

Adopted Budget 2011-2012

Budget 2011-12

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Mayor's Introduction

It gives me great pleasure to present this Budget to the community of Maroondah City Council.

In preparing this budget Council is mindful of the need to meet the community's needs and aspirations for a vibrant City where they live, work and play. To this end Council continues to meet the high level and variety of service expected by our community whilst ensuring our long term financial sustainability.

A rigorous review of all services was undertaken in 2010-11 together with increases in Grants Commission funding and investments have seen a positive impact on our Long Term Financial Strategy outcomes. Council will come into an operating surplus in 2011-12, one year before anticipated last year and four years ahead of the position forecast in the 2009-10 budget.

We will increase the total amount of rates and charges across Maroondah by 5.6 percent in the 2011-12 financial year. This level allows us to maintain existing service levels, fund a number of community enhancements and continue to allocate additional funds to renew the City's ageing infrastructure. The specific impacts per assessment notice will vary depending on the current valuation of the property.

The city-wide rates and charges increase has been reduced from 2010-11 (9.8 percent), despite a number of significant external influences which have impacted on Council's financial position such as waste landfill levy increases and superannuation defined benefits shortfalls, increases in electricity, street lighting and depreciation.

The budget provides for a total Capital Expenditure Program of \$20.5 million. The funding for the program will come from external grants and contributions and asset sales (plant & equipment) to the extent of \$1.92 million, and the balance of \$18.64 million internally through general rates and cash reserves. Gross expenditure on asset renewal is \$17.5 million of the Program whilst new projects total \$3.0 million. Details of the Capital Expenditure Program are included in Appendix D.

The largest capital project facing the municipality is the Ringwood District Aquatic and Leisure Centre, the asset of which has come to the end of its useful life. This budget provides for the commencement of this four year project which will affordably provide for the aquatic and leisure needs for current and future generations.

On Council's behalf, I am proud to highlight the fact that, as a result of Council's Service Reviews and prudent financial management, the proposed Long Term Financial Strategy provides for indicative rates and charges increases of no more than 5.6 percent per annum. This is substantially less than provided for in the Adopted 2009-10 Budget and financial strategy, which did not provide for a new Ringwood District Aquatic and Leisure Centre.

This budget has been developed through a rigorous process of consultation and review and Council endorses it as a balanced, sustainable and responsible platform for our City's future health.

This is the budget with the lot. The proposed 2011-12 Budget and Long Term Financial Strategy will ensure enhanced services, protection of Council's \$1.2 billion in assets, the delivery of many new major capital projects, including the Ringwood District Aquatic and Leisure Centre, and a financially affordable future for our Ratepayers.

A handwritten signature in black ink that reads "Tony Dib". The signature is written in a cursive, slightly slanted style.

**Cr Tony Dib JP
Mayor**

Chief Executive Officer's Summary

Budget Highlights

The Maroondah City Council budget for 2011-12 realises the Community's Vision as formulated in Maroondah 2025 and the strategic objectives which drive the Council Plan and is a sound platform for achieving the key strategic actions contained within the Plan. The Budget provides the community with ongoing exceptional service delivery and increased capital works investment whilst ensuring the sustainable provision of services to its community for the future.

During 2010-11 Council conducted a comprehensive review of all service areas to investigate and identify opportunities to enhance service delivery and reduce overall net costs of services.

Whilst the outcomes of this review have already begun to be implemented in 2010-11 the full impact of the opportunities and savings identified will be realised in 2011-12 and future years. The favourable results of which are reflected in the Long Term Financial Strategy whereby Council has reduced its proposed 2011-12 operating deficit of (\$1.782)m in the 2010-11 budget cycle to an operating surplus of \$1.768m.

Further the 2011-12 budget contains a number of new on the ground community enhancements as well as maintaining high quality service delivery across all Council service areas. It responds to a number of external financial pressures over which Council has no control. Overall it is a balanced, sustainable, responsible and exciting way forward.

The budget includes a number of enhancements to existing services:

- Additional funding for libraries - \$115,000
- Inclusion of an additional Local Laws Officer to improve community safety - (Cost neutral)
- Ongoing maintenance for new capital works completed in prior years - \$184,000
- Additional maintenance for ageing infrastructure - \$245,000
- Inclusion of funding for the preparation of a local structure plan to guide the future development of the Ringwood East Neighbourhood Centre - \$50,000

An extensive Capital Expenditure Program of \$20.56m will be undertaken in 2011-12. This capital investment is funded by \$18.64m from Council operations and \$1.92m from external grants, contributions and asset sales.

Highlights of the Capital Expenditure program include:

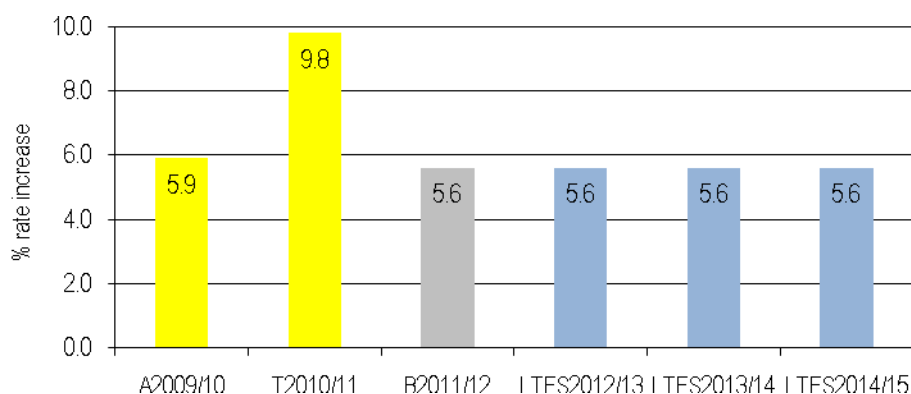
- **Buildings (\$8.572m)** – including
 - Ringwood District Aquatic Centre (\$5.0m) - demolition of the existing facility and the construction of an all new aquatic and leisure facility including gymnasium which caters aquatic activities - swimming, diving, warm water activity - as well as facilities such as significant

water play, dedicated learn to swim, fitness, gymnasium, café and crèche (Project total is \$46.5m).

- Community Facilities Improvements (\$200k) – to improve accessibility to Council facilities for people with disabilities
- Improvements to Sporting and Community Facilities (\$450k) - on Council land managed by others
- **Road Asset Enhancement (\$3.085m)** - including resealing, asphalt overlays, footpath replacement, kerb and channel replacement and disability footpath access
- **Drainage (\$860k)** – for stormwater drainage infrastructure renewal and other drainage scheme projects
- **Recreational Improvements (\$2.072m)** – including
 - Croydon Youth Space (\$494k) – provide a safe and well maintained skate park for young people
 - Sports fields surface renovations (\$390k)
 - Renewal of playgrounds (\$130k)
 - Resurface netball courts at HE Parker Reserve (\$105k)
- **Local Area Traffic Management (\$344k)** - within the municipality
- **Roads and Footpaths (\$1.616m)** – including the reconstruction of Dublin Road Ringwood between Mt Dandenong Road and Railway Avenue (\$415k) and the reconstruction of Glenora Avenue Croydon (\$380k)
- **Commercial Centres (\$300k)** will be available for improvements to local community shopping centres (\$100k) and the Ringwood Central Activity District (\$200k)

Key budget information is provided below about the rate increase, operating result, cash and investments, capital works, financial position (working capital) of the Council.

1. Rates & Charges

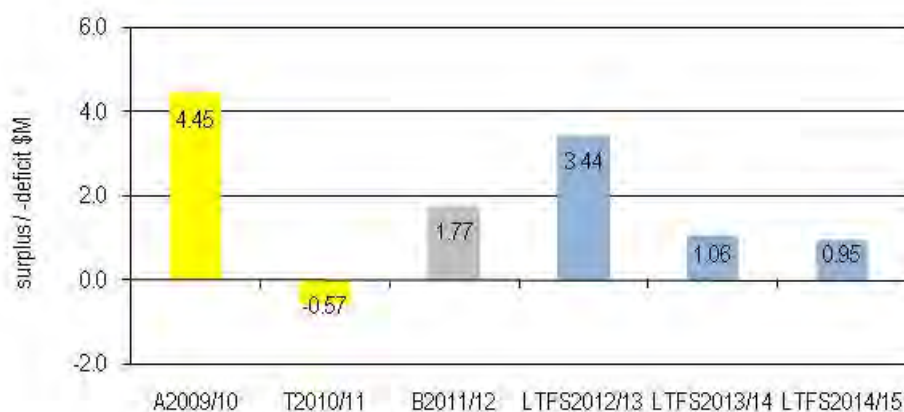


A = Actual T = Target B = Budget LTFS = Long Term Financial Strategy estimates

It is proposed that rates and charges increase by 5.6% for the 2011/12 year, raising total rates and charges of \$62.148m, including \$280k generated from supplementary rates. Of the

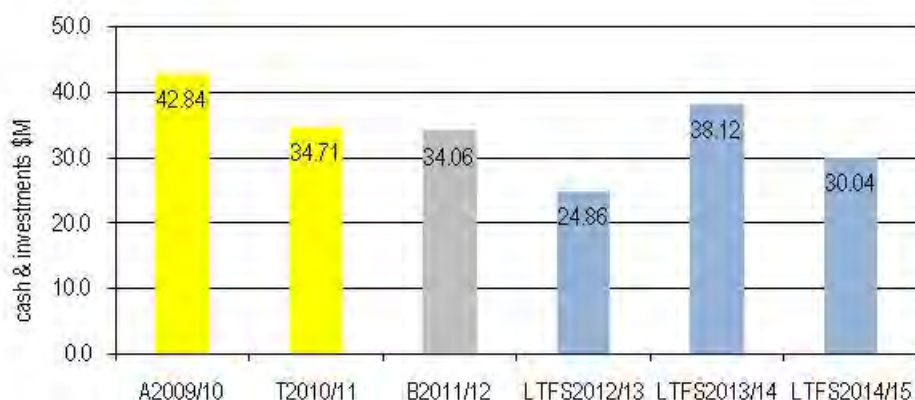
5.6% increase, 3.1% (CPI) will go toward maintaining and improving service levels and meeting the cost of a number of external influences affecting the operating budget. The remaining 2.5% increase represents the infrastructure levy for capital works and capital maintenance to address the asset renewal needs of Council. This rate increase is in line with Council's rating strategy.

2. Operating Result



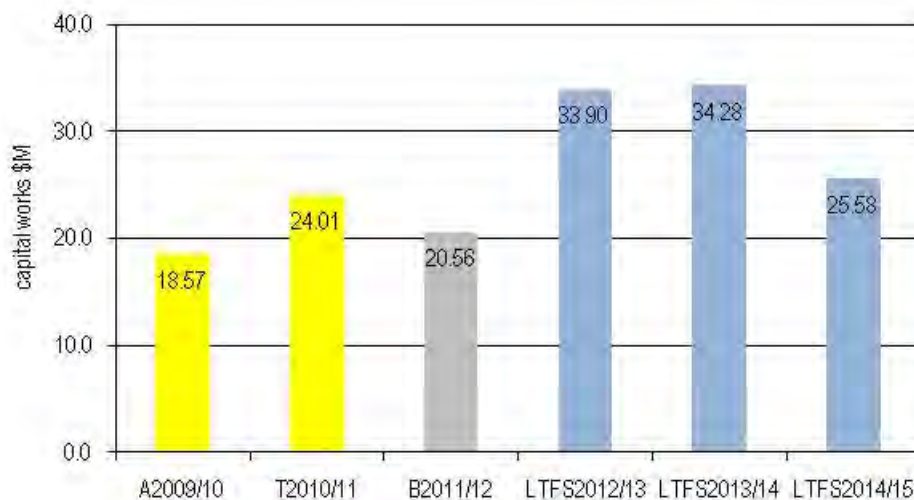
The expected operating result for the 2011/12 year is a surplus of \$1.768m, which is an increase of \$2.34m over 2010/11. The improved operating result is due mainly to the outcomes of the internal service reviews undertaken in 2010/11 and increases in Grants Commission and interest on cash and investments. (The target operating result for the 2010/11 year is a deficit of \$577k).

