



**Special Meeting of Council
28 June 2011**

Notice Paper

For a Special Meeting of

Bayside City Council

Tuesday 28 June 2011

at 6.30pm

**Council Chamber
Civic Centre
Brighton**

To: Mayor and Councillors

In accordance with Section 84 of the Local Government Act 1989, a **Special Meeting of Bayside City Council** will be held in the **Council Chambers, Civic Centre, Brighton on Tuesday 28 June 2011 at 6.30pm** for the purpose of transacting the following business:

BUSINESS OF MEETING

Apologies

Declaration of Interests

- 1. Schedule of Fees and Charges 2011/2012**
- 2. Budget 2011/2012**
- 3. Declaration of Rates and Charges**

Adrian Robb
Chief Executive Officer

15 June 2011

Item 1. Schedule of Fees and Charges 2011/2012

Corporate Services / Finance
COR 1234

1. Purpose of the Report

The report proposes that Council adopt the Schedule of Fees and Charges for the 2011/12 financial year.

2. Background

Council at its meeting on 3 May 2011 adopted in principle the 2011/12 Budget including the Schedule of Fees and Charges. Council gave public notice of its 2011/12 Budget and Schedule of Fees and Charges preparation in 'The Age' newspaper on Saturday 7 May 2011 and invited written submissions pursuant to Section 223 of the Local Government Act 1989.

3. Discussion

It should be noted the annual budget reports a fees and charges line that includes other income amounts not included in the Schedule of Fees and Charges. The total 2011/12 Budget for fees and charges is \$11.2 million consisting of:

Variable fees and charges (per Schedule of Discretionary Fees and Charges)	\$ 6.9 million
Fixed/statutory fees and charges (per Schedule of Statutory Fees and Charges)	\$ 1.2 million
Other income (not included in the Schedule of Fees and Charges)	\$ 3.1 million
Total 2011/12 budget for fees and charges	\$11.2 million

4. Implications

4.1 Policy

The development of the 2011/12 Schedule of Fees and Charges is identified within Commitment 6 in the Council Plan 2009-2013 6.1.2 relating to the completion of the Long Term Financial Strategy.

4.2 Legal/Statutory requirements

This Schedule of Fees and Charges has been developed in accordance with Sections 127 and 129 of the Local Government Act 1989.

4.3 Financial and resource implications

In accordance with the legislation, a Schedule of Fees and Charges has been prepared, which details the financial resources required to achieve the Council Plan 2009-2013 - Revised Strategic Objectives, Strategies and Indicators 2010.

4.4 Environmental impacts

Adoption of the Schedule of Fees and Charges will have positive benefits for achievement of Council's commitment to improving the quality of Bayside's natural environment and open spaces and meeting the challenges of climate change.

4.5 Social impacts

Adoption of this Schedule of fees and Charges will have positive benefits for achievement of Council's commitment to people in Bayside enjoying a high quality of life and wellbeing.

5. Consultation and Engagement

Public notice was given via *The Age*, the *Bayside Leader* and Council's website. Copies of the draft documents were made available at the Corporate Centre, each of Council's four branch libraries and via Councils' website. In addition two community budget briefings were held on Thursday 12 May 2011 and Monday 16 May 2011.

6. Summary

It is proposed that the recommended fees and charges detailed in the accompanying schedule be effective for the 2011/12 financial year. The report recommendation is split into two separate parts (Part A and Part B) in order to comply with items of Councillor Conflict of Interest.

Recommendation

Part A

That Council adopts the Schedule of Discretionary Fees and Charges and the Schedule of Statutory Fees and charges for the financial year ending 30 June 2012 as attached excluding those relating to Environmental Health.

Part B

That Council adopts the Schedule of Discretionary Fees and Charges for the financial year ending 30 June 2012 as attached relating to Environmental Health.

Item 2. Budget 2011/2012

Corporate Services / Finance
COR 1234

1. Purpose of the Report

Council is required to formally adopt a Budget for the 2011/12 financial year, in accordance with Section 130 of the Local Government Act, 1989.

2. Background

Following on from the adoption of the Long Term Financial Strategy, which formally sets the longer term financial parameters for Council, the preparation of the Long Term Financial Plan and the Annual Budget has been undertaken in accordance with the adopted framework.

The key strategic direction is focused on ensuring a consistent and gradually strengthening underlying surplus result in the income statement in order to ensure the ongoing delivery of services and capital works programs. In addition the focus is on a program of debt reduction and on closing the infrastructure gap during the life of the Long Term Financial Plan.

The provisions of the *Local Government Act 1989* require that Council must adopt a Budget for each financial year.

The provisions of the Act further provides that a person has a right to make a submission on any proposal contained in the Budget and such submission is required to be lodged within 28 days of publication of the public notice.

Following detailed review and community consultation Council is now in a position to formally adopt its Operating and Capital Budgets for the financial year ending 30 June 2012.

The formation of the 2011/12 Budget has a focus on delivering services to the community through a combination of existing programs, new initiatives and capital works. The budget is framed to deliver on the Council Plan with an emphasis on community service expectations, social obligation, environmental considerations and public infrastructure requirements.

Council at its Meeting held on 3 May 2011 resolved that the 2011/12 Budget be prepared and that public notice be given. Council gave public notice of its 2011/12 Budget preparation in 'The Age' newspaper on Saturday 7 May 2011 and invited written submissions pursuant to Section 223 of the Local Government Act 1989.

Budget Submissions

At the close of submissions at 4 pm on 6 June 2011 five submissions were received.

