information is based on what the Library managers over time, have supplied Council. No independent source of information is available.

9.2 Risk Management

A high level risk assessment of Council activities has been undertaken and is considered within the next LTCCP. This covers the generic issues of governance and business practices and common issues in group activity areas.

The table below outlines some of the key asset risk issues and rates them according to the guidelines in Appendix 3.

Further more in depth analysis for risk for the Library activity could be undertaken in the future.

Risk	Controls	Consequence	Likelihood	Accept Risk
Damage by Fire	<ul style="list-style-type: none"> Monitored alarm –Fire Station Smoke detectors Fire extinguisher 	Moderate	Unlikely	Yes
Staff suffer personal Injury or their Safety compromised by customer	<ul style="list-style-type: none"> Training Programme Two staff on at once Public Area Staff and Public Safety Procedures 	Moderate	Rare	Yes
Shelves falling on to customer causing harm	<ul style="list-style-type: none"> Supervision Packing of shelves Public education Maintenance regimes Wall and floor fixings 	Minor	Unlikely	Yes
Equipment failure – smoke alarms, air conditioning, lighting, heating.	<ul style="list-style-type: none"> Maintenance regimes Staff duties Service regime 	Minor	Unlikely	Yes

10. Plan Review / Public Consultation

10.1 Reference to the Public Consultation Undertaken

Council has consulted the community to establish funding levels and agreed community outcomes as discussed in the introduction of this plan.

In addition Council continues other practices such as:

- Specific project or issue consultation.
- Community Surveys.
- Annual Plan submissions.

Council will continue to consult with the community as it further develops its LTCCP and undertakes its normal business practices.

10.2 When the Plan is Intended to be Next Reviewed

The plan will be reviewed on an annual basis by 30 June 2006. Any changes and development will be expressed through the annual plan and LTCCP process.

11. Conclusion

This activity plan is the first for the Library. As such it will be improved as more asset information, planning and analysis are developed. The improvement plan in Appendix 2 outlines some of the works required.

Appendix 1

Improvement Plan

Note: PAM = Property Asset Manager, L= Librarian , OM = Operations Manager, CE= Chief Executive.

Item	Task	2005				2006				2007				Responsibility
		Quarters				Quarters				Quarters				
		1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th	
Asset management	Review current provision for depreciation and renewals including major non-fixed assets.													PAM/L
Depreciation	Identify all assets currently not depreciated, review and determine accordingly.													PAM/L/OM
Funding Policy	Review funding policy to more reflect actual recovery situation and Councils position of minimising rate impacts.													OM/CE
Technology	Determine requirement and process for the provision of digital information services.													L/OM/CE
User Satisfaction	Consider and as appropriate determine a formal community consultation strategy for Library issues.													L/OM/CE

Appendix 2

Risk Consequence / Impact Guidelines (Qualitative Measures)