3. Cash and Investments



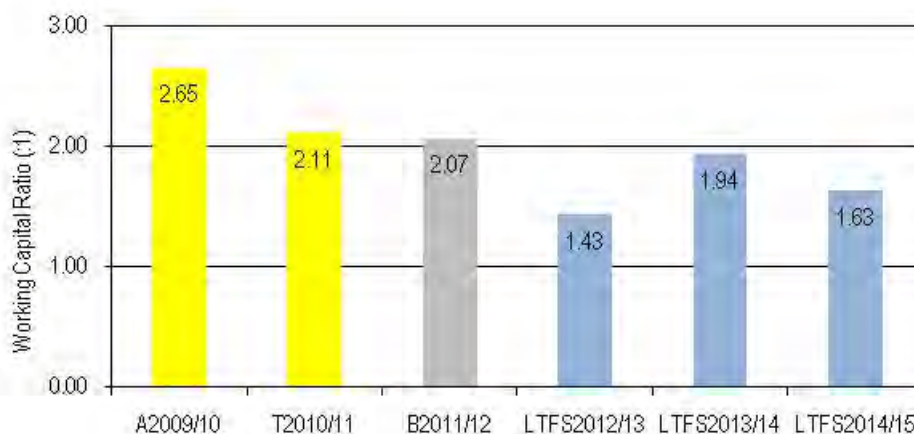
Cash and investments are expected to decrease by \$652k during the year to \$34.06m as at 30 June 2012. The decrease in cash and investments is in line with Council's Long Term Financial Strategy. (Cash and investments are forecast to be \$34.7m as at 30 June 2011).

4. Capital Expenditure



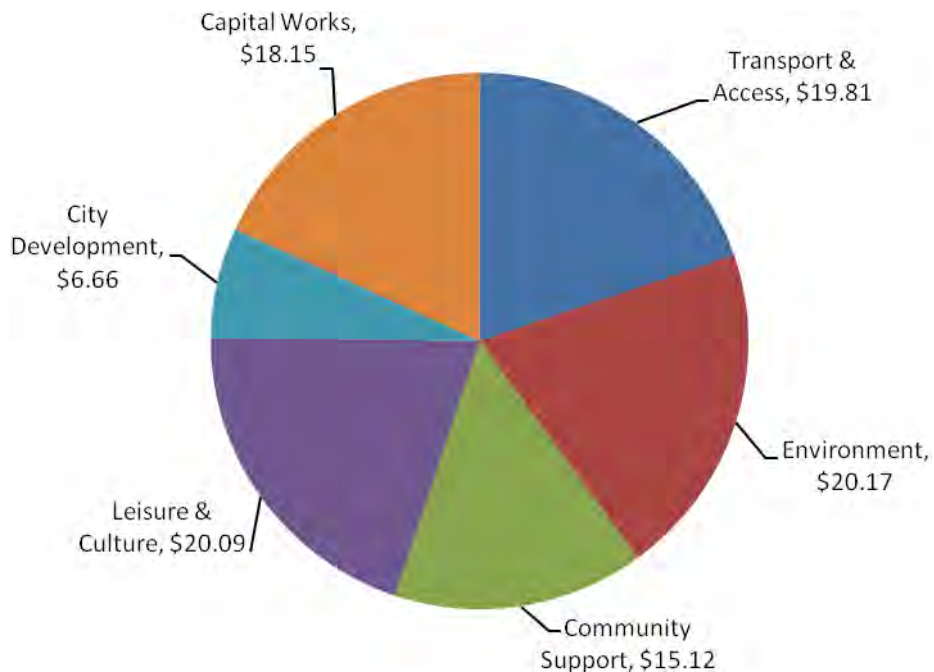
The capital works program for the 2011/12 year is expected to be \$20.56m of which \$860k will come from external grants and contributions and \$1.07m will be funded by sale of plant and equipment and the balance internally through general rates. The priorities for the capital expenditure program have been established through a rigorous process of consultation that has enabled Council to assess community needs and develop sound business cases for each project.

5. Financial Position (Working Capital)



The working capital ratio calculated as Current Assets divided by Current Liabilities is a key indicator to assess Council’s ability to meet current commitments. The expected working capital ratio for 2011/12 is a healthy 2.07:1 which means that Council can comfortably meet its short term obligations and has sufficient cash or operating liquidity remaining to meet fluctuating cash levels during the year. The Victorian Auditor-General’s Report on Local Government results indicates risk assessment criteria of 1.5:1 as low.

6. Where Rates and Charges are spent per \$100.



The above chart provides an indication of how Council allocates its expenditure across the main services that it delivers. It shows how much is allocated to each service area for every \$100 that Council spends.

This budget has been developed through a rigorous process of consultation and review and management endorses it as financially responsible. More detailed budget information is available throughout this document.

Mr Frank Dixon
Chief Executive Officer

Budget Process

The preparation of the budget begins with Officers preparing the annual budget in accordance with the Local Government Act 1989 (the Act) and submitting the “proposed” budget to Council for approval “in principle”. Council is then required to give “public notice” that it intends to “adopt” the budget. It must give a minimum 28 days notice of its intention to adopt the proposed budget and make the budget available for inspection at its offices. A person is able to make a submission on any proposal contained in the budget and Council must consider any submission before adoption of the budget. The final step is for Council to adopt the budget after receiving and considering submissions from interested parties. The budget is required to be adopted and a copy submitted to the Minister by 31 August each year.

This 2011/12 Budget has been prepared in compliance with the Local Government Act 1989 (the Act) and the Local Government (Finance and Reporting) Regulations 2004 that set out the required preparation process. The key dates for the budget process are summarised in the table below:

Timetable - Budget Process		
1.	Submit Proposed Budget to Council for “Approval in Principle”	16 May
2.	Public Notice advising intention to adopt budget	19 May
3.	Budget placed on exhibition for minimum 28 days	20 May
4.	Submission period closes (at 5.00pm)	17 June
5.	Consideration of submissions and report prepared by Sub Committee Council	22 June
6.	Council consider report from Sub Committee and Adopt Budget	27 June
7.	Council submits Budget to Minister (latest possible date)	by 31 August

Community Consultation

Whilst the community has already participated in the formulation of both Council’s Vision for the long term future of the municipality (i.e. Maroondah 2025) and also for its medium term plans (i.e. the Council Plan), there is specific provision for community members to also provide their views and suggestions about the Proposed Budget.

Section 129 of the Act provides that Council follows a public consultation process prior to formal Budget adoption. This commences with a public notice by Council announcing the preparation of the Proposed Budget. Copies of the Budget are made available on Council’s website www.maroondah.vic.gov.au and for inspection at Council’s service centres and libraries and the public may obtain further information on the Budget content from Council Officers by appointment.

The public notice invites submissions to be made to Council under Section 223 of the Act. This Section also gives those making submissions the right to speak to their submission before a sub-committee of Council. The legislation also requires Council to formally respond to any submissions in writing and to provide reasons for such response.

The timetable provided above incorporates this community consultation process.

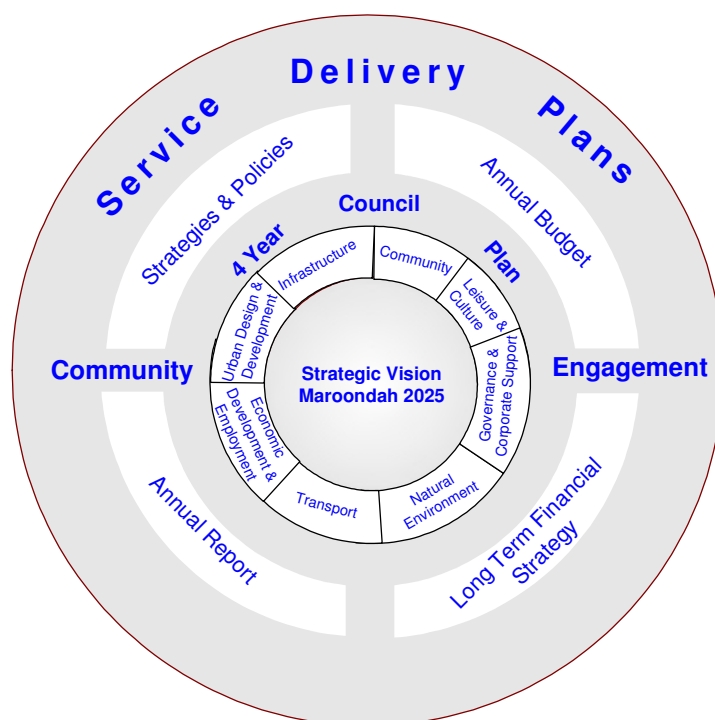
1. Budget Planning and Preparation (Linking to the Council Plan)

This section describes how the Annual Budget links to the achievement of the Council Plan within an overall planning framework. This framework guides the Council in identifying community needs and aspirations over the long term (Maroondah 2025), medium term (Council Plan) and short term (Annual Budget) and then holding itself accountable (Annual Report and Audited Statements).

1.1 Council Planning and Performance Framework

Council’s strategic planning is based on formal planning processes that interlink to form a comprehensive corporate and operational planning and performance framework. This framework is driven by a long term strategic vision (Maroondah 2025) from which evolves a four year plan that establishes Council’s overall strategies and resourcing (Council Plan) and is completed by the adoption of annual departmental plans that detail actions required to meet the needs of the community (Service Delivery Action Plans).

The framework both feeds into and is supported by a number of other key planning documents – in particular the long term financial strategy and annual budget as well as a range of subsidiary strategies and policies adopted by Council. The content and linkages in the framework are graphically represented below:



The outcomes of the framework provide:

- a clear linkage between community needs and aspirations, vision, strategies, policies and day-to-day work;
- a platform for transparent and accountable reporting of Council performance; and
- raised employee understanding of how their roles contribute to Council’s vision, strategic directions and the community’s needs.

Maroondah 2025 sets out strategic directions under six key themes: Community, Leisure and Culture, Urban Design and Development, Natural Environment, Economic Development and Employment and Transport. These key themes, together with the emerging focus on Infrastructure and Governance and Corporate Support, provide the structure for the Council Plan.

The Maroondah City Council Plan plays a vital role in shaping the future for Maroondah over the next four years. It sets out local and regional challenges and opportunities for our community within the framework of the community's long term vision.

Whilst high level resource planning is appropriate for the medium term it does not provide the specific targets and framework Council needs in the shorter term to transform strategies and commitments into 'on the ground' results. It is Council's Annual Budget that serves this purpose in regards to financial resources. The Budget not only articulates the sources of revenues and how that revenue is spent in delivering services to the Community but it also specifies goals against which Council can measure its progress and performance.

To guide Council in the determination of its high level strategic financial resource plan and also in the formulation of its Annual Budget, Council has prepared a Long Term Financial Strategy. This Strategy looks forward 10 years and is updated annually in parallel with the preparation of the Annual Budget and Council Plan.

1.2 Our Purpose

Our Vision

Maroondah will be a vibrant city. It will have an active community, a strong local economy and a diverse cultural life in a prosperous and sustainable environment.

Our Mission

Maroondah City Council will be an effective and dynamic leader, working in partnership with the community, business and other spheres of government to foster quality, accessible and sustainable lifestyles for the community.