- Mr Daniel Vaughan, the Pantry
- Mr George Reynolds on behalf of Bayside Ratepayers Association Inc
- Ms Sue Hardiman
- Mr Kevin Spencer
- Mr John Atkinson

A Special Committee Meeting of Council was held on Wednesday 15 June 2011 for those submitters who requested to be heard in support of their written submissions.

A copy of the minutes of the Special Committee Meeting and the submissions received are attached.

3. Discussion

3.1 Financial Analysis

The 2011/12 Budget reflects a financially sustainable position while achieving Council's operational objectives. These include the delivery of ongoing services and commitment to new initiatives and capital projects to meet the existing and growing needs of our community in relation to health, safety, sustainability and infrastructure.

The attached Income Statement includes operating income of \$93.4 million that is offset by operating expenditure of \$76.0 million resulting in an operating result of \$17.4 million to be applied to capital projects, long term debt reduction or unexpected and unavoidable expenditure. Total operating expenditure comprising \$76.0 million, an increase of 8.7%, is offset by total operating income of \$93.4 million being an increase of 7.0%. The total Capital Projects expenditure is \$16.2 million. These charges are generally consistent with the Long term Financial Plan.

The total operating budget includes the recurrent costs and associated income to maintain Council's ongoing service delivery as well as to fund the new initiatives.

Operating income of \$93.4 million comprises:

• Rates & Charges (waste and municipal)	\$66.0 million
• Grants & contributions	\$ 8.9 million
• Fees & charges	\$11.2 million
• Rental	\$ 3.4 million
• Fines	\$ 2.6 million
• Interest income	\$ 1.3 million

Rates and Charges - The rate increase is 5.9% comprising a 5.5% increase identified in the Long Term Financial Plan plus a further 0.3% to fund the increased cost of State Government landfill levies to be effective from 1 July 2011 and an additional 0.1% to partly fund new initiatives. The total percentage increase of 5.9% is applied to the 2010/11 forecast result, plus a further \$300,000 for supplementary rates and charges, to arrive at the 2011/12 rate revenue of \$66.0 million. The rate increase percentage is applied to the expected forecast, rather than the 2010/11 budget, as the forecast result includes additional rateable properties (2010/11 supplementary rates) not identified in the 2010/11 budget.

Waste Management Charges - Included in the total increase in rates and charges is an amount of \$200,000 (3.5% increase) to recover the increased cost imposed by State Government for delivering waste to landfill sites. The additional \$200,000 is recovered by increasing the waste management charge by \$5 per property from \$142 to \$147 per annum (140 litre bin). The charge for an 80 litre bin remains at \$113 per annum to further encourage recycling and waste reduction.

The 2011/12 Budget comprises the following three sections:

3.2 Services Budget

The services or recurrent budget is the delivery of the same program or level of service contained in the 2010/11 budget. The services budget consists of \$92.9 million income and \$73.1 million expenditure. The cost to delivering these existing programs has increased by 6.6% on a budget to budget basis.

The Services expenditure totalling \$73.1 million includes the delivery of the following major programs:

• Aged & disability, home care & delivered meals	\$8.2 million
• Parks and sportsgrounds	\$4.5 million
• Waste (inc collection, landfill, recycling)	\$6.2 million
• Roads, footpaths & sweeping	\$3.2 million
• Libraries	\$3.1 million
• Children's services	\$2.3 million
• Management & maintenance of Council buildings	\$3.4 million
• Statutory planning and building surveying	\$2.6 million
• Local laws & investigations	\$3.7 million
• Fire brigade levy	\$2.1 million
• Conservation, bushland and foreshore	\$2.4 million
• Tree management	\$1.8 million
• Insurance	\$0.8 million
• Family health	\$1.4 million
• Drainage	\$0.8 million
• Grants to community organisations	\$0.5 million
• Public lighting	\$0.7 million
• Environmental health	\$0.6 million
• Youth Services	\$0.8 million

3.3 New Initiatives

These are new services and projects proposed by Council for 2011/12. They are the result of either motions of Council, statutory requirements, community expectations, initiatives or identified need. The expenditure on new initiatives is \$2.9 million (\$2.4M net of new initiatives income) and includes (amongst other things) projects relating to:

- Sustainable Public Lighting Action Plan
- Planning scheme amendments regarding Baysides Major Activity Centres
- Housing Strategy amendments to the Planning Scheme
- Open Space Strategy implementation

- Bayside Coastal Strategy Review
- On Call Hard Waste Collection
- Detox your home Waste Disposal Service
- Developing a Recreation Plan for Bayside

3.4 Capital Budget

The Capital Projects Budget identifies costs for capital project items. Total capital of \$16.2 million consists of \$11.3 million renewal projects plus a further \$4.9 million new projects. Renewal projects mainly comprise replacement of Council's infrastructure while new projects include both new and improved/upgraded projects.

Capital Projects comprising a total of \$16.2 million that are funded by:

- Surplus from Operating \$14.4 million
- Capital grants & contributions \$ 1.8 million

Council Contribution towards the Capital Works budget remains at \$14.4m, however the capital grants and contributions has increased by \$360k which relates to the early receipt of State government capital grant income for Highett Hub. This income was originally planned to be received and spent in 2012/13. The early receipt of this grant income has enabled \$360k of Council capital works budget to be brought forward in line with the Long Term Capital Works and Long Term Financial Plans. The projects identified are:

1. \$150K Corporate Centre car park extension.
2. \$210k New street bridge renewal work stage two.

3.5 Loan Borrowing & Repayments

The 2011/12 Budget allows for a net reduction in long term borrowings of \$0.5m in accordance with the Long term Financial Plan.

