

MEMORANDUM

TO: Greg Piconi - Director Operations

COPY TO:

FROM: Manager Open Space Services - Matthew Drago

SUBJECT: **Restructure In Tree Maintenance Section, reallocation of budgets and ongoing savings**

Background:

I refer to changes to the structure of the Open Space Services section, specifically the Tree Maintenance section.

Early this year, after the resignation of a number of experienced staff in the Specialised Tree Works Team, it was determined that a review of the current structure and resources be undertaken in consideration of the fact that the Elevated Work Platform (EWP) had been rebuilt the previous year and would require a further rebuild or purchase of a new machine in the short term.

After extensive consultation with staff, JCC and the United Services Union, it was been agreed to disband the Specialised Tree Works Team, sell the Elevated Work Platform (EWP) and re-allocate wages budgets to fund this activity by Contractors. Copies of the agreement by the Union and the JCC minutes can be provided if requested.

Part of the restructure included the allocation of existing Arborist positions to the two area maintenance teams which will bring skills based training back to a focus of Arboricultural principles and practices and provide an opportunity for career progression and an incentive for more junior Tree Worker positions to extend their studies, or gain qualifications in this field.

The re-allocation of funding to this area will allow for more specialised contractors to undertake EWP jobs and allow the area maintenance teams more access to the chipper and stumpgrinder that will assist in the completion of their works programs.

Expenditure:

There will be no additional expenditure as the budget for existing vacant positions will be transferred to the budget for contractors within the same cost centre 2652 (Tree Maintenance). This equates to an amount of \$230,200 being made up of \$166,200 in wages and \$64,000 in wages on costs.

Savings:

Over the next five years, the projected savings to Council will be significant given that the current EWP has just undergone a 10 year inspection and would ideally be replaced in the next two years.

The potential savings could be broken down as follows:

One off costs:

Purchase of new EWP	\$350,000 approximate
Purchase of new cab chassis	\$150,000 approximate
5 year inspection	\$135,000 approximate

Revenue:

Sale of current machine:	\$110,000 approximate
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Ongoing savings:

Running costs	\$20,000 annually
Depreciation	\$32,000 annually

TOTAL over 5 years \$1,005,000

ANNUALISED AVERAGE \$201,000

While these figures are approximate and cannot all be recognised immediately in real terms, there is potential for better use of budgets, especially in operational plant purchase and maintenance and will reduce a significant future burden for Council financially if a new EWP was purchased.

There are further additional hidden savings that cannot be quantified which would include reduction in Council's Workers Comp Premium considering that the EWP work was one of our higher risk work activities.

The contracted activities will be monitored over this financial year and once backlog of outstanding works is completed, there will be a further review undertaken to assess whether the amount budgeted requires any adjustment. This may include additional savings if the current quotes and turnaround times continue.

The next step in the process will be the sale of the EWP.

Please contact me directly should any further information be required.

Matthew Drago
Manager Open Space Services