Our Workplace Values

Co-operation

Working together and sharing knowledge to achieve common goals and agreed outcomes.

Commitment

Leading by example to achieve the best results for the community and the organisation.

Communication

Sharing information and ideas at all levels, the community and the Council.

Continuous Improvement and Innovation

Consistently finding better ways of delivering service and value

1.3 Strategic Objectives

This section provides a description of the activities to be funded in the Budget for the 2011/12 year and how these will contribute to achieving the strategic objectives specified in the Council Plan.

The Council delivers activities and community enhancements under 15 major service areas. Each contributes to the achievement of at least one, more often than not, more than one of the eight Strategic Objectives as set out in the Council Plan for 2009/13. In addition Council has identified a series of Key Strategic Activities for the 2011/12 year, which are an integral part of achieving the Council Plan. The Annual Budget converts these activities into financial terms to ensure that there are sufficient resources for their achievement. The following table lists the eight Strategic Objectives as described in the Council Plan.

Theme	Strategic Objective
1. Community	Maroondah will have a network of agencies committed to the provision of a comprehensive range of services and facilities that: <ul style="list-style-type: none"> • are high quality, accessible, and cost effective; • meet community needs; • promote community wellbeing; and • respect individual dignity.
2. Economic Development and Employment	Maroondah will have a vigorous local economy based on environmentally sustainable and socially responsible practices that attract business investment, support growth and promote employment within the municipality.
3. Infrastructure	Maroondah will provide infrastructure that is both economical and sustainable in its management, and meets the desired levels of service of our community.
4. Leisure and Culture	Maroondah will ensure maximum opportunities for choice, involvement in and access to quality, cultural and leisure experiences and encourage the community to adopt healthy lifestyles.
5. Natural Environment	Maroondah will provide and advocate for a sustainable environment that enriches the community's quality of life by: <ul style="list-style-type: none"> • conserving, managing and enhancing our natural environment; • innovative approaches to environmental management, education and the challenges of climate change; and • strategic management of Council's resources.
6. Transport	Maroondah will advocate for the provision of a safe, accessible, affordable and integrated transport system, which will efficiently transport people and freight in a more sustainable manner and will enhance the liveability of Maroondah.

Theme	Strategic Objective
7. Urban Design and Development	Maroondah will foster the development of distinct urban forms with a variety of land uses, building designs and house types that: <ul style="list-style-type: none">• offer an attractive and safe environment;• respect the municipality’s diverse heritage;• assist in enhancing the community’s sense of place; and• build upon natural assets such as the varied topography and extensive canopy tree cover.
8. Governance and Corporate Support	Maroondah will underpin its services to the community with the principles and practice of: <ul style="list-style-type: none">• good governance;• sustainable and responsible financial and risk management;• participative decision making processes; and• an organisational culture that highly values its partners, citizens, employees and customers.

2. Activities

2.1 Community and Leisure Services

Activities

Service Area	Activities	Strategic Objectives	Expenditure (Revenue) Net Cost \$'000
Community Services	This service has the primary responsibility for the delivery of community services to families, children, older persons and people with a disability.	Community	11,988 <u>(6,427)</u> 6,334
Leisure, Culture and Youth	This area provides a diverse range of programs, services and special events for the local community and has a strong commitment to strategic planning, policy development and advocacy for community organizations and clubs. The area incorporates Leisure Services, Open Space Planning, Arts & Cultural Services and Youth Services. It is also responsible for the management of several key community facilities including the Karralyka Centre, Maroondah Federation Estate, EV's Youth Centre and Wyreena Community Arts Centre.	Leisure and Culture	6,354 <u>(2,879)</u> 3,475
Major Leisure Facilities	This service provides for the management and operation of Council's six major leisure facilities; Ringwood Aquatic Centre, Ringwood Public Golf Course, Croydon Leisure & Aquatic Centre, Croydon Memorial Pool, Dorset Public Golf Course and Maroondah Indoor Sports Centre.	Leisure and Culture	11,140 <u>(9,302)</u> 1,838
Total Community and Leisure Services			29,482 <u>(18,608)</u> 10,874

2.2 Corporate Services

Activities

Service Area	Description	Strategic Objectives	Expenditure (Revenue) Net Cost \$'000
Finance & Governance	The activities of this area ensure good governance, financial sustainability, support to elected representatives and conduct of elections. It also includes the Corporate depreciation charge. This service provides strategic advice, operations, policy development, planning and direction for contracts and purchasing as well as coordination of purchasing, tendering and contract management processes.	Governance and Corporate Support	16,494 <u>(6,779)</u> 9,715
Information Technology	This service provides support for Council's information and communication technology (ICT) systems and ensures the appropriate use of relevant technologies. It has a strategic role to plan for the impact of changing technologies and to maximise continuous improvement opportunities where they occur.	Governance and Corporate Support	2,379 <u>(0)</u> 2,379
Human Resources	The Human Resources function aims to optimise workforce performance through developing, implementing and monitoring human resources processes and reinforcing the importance of attracting, retaining, valuing and leading of staff for sustainable performance. The service provides strategic advice and direction on policy development, recruitment & selection, induction, learning & development, performance management and recognition, remuneration services, workplace relations, OH&S, WorkCover and Injury Management, Workforce Planning, Employee Engagement, Equal Opportunity compliance, Organisation performance reporting and other staff support services.	Governance and Corporate Support	1,812 <u>(0)</u> 1,812
Revenue, Property & Customer Service	This service area encompasses two distinct activities of Councils functions. The Revenue and Property activity provides revenue, valuation and property information services both internally and externally. Key aspects of this activity are the provision of services to assist ratepayers to better meet their revenue contribution obligations within an equitable revenue raising system. The Customer Service Unit provides advice, guidance and support to both external and internal customers. By listening and responding to its customers Council achieves continuous improvement in its service provision.	Community, Governance & Corporate Support, Natural Environment	2,589 <u>(54,165)</u> (51,576)

Service Area	Description	Strategic Objectives	Expenditure (Revenue) Net Cost \$'000
Resident Services	<p>This service provides local laws, risk and waste management and public health services. Local Laws includes parking control, education and enforcement, animal control, registration and education initiatives and is primarily responsible for maintenance of amenity and prevention of nuisance for those areas under Council's control as prescribed by various acts and regulations. Risk Management minimises Council's exposure to liability and loss through implementation of strategies & policies, effective management of Council's insurance claims and maintenance of insurance cover for all necessary insurable assets and liabilities. Council's waste management activities include contract management of Council's waste contracts, waste minimisation education and customer response for waste enquiries. Public Health Services manages and monitors the quality of food premises in Maroondah, administers food safety plans for all premises, provides an immunisation service for infant and school age children and is responsible for the administration of a number of legislative controls.</p>	<p>Governance & Corporate Support, Natural Environment, Transport, Community Urban Design & Development, Economic Development & Employment</p>	<p>14,499 <u>(10,926)</u> 3,572</p>
General Administration	<p>General Administration encompasses a range of corporate administrative support activities including Council Planning & Performance, Executive Management, Communication and Marketing, Legal Support as well as capital grants and contributions.</p>	<p>Leisure & Culture, Governance & Corporate Support, Natural Environment, Transport, Community Urban Design & Development, Economic Development & Employment</p>	<p>3,579 <u>(24)</u> 3,555</p>
Total Corporate Services			41,352
			<u>(71,894)</u>
			<u>(30,543)</u>

2.3 City Development

Activities

Service Area	Description	Strategic Objectives	Expenditure (Revenue) Net Cost \$'000
Statutory Planning	Statutory Planning administers Council's planning scheme and processes all planning development applications for land use, buildings, subdivisions and landscapes. It administers the controls that maintain the amenity and quality of the City's built environment.	Urban Design & Development Natural Environment	2,128 <u>(1,972)</u> 156
Integrated Planning	The Integrated Planning Department provides a holistic approach to Council's strategic and Corporate Planning function. The department is responsible for the community and people planning functions incorporating land use planning whilst including sustainability into all facets of planning.	Urban Design & Development Natural Environment	2,019 <u>(361)</u> 1,658
Business & Development	The Ringwood Central Activities Areas initiative is a State Government program that seeks to establish Ringwood as a key residential, mixed use and public transport model. The primary function of Business Development is to ensure a vibrant and sustainable local economy that facilitates business growth, investment and employment. The programs of this activity are based around training, promotion, networking, marketing and business facilitation.	Urban Design & Development, Transport, Economic Development and Employment	1,098 <u>(209)</u> 889
Total City Development			5,245 <u>(2,542)</u> 2,703

2.4 Operations and Infrastructure

Activities

Service Area	Description	Strategic Objectives	Expenditure (Revenue) Net Cost \$'000
Engineering & Infrastructure Services	This activity is responsible for infrastructure management, traffic management, project management and engineering design, Road Management Act compliance including asset inspections, liaison with VicRoads and other authorities, and a wide range of customer enquiries relating to the management of Council infrastructure. This service also provides strategic advice, policy development, planning and direction for the implementation of Council's ongoing total life cycle asset management program.	Transport, Community, Infrastructure	2,069 <u>(138)</u> 1,931
Facilities & Building Services	The building services function ensures the safety of all buildings via the Victorian Building Regulations. It also carries out an inspection and monitoring function of all Council assets. Facilities maintenance ensures that all Council buildings are maintained and includes contract supervision and construction of new Council assets. Emergency Management is also carried out by Facilities & Building Services.	Urban Design & Development, Infrastructure	2,424 <u>(270)</u> 2,154
Operations	This service is primarily responsible for maintaining the quality of Council's natural and built assets. Activities include maintenance of roads, footpaths, drains, street cleansing, parks and gardens, street trees and bushland and provision of Council's plant and fleet.	Transport, Natural Environment, Community, Infrastructure	12,154 <u>(276)</u> 11,878
Total Operations and Infrastructure			16,646 <u>(684)</u> 15,962

2.5 Reconciliation with Budgeted Operating Result

Total All Activities and Community Enhancements	
	Total Expenditure
	92,724
	Total Revenue
	<u>94,585</u>
	Net loss on disposal of property, plant & equipment
	<u>93</u>
	Net surplus from Operations
	<u>1,768</u>

(Note: This reconciles to the budgeted Net Surplus from Operations as shown on the Standard Income Statement included in Appendix A)

2.6 Performance Statement

The Key Strategic Activities (KSA's) of Council are those which will directly contribute to the achievement of the Council Plan. The KSA's, their performance measures and performance targets are audited at the end of the year and are included in the Performance Statement as required by the Section 132 of the Act. The Annual Report for 2011/2012 will include the audited Performance Statement, which is presented to the Minister for Local Government and the local community. The Key Strategic Activities (KSA's) for 2011/12 are tabled in Appendix D.

3. Budget Influences

This section sets out the key budget influences arising from the internal and external environment within which the Council operates.

3.1 Snapshot of Maroondah City Council

The City of Maroondah covers a land area of 61.4 square kilometres in Melbourne's Outer East, 22 kilometres from the Central Business District (CBD). The area is a substantially developed residential municipality, with an estimated population of 106,469¹ residents and 41,944 households with an average of 2.5 people per household.

In 2010, the median age of the Maroondah population was 38 years with the age distribution in the municipality similar to that of greater Melbourne. Cultural diversity in the area is increasing with the highest numbers of recent overseas immigrants arriving from Burma, China and India.

Maroondah is home to two major retail centres at Croydon and Ringwood, with Ringwood being one of the largest in Melbourne, one of six Central Activity districts (CAD's). Additionally, there are 21 shopping precincts in the City and approximately 8,500 businesses, over 4,000 of which are home based. The City also has a diversified industrial base with its main manufacturing and service industry belt in its south representing the economic heart of Maroondah.

Maroondah has over half a million trees within the municipality and 64 bushland reserves that offer residents and visitors the enjoyment of wildflowers, wildlife, bush walks and wetlands.