4. Implications

4.1 Policy

The development of the 2011/12 Budget is identified within Commitment 6 in the Council Plan 2009-2013 6.1.2 relating to the completion of the Long Term Financial Strategy.

4.2 Legal/Statutory requirements

This Budget has been developed in accordance with Sections 127 and 129 of the Local Government Act 1989.

4.3 Financial and resource implications

In accordance with the legislation, an Annual Budget has been prepared, which details the financial resources required to achieve the Council Plan 2009-2013 - Revised Strategic Objectives, Strategies and Indicators 2010.

4.4 Environmental impacts

Adoption of this Budget will have positive benefits for achievement of Council's commitment to improving the quality of Bayside's natural environment and open spaces and meeting the challenges of climate change.

4.5 Social impacts

Adoption of this Budget will have positive benefits for achievement of Council's commitment to people in Bayside enjoying a high quality of life and wellbeing.

5. Consultation and engagement

Public notice was given via *The Age*, the *Bayside Leader* and Council's website. Copies of the draft documents were made available at the Corporate Centre, each of Council's four branch libraries and via Councils' website. In addition two community budget briefings were held on Thursday 12 May 2011 and Monday 16 May 2011.

6. Summary

The 2011/12 Budget is presented to Council for formal adoption in accordance with Section 130 of the Local Government Act 1989.

Recommendation

Part A

That Council having considered submissions received pursuant to Section 223 of the Local Government Act 1989, adopt the 2011/2012 budget (as attached) for the financial year ending 30 June 2012 noting the following minor amendments from the proposed budget:

1. Inclusion of Capital Grants and Contributions - \$360K State government grant capital income for Highett Hub,
2. Inclusion of Capital Expenditure \$150K Corporate Centre car park extension and \$210k New street bridge renewal work stage two, and
3. Exclusion of Operating Expenditure- Payment to Vision Super liability \$380k paid in the 2010/2011 financial year in accordance with the Council resolution on 14 June.

The reasons for adoption are as follows:

1. To deliver the recurrent service program to meet community expectations for 2011/12.
2. To continue investment in replacement and new capital works in accordance with the Long Term Financial Plan 2011/12 – 2021/22.
3. To ensure overall financial sustainability in accordance with the Long Term Financial Plan 2011/12 – 2021/22.

Part B

That Council adopts the Long term Financial Plan and give authority to the Director of Corporate Services to make the minor editorial changes to reflect the changes made in Part A above.

Part C

That Council:

1. give public notice of its decision to adopt the Budget, in accordance with Section 130 of the Local Government Act 1989.
2. forwards a copy of the 2011/12 Budget to the Minister in accordance with the Local Government Act 1989.
3. thanks the submitters for their submissions and advise of the reasons for the adoption of the 2011/12 Budget.



**Special Committee of Council
to hear submissions in relation to the 2011/12 Proposed Budget
in accordance with Section 223 of the Local Government Act**

Wednesday 15 June 2011

at 6.30pm

**Council Chamber, Civic Centre,
Boxshall Street Brighton**

In accordance with Section 223 of the Local Government Act 1989, Council has received five (5) submissions in relation to the proposed Budget 2011/2012

- Mr Daniel Vaughan, the Pantry
- Mr George Reynolds on behalf of Bayside Ratepayers Association Inc
- Ms Sue Hardiman
- Mr Kevin Spencer
- Mr John Atkinson

The following listed people have requested to be heard in support of their submission to the proposed Budget 2011/2012;

- Mr Daniel Vaughan, the Pantry
- Mr George Reynolds on behalf of Bayside Ratepayers Association Inc
- Ms Sue Hardiman
- Mr Kevin Spencer
- Mr John Atkinson (*Mr Atkinson advised he would not be attending the meeting.*)

Submissions to the 2011/12 Budget

1. Mr Daniel Vaughan

Submission	Officer comment
<p>I write in regard to Bayside City Council's Proposed Budget 2011/12 and how it relates to Permit No: 06001335. This permit is in relation to the outdoor awning for the Pantry at 1-3 Church Street Brighton. We are poised to commence construction of the awning in the next few months. But given the 100% surcharge, relating to permanent structures in Council's budget, this project is now under review.</p> <p>We are seriously concerned with the 100% surcharge. We feel this fee is excessive and unreasonable. It will place undue financial pressure on our business and will make the proposed improvements untenable. We believe the awning is in keeping with Bayside City Council's Economic Development program to improve amenities in the streetscape.</p> <p>The Pantry is in its eighteenth year of operation under the same ownership since its inception. The Pantry employs over 85 staff. It is a Brighton icon that attracts over five thousand people to Church Street every week. Although the Pantry is a robust business it has not been immune to the effects of the Global Financial Crisis with growth seriously curtailed in recent years. We are committed to ensuring the Pantry continues on, but can only do so by keeping up with other precincts and what they offer their clientele. We have continued to invest in the Pantry's Infrastructure, even in the face of harsh economical conditions.</p> <p>The Pantry's outside seating area is central to The Pantry's operations. Our issue is that we pay table rental fees for twelve months of the year to Council, but can only benefit from use of the area for six months of the year. Our current four umbrellas are of little or no protection in extreme weather conditions and due to safety concerns must remain closed during high winds.</p>	<p>The 100% surcharge is based on full cost recovery in line with the expected commercial value of the occupied space to the business. It is proposed to develop a policy for Council consideration relating to this matter.</p>

We have gone to considerable effort and expense to design an awning to cover the outdoor area that is both functional, safe and provides an attractive presentation to the gateway of Church Street. To then not only have to finance the build, in the vicinity of \$200,000.00, but in addition, to discover that we must incur an ongoing penalty of increased rental makes the project commercially unviable. We are currently not charged any surcharge for our existing four umbrellas, the new awning will utilise only four support posts in similar positions and of similar size as the umbrellas. Based on a recent report released by the Australian Bureau of Statistics, average net profits for restaurants are 4% based on this fact The Pantry would need to sell an additional 1,900 coffees every week of the year, just to be able to for the 100% Council surcharge.