Risk Score	Risk Rating	Risk Description	Description of Impacts in example activity areas			
			Financial risk management	Human resources	Political	Business risks
		Generic Impact Description	Revenue loss, Cost Increases & Financial or Budget Liability	Security incident, OH&S effect, Reduced performance, Key people/Resources unavailable	Adverse press, Reputation damage, Legal repercussions	Clients not served, Operations interrupted. Assets/Infrastructure unusable, Info Systems out
5	Catastrophic	Disaster with potential to lead to business failure	Huge financial loss. Significant over expenditure at Organisational and output level, where there is no capacity to adjust budget across the Portfolio or no means to seek additional funding. 100% loss of Business Unit funding.	Multiple staff or public affected, debilitating injuries and fatalities or widespread medical attention required. Loss of a significant number of key management level staff, impacting on skills, knowledge, and expertise needs. Severe staff morale problems.	Concentrated public and political interest and major loss of public support. Union involvement.	Major detrimental effects on clients. Consequences would threaten survival of the service, and also the organization. Long-term sustained loss of production capability.
4	Major	Critical event, which will be endured with proper management	Major financial loss. Significant overrun at Organisational and output level, where management response requires significant additional funding, or termination or reduction of other initiatives. Possible 75% loss of Business Unit funding.	Extensive effects, injuries, hospitalisation or single fatality. Loss of some key staff, resulting in skills, knowledge, and expertise deficits. Severe morale or other organisational problems affecting performance and productivity.	Short-term public and political interest. Constant media attention, major internal inquiry and some union resistance.	Loss of production capability. Consequences would threaten survival or continued effective function of the service. Requires top-level management intervention.
3	Moderate	Significant event, which can be managed under normal circumstances	Significant financial loss, up to 50% of budget funding. Business Unit impact only, with some redistribution of existing budget.	Significant effects needing management action. Medical treatment, but no fatalities. Short-term skills, knowledge, expertise deficits.	Isolated public interest. Some medial interest and/or industry complaints, small internal inquiry.	Consequences could mean that the service is subjected to a significant performance review or a changed way of operating. Senior management involvement.
2	Minor	Event with consequences, which can be readily absorbed, but which requires management effort to minimize the impact	Some financial loss contained within Unit, 25% loss of budget funding. Minor over expenditure requiring monitoring and corrective action within existing budget.	Minor effects – injuries, but no fatalities. Health impact or probability leads to lost time or potential of public liability claim. Little skills deficit.	Local issue, isolated concerns raised by interest groups, with little media interest.	Consequences affect efficiency or effectiveness of the service. Managed internally.
1	Insignificant	Not worth worrying about. Existing controls and procedures will cope with the event.	Little or no financial loss, <5% budget funding impact.	No injuries or fatalities, little supporter action required. No skills or knowledge loss occurring.	No investigation required. Minimal to no effect on public reputation.	Affects only a small group of clients. Negligible service impacts dealt with by routine operations.

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Risk Probability Guidelines

Risk Score	Risk Rating	Description of Event	Frequency
5	Almost Certain	The event is expected to occur in most circumstances High level of known incidences Strong likelihood of re-occurring with high opportunities / means to re-occur	Daily / Weekly
4	Likely	The event will probably occur in most circumstances. Regular incidences known (recorded / experienced) Considerable opportunity / means to occur	Monthly
3	Moderate	The event should occur at some time A few infrequent, random occurrences (recorded / experienced) Some opportunity or means to occur Council engineering projects usually designed to this level	Annually
2	Unlikely	The event could occur at some time No known incidences recorded or experienced Little opportunity, means or reason to occur Council engineering projects would require some compelling Capital risk justification to design to this level	Every 2-5 years
1	Rare	The event may occur only in exceptional circumstances Highly unheard of Almost no opportunity to occur Council Engineering would require very compelling Capital Risk justification to design to this level.	Every 10 years

Appendix 3

Opening Hours Scenario Workings

Assumption

1. Increase library opening hours on Saturdays from 8.30 am to 12.00 noon, to 8.30 am to 5.30 pm.
2. Close Saturdays.

(a) *Current Budget 2005/2006*

Salaries and wages	\$128,100
Temp wages	\$14,600
Total	\$142,700 per annum

(b) *Hours (staff)*

8.30 am - 5.30 pm five days per week – 3 staff @ 40hours per week = 6,240 hours.

8.30 am - 12.00 noon Saturday - 2 staff @ 3.5hours per week = 364 hours.

Total hours = 6,604 hours

Therefore \$142,700 into 6,604hours equates to staff cost of \$21.6 per hour.

3. If open Saturday 8.30 am - 5.50 pm. Premise is that two staff will be on duty at all times- therefore:

One staff 8.30 am to 1.00 pm

One staff 12.00 noon to 5.30 pm

One staff 8.30 am to 5.30 pm

Total of 18hrs/day or 936hrs/year which is 572 hrs/year extra which equates to $572 \times \$21.60 = 12355.20$

4. If closed Saturday - Save 364 hrs/year which equates to $364 \times \$21.6 = \7862.40

Energy

- Total annual cost = \$4700

- Currently operates 48 open hrs per week = \$90.38/wk or \$1.88/hr

1. Change to 54 open hours per week = total cost of approximately \$5,300/yr – increase of \$600 per year
2. Change to 45 open hours per week = total cost of approximately \$4,400/yr – decrease of \$300 per year

Therefore:

Scenario 1 – open all Saturday: $\$600 + \$12,355.20 = \$12,955.20$ extra

Scenario 2 – close Saturday: $\$300 + \$7,862.40 = \$8,162.40$ less