Maroondah's residents and businesses are great recyclers: over 12,869 tonnes of paper and bottles are collected for recycling each year, alongside 12,921 tonnes of green waste. According to Sustainability Victoria's annual waste survey, Maroondah is one of the top recyclers amidst Victoria's 79 Councils.

There is a strong atmosphere of community participation within Maroondah embodied by a large number of committed volunteers; more than two thirds of parents in Maroondah are actively involved in their local schools and one third of Maroondah's residents are members of organised community groups.

3.2 Budget Implications

In framing the 2011/12 Budget Council not only focuses on its key objectives and strategies as contained in the Council Plan but also accommodates significant external influences on its planned levels of revenue and expenditure. In particular, Council operates in a highly regulated environment and decisions by other levels of government and the private sector can have major impacts locally. Whilst such influences are outside the control of Council, others arise as a result of decisions taken and policies adopted in response to community priorities, the drive for continuous improvement and the requirement for ongoing sound financial management. The major influences are listed below.

Notwithstanding their effect, Council's Budget will deliver outcomes that:

- provide for the ongoing maintenance of its wide range of quality services to the community;

¹ Victoria In Future 2008, Department of Planning and Community Development

- build on its existing firm financial base to continue its strategy to improve its long term financial viability;
- strike an appropriate balance between today's and future generations in respect of the funding of its operations and the development and maintenance of its long term assets; and
- underwrite an organisational and administrative framework that will assist in ensuring the provision of continued good governance.

3.3 External Influences

The major external impacts anticipated for 2011/12 financial year when compared to the 2010/11 Budget are as follows:

Income	Favourable/ (Unfavourable)
<ul style="list-style-type: none"> ▪ An increase in interest income expected from cash and investments due to stronger performance of equity markets. 	\$375,000
<ul style="list-style-type: none"> ▪ A decrease in income as the biennial payment from the State Revenue Office for the purchase of Council valuation data does not occur in 2011/12. 	(\$133,000)
<ul style="list-style-type: none"> ▪ Increased Developer's contributions 	\$200,000

Expenditure	Favourable/ (Unfavourable)
<ul style="list-style-type: none"> ▪ Increase in expenditure for the Ringwood/Croydon libraries. 	(\$115,000)
<ul style="list-style-type: none"> ▪ Increase in landfill levy from \$30 to \$40 per tonne 	(\$260,000)
<ul style="list-style-type: none"> ▪ The impact of higher electricity costs 	(\$83,000)

3.4 Internal Influences

The major internal impacts anticipated for 2011/12 financial year when compared to the 2010/11 Budget are as follows:

Income	Favourable/ (Unfavourable)
<ul style="list-style-type: none"> ▪ The commencement of the new waste receipt and sorting contract for recyclables achieved cost efficiencies and the maximisation of the potential value of recyclable material. 	\$371,000

Expenditure	Favourable/ (Unfavourable)
<ul style="list-style-type: none"> ▪ The inclusion of ongoing maintenance funds for new works undertaken in prior years. 	(\$184,000)
<ul style="list-style-type: none"> ▪ Depreciation is a major influence on the budget as it appears as a cost against the Income Statement. Depreciation for 2011/12 is \$14.86 million. 	(\$568,000)

3.5 Budget Principles

In response to these influences, guidelines were prepared and distributed to all Council officers with budget responsibilities. The guidelines set out the key budget principles upon which the officers prepare their budgets.

The principles included:

- Service levels to be maintained at 2010/11 levels with the aim to use less resources with an emphasis on innovation and efficiency
- Real savings in expenditure and increases in revenue identified in 2010/11 to be preserved
- Grants to be based on confirmed funding levels
- New initiatives or new employee proposals which are not cost neutral to be justified through a business case
- Existing fees and charges to be increased in line with CPI or market levels
- New revenue sources to be identified where possible
- Salaries and wages to be increased in line with estimated Enterprise Bargaining outcomes

3.6 Legislative requirements

Under the Local Government Act 1989 (the Act), Council is required to prepare and adopt an annual budget for each financial year. The budget is required to include certain information about the rates and charges that Council intends to levy as well as a range of other information required by the Local Government (Finance and Reporting) Regulations 2004 (the Regulations) which support the Act.

The 2011/12 budget is for the year 1 July 2011 to 30 June 2012 and is prepared in accordance with the Act and Regulations. The budget includes standard statements being a budgeted Income Statement, Balance Sheet, Cash Flows and Capital Works. These statements have been prepared for the year ended 30 June 2012 in accordance with the Act and Regulations, and consistent with the annual financial statements which are prepared in accordance with Accounting Standards. It also includes detailed information about the rates and charges to be levied, the capital works program to be undertaken and other financial information, which Council requires in order to make an informed decision about the adoption of the budget.

The budget includes consideration of a number of long term strategies to assist Council in considering the Budget in a proper financial management context. These include:

- Long Term Financial Strategy for the years 2011/12 to 2020/21 (Section 8);
- Rating Strategy (Section 9);
- Infrastructure and Other Assets (Section 7); and
- a Borrowings Strategy (Section 10).

4. Long Term Financial Strategy and Key Financial Indicators

This section considers the long term financial projections of the Council. The Act requires a Strategic Resource Plan to be prepared covering both financial and non-financial resources, and including key financial indicators for at least the next four financial years to support the Council Plan. Council prepares the long term financial strategy for the next ten years from which the standard statements are derived.

4.1 Strategy Development

Council has prepared a long term financial strategy for the period 2011/12 to 2020/21 to assist Council in adopting a Budget within a longer term framework. The long term financial strategy takes the strategic objectives and strategies as specified in the Council Plan and expresses them in financial terms.

The key objectives in developing the Strategy, is financial sustainability in the medium to long term, whilst still achieving Council's objectives as specified in the Council Plan. The key financial objectives, which underpin the long term financial strategy, are:

- Maintain existing service levels;
- Invest in a capital expenditure program that addresses Council's infrastructure requirements and increases expenditure on renewal of assets;
- Achieve at minimum a breakeven operating result, and
- Achieve a balanced budget on a cash basis.

In preparing the strategy, Council has also been mindful of the need to comply with the following principles of sound financial management as contained in the Act:

- Prudently manage financial risks relating to debt, assets and liabilities
- Provide reasonable stability in the level of rate burden
- Consider the financial effects of Council decisions on future generations
- Provide full, accurate and timely disclosure of financial information.

4.2 Assumptions

The first year of the long term financial strategy is the proposed 2011/12 budget figures, whilst the remaining years 2012/13 to 2020/21 are based on a number of broad assumptions combined with known major influences.

The most significant of the assumptions contained in the Strategy are:

- average CPI of 3.1%* over the term of the Strategy;
- employee costs will align with estimated Enterprise Bargaining Agreement (EBA) outcomes based on the CPI/EBA relationship experienced over past years benchmarked to the Local Government Sector;
- containment of increases in materials and contracts expenditure to CPI;
- user charges and the receipt of operating grants to grow at least by CPI;
- interest rates on investments to continue at an average of current rate regimes;
- new borrowings in 2013/14 to fund the building of a new Ringwood District Aquatic and Leisure Centre and
- general alignment of the growth of rates to CPI plus consideration of an estimated % to cover external impacts, plus the continuation of the existing 2.5% infrastructure levy until spending covers the diminution of service delivery potential arising from the ongoing use of those assets.

Many of these assumptions are heavily dependent on forces outside the control of Council and the Strategy is updated annually through a rigorous process of consultation with Council service providers followed by a detailed sensitivity analysis to achieve the key financial objectives.

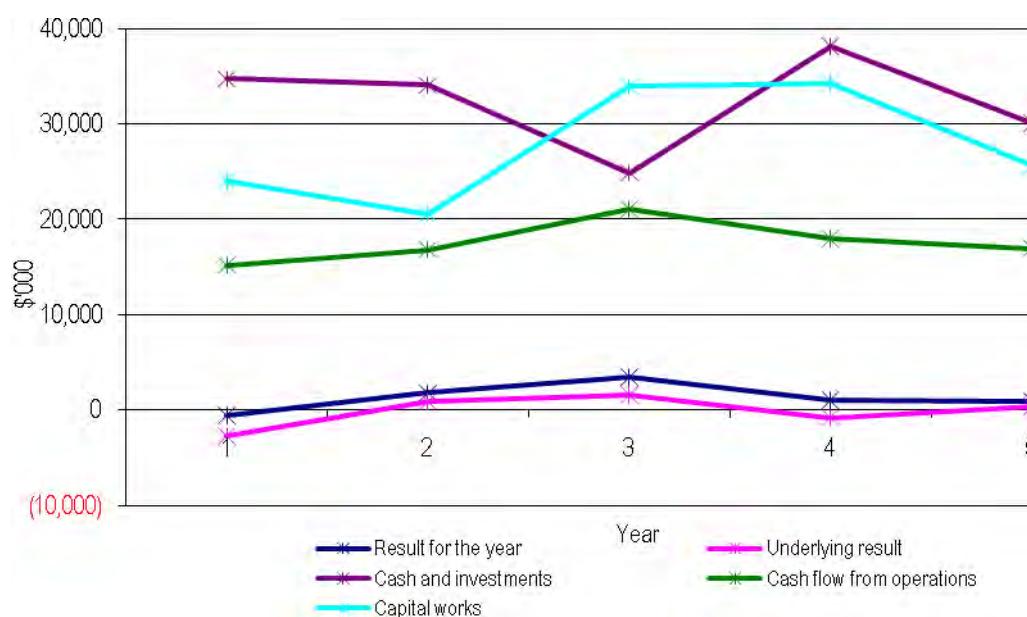
*Council uses the ABS Actual December Quarter Consumer Price Index preceding the Budget period; I.e. for the 11/12 Budget Council uses the ABS Actual December 2010 Quarterly figure.

4.3 Financial Resources

The following table summarises the key financial results for the next four years as set out in the Long Term Financial Strategy for years 2011/12 to 2014/15. Appendix A includes a more detailed analysis of the financial resources to be used over the next ten year period.

Indicator	Forecast	Long Term Financial Strategy			
	Actual	Budget	Projections		
	2010/11 \$'000	2011/12 \$'000	2012/13 \$'000	2013/14 \$'000	2014/15 \$'000
Result for the year	(572)	1,768	3,436	1,055	948
Underlying result	(2,719)	911	1,566	(815)	328
Cash and investments	34,709	34,057	24,862	38,118	30,036
Cash flow from operations	15,177	16,811	21,055	17,960	16,949
Capital works	24,007	20,564	33,904	34,275	25,578

The following graph shows the financial indicators over the four year period.



The key outcomes of the plan are as follows:

- **Financial Sustainability**

The Long Term Financial Strategy portrays a positive trend as a net surplus operating results for the entire ten year period outlook (2011/12 to 2020/21). This trend is expected to be maintained into the longer term. This can be achieved after absorbing the impact of borrowing to cover the rebuilding of the Ringwood District Aquatic and Leisure Centre, sector-wide employee costs growing above CPI and the major increase in the landfill levy by the State Government not only in 2011/12 but also the increases in the following years.

The underlying operating result adjusts for the impact of one-off or non-operating items on the net surplus or deficit for the year. Items excluded in the underlying result are capital grants, donated assets and gain/loss on sale of assets.

As cash and investment levels are forecast to reduce from \$34.7m (2010/11) to \$30.0m (2014/15), a key challenge for Council in the medium to long term future is to maintain sufficient liquidity to meet operational needs whilst ensuring funds are available to meet restricted asset requirements. As a result of these outcomes the overall strategy assumptions will again be reviewed in the next budget cycle with a view to further improving the long term outcomes for cash and investments.