Rental vacancy rates in Church Street are at an all time high. We too are fighting for survival. Our goal is to secure our businesses' success to ensure that we can continue to be a large employer in the area and to continue to attract people to the street. Failure to act will foreshadow the already active flow of customers to other areas. The Pantry is at a disadvantage to other traders in the area as we are unable to utilize our existing shop front awning for cover, as other restaurants in the area can, due to recent Council directives to keep our shop front clear for the benefit of the visually impaired, a directive we support, but this has had a detrimental effect on our outside seating area to be protected from the weather.

We ask that Council reviews the 100% surcharge, relating to permanent structures, given the already expensive footpath rental and benefits the awning will offer the community. We appreciate the Council does need to draw its income from somewhere but believe charging such a significant surcharge will curtail growth in these types of improvements. Projects such as ours will benefit the streetscape at no cost to Council. With a lower surcharge traders will more readily invest in these types of improvements.

Were the Council to insist on the 100% surcharge The Pantry would be forced to review our plans to build the awning. The most likely outcome being that the awning build will not proceed. We feel this would be a big loss to the Church Street precinct and a large disappointment to our 5,000 customers, mostly local resident, each week who are overwhelming supportive of this exciting development to the gateway of Church Street. We have had a great deal of support from fellow traders who also identify the benefits this structure will offer the precinct.

I thank you for your consideration of this matter and look forward to discussing details further. I am available on the below number at anytime should you wish to discuss this issue.

2. Mr George Reynolds on behalf of the Bayside Ratepayers Association

Submission	Officer comment
<p>We wish to offer our comment on the proposed budget.</p> <ol style="list-style-type: none"> 1. Council have never prepared a detailed resource plan to identify the necessary resources needed to efficiently operate the Council. Such a plan is essential to efficient operation. It is clear to anyone who has business with Council that it operates in an ad hoc manner with little consideration of best practice. 	<p>Council prepares a number of strategic plans that details both the financial and non financial components necessary to ensure the ongoing service delivery of Council. These plans include:</p> <ul style="list-style-type: none"> • Council Plan – 4 year high level strategic direction of Council, • Annual Action Plan – 12 month actions resulting from the Council Plan; • Long Term Financial Plan – 10 year financial plan. • Strategic Resource Plan – 4 year financial and non financial resource plan; • Organisational Business Plan – 12 month organisational wide improvement plan; • Departmental Business / Service Plans – 12 month financial and non financial resource plan; and • Annual Budget – 12 month financial provision.
<ol style="list-style-type: none"> 2. A full management review needs to be part of any budget process this has not been done. We hold that a significant reduction in Council staff is possible and could well lead to a much needed improvement in the level of service provided. A consequent reduction in annual expenditure is achievable. 	<p>Council has prepared a Long term Financial Strategy and Long Term Financial Plan and in preparing budgets adheres to the principles within these to ensure the long term financial viability of Council. A full management review is undertaken annually as part of this extensive process.</p> <p>No such reduction in Council staff can be undertaken with changes to service levels or organisational performance.</p>

<p>3. The failure to properly account for its accumulated 'profits' has concealed from Councillors the necessary information which would justify a significant reduction in the rate burden. It is held that by the balance date of 30th June there will be around \$16 million of unrestricted cash reserves available. To continue to draw down loan funds with this amount of free cash available is irresponsible. It is in conflict with the requirement for 'sound financial management'.</p>	<p>Financial sustainability and the ability to cope with unforeseen events that require the use of financial and other resources is a key requirement of Local Government. The proposed financial reserves as detailed in the proposed budget 2011/2012 are not considered to be excessive.</p> <p>Council is required to maintain cash backed reserves at a minimum, for the following items: Long Service Leave Recreational Land Reserve – (open space division contributions) Parking These are all detailed in the audited financial statement. The value of these at this time is approximately \$7.6M. Above this the balance of Council's reserve is used to meet the cash needs of the organisation through a very uneven 12 month cashflow cycle.</p>
<p>4. We suggest that Councillors have an obligation to reduce the rate burden to at least a zero increase level and cease rolling over any loans that become due during the remaining life of this Council.</p>	<p>Council's Long Term Financial Plan is based on maintaining a consistent rate burden. This allows for continuity in service provision and infrastructure maintenance. However as with the case this year this does not allow for cost shifting from other levels of government. Two items alone in this year have added 0.8% to the proposed rate increase. The renewal of loan at a decreasing rate each year is in line with Councils strategy of reducing long term debt.</p>
<p>I wish to speak to this submission at the S223 hearing.</p>	

3. Ms Sue Hardiman

Submission	Officer comment
<p>Page 23 9.2 Service Budget</p> <p>Please expand on the Council meaning of this term. Exactly what does Governance cover? Does it cover Council expenses for entertainment and if so how much is allocated to each item of entertainment?</p>	<p>Services Budget means and refers to re-current expenditure allocated to provide a specific service or program.</p> <p>Governance includes the following programs:</p> <ul style="list-style-type: none"> • Council support - provides for expenses associated with Councillors and supporting Councillors in undertaken their role. • Governance Support – provides the support to the Mayor and Councillors and facilitating the business of Council through agendas and meeting support. • Corporate Hospitality – provides supplies to staff amenities and hospitality staff at Council and organizational functions. • Corporate Planning – provides for the preparation of the Council Plan, Annual Action Plan, Annual Report and quarterly reporting including training to staff using specific reporting software. <p>Council Support provides for expenses for Councillors associated with entertainment such as:</p> <ul style="list-style-type: none"> • Catering at Council Meetings • Citizenship Ceremonies • Provision of a Councillor Workshop • Reimbursement of personal expenses incurred as a result of Council business. • Mayoral functions which can include receptions and acknowledgement of community groups. • Council functions which includes functions such as Remembrance Day Service, Flag Raising Ceremony, NADOC Week, opening of new or refurbished facilities.