Whilst cash and investment levels are sustainable it is important to ensure sufficient funds are available to meet restricted asset requirements. Restricted assets refer to unexpended grants & developer's contributions as well as provision for Long Service Leave which is required to be cash backed in accordance with State Government Long Service Leave Regulations. Restricted assets are forecast to grow either within movements in Long Service Leave provision or CPI. Council is well able to meet this requirement in both the short and long term.

- **Rating Strategy**

Rate increases over the period are based on CPI plus the 2.5% infrastructure levy.

- **Borrowing Strategy**

Borrowings at 30 June 2011 are forecast to be \$270k and it is planned that Council will borrow in 2013/14 to partly fund the building of the new Ringwood District Leisure and Aquatic Centre in Ringwood (per Section 6 – Borrowing Strategy Page 33).

- **Infrastructure Strategy**

Council's capital policy and procedural framework incorporates a strategy to meet the challenges of the ageing infrastructure by steadily increasing expenditure on asset renewal. Capital expenditure over the four year period will total \$114.3 million.

4.3 Key Financial Indicators

The following table highlights Council's current and projected performance across a range of key financial indicators (KFIs). KFIs provide a useful analysis of Council's financial position and performance and should be used in the context of the organisation's objectives.

Indicator	Notes	Forecast		Long Term Financial Strategy			Trend +/-
		Actual	Budget	Projections			
		2010/11	2011/12	2012/13	2013/14	2014/15	
Financial performance							
Underlying result/Underlying revenue	1	-3.0%	1.0%	1.6%	-0.8%	0.3%	+
Expenses/Assessment Rates & Charges revenue/Underlying revenue	2	65.2%	66.3%	68.3%	70.0%	67.8%	o
Rates & Charges revenue/Assessment		\$1,320	1,386	1,457	1,539	1,615	+
Debt servicing/Total revenue		0.1%	0.0%	0.0%	3.4%	3.2%	-
Grants & Contributions/Total revenue		15.6%	13.8%	14.0%	13.3%	11.5%	-
Fees & Charges/Total revenue		18.2%	18.1%	16.9%	16.6%	19.3%	+
Financial position							
Indebtedness/Rate revenue	3	0.7%	0.2%	0.0%	40.2%	37.1%	-
Underlying result/Total assets		-0.3%	0.1%	0.1%	-0.1%	0.0%	o
Current assets/Current liabilities	4	211%	207%	143%	194%	163%	-
Total Liabilities/Assessment		\$472	469	510	1146	1123	-
Capital expenditure							
Capital works		\$24,007	20,564	33,904	34,275	25,578	o
- Asset renewal		\$14,422	17,828	31,284	16,646	22,958	+
- New assets		\$9,585	2,736	2,620	17,629	2,620	o
Cash Op Act/Net Capital outlays	5	69.4%	85.3%	65.7%	55.4%	67.9%	o
Capital works/Rate revenue		41%	33%	51%	49%	34%	-
Asset renewal/Total depreciation	6	101%	120%	203%	103%	137%	+

Key to Forecast Trend:

- + Forecasts improvement in Council's financial performance/financial position indicator
- o Forecasts that Council's financial performance/financial position indicator will be steady
- Forecasts deterioration in Council's financial performance/financial position indicator

Notes to indicators

1 Underlying result - Improvement in financial performance expected over the period, indicating less reliance on Council's cash reserves or increased debt to maintain services.

2 Rate & Charges revenue/Underlying revenue - Reflects extent of reliance on rate revenues to fund all of Council's on-going services. The steady trend indicates Council anticipates minimal change to the reliance on rate revenue compared to all other revenue sources.

3 *Indebtedness/Rate revenue* - Trend indicates Council's intention to borrow funds for the renewal of the Ringwood District Leisure and Aquatic Centre.

4 *Current Assets/Current Liabilities* – Working capital is forecast to remain stable in 2011/12 year however a decline is evident in later years as cash reserves and borrowings are used to fund the capital program. The Long Term Financial Strategy trend for future years is to remain at a sustainable level.

5 *Cash Op Act/Net Capital outlays* – With the exception of the renewal of the Ringwood Leisure and Aquatic Centre for which Council has intention to part fund through borrowings it expects to be able to service all other capital works expenses from cash generated from operating activities, sale of land and use of developer's contributions rather than relying on its existing cash reserves or further borrowings.

6 *Asset renewal/Total depreciation* - This percentage indicates the extent of Council's renewals against its depreciation charge (an indication of the decline in value of its existing capital assets). A percentage greater than 100 indicates Council is maintaining its existing assets, while a percentage less than 100 means its assets are deteriorating faster than they are being renewed and future capital expenditure will be required to renew assets. Council's 2.5% infrastructure renewal levy underpins the trend of this indicator.

Summary

Overall, the Statements within the Long Term Financial Strategy highlight a strong cash position and Council will remain in surplus throughout the ten year period of the strategy. This has been achieved earlier than indicated in previous budgets. Key financial indicators show Council to be in a strong financial sustainable position. The challenges for Council in the medium to long term are to continue to trend positively in the areas of preserving sufficient levels of cash and investments and providing infrastructure that maintains existing levels of service for the community.

5. Rating Strategy

This section considers the Council's rating strategy including strategy development and assumptions underlying the current year rates and charges increase and rating structure.

5.1 Strategy Development

In forming the 2011/12 Budget, Council gave careful consideration to the structure of its rating system.

Council has adopted a rating strategy built around six equity, sustainability and transparency parameters. These parameters commit Council to:

- progressively increase funding for infrastructure renewal to approximately equate the wear, tear and obsolescence on existing assets ensuring longevity and the provision of community accepted levels of service for its entire asset portfolio and with Council's response to its Long Term Financial Strategy;
- continue to maintain equity within Maroondah's rating system;
- deliver maximum benefit from the economies generated from continually improving organisational performance;
- provide transparency in the rating process;
- continue to recover separately the full cost of Council's waste management services and the required contribution to the Metropolitan Fire and Emergency Services Board.

Council has maintained the optimum possible rating structure within the context of these parameters.

The key features of this rating structure in 2011/12 include:

- maintenance of equity in the rating system through the use of a capital improved rating system;
- an increase in total rates and charges of 5.6% over the 2010/11 rating level - excluding supplementary rates and charges;
- decrease the municipal charge from \$19.90 to \$17.30 which will off-set the raising of the Metropolitan Fire and Emergency Services contribution determined by State Government legislation and continue to offer transparency of the rating system;
- maintain the same level of garbage charges that applied in 2010/11.

5.2 General Revaluation of Properties 2010

Council is required to conduct a two yearly General Property Valuation. A new General Valuation has now been carried out with levels of value set as at 1 January 2010. The General Valuation was undertaken in accordance with best practice standards set by the State Valuer-General.

These valuations are used for rating purposes to equitably spread the total of own source revenue across Maroondah's assessment base.

The next General Valuation will be conducted in 2012 and will be carried out with levels set as at 1 January 2012.

5.3 Rates and Charges Revenue Targets

The general rate revenue and garbage charge revenue that Council will levy in the 2011/12 rating year is as follows:

	GENERAL RATE REVENUE (\$)	MUNICIPAL CHARGE (\$)	GARBAGE REVENUE (\$)	TOTAL (\$)
Total Declared 2010/11	\$48,744,347	\$905,880	\$8,648,650	\$58,298,877
Plus Supplementary Revenue 2010/11 #	\$280,000	\$0	\$52,350	\$332,350
	\$49,024,347	\$905,880	\$8,701,000	\$58,631,227
Increase/(Decrease) in 2011/12	\$3,347,992	(\$110,880)	\$0	\$3,237,112
Total for 2011/12	\$52,372,339	\$795,000	\$8,701,000	\$61,868,339

This represents supplementary valuations occurring throughout the 2010/11 financial year.

The total revenue target for 2011/12 of \$61,868,339 represents a 5.6% increase in rates and charges levels.

5.4 Rating of Cultural and Recreational Lands

Council has four (4) properties that are deemed to be subject to the provisions of the Cultural and Recreational Lands Act 1963.

This legislation allows Council to set an amount as rates in respect of properties that are covered by this legislation.

Such properties are vested in bodies which:

- exist for cultural or sporting purposes and which apply their profits in promoting their objectives;
- prohibit the payment of dividends to their members; and
- are used for outdoor sporting, recreational, cultural or similar purposes.

Council is required to set an amount which is to be paid as rates having regard to the services provided by Council and having regard to the benefit to the community derived from such lands. Having taken account of all the required factors Council has historically formed

the view that a 35% reduction in the general rate otherwise applying is a fair and reasonable measure of these factors.

Hence in 2011/12 the following amounts will be payable in respect to the properties affected, viz:

The amount to be paid as rates on the four (4) Cultural and Recreational properties will generate income of \$21,603.55 in 2011/12.

5.5 Differential Rating

The Capital Improved Value rating system includes a differential rate for vacant land properties throughout the municipality.

This levy ensured that all rateable properties made an equitable financial contribution to the cost of carrying out the functions of Council.

The level of the differential rate is reviewed annually to ensure ongoing equity within the rating framework.

5.6 Municipal Charge

Council will decrease the Municipal Charge from \$19.90 to \$17.30. This charge offsets the cost of the Metropolitan Fire and Emergency Services Board contribution determined under State Government legislation. Revenue from this measure would otherwise have been raised by way of a higher general rate. This measure provides transparency of the rating system by highlighting the cost of the contribution. Control of this cost is beyond Council powers.

5.7 Rating Structure

After consideration of all the foregoing issues, the following rating structure has been approved for 2011/12:

1. In respect to properties subject to the Cultural and Recreational Lands Act 1963 Council set an amount which is to be paid as rates having regard to the services provided by Council and having regard to the benefit to the community derived from such lands, and taking into account all the required factors, Council has formed the view that a 35% reduction in the general rate otherwise applying is a fair and reasonable measure of these factors.
2. The municipal charge levied on every rateable property at \$17.30.
3. A differential rate will be struck in respect to all vacant land to ensure the levy of an equitable financial contribution to the cost of carrying out the functions of Council.
4. The balance of general rate revenue that is to be raised in 2011/12 will be raised by the application of a single general rate in the dollar applied across the Municipality.

In summary, the following rating structure will therefore be applied for the 2011/12 rating year:

RATE TYPE	RATE IN THE \$ (Capital Improved Value) 2011/12	RATE IN THE \$ (Capital Improved Value) 2010/11
General Rate	0.2579¢	0.2425¢
Municipal Charge	\$17.30 per assessment	\$19.90 per assessment
Differential Rate:		
Vacant Land	0.3869¢	0.3638¢

Rating Yield

When the proposed rating structure is applied to the total valuation the following total revenue yields are generated for 2011/12:

REVENUE YIELD			
	Capital Improved Value (\$)	Rate in \$	Revenue Yield (\$)#
General Rate	19,797,799,000	0.2579¢	51,066,598
Municipal Charge (per assessment)	45,939 Assessments	\$17.30	794,745
Differential Rate:			
Vacant Land	331,970,000	0.3869¢	1,284,392
Amounts In Lieu of Rates:			
Cultural and Recreational Lands Act	12,890,000		21,604
Total	20,142,659,000		53,167,339

These figures are rounded on individual properties and therefore are not an exact extension of the total valuation by the rate in the dollar.

Garbage Charge

Council provides a comprehensive waste collection service for residents consisting of a 120 or 80 litre garbage bin, a 240 litre organic bin and a 240 litre recycling bin.

The following table sets out the proposed charge scales:

GARBAGE CHARGES				
Service	Charges in 2010/11	Charges in 2011/12	Change	
			\$	%
Residential 120 Litre Bins	\$204.00	\$204.00	\$0	0%
Residential 80 Litre Bins	\$172.00	\$172.00	\$0	0%
Second and Subsequent Bins	\$216.00	\$216.00	\$0	0%
Commercial 240 Litre service, once per week #	\$392.00	\$392.00	\$0	0%
Commercial 240 Litre service, three times per week #	\$820.00	\$820.00	\$0	0%
Additional Recycling-Non- Residential #	\$82.00	\$82.00	\$0	0%
Industrial 120 litre service#	\$225.00	\$225.00	\$0	0%
Industrial 80 litre service#	\$190.00	\$190.00	\$0	0%

#These figures include GST that applies to these services.

6. Borrowing Strategy

6.1 Context

Borrowings are recognised as an important funding source for firstly creating infrastructure assets and secondly for one off significant expense burdens, such as Council's share of Vision Super unfunded defined benefits superannuation liability. An estimate of future borrowing requirements, if any, has been incorporated in the Long Term Financial Strategy. It should be noted that all intended borrowings must be approved by the Loan Council (Department of Planning and Community Development) and adopted as part of the annual budget process by Council.

6.2 Budget 2011/2012

During 2004/05 Council determined to settle a further debt to Vision Super in respect of a funding shortfall in its Defined Benefit Fund as at 31 December 2002. As part of the funding of this settlement, Council borrowed from the Commonwealth Banking Group Ltd the amount of \$1.93m over 8 years to 14 December 2012. The Budget includes funds for meeting the repayment schedule for this loan.

(*Note – the 3rd call on Maroondah to this fund (\$1.6m) in 2011 has been fully paid by Council in 2010/11 from cash holdings to avoid interest or penalty payments).

6.3 Future Borrowings

Council is proposing to build a new Ringwood District Aquatic and Leisure Centre commencing in the 2011/12 financial year, with borrowings to fund a portion of this project. The total cost of the project is estimated to be \$46.5m, subject to Council receiving \$2.5m in Federal and State Government grants. The remaining funding will come from a combination of loan borrowings by Council (\$29.0m), budgeted capital expenditure (\$3.51m), anticipated land sales (\$5.0m), public open space contributions (\$4.0m) and cash reserves (\$2.49m).

The Long Term Financial Strategy allows for the loan drawdown in 2013/14 and the repayment of principal and interest over 20 years and assumes 8.3% interest per annum.

(*Note – Council will seek the most competitive market rate through a tender process).

The following table sets out Council's known and anticipated loan borrowing commitments over the period to 2020/21:

Year	New Borrowings \$'000	Loan Principal \$'000	Loan Interest \$'000	Balance 30 June \$'000
2011/12	0	285	19	149
2012/13	0	149	4	0
2013/14	29,000	613	2,407	28,387
2014/15	0	664	2,356	27,723
2015/16	0	719	2,301	27,004
2016/17	0	779	2,241	26,226
2017/18	0	843	2,177	25,382
2018/19	0	913	2,107	24,469
2019/20	0	989	2,031	23,480
2020/21	0	1,071	1,949	22,409

7. Infrastructure and Other Assets

7.1 Context

Maroondah has established a Total Life Cycle Asset Management (TLCAM) program that is aimed at ensuring longevity and the provision of community accepted levels of service for its entire asset portfolio. The TLCAM program has evolved over time, in conjunction with Maroondah's increasing knowledge of its asset portfolio, and provides the framework for the optimisation of Council's capital renewal and maintenance expenditure associated with its assets.

To place the importance of this program in a financial context, it is noted that as part of Maroondah's net assets as at 30 June 2010 totalling \$1,061m, physical assets including infrastructure, property, plant and equipment totalled \$1,019m or 96%. The net value of the assets represents the valuation of the assets less applicable accumulated depreciation. A breakdown of this \$1,019m into categories shows:

Category	Net Value \$m	%
Land	426	41.8
Roads	244	23.9
Drains	211	20.7
Buildings	102	10.0
Parks & Recreation	22	2.2
Plant, Equipment & Work in Progress	14	1.4
Total	1,019	100.0

Maroondah's TLCAM program is based on its commitment to a best practice Total Life Cycle approach to asset management. Council believes that such an approach combined with the principles of sustainability will provide enhanced service delivery outcomes and be consistent with the application of Best Value Principles. This sustainable management involves the combined application of financial, economic, technical, social and environmental factors with the objective of providing a required level of service in the most cost effective manner over the lifecycle of each asset.

7.2 Applying the Framework to the Annual Budgeting Process

Maroondah's policy and procedural framework for the management of its physical assets is linked to its Council planning and budgeting processes.

Council currently has a detailed rolling three year Capital Expenditure Program and a ten year program by asset class with Council's TLCAM program providing the basis for the capital renewal expenditure component associated with infrastructure assets. The TLCAM program is continuing to be refined, to facilitate advanced life cycle cost projections for up to 20 years into the future. The TLCAM program is based on a minimum ten year planning cycle with detailed capital renewal works programs for the first three years and indicative programs beyond.

Management of the rolling three year Capital Expenditure Program involves the annual assessment of projects for the third year of the program for new and renewal capital expenditure. All proposed new projects are assessed using triple bottom line principles to

achieve sustainable business practices by not only focusing on the financial bottom line but also on economic prosperity, social equity and environmental quality. Whilst the capital renewal budget is growing by 2.0%-2.5% per annum as part of the infrastructure levy, the new capital expenditure program currently remains static at a council contribution of \$2.1m (i.e. excluding external contributions and borrowings by Council). This strategy position reflects the recognition that Council has an increasing priority to renew its existing ageing assets.

Priorities for the three-year Capital Expenditure Program are reassessed annually. This reassessment is conducted on the premise that the first two years of the program (i.e. years two and three from the previous program) are already set and that any individual projects listed in those two years will only be delayed if new proposals can establish a more urgent need for expenditure typically along safety or legislative change lines.

7.3 Budget 2011/2012

The 2011/14 Capital Expenditure Program has been developed and constructed in accordance with the above policy and procedural framework for the management of Council’s physical assets. The outcomes of the program and its associated funding are tabled below:

Year	Sources of Funding				Total Capital Program \$'000	Expenditure Type	
	External			Internal		Asset Renewal \$'000	New Projects \$'000
	Grants & Contributions \$'000	Sale of Plant and Equipment \$'000	Loan \$'000	\$'000			
2011/12	\$857	\$1,071	\$0	\$18,636	\$20,564	\$17,547	\$3,017
2012/13	\$1,880	\$1,103	\$11,060	\$19,876	\$33,919	\$22,499	\$11,420
2013/14	\$1,870	\$1,183	\$11,924	\$19,298	\$34,275	\$24,425	\$9,850

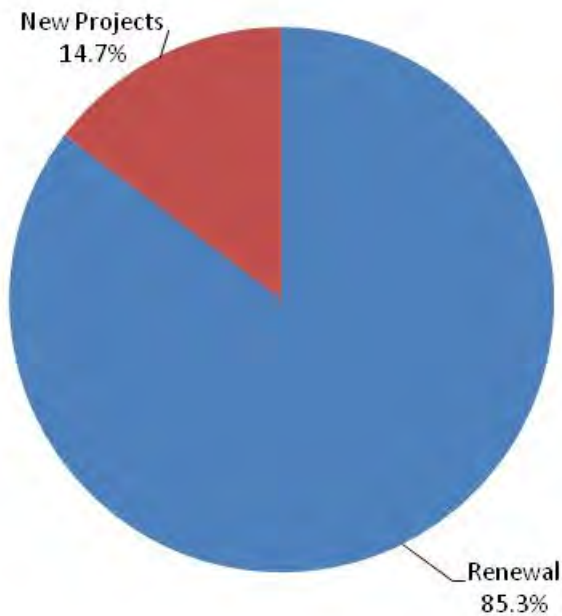
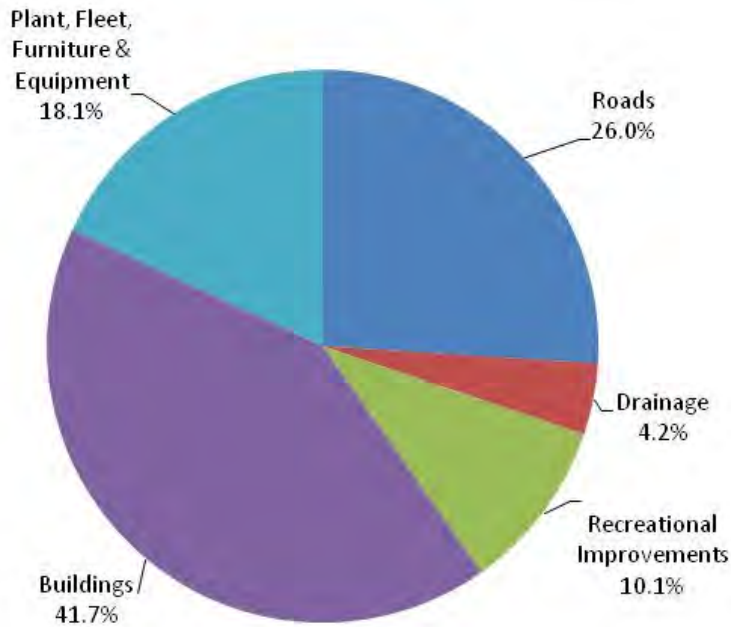
The detailed Program that lists each project to be undertaken over the three years is included in Appendix D. Many projects included in the program are as a direct result of community requests and/or consultation.

7.4 Long Term Financial Strategy

Maroondah has developed a ten-year rolling Long Term Financial Strategy, which is included in Appendix A. In particular the Strategy includes the Standard Statement of Capital Expenditure that includes extrapolations that are based on the above policy and procedural framework that demonstrate achievement of the targeted growth of asset renewal spending. Current predictions based on asset management plans with the growth per annum of the 2.5% annual infrastructure levy indicate that the expenditure required on renewal will by progression match the amount available from capital works programs in 2019/20.

8. Capital Expenditure

The Budget provides for a Capital Expenditure program totalling \$20.564m. The Program is funded externally via grants and contributions to the extent of \$857.5k, sale of plant and equipment of \$1.071m and the balance internally through general rates. Gross expenditure on asset renewal is \$17.547m of the Program whilst new projects total \$3.017m.



A detailed listing of each planned capital project is provided in Appendix D of this document and a comprehensive explanation of Council's strategy in respect of spending on infrastructure and other assets is included in Section 7.

Appendices

The following appendices include statutory disclosures of information which provide support for the 2011/12 budget.

The contents of the appendices are summarised below:

Appendix	Nature of information	Page
A	Budgeted Standard Statements	37
B	Statutory Disclosures	42
C	Key Strategic Activities	49
D	Capital Expenditure Program	53

Appendix A

Budgeted Standard Statements

This appendix presents information in regard to the Budgeted Standard Statements. The budget information for the years 2011/12 to 2020/21 has been extracted from the Long Term Financial Strategy.

At the end of each financial year Council is required to report back to the community a comparison of actual financial results against these Budgeted Standard Statements and provide an explanation of significant variances. The Standard Statements together with the Performance Statement provide a clear, concise and understandable report of Council's activities for the year from both a financial and non-financial perspective particularly for those users who do not have a financial background.