4. Mr Kevin Spencer

Submission	Officer comment
<p>Apart from the resources industry which profits from Australia's natural wealth, other industries such as the industrial sector are compelled to look for ways of cost cutting to remain solvent. Whereas with Bayside Council, instead of cost cutting, it treats the community with contempt by continuing with its annual excessive rate increases, regardless of the majority of residents affordability.</p> <p>With young family battlers and the elderly on fixed incomes struggling to survive the increasing cost of living, and limited financial resources to maintain a reasonable livelihood. Where are our Councillor representatives compassion and empathy for their community?</p> <p>Bearing in mind Councils massive debt, it is of grave concern for Councils ability to repay the debt from its own sourced revenue. Financial sustainability must rely on sources other than rate increases. This could be offset by the reduction in the area of service delivery, with the exception of key services of garbage, roads and footpaths etc. There should be an urgent review of community requirements with a view to a more rational approach for cost cutting and equity.</p> <p>My perspective is that if it is not completely essential then remove it from the budget, whereby it becomes a cost saving and contributes to a reduction in rates. There is a need for a cost reduction strategy across the board in all main areas of Council's administration. The money allocated to each division is far too high. What is need is and audit of each department and costing appraisal before excepting the proposed allocated sums of money.</p>	<p>General comment (no response sought).</p> <p>General comment (no response sought).</p> <p>General comment (no response sought). Council's debt is not massive by comparative standards but is not as sufficiently leveraged or targeted in its benefits as Council wishes it to be in future.</p> <p>Council undertakes a full review of all operating and capital costs and all sources of income as part of the budget preparation process. This ensures that all areas of the proposed budget are necessary and appropriately costed. Council service levels are reviewed and there have been recent examples where Council has chosen to withdraw from service provision.</p>

<p>Such as the Services Budget – Executive Office / Corporate Services / Infrastructure / City Strategy and Community Services along with Capital works Projects – New and Renewal. Lack of details regarding Council building of \$4,133,255 – what’s this about? Surely not more spending on the corporate centre. With a total costing of \$15,795,255 surely this could be scaled down in the interest of need. Strict economy and cost effectiveness should be the criteria here.</p> <p>There is no compelling reason why Residential Rates should continue to be set at such an inordinate high level. It is deplorable and unacceptable when taking into consideration the large sums of money that could be saved by prudent spending cuts I ask that this proposed Budget be sent back to be reviewed, whereby the Residential Rate will be brought back to a more equitable figure, that is more in line with the current Consumer Price Index.</p> <p>Note: I wish to be heard in support of my submission.</p>	<p>The capital expenditure of \$4,133,255 referred to is Capital expenditure on all Council owned buildings.</p> <p>Total Capital expenditure of \$15,795,255 is in line with the Long Term Financial Plan which that has been designed to close the infrastructure gap by 2019. This is a high priority in Bayside and Local Government in general which has been identified as having a capital infrastructure gap.</p> <p>Rates and Charges are set at a level that provides Council with the right level of income to cover its costs in the 2011/2012 financial year. To reduce the level of rate rise would require Council to cut services to the community.</p>

5. Mr John Atkinson

Submission	Officer comment
<p>Council has missed an opportunity to remedy the numerous deficiencies in its current plan and has persisted in its acceptance of a third rate document as the principal underpinning of policy and program development for the current term:</p> <ul style="list-style-type: none"> a) The hierarchy of commitments, strategic objectives, and strategies are still expressed in terms so broad as to be virtually meaningless. b) The indicators set out against each strategy remain singularly uninformative, and few offer any quantifiable measure against which performance can be measured. c) Whatever the objectives are, where is the timetable for staging and completion over the period of the plan? d) Council has asserted that the principal driver of the content is community consultation. Yet no specifics are included in support of this assertion. Where are the particulars of the claimed consultation – what, who, how and when? Where is the report of each and every so-called consultation? What were the outcomes? I suggest that the only real consultation occurred between councillors and council staff, largely driven by staff. But then a failed council always believes that “Council Knows Best”. 	<p>It should be noted that the Council Plan was not revised this year and therefore not on exhibition for public comment, through this statutory process.</p> <p>When a new Council Plan is developed following the 2012 Council election it is envisaged that the proposed Council Plan will involve community consultation and will include the findings of the Community Plan which involved extensive community consultation during 2010.</p>
<p>If councillors were seriously interested in community engagement they would have engaged the community in a review of the council plan and the development of the budget. They have had every opportunity to do so. They have yet again chosen not to. Now comes the sham process of council “considering” submissions and hearing submitters.</p>	<p>The community is involved in the Council Plan and Budget through the statutory process of advertising the budget for a period of 28 days and inviting submissions from the community.</p> <p>In addition to the statutory process Council also conducted two information sessions on the Proposed Budget for the community to be briefed on the proposed budget and raise questions. Both of these meetings were not well attended by members of the community.</p>