The appendix includes the following budgeted information:

- Budgeted Standard Income Statement
- Budgeted Standard Balance Sheet
- Budgeted Standard Cash Flow Statement
- Budgeted Standard Capital Expenditure Statement

BUDGETED STANDARD INCOME STATEMENT FOR THE PERIOD 2011/12 - 2020/21

	Forecast 2011/12 \$'000's	Forecast 2012/13 \$'000's	Forecast 2013/14 \$'000's	Forecast 2014/15 \$'000's	Forecast 2015/16 \$'000's	Forecast 2016/17 \$'000's	Forecast 2017/18 \$'000's	Forecast 2018/19 \$'000's	Forecast 2019/20 \$'000's	Forecast 2020/21 \$'000's
Revenue from ordinary activities										
Rates and Garbage Charges	62,148	66,064	70,530	74,790	79,275	83,978	88,956	94,214	99,767	103,595
Grants, contributions, subsidies & reimbursements	13,095	13,843	13,684	12,778	12,856	13,220	13,301	13,686	13,770	14,178
User charges fees and fines	17,099	16,613	17,001	21,430	23,195	24,349	25,124	25,999	26,906	27,989
Interest	2,243	2,032	1,404	1,947	1,636	1,594	1,694	1,682	1,676	1,681
Total Revenue	94,585	98,552	102,619	110,945	116,962	123,141	129,075	135,581	142,119	147,443
Expenses from ordinary activities										
Employee costs	39,629	40,388	41,232	45,816	48,074	50,264	52,607	54,946	56,830	59,325
Materials and Services	19,991	19,790	21,174	23,516	24,440	25,218	25,988	26,847	27,738	28,655
Contractors	18,221	19,428	20,543	21,478	22,488	23,962	24,866	26,101	27,271	28,932
Depreciation	14,863	15,413	16,114	16,737	17,275	17,841	18,450	19,104	19,829	20,527
Finance costs	20	4	2,408	2,357	2,302	2,242	2,178	2,108	2,032	1,950
Total Expenses	92,724	95,023	101,471	109,904	114,579	119,528	124,089	129,106	133,700	139,389
Net gain (loss) on disposal of property, plant & equipment	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)	(93)
Net surplus (deficit) from operations	1,768	3,436	1,055	948	2,290	3,520	4,893	6,382	8,326	7,961

BUDGETED STANDARD BALANCE SHEET AS AT 30TH JUNE

BALANCE SHEET	Forecast 2011/12 \$'000's	Forecast 2012/13 \$'000's	Forecast 2013/14 \$'000's	Forecast 2014/15 \$'000's	Forecast 2015/16 \$'000's	Forecast 2016/17 \$'000's	Forecast 2017/18 \$'000's	Forecast 2018/19 \$'000's	Forecast 2019/20 \$'000's	Forecast 2020/21 \$'000's
<u>Current Assets</u>										
Cash and cash equivalents	34,057	24,862	38,117	30,036	28,651	28,012	27,423	26,955	26,730	26,869
Receivables	5,781	5,858	6,106	7,032	7,515	7,903	8,237	8,600	8,981	9,321
Inventories - consumables	272	280	289	298	307	316	326	336	347	357
Assets held for resale	0	0	0	0	0	0	0	0	0	0
Other	1,543	1,590	1,640	1,690	1,743	1,797	1,853	1,910	1,969	2,030
Total Current Assets	41,653	32,590	46,152	39,056	38,216	38,028	37,839	37,801	38,027	38,577
<u>Non-Current Assets</u>										
Receivables	339	339	339	339	339	339	339	339	339	339
Investments in Associates	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988	1,988
Investment Properties	0	0	0	0	0	0	0	0	0	0
Intangible assets	8,879	8,879	849	849	849	849	849	849	849	849
Property, infrastructure plant and equipment	1,030,198	1,044,793	1,069,708	1,077,244	1,080,219	1,084,422	1,089,921	1,096,786	1,105,074	1,112,664
Total Non-Current Assets	1,041,404	1,055,999	1,072,884	1,080,420	1,083,395	1,087,598	1,093,097	1,099,962	1,108,250	1,115,840
TOTAL ASSETS	1,083,057	1,088,589	1,119,036	1,119,476	1,121,611	1,125,626	1,130,936	1,137,763	1,146,277	1,154,417
<u>Current Liabilities</u>										
Payables	6,467	8,044	8,359	7,763	7,536	7,984	8,381	8,837	9,304	9,587
Employee Benefits	10,056	10,671	11,304	11,995	12,720	13,479	14,271	15,099	15,733	16,620
Interest Bearing Liabilities	149	(0)	664	719	779	843	913	989	1,071	1,160
Other	3,487	3,487	3,487	3,487	3,487	3,487	3,487	3,487	3,487	3,487
Total Current Liabilities	20,159	22,815	23,814	23,964	24,522	25,793	27,052	28,412	29,595	30,854
<u>Non-Current Liabilities</u>										
Employee Benefits	880	934	990	1,052	1,116	1,184	1,255	1,329	1,405	1,485
Interest Bearing Liabilities	0	0	27,723	27,004	26,226	25,382	24,469	23,480	22,409	21,249
Other	6	6	6	6	6	6	6	6	6	6
Total Non-Current Liabilities	886	327	28,719	28,062	27,348	26,572	25,730	24,815	23,820	22,740
TOTAL LIABILITIES	21,045	23,142	52,533	52,026	51,870	52,365	52,782	53,227	53,415	53,594
NET ASSETS	1,062,012	1,065,447	1,066,503	1,067,450	1,069,741	1,073,261	1,078,154	1,084,536	1,092,862	1,100,823
<u>EQUITY</u>										
Accumulated Surplus	358,127	361,562	362,618	363,565	365,856	369,376	374,269	380,651	388,977	396,938
Reserves	703,885	703,885	703,885	703,885	703,885	703,885	703,885	703,885	703,885	703,885
TOTAL EQUITY	1,062,012	1,065,447	1,066,503	1,067,450	1,069,741	1,073,261	1,078,154	1,084,536	1,092,862	1,100,823

BUDGETED STANDARD CASHFLOW STATEMENT FOR THE PERIOD 2011/12 - 2020/21

CASH FLOW STATEMENT	Forecast 2011/12 \$'000's	Forecast 2012/13 \$'000's	Forecast 2013/14 \$'000's	Forecast 2014/15 \$'000's	Forecast 2015/16 \$'000's	Forecast 2016/17 \$'000's	Forecast 2017/18 \$'000's	Forecast 2018/19 \$'000's	Forecast 2019/20 \$'000's	Forecast 2020/21 \$'000's
Cashflows from Operating Activities										
Rates (incl of GST)	62,003	65,906	70,348	74,617	79,092	83,786	88,754	94,001	99,542	103,439
Grants, contributions, subsidies & reimbursements (incl GST)	13,095	13,843	13,684	12,778	12,856	13,220	13,301	13,686	13,770	14,178
Interest	2,243	2,032	1,404	1,947	1,636	1,594	1,694	1,682	1,676	1,681
User charges and other fines (incl GST)	17,036	16,695	16,935	20,677	22,895	24,153	24,992	25,850	26,752	27,805
GST refund										
Payments to employees	(38,976)	(39,718)	(40,544)	(45,063)	(47,284)	(49,439)	(51,744)	(54,044)	(56,120)	(58,358)
Payments for materials & services (incl GST)	(20,349)	(18,271)	(20,916)	(24,172)	(24,729)	(24,833)	(25,656)	(26,459)	(27,342)	(28,444)
Payments to contractors (incl GST)	(18,221)	(19,428)	(20,543)	(21,478)	(22,488)	(23,962)	(24,866)	(26,101)	(27,271)	(28,932)
Finance costs	(20)	(4)	(2,408)	(2,357)	(2,302)	(2,242)	(2,178)	(2,108)	(2,032)	(1,950)
Net Cash Provided/(Used) by Operating Activities	16,811	21,055	17,960	16,949	19,676	22,277	24,297	26,507	28,975	29,419
Cashflows from Investing Activities										
Payments for property, infrastructure plant & equipment	(20,565)	(33,904)	(34,274)	(25,578)	(21,581)	(23,404)	(25,338)	(27,390)	(29,569)	(29,568)
Proceeds from sale of property, plant & equipment	3,386	3,803	1,183	1,211	1,239	1,267	1,295	1,327	1,359	1,359
Net Cash (Provided by/Used in) Investing Activities	(17,179)	(30,101)	(33,091)	(24,367)	(20,342)	(22,137)	(24,043)	(26,063)	(28,210)	(28,209)
Cashflows from Financing Activities										
Proceeds from Borrowings	0	0	29,000	0	0	0	0	0	0	0
Repayments of Interest Bearing Liabilities	(285)	(149)	(613)	(664)	(719)	(779)	(843)	(913)	(989)	(1,071)
Net Cash provided by (used in) Financing Activities	(285)	(149)	28,387	(664)	(719)	(779)	(843)	(913)	(989)	(1,071)
Net Increase (Decrease) in Cash Held	(652)	(9,195)	13,256	(8,082)	(1,385)	(639)	(589)	(469)	(224)	139
Cash at Beginning of the Financial Year	34,709	34,057	24,862	38,118	30,036	28,651	28,012	27,423	26,954	26,730
Cash at End of Financial Year	34,057	24,862	38,118	30,036	28,651	28,012	27,423	26,954	26,730	26,869

STANDARD STATEMENT OF CAPITAL EXPENDITURE FOR THE PERIOD 2011/12 - 2020/21

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's
Land	0	0	0	0	0	0	0	0	0	0
Roads	5,345	4,881	5,291	5,871	6,590	7,470	8,250	9,235	10,220	10,220
Drainage	700	1,226	1,376	1,677	1,877	2,077	2,451	2,701	2,951	2,951
Recreational land improvements & equipment	2,297	2,045	2,246	2,546	2,846	3,189	3,539	3,939	4,339	4,339
Buildings	8,506	21,799	21,219	11,261	5,945	6,245	6,575	6,892	7,336	7,336
Plant, fleet, furniture & equipment	3,716	3,953	4,143	4,223	4,323	4,423	4,523	4,623	4,723	4,723
Total capital works	20,564	33,904	34,275	25,578	21,581	23,404	25,338	27,390	29,569	29,569
Represented by:										
Renewal	17,828	31,284	16,646	22,958	18,961	20,784	22,718	24,770	26,949	26,949
New assets	2,736	2,620	17,629	2,620	2,620	2,620	2,620	2,620	2,620	2,620
Total capital works	20,564	33,904	34,275	25,578	21,581	23,404	25,338	27,390	29,569	29,569

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's	\$'000's

RECONCILIATION OF THE MOVEMENT IN CAPITAL EXPENDITURE BETWEEN PRIOR YEAR AND THE CURRENT YEAR

Total capital works	20,564	33,904	34,275	25,578	21,581	23,404	25,338	27,390	29,569	29,569
Depreciation and amortisation	(14,863)	(15,413)	(16,114)	(16,737)	(17,275)	(17,841)	(18,451)	(19,104)	(19,829)	(20,527)
Donated Assets	103	0	8,030	0	0	0	0	0	0	0
Written down value of assets sold	(3,479)	(3,896)	(1,276)	(1,304)	(1,332)	(1,360)	(1,388)	(1,420)	(1,452)	(1,452)
Net movement in property, plant & equipment	2,325	14,595	24,915	7,537	2,974	4,203	5,499	6,866	8,288	7,590

Appendix B

Statutory Disclosures

This appendix presents information which the Act and the Regulations require to be disclosed in the Council's annual budget.

The appendix includes the following budgeted information:

- Borrowings
- Rates and charges
- Differential rates.

Statutory Disclosures

REGULATION 8 – MATTERS TO BE INCLUDED IN THE BUDGET

LOCAL GOVERNMENT ACT 1989

LOCAL GOVERNMENT (FINANCE & REPORTING) REGULATIONS 2004

Under Section 127 of the Act, the budget must contain:-

- | | | |
|---------|--|---------------|
| (a) | the standard statements in the form and containing the matters required by the regulations; | Refer Page 39 |
| (b) | a description of the activities and initiatives to be funded in the budget; | Refer Page 15 |
| (c) | a statement as to how the activities and initiatives described under paragraph (b) will contribute to achieving the strategic objectives specified in the Council Plan; | Refer Page 15 |
| (d) | separately identified Key Strategic Activities to be undertaken during the financial year and performance targets and measures in relation to each Key Strategic Activity; | Refer Page 51 |
| (e) | the total amount proposed to be borrowed, other than borrowings to refinance existing loans; | \$0 |
| (f) | the proposed total amount of debt redemption; | \$285,000 |
| (g) (i) | the proposed rate in the dollar for each type of rate to be levied; | |

TABLE (i)

RATES IN THE \$

RATE TYPE	RATE IN THE \$
General Rate	0.2579¢
Differential Rate:	
Vacant Land	0.3869¢

- (g) (ii) the estimated amount to be raised by each type of rate to be levied;
 (g) (iii) the estimated total amount to be raised by rates;

TABLE (ii) and (iii)**ESTIMATED AMOUNT OF RATES**

RATE TYPE	ESTIMATED AMOUNT
General Rate	\$51,066,343
Differential Rate:	
Vacant Land	\$1,284,392
Amounts In Lieu of Rates:	
Cultural and Recreational Lands Act	\$21,604
ESTIMATED TOTAL AMOUNT	\$52,372,339

- (g) (iv) the proposed percentage change in the rate in the dollar for each type of rate to be levied compared to that of the previous financial year;

TABLE (iv)**RATE IN THE DOLLAR**

RATE TYPE	2010/11	2011/12	% CHANGE
General Rate	0.2425¢	0.2579¢	6.4%
Differential Rate:			
Vacant Land	0.3638¢	0.3869¢	6.3%

- (g) (v) the number of assessments for each type of rate to be levied compared with the previous year;
 (g) (vi) the total number of assessments;

TABLE (v) and (vi)**NUMBER OF ASSESSMENTS**

RATE TYPE	2010/11	2011/12	% CHANGE
General Rate	44,873	45,261	+0.9%
Differential Rate:			
Vacant Land	691	674	-2.5%
Cultural and Recreational Lands Act	4	4	0%
TOTAL	45,568	45,939	+0.8%

- (g) (vii) the basis of valuation to be used;
 (g) (viii) the estimated total value of land in respect of which each type of rate is to be levied compared with the previous year;

TABLE (vii) and (viii)**CAPITAL IMPROVED VALUATIONS**

RATE TYPE	2010/11	2011/12	% CHANGE
General Rate	\$19,563,881,000	\$19,797,799,000	+1.2%
Differential Rate:			
Vacant Land	\$350,920,000	\$331,970,000	-5.4%
Cultural and Recreational Lands Act	\$12,890,000	\$12,890,000	+0.0%
TOTAL	\$19,927,691,000	\$20,142,659,000	+1.08%

- (g) (ix) the proposed municipal charge;

**TABLE (ix)
MUNICIPAL CHARGE**

	2010/11	2011/12	% CHANGE
Municipal Charge	\$19.90	\$17.30	-13.1%

Declared to off-set cost of Metropolitan Fire & Emergency Services contribution

- (g) (x) the proposed unit amount to be levied for each type of charge under Section 162 of the Act.

TABLE (x)**SERVICE CHARGE - GARBAGE**

SERVICE	2010/11	2011/12	\$ CHANGE	% CHANGE
Residential 80 Litre Bins	\$172.00	\$172.00	\$0	0%
Residential 120 Litre Bins	\$204.00	\$204.00	\$0	0%
Second And Subsequent Bins	\$216.00	\$216.00	\$0	0%
Commercial 240 Litre Service				
One per week #	\$392.00	\$392.00	\$0	0%
Three times per week #	\$820.00	\$820.00	\$0	0%
Additional Recycling-Non-Residential #	\$82.00	\$82.00	\$0	0%
Industrial 120 Litre Service #	\$225.00	\$225.00	\$0	0%
Industrial 80 Litre Service #	\$190.00	\$190.00	\$0	0%

#These figures include GST which applies to these services.

(g) (xi) the estimated amount to be raised by each type of charge to be levied compared with the previous year;

TABLE (xi)
SERVICE CHARGE - GARBAGE

SERVICE	2010/11	2011/12	\$ CHANGE	% CHANGE
Residential 80 Litre Bins	\$1,445,144	\$1,466,816	\$21,672	1.5%
Residential 120 Litre Bins	\$6,679,854	\$6,703,098	\$23,244	0.3%
Second and Subsequent Bins	\$89,856	\$94,176	\$4,320	4.8%
Commercial Service #	\$355,033	\$357,756	\$2,723	0.8%
Additional Recycling-Non-residential #	\$1,043	\$1,640	\$597	57.2%
Industrial Service #	\$77,720	\$77,514	(\$206)	(0.3)%
TOTAL	\$8,648,650	\$8,701,000	\$52,350	0.6%

#These figures exclude GST on Industrial, Commercial and second bin Residential Services.

(g) (xii) the estimated total amount to be raised by rates and charges;

TABLE (xii)
ESTIMATED TOTAL AMOUNTS - RATES AND SERVICE CHARGES

	2011/12
General Rates	\$52,372,339
Municipal Charge	\$795,000
Service (Garbage) Charges #	\$8,701,000
Total	\$61,868,339

#These figures exclude GST on Industrial, Commercial and additional recycling-non-residential Services.

(g) (xiii) Any significant changes that may affect the estimated amounts to be raised;

NIL

REGULATION 9 – PUBLIC NOTICE OF THE PROPOSED BUDGET

LOCAL GOVERNMENT ACT 1989

LOCAL GOVERNMENT (FINANCE & REPORTING) REGULATIONS 2004

Under Section 129 of the Act, the public notice must include the following:

(a)	the date on which Council will meet to adopt its budget	27th June 2011
(b)	the total amount borrowed as at 30 June 2011	\$434,000
(c)	the total amount proposed to be borrowed during the financial year, other than borrowings to refinance existing loans	\$0
(d)	the total amount projected to be redeemed during the financial year	\$285,000
(e)	the projected total amount of borrowings as at 30th June 2012	\$149,000
(f)	the projected cost of servicing the borrowings during the financial year	\$19,000
(g)	the proposed rate in the dollar for each type of rate to be levied.	
	General Rate	0.2579¢
	Vacant Land	0.3869¢
	Under the application of Capital Improved Value rating, the following amounts shall be payable in lieu of rates in respect of recreational land under the Cultural and Recreational lands Act 1963:	
	Ringwood Uniting Church Tennis Club	\$1,642.45
	Heathmont Club	\$3,871.55
	Bayswater North Tennis Club	\$1,097.75
	Eastwood Golf Club	\$14,991.80
(h)	the proposed municipal charge, if any	\$17.30

- (i) the proposed unit amount for each type of charge to be levied under Section 162 of the Act

GARBAGE CHARGE

SERVICE	2011/12 \$
Residential 80 Litre Bins	\$172.00
Residential 120 Litre Bins	\$204.00
Residential Second and Subsequent Bins	\$216.00
Commercial 240 Litre Bin - once per week #	\$392.00
Commercial 240 Litre Bin - three times per week #	\$820.00
Additional Recycling Non-residential #	\$82.00
Industrial 120 litre service #	\$225.00
Industrial 80 litre service #	\$190.00

#These figures include GST which applies to these services.

Appendix C

Key Strategic Activities

Section 127 of the Local Government Act requires Council to set out Key Strategic Activities that will be undertaken throughout the 2011/12 financial year together with Activity performance measures and targets.

Key Strategic Activities

For the year ending 30 June 2012

Key Strategic Activity	Performance Measure	Performance Target
Strategic Objective: Community		
Maintain and improve the quality of Council's Services	Community satisfaction rating in Local Government Victoria Annual Community Satisfaction Survey (ACSS) for overall performance generally of the council	≥ 85% *
Advocate for targeted National Broadband Network (NBN) rollout in Maroondah	Community satisfaction survey result (ACSS) for advocacy and community representation on key local issues	≥ 80% *
Strategic Objective: Economic Development and Employment		
Generate and foster economic development	Community satisfaction survey result (ACSS) for Economic Development	≥80% *
Keep community informed on progress and developments associated with Central Activity District	To undertake a skills audit for businesses throughout the municipality.	30 June 2012
	Coordinate and facilitate the community reference group quarterly meetings	4
Strategic Objective: Infrastructure		
Manage our constructed asset infrastructure to maximise its useful life, minimise resource use and maintain intended function in order to enhance existing services, and promote a sense of community	Implement annual condition audit program	Implement and deliver program by 30 June 2012
	Implement and manage the Hansen Asset System to produce accurate reporting of works asset management programs	Implement and manage asset system by 30 June 2012
	Fully expend 2.5% Infrastructure Levy raised within required timeframe	100% of levy by 30 June 2012

Key Strategic Activity	Performance Measure	Performance Target
Ensure the nature and condition of all Council's assets are accurately recorded in the Asset Management system to facilitate the effective management of those assets, and ensure that works are effectively prioritised to optimise the life of all assets.	Implement annual condition audit program	Implement and deliver program by 30 June 2012
	Implement the asset surveillance program in accordance with the inspection frequencies specified in the Maroondah Road Management Plan.	Implement and deliver program of 20 surveillance areas by 30 June 2012
	Implement and manage the Hansen Asset System to produce accurate reporting of work asset management programs.	Implement and manage asset system by 30 June 2012
	Fully implement the annual building renewal program	Implement and deliver program by 30 June 2012
Strategic Objective: Leisure and Culture		
Secure optimum levels of external funding for a new Ringwood District Aquatic and Leisure Centre	Value of grants received higher than budgeted	≥ \$2.5m
Utilisation of Council's community facilities	Develop a strategy to ensure optimum utilisation and appropriate and effective use of Council's community facilities	30 June 2012
Ensure the sustainable future management of Karralyka, Wyreena & Federation Estate	Complete a review of the facilities identifying efficiency and service improvements	30 June 2012
Strategic Objective: Natural Environment		
Continue to reduce greenhouse gas and carbon emissions	Reduce output of greenhouse gases emissions by Council	Output for 2011/12 to be below the measured 2010/211 output

Key Strategic Activity	Performance Measure	Performance Target
Strategic Objective: Transport		
Continue to advocate for and facilitate the development of the Ringwood station precinct	Community satisfaction survey result (ACSS) for advocacy and community representation on key local issues	≥ 80% *
Strategic Objective: Urban Design and Development		
Provide effective and efficient Town Planning and approval process	Community satisfaction survey result (ACSS) for Town planning Policy and Approvals	≥70% *
Utilise good design in all development including safe-by-design principles and environmentally sustainable design to enhance the development of a sense of community through the integration of the built and natural environment	Prepare draft structure for the Heathmont and East Ringwood activity centres	30 June 2012
Strategic Objective: Governance and Corporate Support		
Implement the improvements identified in the major review of Council Services and ensure a continuous improvement program is in place.	Reduction in net operating costs of the 2011/12 Budget compared to the 2010/11 Adopted Budget.	≥ \$400k deficit
Continue to implement a comprehensive leadership development program.	Undertake 4 leadership session in the financial year 2011/12	4
Advocate for the Maroondah community through contacts with State and Federal. Parliamentarians, the Municipal Association of Victoria, the Australian Local Government Association and the Victorian Local Government Association.	Community satisfaction survey result (ACSS) for advocacy and community representation on key local issues	≥ 80% *

* Department of Planning and Community Development – 2012 Annual Community Satisfaction Survey for Local Governments. Figures represent “cumulative percentage of respondents rating Council performance on a scale from Average to Excellent”.

Appendix D

Capital Expenditure Program

This appendix presents the three-year capital expenditure program for the period 2011-12 to 2013-14.

The capital projects are grouped by class and include detail of both Council and Others contribution to individual projects. Further detail is also provided on new and renewal projects.