I submit that the budget should be amended to contain total expenditure to the amount projected for 2009-10. Council has abjectly failed to justify the continuing escalation of expenditure, save to assert that such increases are inevitable.	
I submit that the budget should be amended to reflect the following:	It is noted that the following items do not necessarily all apply to budget content:
Termination of secret meetings (including any ‘assembly of councillors’ except when discussing s.89(2) matters.	Comment noted – The Local Government Act 1989 provides for Assembly of Councillors and for Council dealing with matters in Camera in accordance with Section 89(2).
Expansion of website content to include all current documents.	Comment noted – Website is updated on an ongoing basis.
Introduction on website of a public question and answer facility, with answers to be provided within 1 business day.	To provide an ongoing daily question and answer facility on the website would require additional resources to manage the daily questions and respond within the one day timeframe. The current public question and answer system is currently working well.
Publication of each councillor’s academic and professional qualifications.	Agree that Councillor academic and professional qualifications be included on Council’s website and Annual Report.
Provision of details of formal training undertaken by councillors relating to local government.	A summary of training undertaken by Councillors can be provided on request.
Disclosure of each councillor’s telecommunications bills and reimbursement claims.	A summary of Councillors telecommunication bills and reimbursement claims can be provided on request.
Webcasting of all meetings with archive facility. Elimination of spin and self congratulatory material.	Council’s Governance Local Law provides that any recording of a Council or Special Meeting is prohibited.
Elimination of any material promoting councillors.	Publications are produced to promote Council activities and services and incorporate a comment from a Councillor, but do not promote the self interest of an individual Councillor.
Discontinuation of newsletters like Let’s Talk Bayside.	Let’s Talk Bayside is the preferred mechanism to reach out to the community on Council activities. Both local newspaper are not circulated throughout the entire municipality.
Cessation of practice of staff drafting motions or statements for ignorant incompetent or inarticulate councillors.	Council Officers provide advice to Councillors to ensure motions provide clarity and meaning. It is up to the Councillor where they take on board the professional advice provided.

Prohibition on staff providing to councillors information relating to individuals (save as permitted by law)	Councillors receive appropriate and necessary information as part of their decision making process.
Abolition of the planning committee, all administrative decisions being made by qualified officers.	Comment noted
A community conference open to all comers raising whatever issues, to inform a revised council plan.	The development of a new four year Council Plan in 2013 will involve community participation.
All correspondence relating to any agenda items be formally dealt with at council and committee meetings.	Comment noted
Restoration of the right of an individual to petition the council.	Comment noted
Achievement for the organisation of Quality Assurance recognition.	Comment noted
An audit of existing customer service performance.	A review of customer Service performance will be undertaken in 2011/2012.
A review of complaints handling performance.	A review of the current complaints handling policy will be undertaken in 2011/12.
Customer service charter revised by council not staff and compensation paid for failure to comply.	Customer Service Charter is programmed to be reviewed in 2011/12 by Council Officers and Councillors.
Complaints handling in accordance with Australian Standard.	The review of the complaints Handling Policy will consider the Australian Standard.
Preparation of a statement concerning the role and function of mayor including the authority for every contention.	Council has adopted a role statement for the Mayor.
Review of the events program, with a target of reducing cost to council by 25%.	Comment noted
Compensation for heritage victims who can demonstrate loss to satisfaction of council valuers.	Comment noted
A publicity campaign (in June) to encourage citizens to nominate as candidates for the next council elections.	Comment noted

No further training or conferences for councillors beyond November 2011.	Comment noted
The amount budgeted for mayoral allowance from December not exceed that for a councilor by more than 20%.	Comment noted
To accommodate the changes proposed, existing council proposals would need to be abandoned or reduced.	Comment noted
<p>Il further submit that the revenue required to be raised by rates and charges should be levied as follows:</p> <ul style="list-style-type: none"> a) By increasing the municipal charge to the maximum permitted by law. b) By substituting for the uniform rate differential rates with the relativities indicated: residential 1.00, commercial 1.20, industrial 1.30, and heritage 0.80; and c) By the CRLA charge being set at a rate equal to the residential rate. 	<ul style="list-style-type: none"> a) Council has chosen to set the Municipal Charge at \$120 to all rateable properties. b) Council has chosen to apply a General Rate for all residential, commercial and industrial properties, acknowledging that 93% of Bayside properties are residential. c) CRLA rating is in accordance with the CRLA Act which recognises community benefit against cost to council.
That I have not raised other matters in relation to the proposed budget is not to be taken as support for or endorsement of any proposal or statement contained therein.	

Minutes of a Special Committee of Council to Hear Submissions in relation to the Proposed 2011/12 Budget

Held on Wednesday 15 June 2011
at 6.30pm
Council Chamber, Civic Centre Brighton

PRESENT:

Cr Louise Cooper-Shaw (Deputy Mayor)
Cr Clifford Hayes
Cr Felicity Frederico
Cr Michael Norris
Cr Simon Russell JP
Cr James Long BM JP

OFFICERS IN ATTENDANCE

Adrian Robb	- Chief Executive Officer
Sharon Pearsons	- Director Corporate Services
Shiran Wickramasinghe	- Director City Strategy
Michael Divens	- Manager Finance
Terry Callant	- Governance Manager

In accordance with the Annual Meeting of Council minutes dated 2 December 2011, the Deputy Mayor is appointed Acting Mayor in the absence of the Mayor.

The Acting Mayor declared the Meeting opened at 6.30pm.

It is recorded that Council at its meeting held on 3 May 2011 resolved that a Special Committee of Council be established consisting of The Mayor and available Councillors with a quorum of 4 Councillors to hear submissions in accordance with section 223 of the Local Government Act 1989 in relation to the proposed 2011/2012 Budget.

APOLOGIES: An apology from the Mayor Cr Alex del Porto was submitted to the meeting.

Moved Cr Russell

Seconded Cr Hayes

That the apology of Crs Alex del Porto be received and leave of absence be granted.

CARRIED

DECLARATION OF INTERESTS

There were no declarations of interest submitted to the meeting.

In accordance with Section 223 of the Local Government Act 1989, Council must consider any submissions received by the Council following the 28 days after the publication of the public notice. At the closing date, of submissions, Council received five written submissions in relation to the proposed 2011/12 Budget.

- ◆ Mr Daniel Vaughan, the Pantry
- ◆ Mr George Reynolds on behalf of Bayside Ratepayers Association Inc
- ◆ Ms Sue Hardiman
- ◆ Mr Kevin Spencer
- ◆ Mr John Atkinson

Of those submissions, the following listed submitters requested to be heard in support of their written submission:

- ◆ Mr Daniel Vaughan, the Pantry
- ◆ Mr George Reynolds on behalf of Bayside Ratepayers Association Inc
- ◆ Ms Sue Hardiman
- ◆ Mr Kevin Spencer
- ◆ Mr John Atkinson

The Chairman welcomed the submitters to the meeting and reminded the speakers, that Council at its meeting held on 9 February 2004 resolved that submissions in relation to section 223 of the Local Government Act be granted up to 15 minutes to speak in support of their submission. A copy of the submissions had been circulated to Councillors for their consideration prior to the meeting.

- It is recorded that Mr Daniel Vaughan spoke in support of his submission for a period of 4.40 minutes.
- It is recorded Mr George Reynolds spoke in support of his submission for a period of 15 minutes.
- It is recorded Ms Sue Hardiman spoke in support of his submission for a period of 30 seconds.
- It is recorded Mr Kevin Spencer spoke in support of his submission for a period of 7.40 minutes.

- It is recorded that written advice has been received from Mr John Atkinson indicating he is unable to attend the meeting and accordingly was not present in the Chamber.

The Acting Chairperson thanked the submitters for their comprehensive submissions, and advised that Council will consider all submissions at the Special Meeting of Council to be held on 28 June 2011.

Moved Cr Long

Seconded Cr Hayes

That the submissions relating to the proposed 2011/2012 Budget submissions be received and noted.

CARRIED

The Acting Chairperson declared the Meeting closed at 7.05 pm.

Item 3. Declaration of Rates and Charges

Corporate Services / Finance
COR 1234

1. Purpose of the Report

The report proposes that Council declare rates and charges for the 12 month rating year from 1 July 2011 to 30 June 2012.

2. Background

Council on 3 May 2011 prepared a Budget for the year ending 30 June 2012 and gave public notice in 'The Age' on Saturday 7 May 2011. Pursuant to Section 158 of the *Local Government Act 1989* Council must at least once in each financial year and before 31 August 2011 declare the amount to be collected from rates and charges. The Declaration of the Rates and Charges will facilitate the commencement of the preparation of the 2011/12 Valuation and Rate Notices.

A key decision of Council is to determine the level of rate increase that will address funding levels for capital works and service provision for the municipality and improve Council's long term financial sustainability.

Council's required rate, service charge and municipal charge revenue for 2011/12 is \$65.687 million based on a 5.9 percent increase over the 2010/11 rate revenue. In total the Council will raise rate revenue of \$65.987 million, which includes \$300,000 generated from supplementary rates.

Waste Management Charge

The Victorian Government last year announced an increase municipal and industrial waste landfill levies. The levy increase came into effect from 1 July 2010 and is an increase in the charge placed on the delivery and disposal of materials to landfill sites. This charge is passed to the community by Councils operating landfill sites through rates. Following the two initial increases on 1 July 2010 and 1 July 2011, levies will be progressively increased over the following four years to 2014/15.

Municipal Charge

The municipal charge for 2011/12 is \$120 which is at the 8 percent. The maximum allowable under Section 159(4) of the Local Government Act is 20 percent of the total revenue from rates and charges may be levied as a municipal charge. The municipal charge ensures all properties pay an equitable contribution towards the unavoidable fixed costs of Council. Revenue from the municipal charge is anticipated to be \$4.91 million in 2011/12.

The outcome of this level of increase is as follows:

- Total revenue from rates, municipal and service charges in 2011/12 is \$65.987 million.
- Increase of the waste management charge by 0.3 percent in 2011/12 to recover costs of Waste Management levy results in a total increase in rates and charges of 5.9 percent.

Cultural and Recreational Lands Act

On the basis of cost to Council, it has been calculated that for the purposes of determining the charges payable under the Cultural and Recreation Lands Act, (notionally 60% of the rate in the dollar) can be attributable to sporting clubs and other CRLA properties. This percentage was determined following the completion of an allocation of actual Council service costs that are applicable to the CRLA properties.

The charge is calculated by multiplying the "In use" valuation by 60% of the rate in the dollar 'In use' valuations were determined following consultation with Council's legal representative, Maddock, and Council contract valuers, Matheson Stephen Valuations. All CRLA properties have utilised the Public Park and Recreation Zone (PPRZ) valuations. PPRZ recognises areas for public recreation and open space. These valuations are used for consistency and fairness by our valuation contractors. The 'in use' valuation is preferred for the following reasons:

- A fairer and more equitable basis for determining valuation according to community benefit.
- Reflects a valuation process that recognises the character of recreational lands role within the community.
- A methodology that enables minimal discrimination between public & residential zoning from a community benefit perspective.

When the "in use" valuation as assessed by Council's contract valuer is multiplied by the current CRLA rate in the dollar the resulting charge will become the "deemed" Cultural and Recreational Lands Rate for 2011/2012.

Recommendation

That the following resolution be adopted by Council to formally declare the Rates and Charges for the 2011/12 Rating Year.

1. Amount Intended To be Raised

That an amount of \$65,687,471 be declared as the amount which Council intends to raise by general rates, municipal charge, annual service charge and an amount in lieu of rates (in accordance with the Cultural and Recreational Lands Act 1963) described later in this Resolution, which amount is calculated as follows:-

General Rates	\$54,564,875
Municipal Charge	\$5,950,422
Annual Service Charge (Waste)	\$4,911,360
Amount in lieu of rates in accordance with Cultural and Recreational Lands Act	<u>\$260,814</u>
TOTAL	<u>\$65,687,471</u>

2. General Rates

- 2.1 That a General Rate of 0.134452 cents for each dollar of Capital Improved Value be declared in respect of the 2011/12 Financial Year.
- 2.2 That in accordance with of the Cultural and Recreational Lands Act 1963, the amounts payable as rates be the amounts set out in the attached "Cultural and Recreational Lands Summary" in respect of the 2011/12 Financial Year for all land to which that Act applies.

3. Municipal Charge

- 3.1 That a Municipal Charge is declared in respect of the 2011/12 Financial Year.
- 3.2 That the Municipal Charge is declared for the purpose of covering some of the administrative costs of Council.
- 3.3 That the Municipal Charge is in the sum of \$120 for each rateable land (or part) in respect of which a municipal charge may be levied.
- 3.4 That it is confirmed that the Municipal Charge is declared in respect of all rateable land within the municipal district in respect of which a Municipal Charge may be levied.

4. Annual Service Charges

- 4.1 That pursuant to the provisions of Section 162 of the Local Government Act 1989 an Annual Service Charge relating to Waste Management, less any rates concession, be declared for each rateable property:
 - 4.1.1 The Annual Service Charge is levied on each rateable property (excluding Domestic Use Bathing Boxes and Telecommunication Towers) in the sum of \$147 for a 140-litre mobile garbage bin and \$113 for a 80-litre mobile garbage bin.
 - 4.1.2 The Annual Service Charge is declared in respect of the 2011/12 Financial Year.
- 4.2 That pursuant to the provisions of Section 221 of the Local Government Act 1989 an Annual Service Charge relating to Waste Management is declared on each non-rateable property where the service is provided:
 - 4.2.1 The Annual Service Charge is levied on each non-rateable property in the sum of \$147 for a 140-litre mobile garbage bin and \$113 for a 80-litre mobile garbage bin.
 - 4.2.2 The Annual Service Charge is declared in respect of the 2011/12 Financial Year.

5. Incentives

An incentive is given at the rate of 2.0 percent in relation to the amount payable for the sum of the General Rate, Municipal Charge and the Annual Service Charges if full payment is received by 31 August 2011.

6. Rate Payments

- 6.1 Rates are payable in four equal instalments due by 30 September 2011, 30 November 2011, 28 February 2012 and 31 May 2012.
- 6.2 Where no instalment has been paid by 30 September 2011, rates are due in a lump sum and payable by 15 February 2012.

7. Consequential

- 7.1 It be recorded that Council requires any person to pay interest on any amounts of rates and charges which:
 - That person is liable to pay; and
 - Have not been paid by the date specified for their payment.
- 7.2 The Revenue Coordinator is authorised to levy and recover the general rates, municipal and annual service charges described earlier in this Resolution in accordance with the Local Government Act 1989.

CULTURAL & RECREATIONAL LANDS SUMMARY 2011/2012

DESCRIPTION	TOTAL CHARGE
Basterfield Tennis Club	\$1,477.07
Beaumaris Bowls Club	\$3,849.60
Beaumaris Community Centre Tennis Club	\$2,228.92
Beaumaris Lawn Tennis Club	\$4,879.77
Beaumaris Motor Yacht Squadron	\$4,086.77
Beaumaris Yacht Club	\$759.09
Black Rock Bowling & Tennis Club	\$4,711.97
Black Rock Yacht Club	\$1,513.37
Brighton Beach Bowling Club	\$2,259.57
Brighton Croquet Club	\$2,803.30
Cheltenham Golf Club	\$1,310.68
Cheltenham Golf Club	\$13,174.36
Dendy Park Bowls Club Inc.	\$4,369.93
Dendy Park Lawn Tennis Club	\$5,351.69
Elsternwick Park Sports Club	\$3,694.71
Elsternwick Tennis Centre	\$2,424.95
Gray Court Reserve P/L	\$1,023.29
Hampton Bowls Club	\$4,537.72
Hampton Sailing Club	\$1,193.10
Hampton Tennis Club	\$1,795.88
Highett Bowls Club	\$1,983.68
Highett Tennis Club	\$936.57
Hurlingham Park Tennis Club	\$2,355.57
Royal Brighton Yacht Club	\$10,133.06
Royal Melbourne Golf Club	\$86,714.04
Royal Melbourne Golf Club	\$24,669.98
Sandringham Angling Club	\$758.29
Sandringham Athletic Club Inc.	\$655.83
Sandringham Bowls Club	\$2,876.71
Sandringham Club	\$5,817.97
Sandringham Croquet Club	\$1,610.17
Sandringham Football Club Beach Oval	\$1,864.29
Sandringham Yacht Club	\$6,377.91
Sandringham Youth Club	\$1,018.05
Scouts Association	\$509.01
Stella Maris Tennis Club	\$2,494.33
Victoria Golf Club	\$44,410.17
Victorian Amateur Football Association	\$1,235.05
West Brighton Club	\$7,359.59